



## Net income tops R\$ 3 billion in 2004

Belo Horizonte, February 25, 2005 - Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY) announced today its fourth quarter 2004 and fiscal year 2004 results. Operational and financial information of the Company presented in this release, except where otherwise indicated, is based on consolidated data in Brazilian reais in accordance with Corporate Law. All comparisons take into consideration the same period in 2003, except when stated to the contrary.

### HIGHLIGHTS

*"The Usiminas System achieved impressive results in this fiscal year, its best ever. Net profit was R\$ 3.02 billion and EBITDA reached R\$ 5.6 billion, confirming the effectiveness of our corporate strategy and consolidating our position in the domestic and international steel industry.*

*The year 2004 was marked by external factors that positively influenced the industry's activities. Global steel production advanced, growing 9% over 2003, and international steel prices reached historic highs over the course of the year.*

*In Brazil, economic recovery and the increase in the demand for steel products brought significant gains for the Usiminas System, which continued its policy of making the domestic market its priority and maintaining its market leadership.*

*Operating at full capacity in a context of operational stability, we set new production and sales records while exercising strong control and reduction of costs. The sum of these conditions resulted in solid operational cash generation and allowed us to reduce the debt of the Usiminas System by US\$ 621 million. At the end of the fiscal year, we find ourselves in a comfortable position, ready to face new challenges.*

*The excellent performance makes us very proud and, at the same time, encourages us to seek even better results. The numbers speak for themselves."*

Rinaldo Campos Soares - CEO

### Performance

Steel product sales reached 2.17 million tonnes in 4Q04 and totaled 8.06 million tonnes in 2004. Growth of 5% in the year was made possible by increasing production at the System's two plants, which operated with stability at full capacity. Consolidated net revenues totaled R\$ 3.8 billion in 4Q04 and reached R\$ 12.2 billion in the year, a 41% increase in relation to 2003. The rise in average international prices followed by a gradual alignment of domestic prices and growth in higher value-added products were the main determinants in revenue growth. Consolidated net income reached R\$ 1.1 billion in 4Q04, a growth of 214% and, at the end of fiscal year, reached the all-time high of R\$ 3.02 billion, an increase of 131% in relation to 2003.

### Outlook

With the present favorable industry conditions persisting, solid operational cash generation achieved in the last quarters should continue. Funds obtained will be directed toward the System's investment program, which is entering a new phase and will proceed to add value to its products. Priorities in the Company also include shareholder remuneration and continued debt reduction. No substantial international price reductions are foreseen in the medium term due to heated demand in the main markets and raw materials cost increases foreseen for 2005.

The Usiminas System's goal for the year is to maintain its steel product sales at the 8-million tonne level, continuing its commitment to giving priority to the domestic market by earmarking 75% of total production to local customers.

### Highlights

R\$ million	4Q 2004	4Q 2003	3Q 2004	% Chg. 4Q/4Q	2004	2003	% Chg.
Total Sales Volume (000 t)	2,170	2,120	2,011	2	8,062	7,710	5
Net Revenues	3,809	2,442	3,285	56	12,230	8,660	41
Gross Profit	1,752	779	1,572	125	5,572	3,067	82
Operating Result (EBIT) a	1,589	650	1,451	145	4,959	2,526	96
Financial Result	(81)	(383)	(96)	-79	(769)	(851)	-10
Net Income	1,127	359	1,005	214	3,019	1,306	131
EBITDA b	1,816	763	1,602	138	5,624	3,072	83
EBITDA (R\$/t)	837	360	796	133	698	398	75
Total Assets	16,981	15,573	16,682	9	16,981	15,573	9
Net Debt	3,495	6,744	4,975	-48	3,495	6,744	-48
Stockholders' Equity	5,949	3,999	5,621	49	5,949	3,999	49

(a) Earnings before interest, tax and participations.

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

### IMMEDIATE RELEASE

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### Market, Production and Sales

Brazilian crude steel production totaled 8.3 million tonnes in 4Q04 and 32.9 million tonnes in 2004, a growth of 5.7% over the previous year. Flat rolled steel had an even better performance, with expansion of 9.4% and a total annual production of 14.4 million tonnes.

Domestic sales of flat rolled products reached 10.5 million tonnes in 2004. The 13.7% growth was considerably above initial projections.

The Brazilian steel market posted a surprising reaction, driven initially by exporting companies and, from the second half of the year onward, by recovery in investment stimulated segments (industrial equipment, construction, shipbuilding industry and large-diameter pipe) and by domestic consumer segments (household appliances and packaging).

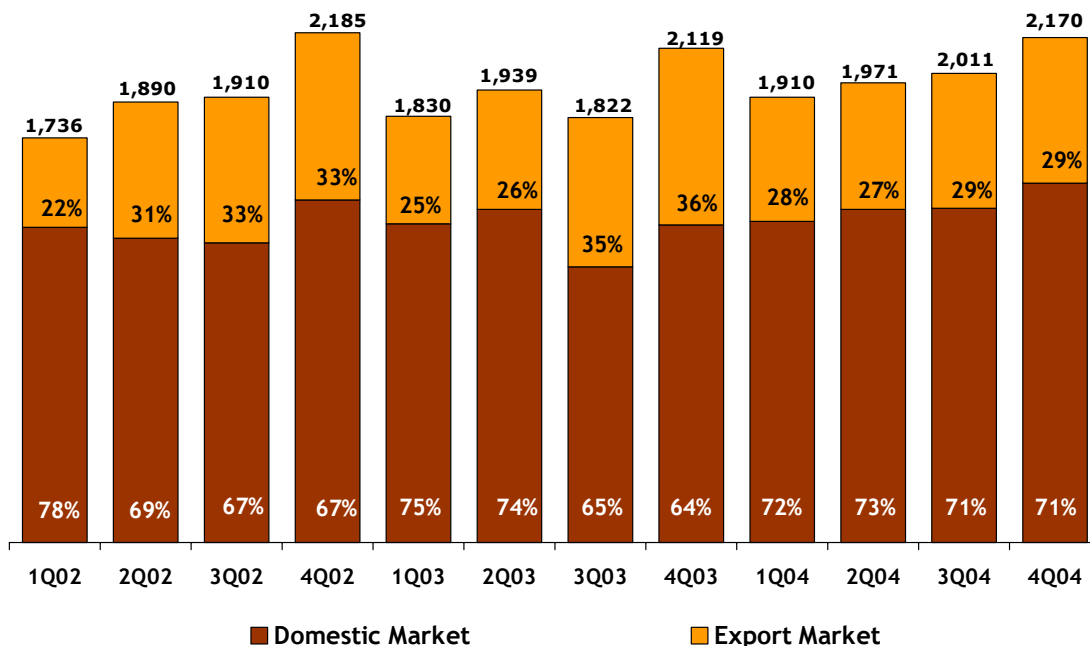
Strong domestic demand proportionately reduced the rate of Brazilian flat steel exports. In spite of this, total exports were 3.7 million tonnes, a growth of 3.6%.

