

USIMINAS participation in new company Ternium

Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS informs the public within the terms of § 4º of art. 157 of Law no. 6404/76 and art. 2 of CVM Instruction no. 358/02, that, in conjunction with the **TECHINT Group**, it will participate in the creation of a new company, to be called **TERNIUM**, which will exercise control over the following companies: **SIDERAR S.A.I.C.** (Argentina), **SIDERÚRGICA DEL ORINOCO (SIDOR) S.A.** (Venezuela) e **HYLSAMEX S.A. de C.V.** (Mexico).

USIMINAS will hold around 16% (sixteen percent) of the initial capital of **TERNIUM** and its investment in this company will be represented by the payment of US\$100.0 million in cash and its shareholdings of 5.3% in **SIDERAR** and 16.6% in Consórcio Amazônia, the company which controls **SIDOR**.

TERNIUM will have an annual production capacity of approximately 12 million tons of steel, with expected annual revenues of around US\$ 5 billion and will operate in a wide range of steel products, including flat steel, the sector in which the **USIMINAS** System is the leader in Brazil.

With this step, **USIMINAS** is continuing with its expansion and international process, with a presence in large steel plants in Latin America. This process began in 1992 with the company's participation in **SIDERAR**.

Belo Horizonte, August 25, 2005.

Usinas Siderúrgicas de Minas Gerais S/A- USIMINAS