Public Disclosure - Belo Horizonte, October 27, 2017. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; LATIBEX: XUSIO and XUSI) today releases its third quarter (3Q17) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the second quarter of 2017 (2Q17), unless stated otherwise.

Release of the 3Q17 Results

The main operational and financial indicators were:

- Steel sales volume of 1.0 million tons;
- Iron ore sales volume of 904 thousand tons;
- Adjusted consolidated EBITDA of R$453 million and Adjusted EBITDA margin of 17%;
- Working capital on 09/30/17 of R$3.1 billion;
- Investments of R$52 million;
- Cash position on 09/30/17 of R$2.1 billion.

Highlights

R$ million - Consolidated	3Q17	2Q17	3Q16	Chg. 3Q17/2Q17	9M17	9M16	Chg. 9M17/9M16
Steel Sales Volume (000 t)	1,016	990	959	3%	2,935	2,761	6%
Iron Ore Sales Volume (000 t)	904	629	789	44%	2,176	2,550	-15%
Net Revenue	2,737	2,569	2,265	7%	7,657	6,334	21%
COGS	(2,379)	(2,187)	(1,999)	9%	(6,437)	(6,106)	5%
Gross Profit (Loss)	358	382	266	-6%	1,221	228	436%
Net Income (Loss)	76	176	(107)	-57%	360	(382)	-
EBITDA (Instruction CVM 527)	444	711	301	-37%	1,683	411	309%
EBITDA Margin (Instruction CVM 527)	16%	28%	13%	- 12 p.p.	22%	7%	+ 15 p.p.
Adjusted EBITDA	453	750	307	-40%	1,735	426	307%
Adjusted EBITDA Margin	17%	29%	14%	- 12 p.p.	23%	7%	+ 16 p.p.
Investments (CAPEX)	52	34	37	53%	109	158	-31%
Cash Position	2,138	1,951	2,340	10%	2,138	2,340	-9%

Market Data – 09/30/17

B3:	**USIM5**	**R$7.78/share**
	USIM3	**R$10.05/share**
EUA/OTC:	**USNZY**	**US$2.50/ADR**
LATIBEX:	**XUSI**	**€2.10/share**
	XUSIO	**€3.49/share**

Index

- **Consolidated Results**
- **Performance of the Business Units:**
  - **- Mining**
  - **- Steel**
  - **- Steel Processing**
  - **- Capital Goods**
- **Highlights**
- **Capital Markets**
- **Balance Sheet, Income and Cash Flow Statements**

Economic Outlook

Developing economies continued to be benefited by the positive global outlook during the 3Q17. According to the International Monetary Fund, the growth forecast is 3.7% for developing countries and 3.5% for the global economy. In Brazil, the second consecutive GDP growth in the 2Q17 confirmed the end of the recession initiated in first quarter 2015. In the 3Q17, signs indicate that the economy is on track for a moderate recovery. The IBC-Br released by Banco Central as a preliminary GDP indicator registered a level 1% above that of the 2Q17 through August. The perception of improvement in economic activity allowed growth expectations to be raised to 0.7% in 2017 and to 2.4% in 2018, according to the Focus Report of Banco Central do Brasil, dated 10/06/17.

In spite of the political crisis, which has delayed the progress of the reform bills and increased uncertainty as to the stabilization of public debt, the parity to the average Dollar of R$3.22 in the 2Q17 decreased to R$3.16 in the 3Q17. Inflation continued to decline more rapidly than expected, reaching 2.54% at the end of the 3Q17 on a 12-month basis. With this, market consensus is that the Banco Central can promote interest rate declines (Selic) in the next two meetings of Copom, ending the cycle of monetary policy flexibilization with interest at 7.0%/yr by the end of 2017.

Brazilian industry has shown consistent, albeit still modest, signs of recovery. With data through August, Industrial Production (IBGE) recorded an increase of 1.5% in the indicator that compares the first eight months of the year with the same period in 2016. The steel intensive industrial segments had even more expressive increases. Capital goods industry advanced 4.5% and durable goods, 11.1%. The improvement is reflected in the industrial business confidence index, which reached its highest level since March, 2013.

Economic and Financial Performance
Comments on the Consolidated Results

Net Revenue

Net revenue in the 3Q17 was R$2.7 billion, against R$2.6 billion in the 2Q17, a 6.5% increase against that in the 2Q17. The Mining Unit, with the resumption of iron ore exports and the Steel and Steel Processing Units contributed to this increase, driven the increased sales volume.

Net Revenue Breakdown

	3Q17	2Q17	3Q16	9M17	9M16
Domestic Market	87%	86%	88%	88%	87%
Exports	13%	14%	12%	12%	13%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold - COGS

In the 3Q17, COGS totaled R$2.4 billion, against R$2.2 billion in the 2Q17. For more information, see the Business Unit sections in this release. Gross margin was 13.1% in the 3Q17, against 14.9% in the 2Q17, as shown below:

Gross Margin

3Q17	2Q17	3Q16	9M17	9M16
13.1%	14.9%	11.7%	15.9%	3.6%

Operating Expense and Income

In the 3Q17, sales expenses were R$63.0 million, against R$65.6 in the 2Q17, a 4.0% decrease, mainly due to lower negative impact of provisions for doubtful accounts, which were R$7.3 million in the 3Q17, against R$16.3 million in the 2Q17.

General and administrative expenses totaled R$106.1 million in the 3Q17, against R$96.6 million in the 2Q17, a 9.8% increase due to the increase in third-party services referring to legal fees of the Company's debt renegotiation.