The Usiminas System produced 2.2 million tonnes of crude steel in 4Q04, achieving 8.9 million tonnes of crude steel in 2004, 4% above that of the previous year. With operational stability and working at full capacity, the System's two plants exceeded their goals: the Intendente Câmara plant in Ipatinga accounted for 4.7 million tonnes of crude steel (5% increase) and the José Bonifácio de Andrada e Silva plant in Cubatão produced 4.2 million tonnes of crude steel (3% increase).

### Production (Crude Steel)

Thousand tons	4Q04	4Q03	3Q04	% Chg. 4Q/4Q	% Chg. 4Q/3Q	2004	2003	% Chg.
Usiminas	1,178	1,074	1,211	10	-3	4,738	4,524	5
Cosipa	1,051	1,064	1,067	-1	-1	4,213	4,097	3
Total	2,229	2,138	2,278	4	-2	8,951	8,621	4

### Consolidated Sales (000 t.)



**Greater demand for heavy plates in 2004**

The Usiminas System sold 2.2 million tonnes of flat and processed steel products (including slabs) in 4Q04 and 8.1 million tonnes in the year, an increase of 5% over 2003.

The share of heavy plate sales increased in the product mix, representing 21% of total sales volume, as a consequence of the significant increase in the demand for the product, which also had higher average price increases among the other products offered.



In 4Q04, the System maintained the same sales volume distribution as in the previous quarter, placing 71% of its sales in the domestic market and 29% for export. With this, the domestic/export ratio was 72/28 in 2004.

Following the increase in demand seen in 2004, the Usiminas System sold 5.8 million tonnes in the domestic market, increasing sales volume by 8% over 2003. The greater part of this performance is resultant from above average sales to the automobile industry, agricultural and highway machinery, electronic equipment, re-rolling, large-diameter pipe segments and the shipbuilding industry.

Even with the entry of new players in the domestic market, the Usiminas System maintained its position as the main supplier of flat steel, ending the year with a 55% Brazilian domestic market share.

Usiminas' consolidated export sales were 2.3 million tonnes for the year, a reduction of 4%. This decrease is in line with the Company's strategic planning, which gives priority to local market supply, investing in the stability of its commercial relationships and in the maintenance of long-term business profitability.

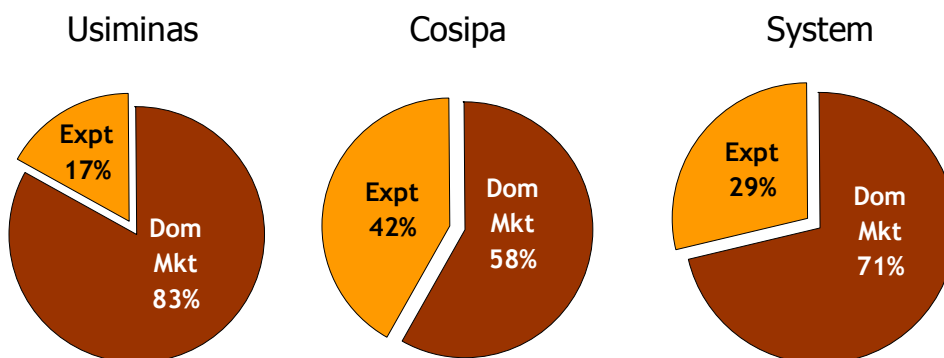
### Sales Volume

Thousand tons	4Q04	%	4Q03	%	3Q04	%	Chg. 4Q/4Q	2004	%	2003	%	Chg.
<b>Usiminas</b>												
Domestic Market	925	83	801	73	831	74	16%	3,453	80	3,183	79	8%
Export Market	185	17	295	27	291	26	-37%	842	20	861	21	-2%
<b>Total</b>	<b>1,110</b>	<b>100</b>	<b>1,096</b>	<b>100</b>	<b>1,122</b>	<b>100</b>	<b>1%</b>	<b>4,295</b>	<b>100</b>	<b>4,044</b>	<b>100</b>	<b>6%</b>
<b>Cosipa</b>												
Domestic Market	617	58	560	55	603	68	10%	2,331	62	2,159	59	8%
Export Market	443	42	464	45	286	32	-5%	1,436	38	1,507	41	-5%
<b>Total</b>	<b>1,060</b>	<b>100</b>	<b>1,024</b>	<b>100</b>	<b>889</b>	<b>100</b>	<b>3%</b>	<b>3,767</b>	<b>100</b>	<b>3,666</b>	<b>100</b>	<b>3%</b>
<b>System</b>												
Domestic Market	1,542	71	1,361	64	1,434	71	13%	5,784	72	5,343	69	8%
Export Market	627	29	759	36	577	29	-17%	2,278	28	2,368	31	-4%
<b>Total</b>	<b>2,170</b>	<b>100</b>	<b>2,120</b>	<b>100</b>	<b>2,011</b>	<b>100</b>	<b>2%</b>	<b>8,062</b>	<b>100</b>	<b>7,710</b>	<b>100</b>	<b>5%</b>

**Exports showed improved geographic distribution**

Exports showed improved geographic distribution in 2004, channeling sales away from China and increasing volumes to the US and Mexico, among other countries. North America and Latin America together share 57% of the Usiminas System's export volume, versus 29% in 2003. On the other hand, sales to Asia went from 59% to 34%.

### Sales Volume Mix - 4Q04





## Net Revenues

Consolidated net revenues grew 56% in 4Q04 and reached R\$ 3.8 billion. In the year, growth was 41%, with the total at R\$ 12.2 billion. Net per tonne revenues grew from R\$ 1,080 in 2003 to R\$ 1,463 in 2004, an increase of 35%.

The positive performance in revenues was a result of international steel price increases, especially benefiting heavy plate and slab exports. In the domestic market, the gap between prices practiced domestically and international prices was reduced as a consequence of strong demand.

## Gross Profit

Gross profit was R\$ 1.8 billion in 4Q04, increasing 125%. In 2004, it accounted for R\$ 5.6 billion, an 82% increase. COGS (cost of goods sold) increased 19% in 2004 due to cost pressures of steel inputs, mainly coal and iron ore, among others.

Gross margin jumped from 35% in 2003 to 46% in 2004, evidencing the positive steel cycle, the Company's capacity to absorb increased raw materials costs and exercise of strict control over operating costs.