In the 3Q17, other operating expenses and income presented a negative result of R$81.6 million, against a positive result of R$146.7 million in the 2Q17, a variation of R$228.2. The highlights were:

- Recognition of R$201.1 million (net of expenses) by Mineração Usiminas in the 2Q17, referring to the Porto Sudeste agreement. There was no such effect in the 3Q17;
- Higher expenses with provisions for legal liabilities, of R$45.5 million in the 3Q17 against R$ 13.8 million in the 2Q17, due to the Company's adherence to the Tax Credit Regularization Program (Regularize) launched by the Minas Gerais State Government, with a collection of R$42.0 million, of which R$2.3 million were already provisioned, totaling in a net effect in the result of R$39.7 million. The adherence to the program resulted in the cancellation of almost the entirety debt of ICMS under legal proceeding, in the amount of R$348.1 million. For more detail, please refer to the note at the end of this release;
- Lower result in the sale of surplus electrical energy, which accounted income of R$10.9 million in the 3Q17, against R$18.7 million in the 2Q17;

- Lower tax credits, which were R$70.1 million in the 3Q17, against R$71.5 million in the 2Q17;
- Lower result of the Reintegra Program, which was R$5.9 million in the 3Q17, against R$6.6 million in the 2Q17.
- Higher expenses with non-absorbed equipment temporary shutdown in the amount of R$104.0 million, of which R$88.7 million referred to depreciation, against R$103.3 million in the 2Q17, of which R$87.2 million referred to depreciation.

Net operating expenses and income presented a negative result of R$250.6 million in the 3Q17, against a negative result of R$15.6 million in the 2Q17. In this manner, the Company's operational margin showed the following performance:

EBIT Margin

3Q17	2Q17	3Q16	9M17	9M16
3.9%	**14.2%**	**-1.6%**	**8.5%**	**-10.3%**

Regularize Program: During the 3rd quarter of 2017, the Company and its associated and subsidiary companies *Mineração Usiminas S.A*. (Musa) and *Usiminas Mecânica S.A.* (UMSA) adhered to the Tax Credit Regularization Program launched by the Minas Gerais State Government, called *Novo Regularize* (Law nr. 22.549/2017), which covered almost all of the ICMS tax debt. The adherence to the Novo Regularize allowed the extinction of administrative and judicial proceedings related do Tax on Circulation of Goods and Transportation and Communication Services – ICMS with the State Government. The legal proceedings included in the Program, which likelihood of loss was assessed as possible, with no accounting effects, amounted R$228.5 million (Parent Company) and R$345.8 million (Consolidated). As a mandatory condition to approve the cancellation of the proceedings, an amount of R$13.2 million (Parent Company) and R$42.0 million (Consolidated) were collected to the State Government, the mentioned amounts were recorded as "Other operating expenses and income". Additionally, the extinction of a legal proceeding which likelihood of loss was assessed as probable at Usiminas Mecânica, in the amount of R$2.3 million, lead to the reversal of this provision, resulting in a net effect of R$ R$39.7 million in the results (Consolidated).

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing income tax and social contribution, financial result, depreciation, amortization and depletion, and equity in the results of Associate, Joint Subsidiary and Subsidiary Companies, not including impairment of assets. The adjusted EBITDA includes the proportional participation of 70% of Unigal and other joint subsidiary companies.

EBITDA Breakdown

Consolidated (R$ thousand)	3Q17	2Q17	3Q16	9M17	9M16
Net Income (Loss)	75,903	175,710	(107,138)	359,931	(381,872)
Income Tax / Social Contribution	16,713	34,922	(59,193)	110,490	(93,228)
Financial Result	64,961	171,294	159,277	290,836	(56,897)
Depreciation, Amortization	286,572	328,601	307,630	921,514	942,989
EBITDA - Instruction CVM - 527	**444,149**	**710,527**	**300,576**	**1,682,771**	**410,992**
Equity in the Results of Associate and Subsidiary Companies	(50,556)	(15,278)	(27,047)	(102,914)	(115,547)
Joint Subsidiary Companies proportional EBITDA	59,191	54,603	33,561	155,548	123,370
Impairment of Assets	-	-	(194)	-	7,443
Adjusted EBITDA	**452,784**	**749,852**	**306,896**	**1,735,405**	**426,258**

Adjusted EBITDA totaled R$452.8 million in the 3Q17, against R$749.9 million in the 2Q17, a R$297.1 million decrease, mainly due to the non-recurring effects of recognition of R$201.1 million referring to the Porto Sudeste agreement (net of expenses) in the 2Q17 and adherence to the Regularize Program in the 3Q17 in the amount of R$39.7 million.

For more detailed information, see the Business Unit section of this release.

In the 3Q17, Adjusted EBITDA margin was 16.5%, against 29.2% in the 2Q17, a 12.6 percentage point decrease. Adjusted EBITDA margins are shown below:

Adjusted EBITDA Margin

3Q17	2Q17	3Q16	9M17	9M16
16.5%	29.2%	13.5%	22.7%	6.7%

Financial Result

The financial results was a negative R$65.0 million in the 3Q17, against a negative R$171.3 million in the 2Q17, a difference of R$106.3 million, mainly due to exchange gains of R$56.0 million accounted for in the 3Q17, related to the appreciation of the Real against the Dollar of 4.2% in the period, against exchange losses of R$77.2 million in the 2Q17, due to the devaluation of the Real against the Dollar of 4.4% in that period.

Financial Result - Consolidated

R$ thousand	3Q17	2Q17	3Q16	Change 3Q17/2Q17	9M17	9M16	Change 9M17/9M16
Net Currency Exchange Variation	56,042	(77,169)	(29,528)	-	34,490	645,519	-95%
Swap Transactions Market Cap.	1,178	(701)	1,640	-	1,776	(293,315)	-
Interest on Financial Asset and Monetary Effects	97,599	109,324	130,338	-11%	309,549	302,501	2%
Other Financial Income	42,759	47,108	54,895	-9%	146,392	168,320	-13%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(182,104)	(194,799)	(204,455)	-7%	(595,699)	(548,286)	9%
Other Financial Expenses	(80,435)	(55,057)	(112,167)	46%	(187,344)	(217,842)	-14%
FINANCIAL RESULT	**(64,961)**	**(171,294)**	**(159,277)**	**-62%**	**(290,836)**	**56,897**	**-**
+ Appreciation / - Depreciation of Exchange Rate (R$/US$)	**4.2%**	**-4.4%**	**-1.1%**	**+ 8.7 p.p.**	**2.8%**	**16.9%**	**- 14.1 p.p.**

Equity in the Results of Associate and Subsidiary Companies

In the 3Q16, equity in the results of associated and subsidiary companies totaled R$50.6 million, against R$15.3 million in the 2Q17, mainly in function of the result of R$35.4 million at Unigal and the result of R$16.8 million at MRS.

Net Profit (Loss)

In the 3Q17, the Company accounted a net profit of R$75.9 million, against R$175.7 million in the 2Q17.

Working Capital

In the 3Q17, the Company presented working capital of R$3.128 million, against R$3.110 million in the 2Q17, an increase of R$18.0 million, mainly in function of the decrease in the Accounts Payable and the increase in Accounts Receivable, due to growth in sales (due to higher sales volume).

- Reduction in the Accounts Payable of R$105.0 million, mainly due to the purchase of steel slabs with third-party suppliers and settlement of an obligation related to the termination of a contract, partially compensated by the constitution of an obligation related to the Regulariza Program at Usiminas Mecânica.

- Increase in the Accounts Receivable of R$74.0 million as a function of higher sales volume in the Steel Unit of R$37.0 million and the increase of exports in the Mining Unit of R$34.0 million.
- Decrease in Other Accounts Receivable of R$117.0 million, due to the receipt by Mineração Usiminas of R$201.1 million related to the agreement with Porto Sudeste in the 2Q17, partially compensated by the increase in recoverable taxes of R$53.0 million in the Steel Unit and R$20.0 million in the Mining Unit.
- Increase in Payroll of R$48.0 million in function of the Profit Share Program in the amount of R$19.0 million and provisions related to Christmas bonus (13th month salary) and vacation.

Investments (CAPEX)

In the 3Q17, CAPEX totaled R$51.7 million, 51.8% higher compared to that in the 2Q17, which was R$34.1 million. Investments were mainly made in sustaining CAPEX, with approximately 82% in the Steel Unit, 10% in the Mining Unit, 7% in the Steel Processing Unit and 1% in the Capital Goods Unit.

Indebtedness

On 09/30/17, gross consolidated debt was R$6.9 billion, a decrease of R$89.3 million in relation to that on 06/30/17. In the 3Q17, there was appreciation of the Real against the Dollar of 4.2%, which positively impacted the parcel of Dollar-denominated debt, which on the date corresponded to 25% of total debt. Debt composition by maturity was 13% short term and 87% long term.

Net consolidated debt on 09/30/17 was R$4.7 billion, against R$5.0 billion on 06/30/17. The Net Debt/EBITDA indicator concluded the 3Q17 at 2.4X, against 2.8X in the 2Q17.

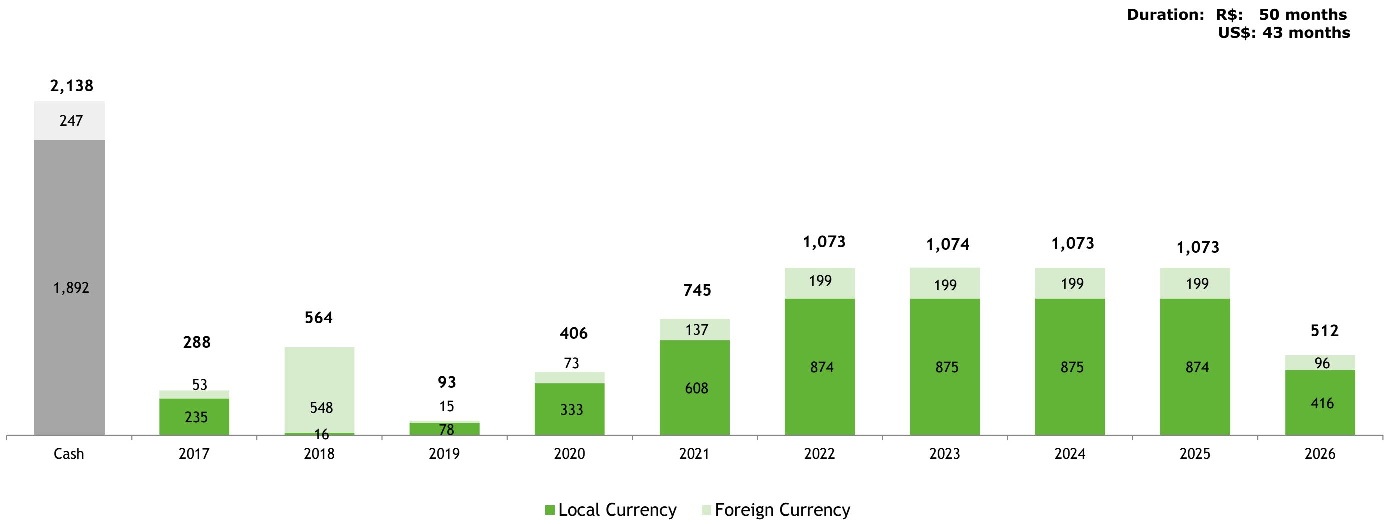
The following chart demonstrates the consolidated debt indexes:

Total Indebtedness by Index - Consolidated

R$ thousand	30-Sep-17			%	30-Jun-17	Change Sep17/Jun17	30-Sep-16	Change Sep17/Sep16
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	**264,649**	**4,877,504**	**5,142,153**	**75%**	**5,143,030**	**0%**	**5,188,473**	**-1%**
TJLP	18,764	358,402	377,166	-	377,415	0%	380,844	-1%
CDI	233,844	4,486,498	4,720,342	-	4,722,963	0%	4,759,859	-1%
Others	12,041	32,604	44,645	-	42,652	5%	47,770	-7%
Foreign Currency*	**611,013**	**1,107,229**	**1,718,242**	**25%**	**1,806,622**	**-5%**	**1,759,823**	**-2%**
Gross Debt	**875,662**	**5,984,733**	**6,860,395**	**100%**	**6,949,652**	**-1%**	**6,948,296**	**-1%**
Cash and Cash Equivalents	-	-	**2,138,050**	-	**1,951,286**	**10%**	**2,339,789**	**-9%**
Net Debt	**-**	**-**	**4,722,345**	**-**	**4,998,366**	**-6%**	**4,608,507**	**2%**

(*)99.8% of total foreign currency is US dollars denominated

The graph below demonstrates the cash position and debt profile (principal only) in millions of Real on 09/30/17:



Performance of the Business Units

Intercompany transactions are on arm's-length basis (market prices and conditions) and sales between Business Units are carried out as sales between independent parties.