## Operating Profit

Earnings before financial expense (EBIT) grew 145% and reached R\$ 1.6 billion in 4Q04. In 2004, EBIT grew 96% and came to R\$ 5.0 billion. Comparing on an annual basis, EBIT margin increased from 29% to 41%, in spite of greater sales expenses, a consequence of the growth in export revenues, as well

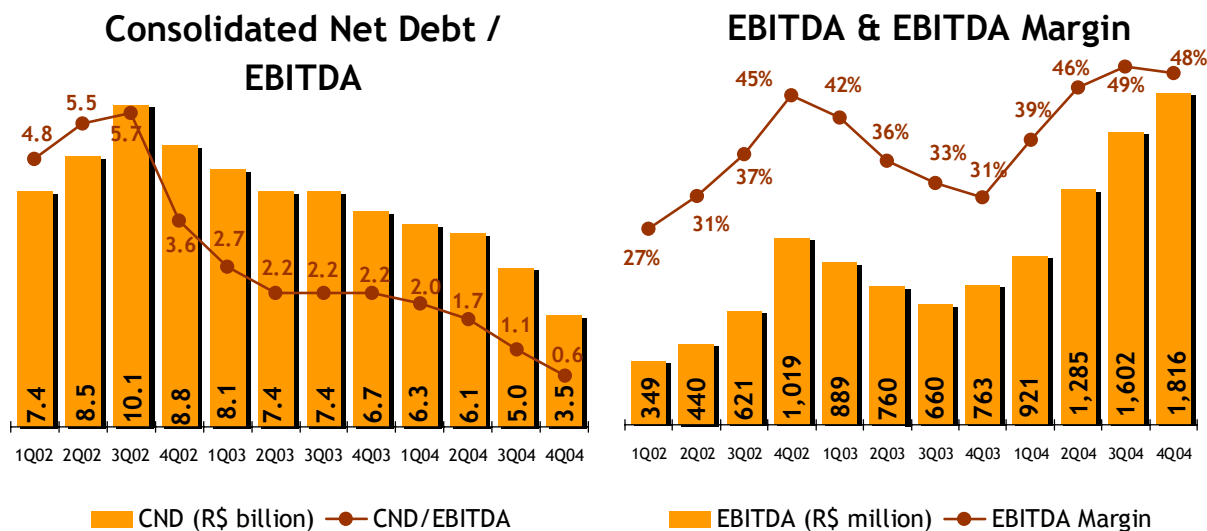
as greater general and administrative expenses.

EBITDA reached R\$ 1.8 billion in 4Q04, an increase of 138%. With this, EBITDA grew 83% in the year and surpassed R\$ 5.6 billion. This strong cash generation reached in the fiscal year synthesized the favorable conditions in the steel industry and operational, commercial and financial efficiency of the Usiminas System.

## Financial Result and Debt

Q-o-Q, net financial expense was significantly reduced, decreasing from R\$ 383 million in the last quarter of 2003 to R\$ 81 million in 4Q04. This was the result of less interest paid out mainly due to debt reduction and monetary and exchange rate effects, which were positive in the period. In the year, net financial expenses were R\$ 769 million, against R\$ 851 million in the 2003 fiscal year.

Consolidated gross debt totaled R\$ 5.4 billion on December 31, 2004. Of this total, 35% came from export-import financing; 22% from BNDES; 19% from capital markets operations; and the remainder, from sundry operations. Total consolidated debt was reduced by R\$ 1.8 billion over the course of 2004.



**Net debt/EBITDA falls to 0.6x**

The debt profile was adjusted and the maturities schedule was extended. Long-term financial commitments came to represent 74% of loans and financing, against 63% in the previous year. The consolidated debt is compatible with the System's cash generation capacity. The solid financial situation is reflected in the consolidated net debt/EBITDA ratio, which went from 2.2X at the end of 2003 to 0.6X in December 2004.



## Net Income

Consolidated net income reached R\$ 1.1 billion in 4Q04, growing by 214%. In fiscal year 2004, consolidated net income at Usiminas reached the mark of R\$ 3.02 billion, with expansion of 131% compared to 2003.

In addition to the present conditions in the steel industry, the net income achieved by Usiminas constitutes a well-deserved prize for its long-term vision, for its fidelity and focus on the domestic market, for its financial management and for the recognized stability of its operations under varying scenarios.

## Capital Markets

In November 2004, Usiminas filed a request for Public Offering with the Brazilian Securities & Exchange Commission (CVM) to acquire all shares issued by Cosipa to de-list it as a publicly-traded company. The Notice of the operation was published on February 15, setting the date of the auction for acquisition of outstanding shares on March 18. With the operation, Usiminas will

advance in the process of integrating the System, optimizing synergies among the companies.

In a meeting held on February 24, 2005, the Board of Directors of Usiminas approved complementary dividends to its shareholders, in addition to interest on equity (previously approved) related to fiscal year 2004, of R\$ 2.93208 per ordinary share and R\$ 3.22529 per preferred share.

Totalling the distribution of interest on equity and complementary dividends related to fiscal year 2004, Usiminas distributed R\$ 1.1 billion to its shareholders, resulting in a payout ratio of 35% over net income of the parent company in the year and a dividend yield of 9.5% for its preferred shares, considering share price quote at year end 2004.

At the same meeting, the Board authorized the initiation of proceedings for the future listing of Usiminas on the Latibex (The International Stock Exchange for Latin American Securities) in Madrid, to increase exposure to European investors.

## Investments

Consolidated investments totaled R\$ 333 million in 2004 and respected Management's established timetable. At the Intendente Câmara plant, investments basically were focused on preventative maintenance, and expenditures came to R\$ 161 million in the year. In the José Bonifácio de Andrada e Silva plant, investments also were concentrated on equipment maintenance and small revamping in the amount of R\$ 152 million.

The Usiminas System is preparing for a new phase of investments. In 2005 and 2006, investments of approximately US\$ 230 million and US\$ 350 million, respectively, are foreseen, including expenditures with maintenance and technology updating. At the Intendente Câmara plant, a new coke oven battery will be built, making the System self-sufficient in coke production. Additionally, investments for greater in-house energy generation will be made (a new 60MW thermoelectric power plant at Usiminas and a 12 MW top-blowing turbine at Cosipa). The end result will be expansion of in-house generation capacity from the present 16% to 33% of the Usiminas System. In addition, the revamping of one of the continuous casting machines at Cosipa will enable it to upgrade its products, as well as marginally increase its steel production capacity.