Usiminas - Business Units

Mining	Steel	Steel Processing	Capital Goods
Mineração Usiminas	**Ipatinga Mill** **Cubatão Mill** **Unigal**	**Soluções Usiminas**	**Usiminas Mecânica**

Income Statement per Business Units - Non Audited - Quarterly

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	3Q17	2Q17	3Q17	2Q17	3Q17	2Q17	3Q17	2Q17	3Q17	2Q17	3Q17	2Q17
Net Revenue	121	89	2,543	2,458	673	590	74	80	(674)	(647)	2,737	2,569
Domestic Market	86	89	2,228	2,100	673	589	74	80	(674)	(647)	2,386	2,212
Exports	35	-	315	358	-	-	-	-	-	-	351	358
COGS	(83)	(53)	(2,209)	(2,111)	(639)	(548)	(66)	(75)	618	600	(2,379)	(2,187)
Gross Profit (Loss)	38	36	334	347	35	41	7	5	(56)	(47)	358	382
Operating Income (Expenses)	(50)	151	(142)	(133)	(24)	(22)	(36)	(13)	1	1	(251)	(16)
EBIT	(12)	187	192	214	10	19	(28)	(8)	(55)	(46)	107	367
Adjusted EBITDA	**27**	**226**	**438**	**498**	**18**	**27**	**(25)**	**(2)**	**(5)**	**0**	**453**	**750**
Adj.EBITDA Margin	**22%**	**253%**	**17%**	**20%**	**3%**	**5%**	**-35%**	**-2%**	**1%**	**0%**	**17%**	**29%**

*Consolidated 70% of Unigal

Income Statement per Business Units - Non Audited - 9M17

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	9M17	9M16	9M17	9M16	9M17	9M16	9M17	9M16	9M17	9M16	9M17	9M16
Net Revenue	319	288	7,219	5,560	1,830	1,373	237	462	(1,948)	(1,348)	7,657	6,334
Domestic Market	283	214	6,306	4,812	1,829	1,372	236	462	(1,948)	(1,348)	6,707	5,511
Exports	35	74	913	748	1	1	1	-	-	-	950	823
COGS	(189)	(248)	(6,118)	(5,355)	(1,699)	(1,278)	(224)	(427)	1,793	1,201	(6,437)	(6,106)
Gross Profit (Loss)	130	39	1,102	205	131	95	13	35	(154)	(147)	1,221	228
Operating Income (Expenses)	59	(136)	(493)	(631)	(72)	(77)	(59)	(35)	3	4	(562)	(875)
EBIT	188	(97)	609	(426)	59	18	(46)	1	(151)	(143)	658	(648)
Adjusted EBITDA	**304**	**22**	**1,401**	**391**	**83**	**40**	**(31)**	**19**	**(21)**	**(45)**	**1,735**	**426**
Adj.EBITDA Margin	**95%**	**8%**	**19%**	**7%**	**5%**	**3%**	**-13%**	**4%**	**1%**	**3%**	**23%**	**7%**

*Consolidated 70% of Unigal

I) MINING

Operational and Sales Performance - Mining

In the 3Q17, the average iron ore quotation in the international market showed an increase of 13% in relation to the 2Q17, an average of US$70.90 (increase of US$8.00 in relation to the previous quarter). This behavior mainly occurred as a consequence of the demand stability in China, accompanied by steel price increases and maintenance of high margins in the Chinese steel industry. This quarter was also marked by oscillations of up to US$18.00 in the price, due to strong price speculation in the futures market.

However, the increased participation of the Chinese government in environmental control and safety inspections has been limiting production increases in Chinese steel companies, which, in order to adapt, has programmed stoppages for maintenance and large repairs, mainly in the sintering and pellotizing plants and blast furnaces, which will probably negatively affect the demand for ore. Additionally the greater need on the part of the steel mills for higher quality iron ore, has generated a disproportionate increase in penalty clauses for quality and caused downward pressure on futures prices.

Operational and Sales Performance - Mining

In the 3Q17, with the resumption of operations of two plants, production volume totaled 1.1 million tons, a 53% increase compared to that of the 2Q17. Sales volume accounted was 904 thousand tons, a 44% increase in relation to that in the 2Q17, mainly due to exports of 175 thousand tons and greater sale to the Ipatinga Plant by 13%.

Production and sales volumes are shown in the chart below:

Iron Ore

Thousand tons	3Q17	2Q17	3Q16	Change 3Q17/2Q17	9M17	9M16	Chg. 9M17/9M16
Production	**1,053**	**689**	**713**	**53%**	**2,423**	**2,105**	**15%**
Sales - Third Parties - Domestic Market	53	33	181	62%	114	220	-48%
Sales - Exports	175	-	-	-	175	515	-66%
Sales to Usiminas	676	596	608	13%	1,887	1,815	4%
Total Sales	**904**	**629**	**789**	**44%**	**2,176**	**2,550**	**-15%**

Comments on the Business Unit Results - Mining

In the 3Q17, net revenue was R$121.4 million, against R$89.1 million in the 2Q17, 36.2% higher, mainly due to resumption of exports with 175 thousand tons and by higher sales by 13% to the Ipatinga Plant, which was partially compensated by an average exchange appreciation of the Real over the Dollar of 4.2% and decrease of 13.7% in the average PLATTS iron ore price (62% Fe, CFR China), adjusted for the period of sales price formation of Mineração Usiminas.

In the 3Q17, cash cost per ton was R$60.2, against R$73.2 in the 2Q17, a 17.8% decline, mainly due to greater dilution of fixed costs, lower maintenance costs and lower royalties payments due to the decline in the price of iron ore in the period. In the 3Q17, Cost of Goods Sold (COGS) was R$83.1 million, against R$53.2 million in the 2Q17. COGS/t was R$90.3 in the 3Q17, against R$83.9 in the 2Q17, a 7.7% increase, mainly due to higher rail freight and maritime costs due to the resumption of exports.

In the 3Q17, sales expenses were 144.6% higher than those in the 2Q17, mainly due to loading expenses in the terminals and port services for exports.

General and administrative expenses showed a 5.1% increase in the 3Q17 compared to the 2Q17, mainly due to provisions for the profit sharing program.

Other operating expenses and income presented a negative result of R$36.8 million, against a positive result of R$159.5 million in the 2Q17.

Excluding the effects of the Porto Sudeste agreement in the 2Q17, provisions for contingencies also presented an increase in the 3Q17, mainly due to adherence to the Regularize Program, with a collection of R$4.0 million to the State Government, cancelling almost the entirety debt of ICMS under legal proceeding, totaling the amount of R$23.3 million.

The cost of plant idleness decreased approximately 11% in the 3Q17 in relation to the 2Q17, mainly due to resumption of operations of the two plants (Leste Mine and Flotation). In the 3Q17, expenses with non-absorbed costs with temporary equipment shutdown amounted R$31.9 million, of which R$19.5 million referred to depreciation, against R$35.7 million in the 2Q17 of which R$21.2 million referred to depreciation.

In the 3Q17, net operating expenses and income presented a negative result of R$49.8 million, against a positive of R$151.0 million in the 2Q17, mainly in function of recognition of R$201.1 million net of expenses by Mineração Usiminas, referring to the Porto Sudeste agreement in the 2Q17.

Adjusted EBITDA was R$26.6 million in the 3Q17, against R$225.8 million in the 2Q17. Adjusted EBITDA margin was 21.9% in the 3Q17, against 253.4% in the previous quarter.

Investments (CAPEX)

In the 3Q17, investments totaled R$3.4 million, against R$2.4 million in the 2Q17, related to sustaining CAPEX.

Stake in MRS Logística

Mineração Usiminas holds a stake in the MRS Logística through its subsidiary UPL – Usiminas Participações e Logística S.A.

MRS Logística is a concession that controls, operates and monitors the Brazilian Southeastern Federal Railroad Network (*Malha Sudeste da Rede Ferroviária Federal*). The company operates in the railway transportation segment, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo, and its core business is transporting, with integrated logistics, general cargo in general, such as iron ore, finished steel products, cement, bauxite, agricultural products, pet coke and containers.

In the 3Q17, MRS transported 45 million tons, stable in relation to the 2Q17, when 44 million tons were transported. In the year, 168.6 million tons were hauled, a volume in line with the same period in 2016.

II) STEEL

Preliminary figures from the World Steel Association show crude steel production of 1.1 billion tons in the first eight months of 2017, corresponding to a 4.9% growth over the same period of the previous year. There were increases in practically all the main producing countries, except Japan (-0.4%), with the greatest contribution coming from China, which accounted for a volume of 566.4 million tons, 5.6% higher than in the same period of 2016.

In Brazil, according to data from the IABr, crude steel production reached 22.5 million tons, advancing 9.3% compared to that in the same period of 2016, with a highlight for the increase in flat rolled production, which advanced 14.1%.

In the 3Q17, the Brazilian flat steel market consumed 2.7 million tons, with 86% of the volume supplied by local Mills and 14% from imports. There was a 9.3% increase compared to the 2Q17. Signs of recovery in industrial activity continue to positively impact steel consumption and the accumulated high in the January to September period is 12.8%.

Domestic sales increased 6.4% in comparison to the 2Q17. Imports totaled 393 thousand tons, a strong rise against the volume recorded in the 2Q17. Recovery of industrial activity is increasingly consistent, which, together with a relatively stable, appreciated Real, justify the recent increase in imports, whose share increased to 14.3% of apparent consumption in the quarter.

Production - Ipatinga and Cubatão Plants

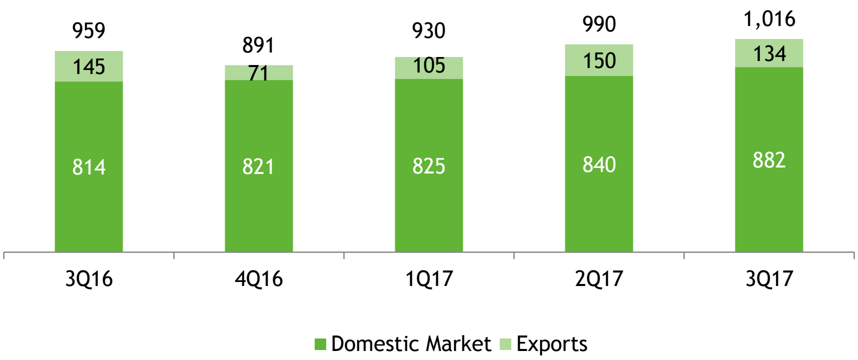
Crude steel production in the Ipatinga Plant was 760 thousand tons in the 3Q17, stable in relation to the 2Q17.

Production of Crude and Rolled Steel

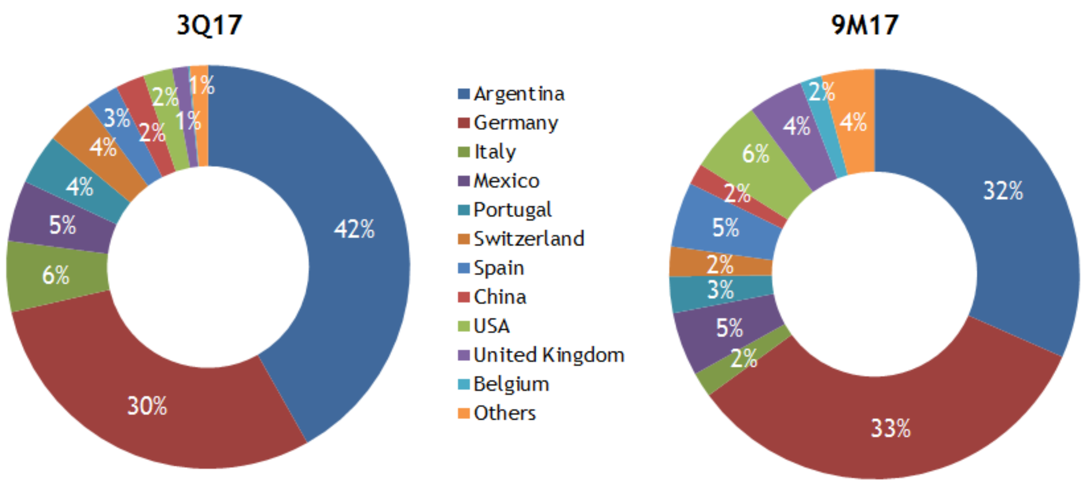
Thousand tons	3Q17	2Q17	3Q16	Change 3Q17/2Q17	9M17	9M16	Chg. 9M17/9M16
Total Crude Steel	760	769	796	-1%	2,266	3,819	-41%
Total Rolled Steel	983	1,000	962	-2%	2,948	3,718	-21%