## Outlook

The Usiminas System believes in the continuity of economic growth in the country during 2005 and is working with an expectation of GDP (Gross Domestic Product) growth of approximately 3.5%. For the Brazilian flat steel market, the Brazilian Steel Institute (IBS) preliminary forecast is around 9% growth, driven by expectations of demand in infrastructure-related sectors.

No substantial international price reductions are foreseen in the medium term due to the heated demand in the main markets and raw materials cost increases foreseen for 2005.

Based on this likely scenario, the solid operational cash generation achieved in the last quarters should be maintained. Resulting funds, in accordance with the Company's strategic planning, will be directed toward the System's investment program, shareholder remuneration and debt reduction.

The Usiminas System has the annual goal of maintaining product sales at the 8-million-tonne level and will continue to give priority to the domestic market by earmarking 75% of total production to local customers.

**Conference Call: Monday, February 28th****Local, at 10:00 AM (Brasília).**

Phone numbers for connection:

Brazil: (11) 4613-0500

Abroad: (55 11) 4613-4520

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

Phone numbers for connection:

USA: (1 800) 860-2442

Brazil: (11) 4613-0502

Other countries: (1 412) 858-4600

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

The conference call audio and slide presentation will be transmitted live on the internet at website:  
**[www.usiminas.com.br](http://www.usiminas.com.br)**

*Declarations contained in this release relative to the business outlook of the Company, forecasts of operational and financial results and references to growth potential constitute mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market behavior, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.*

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Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS is an integrated steel producer, with net sales of R\$ 12.2 billion in 2004. The Usiminas System is made up mainly of Usiminas and Cosipa and has an annual capacity of 9.5 million tones of raw steel and occupies a position of leadership in the domestic flat steel market in the automobile industry, autoparts, agricultural and highway machinery sectors, electrical and electronic equipment segments and large-diameter pipe industry.

## Attachment 1 - Financial Statements

### Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	4Q 2004	4Q 2003	3Q 2004	% Chg. 4Q/4Q
<b>Net Revenues</b>	<b>2,028,584</b>	<b>1,285,084</b>	<b>1,846,190</b>	<b>58</b>
Domestic Market	1,684,435	980,587	1,332,055	72
Export Market	344,149	304,497	514,135	13
COGS	(1,066,700)	(852,233)	(976,090)	25
<b>Gross Profit</b>	<b>961,884</b>	<b>432,851</b>	<b>870,100</b>	<b>122</b>
<i>Gross Margin %</i>	<b>47%</b>	<b>34%</b>	<b>47%</b>	<b>+ 13 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(97,827)</b>	<b>(115,046)</b>	<b>(63,610)</b>	<b>-15</b>
Sales	(24,988)	(24,643)	(23,303)	1
General and Administrative	(33,623)	(33,738)	(34,642)	0
Other Revenues (Expenses)	(39,216)	(56,665)	(5,665)	-31
<b>EBIT</b>	<b>864,057</b>	<b>317,805</b>	<b>806,490</b>	<b>172</b>
<i>EBIT Margin %</i>	<b>43%</b>	<b>25%</b>	<b>44%</b>	<b>+ 18 p.p.</b>
<b>Financial Result</b>	<b>(65,107)</b>	<b>(108,337)</b>	<b>(59,863)</b>	
Financial Income	(3,903)	14,055	(17,423)	
Financial Expenses	(61,204)	(122,392)	(42,440)	
Equity in the Earnings of Subsidiaries	<b>676,979</b>	<b>155,109</b>	<b>429,585</b>	
<b>Operating Income</b>	<b>1,475,929</b>	<b>364,577</b>	<b>1,176,212</b>	
Non-Operating Income	4,391	(27,722)	(10,314)	
<b>Profit Before Taxes and Profit-sharing</b>	<b>1,480,320</b>	<b>336,855</b>	<b>1,165,898</b>	
Income Tax / Social Contribution	(333,185)	21,350	(160,149)	
<b>Income before Profit-sharing</b>	<b>1,147,135</b>	<b>358,205</b>	<b>1,005,749</b>	
<b>Net Income</b>	<b>1,147,135</b>	<b>358,205</b>	<b>1,005,749</b>	<b>220</b>
Net Income per share	5.22904	1.63282	4.58456	
<b>EBITDA</b>	<b>994,304</b>	<b>446,049</b>	<b>892,570</b>	<b>123</b>
<i>EBITDA Margin %</i>	<b>49.0%</b>	<b>34.7%</b>	<b>48.3%</b>	<b>+14.3 p.p.</b>
Depreciation	64,198	65,839	63,723	-2
Provisions	66,049	62,405	22,357	6

## Attachment 2 - Financial Statements

### Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	2004	2003	% Chg.
<b>Net Revenues</b>	<b>6,683,127</b>	<b>4,808,759</b>	<b>39</b>
Domestic Market	5,323,142	3,878,889	37
Export Market	1,359,985	929,870	46
COGS	(3,585,897)	(3,012,755)	19
<b>Gross Profit</b>	<b>3,097,230</b>	<b>1,796,004</b>	<b>72</b>
<i>Gross Margin %</i>	<b>46%</b>	<b>37%</b>	<b>+ 9 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(304,670)</b>	<b>(318,792)</b>	<b>-4</b>
Sales	(97,650)	(69,201)	41
General and Administrative	(118,865)	(99,312)	20
Other Revenues (Expenses)	(88,155)	(150,279)	-41
<b>EBIT</b>	<b>2,792,560</b>	<b>1,477,212</b>	<b>89</b>
<i>EBIT Margin %</i>	<b>42%</b>	<b>31%</b>	<b>+ 11 p.p.</b>
<b>Financial Result</b>	<b>(298,973)</b>	<b>(360,748)</b>	
Financial Income	58,605	(34,869)	
Financial Expenses	(357,578)	(325,879)	
Equity in the Earnings of Subsidiaries	1,383,822	461,240	
<b>Operating Income</b>	<b>3,877,409</b>	<b>1,577,704</b>	
Non-Operating Income	(12,628)	(23,951)	
<b>Profit Before Taxes and Profit-sharing</b>	<b>3,864,781</b>	<b>1,553,753</b>	
Income Tax / Social Contribution	(811,057)	(241,066)	
<b>Income before Profit-sharing</b>	<b>3,053,724</b>	<b>1,312,687</b>	
<b>Net Income</b>	<b>3,053,724</b>	<b>1,312,687</b>	<b>133</b>
Net Income per share	<b>13.91994</b>	<b>5.98369</b>	
<b>EBITDA</b>	<b>3,138,322</b>	<b>1,818,879</b>	<b>73</b>
<i>EBITDA Margin %</i>	<b>47.0%</b>	<b>37.8%</b>	<b>+9.2 p.p.</b>
Depreciation	252,764	246,459	3
Provisions	92,998	95,208	-2



## Attachment 3 - Financial Statements

### Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	4Q 2004	4Q 2003	3Q 2004	% Chg. 4Q/4Q
<b>Net Revenues</b>	<b>3,808,981</b>	<b>2,442,111</b>	<b>3,284,712</b>	<b>56</b>
Domestic Market	2,747,365	1,745,488	2,245,545	57
Export Market	1,061,616	696,623	1,039,167	52
COGS	(2,056,945)	(1,663,415)	(1,712,510)	24
<b>Gross Profit</b>	<b>1,752,036</b>	<b>778,696</b>	<b>1,572,202</b>	<b>125</b>
<i>Gross Margin %</i>	<b>46%</b>	<b>32%</b>	<b>48%</b>	<b>+14 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(163,015)</b>	<b>(129,172)</b>	<b>(121,608)</b>	<b>26</b>
Sales	(67,337)	(61,174)	(55,975)	10
General and Administrative	(66,114)	(68,414)	(65,895)	-3
Other Revenues (Expenses)	(29,564)	416	262	-7207
<b>EBIT</b>	<b>1,589,021</b>	<b>649,524</b>	<b>1,450,594</b>	<b>145</b>
<i>EBIT Margin %</i>	<b>42%</b>	<b>27%</b>	<b>44%</b>	<b>+ 15 p.p.</b>
<b>Financial Result</b>	<b>(81,091)</b>	<b>(382,584)</b>	<b>(95,788)</b>	
Financial Income	18,526	41,961	(52,839)	
Financial Expenses	(99,617)	(424,545)	(42,949)	
Equity in the Earnings of Subsidiaries	236,985	112,754	69,071	
<b>Operating Income</b>	<b>1,744,915</b>	<b>379,694</b>	<b>1,423,877</b>	
Non-Operating Income	(85,443)	(29,592)	(14,167)	
<b>Profit Before Taxes and Profit-sharing</b>	<b>1,659,472</b>	<b>350,102</b>	<b>1,409,710</b>	
Income Tax / Social Contribution	(494,283)	9,815	(371,102)	
<b>Income before Profit-sharing</b>	<b>1,165,189</b>	<b>359,917</b>	<b>1,038,608</b>	
Minority Interests	(37,948)	(1,156)	(33,685)	
<b>Net Income</b>	<b>1,127,241</b>	<b>358,761</b>	<b>1,004,923</b>	<b>214</b>
Net Income per share	<b>5.13836</b>	<b>1.63536</b>	<b>4.58079</b>	
<b>EBITDA</b>	<b>1,816,063</b>	<b>763,219</b>	<b>1,601,561</b>	<b>138</b>
<i>EBITDA Margin %</i>	<b>47.7%</b>	<b>31.3%</b>	<b>48.8%</b>	<b>+16.4 p.p.</b>
Depreciation	133,215	137,928	138,195	-3
Provisions	111,988	(24,233)	12,772	-562

## Attachment 4 - Financial Statements

### Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	2004	2003	% Chg.
<b>Net Revenues</b>	<b>12,229,873</b>	<b>8,659,909</b>	<b>41</b>
Domestic Market	8,663,428	6,399,645	35
Export Market	3,566,445	2,260,264	58
COGS	(6,657,821)	(5,592,873)	19
<b>Gross Profit</b>	<b>5,572,052</b>	<b>3,067,036</b>	<b>82</b>
<i>Gross Margin %</i>	<b>46%</b>	<b>35%</b>	<b>+ 11 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(613,287)</b>	<b>(541,508)</b>	<b>13</b>
Sales	(241,393)	(180,262)	34
General and Administrative	(245,668)	(225,643)	9
Other Revenues (Expenses)	(126,226)	(135,603)	-7
<b>EBIT</b>	<b>4,958,765</b>	<b>2,525,528</b>	<b>96</b>
<i>EBIT Margin %</i>	<b>41%</b>	<b>29%</b>	<b>+12 p.p.</b>
<b>Financial Result</b>	<b>(768,868)</b>	<b>(851,445)</b>	
Financial Income	131,182	(14,762)	
Financial Expenses	(900,050)	(836,683)	
Equity in the Earnings of Subsidiaries	327,065	115,711	
<b>Operating Income</b>	<b>4,516,962</b>	<b>1,789,794</b>	
Non-Operating Income	(111,719)	(33,812)	
<b>Profit Before Taxes and Profit-sharing</b>	<b>4,405,243</b>	<b>1,755,982</b>	
Income Tax / Social Contribution	(1,294,656)	(422,414)	
<b>Income before Profit-sharing</b>	<b>3,110,587</b>	<b>1,333,568</b>	
Minority Interests	(91,721)	(27,396)	
<b>Net Income</b>	<b>3,018,866</b>	<b>1,306,172</b>	<b>131</b>
Net Income per share	13.76105	6.07252	
<b>EBITDA</b>	<b>5,623,894</b>	<b>3,072,426</b>	<b>83</b>
<i>EBITDA Margin %</i>	<b>46.0%</b>	<b>35.5%</b>	<b>+10.5 p.p.</b>
Depreciation	543,331	502,746	8
Provisions	121,798	44,152	176