Sales

In the 3Q17, total sales were 1.0 million tons of steel, representing a 2.7% increase compared to those in the 2Q17. Sales to the domestic market totaled 882 thousand tons, 4.9% higher than in the 2Q17, and exports decreased by 9,8%, totaling 134 thousand tons. The domestic market share of sales was 87%, with 13% to exports.



The main export destinations are show below:



Sales Volume Breakdown

Thousand tons	3Q17		2Q17		3Q16		Change 3Q17/2Q17	9M17		9M16		Change 9M17/9M16
Total Sales	**1,016**	**100%**	**990**	**100%**	**959**	**100%**	**3%**	**2,935**	**100%**	**2,761**	**100%**	**6%**
Heavy Plates	131	13%	126	13%	124	13%	4%	370	14%	379	14%	-2%
Hot Rolled	299	29%	288	29%	230	24%	4%	853	26%	730	26%	17%
Cold Rolled	311	31%	308	31%	363	38%	1%	915	32%	878	32%	4%
Galvanized	264	26%	257	26%	222	23%	3%	752	25%	703	25%	7%
Slabs	11	1%	10	1%	19	2%	5%	44	2%	69	2%	-36%
Domestic Market	**882**	**87%**	**840**	**85%**	**814**	**85%**	**5%**	**2,547**	**85%**	**2,355**	**85%**	**8%**
Heavy Plates	114	13%	118	14%	120	12%	-3%	339	15%	357	15%	-5%
Hot Rolled	280	33%	273	33%	211	22%	3%	808	28%	650	28%	24%
Cold Rolled	253	29%	238	28%	275	29%	6%	732	30%	715	30%	2%
Galvanized	227	26%	202	24%	189	20%	13%	629	24%	573	24%	10%
Slabs	8	1%	10	1%	19	2%	-25%	37	2%	59	2%	-36%
Exports	**134**	**13%**	**149**	**15%**	**145**	**15%**	**-10%**	**388**	**15%**	**406**	**15%**	**-4%**
Heavy Plates	17	13%	9	6%	5	0%	90%	31	5%	22	5%	41%
Hot Rolled	20	10%	16	10%	19	2%	24%	45	20%	80	20%	-44%
Cold Rolled	59	44%	70	47%	88	9%	-16%	183	40%	163	40%	12%
Galvanized	36	27%	55	37%	33	3%	-34%	123	32%	130	32%	-5%
Slabs	3	2%	-	0%	-	-	-	7	3%	10	3%	-36%

Comments on the Business Unit Results - Steel

Net revenue of the Steel Unit was R$2.5 billion in the 3Q17, 3.5% higher than in the 2Q17. The increase was due to higher total sales volume by 3%, due to the increase in the domestic market of 5%, partially compensated by a 10% decline in exports.

In the 3Q17, cash cost per ton of steel was R$1,649/t, a 4.5% decrease compared to the 2Q17, which was R$1,727/t. The main points are highlighted below:

- 12.9% decrease in the cost of iron ore, due to the reduction of 13.7% in the average PLATTS iron ore price (62% Fe, CRF China) for the based period of sales and by appreciation of average exchange rate of 1.7% of the Real over the Dollar;
- 9.2.% decrease in the cost of coal, due to decrease in the average cost of coal and by appreciation of average exchange rate of 1.7% of the Real over the Dollar.
- 5.9% decrease in the cost of purchased slabs, as function of the reduction in prices and by appreciation of average exchange rate of 1.7% of the Real over the Dollar;
- 6.0% reduction of fixed costs, mainly due to in-house labor and third-party services, as function of a higher production volume, mostly related to flat-rolled products at the Cubatão Plant, where 366 thousand tons of slabs were processed in the 3Q17 against 285 thousand tons in the 2Q17.

Cost of Goods Sold (COGS) was R$2.2 billion in the 3Q17, against R$2.1 billion in the 2Q17, a 4.6% increase, due to the total sales volume increase of 3%. COGS per ton was R$2,174, against R$2,133 in the 2Q17, a 2% increase comparing the periods, mainly due to higher costs of production in the 2Q17.

In the 3Q17, sales expenses totaled R$40.8 million, against R$47.0 million in the 2Q17, a 13.2% decrease, mainly due to the decrease in provisions for doubtful accounts that were R$14.2 million in the 3Q17, against R$7.4 million in the 2Q17.

General and administrative expenses totaled R$81.4 million in the 3Q17, a 12.9% increase over those in the 2Q17, mainly due to the 46.5% increase in third-party services, due to legal fees related to the Company's debt renegotiation.

Other operating expenses totaled R$20.0 million, against R$13.7 million in the 2Q17, a 46.1% increase, the highlights were:

- Adherence to the Regularize Program, with a collection of R$13.2 million to the State Government, cancelling almost all the ICMS debt under legal proceeding, which totaled R$228.5 million;
- Lower result in the sale of surplus electrical energy in the 3Q17, which accounted revenue of R$9.9 million, against R$18.3 million in the 2Q17;
- Lower revenue with the Reintegra Program, which was R$5.9 million in the 3Q17, against R$6.6 million in the 2Q17;
- Lower tax credits by R$1.4 million, which were R$70.1 million in the 3Q17, against R$71.5 million in the 2Q17;
- Higher expenses with non-absorbed equipment temporary shutdown in the amount of R$72.1 million, of which R$69.3 million referred to depreciation, against R$67.6 million in the 2Q17, of which R$66.0 million referred to depreciation.

Net operating expenses totaled R$142.3 million in the 3Q17, a 7.1% increase in relation to the 2Q17, which were R$132.8 million.