## Attachment 5 - Financial Statements

### Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company			
	4Q 2004	4Q 2003	2004	2003
<b>Operating Activities</b>				
Net Income (Loss) in the Period	1,147,135	358,205	3,053,724	1,312,687
Financial Expenses and Monetary Var/Net Exchange Var	56,084	112,969	312,169	285,960
Depreciation, Exhaustion and Amortization	64,198	60,548	252,764	241,167
Investment Write-offs (Decrease in Permanent Assets)	157	(7,736)	22,734	57
Equity in the Results of Subsidiaries/Associated Companies	(676,979)	(155,109)	(1,383,822)	(461,240)
Dividend Income from Subsidiaries	0	3,972	0	3,972
Income Tax and Social Contribution	333,185	(21,350)	811,057	241,066
Provisions	(17,599)	52,922	18,112	77,743
Adjustment for Minority Participation	0	0	0	0
<b>Total</b>	<b>906,181</b>	<b>404,421</b>	<b>3,086,738</b>	<b>1,701,412</b>
<b>Increase/Decrease of Assets</b>				
Increase (Decrease) in Accounts Receivables	(42,859)	(97,560)	(34,628)	(93,316)
Increase (Decrease) in Inventories	(1,271)	91,979	(248,848)	(20,852)
Increase (Decrease) in Recovery of Taxes	14,895	(79,547)	97,616	(81,269)
Increase (Decrease) from Deferred Income Tax & Social Contr'n	79,167	(249,459)	228,042	(138,857)
Increase (Decrease) in Judicial Deposits	(985)	(1,296)	(29,190)	(467)
Others	232,291	53,039	140,434	(42,668)
<b>Total</b>	<b>281,238</b>	<b>(282,844)</b>	<b>153,426</b>	<b>(377,429)</b>
<b>Increase (Decrease) of Liabilities</b>				
Increase (Decrease) in Suppliers	(39,360)	(24,260)	(41,228)	19,469
Amounts Owed to Affiliated Companies	(56,362)	90,497	(41,814)	(29,788)
Customers Advances	3,729	20,825	4,744	(18,688)
Tax Payable	53,413	23,359	84,753	11,136
Income Tax and Social Contribution	(103,178)	61,728	(327,528)	(110,702)
Others	(51,337)	124,198	(106,803)	142,649
<b>Total</b>	<b>(193,095)</b>	<b>296,347</b>	<b>(427,876)</b>	<b>14,076</b>
<b>Cashflow Generated from Operating Activities</b>	<b>994,324</b>	<b>417,924</b>	<b>2,812,288</b>	<b>1,338,059</b>
<b>Financial Activities</b>				
Inflow of Loans and Financing	139	291,396	20,619	1,193,614
Payment of Loans, Financing and Debentures	(33,386)	(384,650)	(971,627)	(2,010,387)
Interest Paid on Loans, Financing and Debentures	(20,766)	(27,312)	(155,786)	(239,116)
Swap Operation Redemptions	(235)	(5,684)	(22,330)	19,124
Dividends/Interest on Equity Paid	9,897	(10,805)	(564,500)	(93,969)
<b>Cash Flow from Financial Activities</b>	<b>(44,351)</b>	<b>(137,055)</b>	<b>(1,693,624)</b>	<b>(1,130,734)</b>
<b>Investment Activities</b>				
(Additions) in Long-term Investments	(348)	(732)	(348)	(1,489)
(Additions) to Permanent Assets, except Deferred Charges	(55,352)	(73,406)	(161,167)	(240,369)
Write-off of Permanent Assets	0	39,501	0	39,501
<b>Cash Flow from Investments</b>	<b>(55,700)</b>	<b>(34,637)</b>	<b>(161,515)</b>	<b>(202,357)</b>
<b>Exchange Variation of Cash and Cash Equivalents</b>	<b>542</b>	<b>786</b>	<b>(1,743)</b>	<b>(23,927)</b>
<b>Cash Balance Change</b>	<b>894,815</b>	<b>247,018</b>	<b>955,406</b>	<b>(18,959)</b>
At the Beginning of the Period	503,324	195,715	442,733	461,692
At the End of the Period	1,398,139	442,733	1,398,139	442,733

## Attachment 6 - Financial Statements

### Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Consolidated			
	4Q 2004	4Q 2003	2004	2003
<b>Operating Activities</b>				
Net Income (Loss) in the Period	1,127,241	358,761	3,018,866	1,306,172
Financial Expenses and Monetary Var/Net Exchge Var	45,580	180,083	720,840	520,748
Depreciation, Exhaustion and Amortization	133,214	130,032	543,331	502,746
Investment Write-offs (Decrease in Permanent Assets)	84,921	(7,974)	107,786	(411)
Equity in the Results of Subsidiaries/Associated Companies	(236,985)	(126,450)	(327,065)	(115,711)
Dividend Income from Subsidiaries	378	3,972	1,338	3,972
Income Tax and Social Contribution	494,283	(9,815)	1,294,656	422,414
Provisions	(57,329)	135,805	38,306	196,124
Adjustment for Minority Participation	37,948	14,520	91,721	27,396
<b>Total</b>	<b>1,629,251</b>	<b>678,934</b>	<b>5,489,779</b>	<b>2,863,450</b>
<b>Increase/Decrease of Assets</b>				
Increase (Decrease) in Accounts Receivables	(84,193)	(261,651)	(366,937)	(68,619)
Increase (Decrease) in Inventories	23,219	137,463	(538,611)	(191,464)
Increase (Decrease) in Recovery of Taxes	141,429	(54,459)	82,183	(149,266)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	122,395	(279,950)	332,202	(138,857)
Increase (Decrease) in Judicial Deposits	515	(7,639)	(35,349)	(40,692)
Others	(38,421)	103,841	(4,669)	63,744
<b>Total</b>	<b>164,944</b>	<b>(362,395)</b>	<b>(531,181)</b>	<b>(525,154)</b>
<b>Increase (Decrease) of Liabilities</b>				
Increase (Decrease) in Suppliers	(99,557)	(183,250)	26,561	(7,396)
Amounts Owed to Affiliated Companies	(77,573)	125,593	3,980	9,674
Customers Advances	(103,892)	70,241	38,088	37,046
Tax Payable	98,446	29,575	132,849	15,186
Income Tax and Social Contribution	(267,160)	64,884	(527,122)	(182,251)
Others	(2,928)	274,081	(92,463)	247,441
<b>Total</b>	<b>(452,664)</b>	<b>381,124</b>	<b>(418,107)</b>	<b>119,700</b>
<b>Cashflow Generated from Operating Activities</b>	<b>1,341,531</b>	<b>697,663</b>	<b>4,540,491</b>	<b>2,457,996</b>
<b>Financial Activities</b>				
Inflow of Loans and Financing	147,797	572,073	1,655,060	4,291,963
Payment of Loans, Financing and Debentures	(619,379)	(639,665)	(3,471,627)	(5,267,568)
Interest Paid on Loans, Financing and Debentures	(89,078)	(135,451)	(581,947)	(629,115)
Swap Operation Redemptions	(20,308)	(86,118)	(92,453)	(144,518)
Dividends/Interest on Equity Paid	10,647	(11,976)	(564,500)	(97,940)
<b>Cash Flow from Financial Activities</b>	<b>(570,321)</b>	<b>(301,137)</b>	<b>(3,055,467)</b>	<b>(1,847,178)</b>
<b>Investment Activities</b>				
(Additions) in Long-term Investments	(822)	(2,981)	(2,628)	(4,792)
(Additions) to Permanent Assets, except Deferred Charges	(105,589)	(132,203)	(333,276)	(447,926)
Write-off of Permanent Assets	(53,495)	46,688	(51,516)	46,688
<b>Cash Flow from Investments</b>	<b>(159,906)</b>	<b>(88,496)</b>	<b>(387,420)</b>	<b>(406,030)</b>
<b>Exchange Variation of Cash and Cash Equivalents</b>	<b>(33,533)</b>	<b>(2,717)</b>	<b>(38,437)</b>	<b>(93,536)</b>
<b>Cash Balance Change</b>	<b>577,771</b>	<b>305,313</b>	<b>1,059,167</b>	<b>111,252</b>
At the Beginning of the Period	1,324,403	537,694	843,007	731,755
At the End of the Period	1,902,174	843,007	1,902,174	843,007