Thus, Adjusted EBITDA in the 3Q17 totaled R$438.1 million, against R$498.0 million in the 2Q17, a 12.0% decrease. Adjusted EBITDA margin was 17.2% in the 3Q17, against 20.2% in the 2Q17, a three percentage point decrease.

Investments (CAPEX)

Investments totaled R$42.4 million in the 3Q17, against R$25.5 million in the 2Q17, applied mainly to sustaining CAPEX.

III) STEEL PROCESSING

Soluções Usiminas – SU

Soluções Usiminas operates in the distribution, services and small-diameter tubes' markets nationwide, offering its customers high-value added products. It serves several economic segments, such as automotive, auto parts, civil construction, distribution, electro-electronics, machinery and equipment and household appliances, among others.

Sales to business units Distribution, Services/Just-In-Time and Tubes accounted for 39%, 54% and 7%, respectively.

Comments on the Business Unit Results – Steel Processing

In the 3Q17, net revenue was R$673.3 million, 14.2% higher than in the 2Q17, due to higher sales volume by 13.6% and increase in the average price in the domestic market by 0.5%.

Cost of products sold totaled R$638.8 million in the 3Q16, against R$548.5 million in the 2Q17, a 16.5% increase, due to higher sales and services volume.

Net operating expenses totaled R$24.0 million in the 3Q17, against R$21.9 million in the 2Q17, a 9.9% increase, due to the reversion in 2Q17 of extraordinary items that positively affected that quarter.

Thus, Adjusted EBITDA in the 3Q17 was R$18.3 million, against R$27.3 million in the 2Q17. Adjusted EBITDA margin was 2.7% in the 3Q17, against 4.6% in the 2Q17.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is a Brazilian capital goods company dedicated to the fabrication and assembly of metallic structures, shipbuilding and offshore platforms, oil and gas, industrial assembly and equipment fabrication, foundry and railcar manufacture.

Main Contracts

In the 3Q17, the main projects were destined to the oil and gas industry, bridges, railcars and industrial assembly.

Comments on the Business Unit Results – Capital Goods

In the 3Q17, net revenue was R$73.8 million, against R$80.4 million in the 2Q17, a 8.3% decline, reflex of the stagnation in the oil and gas and infrastructure segments.

Gross profit was R$7.3 million in the 3Q17, against R$5.3 million in the 2Q17, 38.7% higher than in the 2Q17, due to better margins achieved in projects in the equipment segment.

In the 3Q17, with the adherence to the Regularize Program, Usiminas Mecânica collected R$24.8 million to the State Government, of which R$2.3 million were already provisioned, resulting in a net effect of R$22.5 million in the result. The debt will be paid upon the supply of products. The adherence resulted in the cancellation of almost the entirety debt of ICMS under legal proceeding, in the amount of R$96.3 million.

Thus, in the 3Q17, Adjusted EBITDA was a negative R$25.5 million, against a negative R$1.6 million in the 2Q17. Adjusted EBITDA margin was -34.6% in the 3Q17, against -2.0% in the 2Q17.

Highlights

IATF Certification: Usiminas has just become one of the first Brazilian companies, as well as one of the first steel companies in the world, to obtain recommendation for certification in the new quality management standard for automotive sector suppliers: IATF 16949:2016. Developed by the International Auto Task Force (IATF), the norm seeks to serve the automotive market and is considered by many players as a prerequisite for doing business.

This achievement reinforces the Company's role in qualified service to the demands of the stringent auto industry, which also includes the development of customized solutions for the customer. By the end of this year, the expectation is that Usiminas will introduce two steel grades focused on this market. In 2016, the steel company presented four new products to the segment, some of which are first-time, exclusive products in the country, in its efforts to product steel with high technology content locally.

Worldsteel Association Award: During the 44th edition of the Worldsteel Association's Annual Conference, which represents steel producers from 67 leading countries in the industry in the world, the projects Caminhos do Vale (Valley Paths) and Mãos Seguras (Safe Hands) were awarded in the categories "Excellence in sustainability", for the Steelie Award, and in Occupational Safety, for the Safety and Health Excellence Recognition, respectively. The ceremony took place in Brussels, Belgium on 16 and 17 October 2017.

Developed around three years ago, the Caminhos do Vale Program (Valley Paths) provides the steel slag to pave rural roads. In return for the donation of the product, Municipal Governments committed to develop socio-environmental programs to benefit the communities and to recovery of the springs.

Mãos Seguras (Safe Hands) encourages employees to develop devices capable to eliminate or reduce the exposure of their hands to the risk of accidents. Many of these devices ideas have already come true and are now being used in production and maintenance areas, contributing to a safer working environment.

Capital Markets

Usiminas Performance Summary - B3 (USIM5)

	3Q17	2Q17	Change 3Q17/2Q17	3Q16	Change 3Q17/3Q16
Number of Deals	**854,327**	**582,935**	**47%**	**877,132**	**-3%**
Daily Average	13,349	9,556	40%	13,494	-1%
Traded - thousand shares	**1,132,820**	**894,124**	**27%**	**1,945,862**	**-42%**
Daily Average	17,700	14,658	21%	29,936	-41%
Financial Volume - R$ million	**7,892**	**3,674**	**115%**	**6,487**	**22%**
Daily Average	123	60	105%	100	24%
Maximum	**9.63**	**4.62**	**108%**	**4.30**	**124%**
Minimum	**4.61**	**3.60**	**28%**	**1.93**	**139%**
Closing	**7.78**	**4.60**	**69%**	**3.53**	**120%**
Market Capitalization - R$ million	**9,749**	**5,764**	**69%**	**3,579**	**172%**

Performance in the B3

Usiminas' common shares (USIM3) closed the 3Q17 quoted at R$10.05 and its preferred shares (USIM5) at R$7.78. In the 3Q17, USIM3 and USIM5 appreciated 13.8% and 69,1%, respectively. In the same period the Ibovespa presented an 18.1% appreciation.

Foreign Stock Markets

OTC – New York
Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY, by Class A preferred shares. On 09/30/17, USNZY ADRs, which have higher liquidity, were quoted at US$2.50, presenting an appreciation of 85.2% in the quarter.