## Attachment 7 - Financial Statements

### Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	31-dec-04	31-dec-03	31-dec-04	31-dec-03
<b>Current Assets</b>	<b>3,746,938</b>	<b>2,309,116</b>	<b>6,343,217</b>	<b>4,247,631</b>
Cash and Cash Equivalents	1,398,139	442,733	1,902,174	843,007
Trade Accounts Receivable	890,382	855,754	1,810,734	1,443,797
Taxes Recoverable	20,583	118,199	162,276	244,459
Inventories	931,440	682,592	1,980,457	1,441,846
Deferred Income Tax & Social Contrb'n	294,607	138,857	294,607	138,857
Other Receivables	211,787	70,981	192,969	135,665
<b>Long-Term Receivable</b>	<b>913,668</b>	<b>1,425,614</b>	<b>1,349,007</b>	<b>1,820,804</b>
Deferred Income Tax	550,858	934,650	885,816	1,373,768
Related Company Credits	138,206	297,560	80,787	77,501
Judicial Deposits	159,480	130,290	265,855	230,506
Others	65,124	63,114	116,549	139,029
<b>Permanent Assets</b>	<b>6,610,516</b>	<b>5,606,873</b>	<b>9,289,250</b>	<b>9,504,377</b>
Investments	3,108,864	1,990,933	344,300	179,522
Property, Plant and Equipment	3,501,652	3,615,940	8,895,881	9,274,440
Deferred	-	-	49,069	50,415
<b>Total Assets</b>	<b>11,271,122</b>	<b>9,341,603</b>	<b>16,981,474</b>	<b>15,572,812</b>

## Attachment 8 - Financial Statements

### Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	31-dec-04	31-dec-03	31-dec-04	31-dec-03
<b>Current Liabilities</b>	<b>2,239,083</b>	<b>1,846,094</b>	<b>3,916,815</b>	<b>4,205,279</b>
Loans and Financing, Deb. and Taxes Payable in Installments	616,470	972,226	1,378,417	2,794,185
Suppliers, Subcontractors and Freight	98,979	140,207	347,240	316,763
Taxes, Charges and Payroll Taxes	461,480	77,867	738,550	238,067
Financial Instruments	27,167	27,647	129,112	90,868
Related Companies Debts	46,898	181,777	47,318	47,061
FEMCO Accounts Payable	-	-	11,166	8,891
Dividends Payable	794,803	306,372	807,026	306,415
Others	193,286	139,998	457,986	403,029
<b>Long-Term Liabilities</b>	<b>3,022,060</b>	<b>3,470,451</b>	<b>6,921,004</b>	<b>7,253,708</b>
Loans and Financing, Deb. and Taxes Payable in Installments	1,113,224	1,688,438	3,669,798	4,430,420
Amounts Owed to Affiliated Companies	94,409	20,655	16,918	20,655
Contingencies	589,769	502,685	1,019,548	914,315
Actuarial Liability	962,431	967,802	1,037,093	1,024,539
Financial Instruments	155,581	54,597	556,827	284,000
FEMCO Accounts Payable	-	-	337,357	353,067
Others	106,646	236,274	283,463	226,712
<b>Minority Interests</b>	<b>-</b>	<b>-</b>	<b>194,171</b>	<b>114,404</b>
<b>Shareholders' Equity</b>	<b>6,009,979</b>	<b>4,025,058</b>	<b>5,949,484</b>	<b>3,999,421</b>
Capital	1,280,839	1,280,839	1,280,839	1,280,839
Reserves	1,675,416	1,431,532	1,649,779	1,412,410
Income for the Year	3,053,724	1,312,687	3,018,866	1,306,172
<b>Total Liabilities and Shareholders' Equity</b>	<b>11,271,122</b>	<b>9,341,603</b>	<b>16,981,474</b>	<b>15,572,812</b>

## Attachment 9 - Quarterly Sales Breakdown

### Sales Volume Breakdown - Consolidated

Thousand tons	4Q 2004		4Q 2003		3Q 2004		Chg. 4Q/4Q
<b>TOTAL SALES</b>	<b>2,170</b>	<b>100%</b>	<b>2,120</b>	<b>100%</b>	<b>2,011</b>	<b>100%</b>	<b>2%</b>
Heavy Plates	447	21%	438	21%	414	21%	2%
Hot Coils/Sheets	553	25%	523	25%	503	26%	6%
Cold Coils/Sheets	553	25%	523	25%	471	23%	6%
Electrogalvanized Coils	61	3%	66	3%	63	3%	-6%
Hot Dip Galvanized Coils	95	4%	100	5%	109	5%	-6%
Processed Products	102	5%	92	4%	110	5%	10%
Slabs	359	17%	378	17%	342	17%	-5%
<b>TOTAL SALES - DOMESTIC MARKET</b>	<b>1,542</b>	<b>71%</b>	<b>1,361</b>	<b>64%</b>	<b>1,434</b>	<b>71%</b>	<b>13%</b>
Heavy Plates	347	16%	317	15%	319	16%	9%
Hot Coils/Sheets	523	23%	459	21%	477	24%	14%
Cold Coils/Sheets	434	20%	357	17%	381	19%	21%
Electrogalvanized Coils	60	3%	47	2%	58	3%	30%
Hot Dip Galvanized Coils	78	4%	79	4%	70	3%	-1%
Processed Products	64	3%	63	3%	64	3%	2%
Slabs	36	2%	40	2%	66	3%	-8%
<b>TOTAL SALES - EXPORTS</b>	<b>627</b>	<b>29%</b>	<b>759</b>	<b>36%</b>	<b>577</b>	<b>29%</b>	<b>-17%</b>
Heavy Plates	100	5%	121	6%	96	5%	-17%
Hot Coils/Sheets	30	1%	64	3%	26	1%	-52%
Cold Coils/Sheets	119	5%	166	8%	90	4%	-28%
Electrogalvanized Coils	1	0%	19	1%	5	0%	-94%
Hot Dip Galvanized Coils	17	1%	21	1%	39	2%	-22%
Processed Products	38	2%	29	1%	45	2%	29%
Slabs	323	15%	339	16%	276	15%	-5%

### Sectorial Sales - Consolidated

Thousand Tons	4Q 2004		4Q 2003		3Q 2004		Chg. 4Q/4Q
<b>Domestic Market</b>	<b>1,542</b>	<b>100%</b>	<b>1,361</b>	<b>100%</b>	<b>1,434</b>	<b>100%</b>	<b>13%</b>
Auto	174	11%	132	10%	155	11%	32%
Autoparts	197	13%	154	11%	189	13%	28%
Shipbuilding	22	1%	13	1%	14	1%	69%
Line Pipes	108	7%	79	6%	79	6%	37%
Small Diameter Pipes	102	7%	120	9%	104	7%	-15%
Packaging	33	2%	21	2%	30	2%	57%
Household Appliances	37	2%	32	2%	30	2%	16%
Civil Construction	117	8%	112	8%	98	7%	4%
Electrical Equipment	62	4%	54	4%	60	4%	15%
Distributors	429	28%	390	28%	397	28%	10%
Industrial Equipment	39	3%	38	3%	35	2%	3%
Others	222	14%	216	16%	243	17%	3%

## Attachment 10 - Accumulated Sales Breakdown

### Sales Volume Breakdown - Consolidated

Thousand tons	2004		2003		Chg.
<b>TOTAL SALES</b>	<b>8,062</b>	<b>100%</b>	<b>7,710</b>	<b>100%</b>	<b>5%</b>
Heavy Plates	1,712	21%	1,568	20%	9%
Hot Coils/Sheets	2,124	26%	2,070	27%	3%
Cold Coils/Sheets	1,999	25%	1,913	25%	5%
Electrogalvanized Coils	252	3%	218	3%	16%
Hot Dip Galvanized Coils	381	5%	371	5%	3%
Processed Products	419	5%	416	5%	1%
Slabs	1,174	15%	1,155	15%	2%
<b>TOTAL SALES - DOMESTIC MARKET</b>	<b>5,784</b>	<b>72%</b>	<b>5,343</b>	<b>69%</b>	<b>8%</b>
Heavy Plates	1,252	16%	1,164	15%	8%
Hot Coils/Sheets	1,984	24%	1,864	23%	6%
Cold Coils/Sheets	1,568	19%	1,431	19%	10%
Electrogalvanized Coils	221	3%	172	2%	28%
Hot Dip Galvanized Coils	290	4%	315	4%	-8%
Processed Products	257	3%	279	4%	-8%
Slabs	213	3%	118	2%	81%
<b>TOTAL SALES - EXPORTS</b>	<b>2,278</b>	<b>28%</b>	<b>2,368</b>	<b>31%</b>	<b>-4%</b>
Heavy Plates	461	6%	405	5%	14%
Hot Coils/Sheets	140	2%	206	3%	-32%
Cold Coils/Sheets	431	5%	481	6%	-11%
Electrogalvanized Coils	31	0%	46	1%	-31%
Hot Dip Galvanized Coils	91	1%	57	1%	60%
Processed Products	162	2%	136	2%	19%
Slabs	962	12%	1,037	13%	-7%

### Sectorial Sales - Consolidated

Thousand Tons	2004		2003		Chg.
<b>Domestic Market</b>	<b>5,784</b>	<b>100%</b>	<b>5,343</b>	<b>100%</b>	<b>8%</b>
Auto	624	11%	490	9%	27%
Autoparts	739	13%	629	12%	17%
Shipbuilding	84	1%	31	1%	171%
Line Pipes	337	6%	305	6%	10%
Small Diameter Pipes	444	8%	504	9%	-12%
Packaging	113	2%	61	1%	85%
Household Appliances	124	2%	191	4%	-35%
Civil Construction	418	7%	476	9%	-12%
Electrical Equipment	233	4%	177	3%	32%
Distributors	1,578	27%	1,572	30%	0%
Industrial Equipment	164	3%	105	2%	56%
Others	926	16%	802	14%	15%



## Attachment 11 - Market Share

### Market Share - Usiminas System (\*)

(% volume)

	2004(**)	2003(**)	2002(**)	2001(*)
<b>DOMESTIC MARKET</b>	<b>55%</b>	<b>60%</b>	<b>62%</b>	<b>59%</b>
Auto	55%	62%	62%	66%
Autoparts	62%	67%	73%	69%
Shipbuilding	100%	100%	100%	100%
Electrical Equipment	63%	58%	54%	64%
Household Appliances	36%	44%	44%	47%
Large Diameter Pipes	98%	95%	100%	100%
Small Diameter Pipes	60%	68%	80%	77%
Packaging	15%	16%	14%	12%
Construction	48%	58%	54%	45%
Distributors	51%	59%	62%	66%

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

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

Source: Information System IBS

## Attachment 12 - Financial Indebtedness

### Loans and Financing by Index - Consolidated

R\$ million	12/31/04 Short Term	12/31/04 Long Term	12/31/04 Total	09/30/04 Total	12/31/03 Total	Chg. 4Q04/3Q04
<b>TOTAL DEBT</b>						
Foreign Currency (*)	972	2,874	3,846	4,460	5,401	-14%
IGP-M	115	216	331	320	393	4%
TJLP	224	360	584	641	747	-9%
Others	47	57	105	100	295	5%
<b>Sub-Total</b>	<b>1,358</b>	<b>3,508</b>	<b>4,866</b>	<b>5,521</b>	<b>6,835</b>	<b>-12%</b>
Debentures	0	0	0	243	257	-100%
<b>Sub-Total</b>	<b>1,358</b>	<b>3,508</b>	<b>4,866</b>	<b>5,764</b>	<b>7,092</b>	<b>-16%</b>
Taxes Payable in Installments	20	161	182	178	133	2%
<b>TOTAL</b>	<b>1,378</b>	<b>3,670</b>	<b>5,048</b>	<b>5,943</b>	<b>7,225</b>	<b>-15%</b>
FEMCO	11	337	349	357	362	-2%
<b>TOTAL</b>	<b>1,390</b>	<b>4,007</b>	<b>5,397</b>	<b>6,299</b>	<b>7,587</b>	<b>-14%</b>

(\*) 99.3% of total foreign currency is denominated in US dollars

### Consolidated Financial Result

R\$ million	4Q 2004	4Q 2003	2004	2003
Monetary Effects	(21)	(117)	(161)	(288)
Exchange Variation	229	39	223	1,042
Hedge Income (Expenses)	(225)	(192)	(423)	(993)
Interest on Loans, Financing, ACC's and Pre-Payment	(97)	(169)	(497)	(658)
Financial Income	62	52	191	140
Other Financial Expenses	(30)	3	(102)	(94)
<b>NET FINANCIAL RESULT</b>	<b>(81)</b>	<b>(383)</b>	<b>(769)</b>	<b>(851)</b>