LATIBEX – Madrid
Usiminas' shares are traded on the LATIBEX – the Madrid Stock Exchange: XUSI as preferred shares and XUSIO as common shares. On 9/30/17, XUSI closed quoted at €2.10, appreciating 89.5% in the quarter. XUSIO shares closed quoted at €3.49, registering an appreciation of 46.0% in the quarter.

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Visit the Investor Relations Site: www.usiminas.com/ri
or access by mobile phone: m.usiminas.com/ri

3Q17 Conference Call Results - Date 10/27/2017	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 12:00 p.m. Dial-in Numbers: Brazil: (+55 11) 3193-1001 / 2820-4001	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 786) 924-6977
Audio replay available at (55 11) 3193-1012 / 2820-4012	
Pincode for replay: 5615626# - Portuguese	Pincode for replay: 1565184# - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.

Balance Sheet - Assets - Consolidated | IFRS - R$ thousand

Assets	30-Sep-17	30-Jun-17	30-Sep-16
Current Assets	**6,800,072**	**6,701,272**	**6,314,895**
Cash and Cash Equivalents	2,138,050	1,951,286	2,339,789
Trade Accounts Receivable	1,339,336	1,265,246	1,340,983
Taxes Recoverable	334,517	265,572	203,209
Inventories	2,766,155	2,802,379	2,237,419
Advances to suppliers	4,140	9,058	9,249
Financial Instruments	71,280	89,497	36,372
Other Securities Receivables	146,594	318,234	147,874
Non-Current Assets	**19,005,745**	**19,314,860**	**20,004,131**
Long-Term Receivable	**4,059,756**	**4,193,720**	**4,552,386**
Deferred Income Tax & Social Contribution	3,030,450	3,061,289	3,434,099
Deposits at Law	683,542	700,388	636,348
Accounts Receiv. Affiliated Companies	3,328	3,302	4,104
Taxes Recoverable	48,517	106,763	197,191
Financial Instruments	1,470	373	87,729
Others	292,449	321,605	192,915
Investments	**1,205,496**	**1,164,854**	**1,184,155**
Property, Plant and Equipment	**13,048,632**	**13,259,162**	**13,935,528**
Intangible	**691,861**	**697,124**	**332,062**
Total Assets	**25,805,817**	**26,016,132**	**26,319,026**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R$ thousand

Liabilities and Shareholders' Equity	30-Sep-17	30-Jun-17	30-Sep-16
Current Liabilities	**2,387,267**	**2,281,035**	**1,691,103**
Loans and Financing and Taxes Payable in Installments	875,662	630,476	91,666
Suppliers, Subcontractors and Freight	738,257	703,438	596,751
Wages and Social Charges	240,574	211,743	257,059
Taxes and Taxes Payables	85,533	126,256	108,082
Accounts Payable Forfaiting	201,334	327,442	477,537
Financial Instruments	72,535	92,199	39,246
Dividends Payable	138	22,000	140
Customers Advances	39,607	53,358	53,463
Others	133,627	114,123	67,159
Long-Term Liabilities	**8,091,901**	**8,464,035**	**9,036,294**
Loans and Financing and Taxes Payable in Installments	5,984,733	6,319,176	6,856,630
Actuarial Liability	1,050,848	1,088,014	1,120,370
Provision for Legal Liabilities	674,806	679,478	600,406
Financial Instruments	-	-	81,697
Environmental Protection Provision	154,364	150,494	138,879
Others	227,150	226,873	238,312
Shareholders' Equity	**15,326,649**	**15,271,062**	**15,591,629**
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	702,836	640,458	791,972
Non-controlling shareholders participation	**1,423,518**	**1,430,309**	**1,599,362**
Total Liabilities and Shareholders' Equity	**25,805,817**	**26,016,132**	**26,319,026**

Income Statement - Consolidated | IFRS

R$ thousand	3Q17	2Q17	3Q16	Change 3Q17/2Q17
Net Revenues	**2,737,025**	**2,569,485**	**2,265,154**	**7%**
Domestic Market	2,385,844	2,211,682	1,987,765	8%
Exports	351,181	357,803	277,389	-2%
COGS	(2,379,358)	(2,187,259)	(1,999,357)	9%
Gross Profit	**357,667**	**382,226**	**265,797**	**-6%**
Gross Margin	**13.1%**	**14.9%**	**11.7%**	**- 1.8 p.p.**
Operating Income (Expenses)	**(250,646)**	**(15,578)**	**(299,898)**	**1509%**
Selling Expenses	(62,992)	(65,602)	(51,993)	-4%
Provision for Doubtful Accounts	(7,321)	(16,330)	384	-55%
Other Selling Expenses	(55,671)	(49,272)	(52,377)	13%
General and Administrative	(106,088)	(96,644)	(87,410)	10%
Other Operating Income (expenses)	(81,566)	146,668	(160,495)	-
Reintegra Program	5,863	6,596	259	-11%
Provision for Contingencies	(45,526)	(13,839)	(34,902)	229%
Result of the Non Operating Asset Sale/Write-Off	660	(586)	(1,775)	-
Result of the Sale of the Surplus Electric Energy	10,931	18,716	(35,676)	-42%
Temporary Equipments Shutdown (includes depreciation)	(104,046)	(103,307)	(134,615)	1%
Impairment of Assets	-	-	194	-
Porto Sudeste Agreeement (net of expenses)	-	201,106	-	-100%
Tax credit on imports PIS/COFINS	70,112	71,517	58,595	-2%
Other Operating Income (Expenses), Net	(19,560)	(33,535)	(12,575)	-42%
EBIT	**107,021**	**366,648**	**(34,101)**	-71%
EBIT Margin	**3.9%**	**14.2%**	**-1.6%**	**- 10.3 p.p.**
Financial Result	**(64,961)**	**(171,294)**	**(159,277)**	**-62%**
Financial Income	140,358	156,432	185,233	-10%
Financial Expenses	(261,361)	(250,557)	(314,982)	4%
Net foreing exchange gain and losses	56,042	(77,169)	(29,528)	-
Equity in the Results of Associate and Subsidiary Companies	50,556	15,278	27,047	231%
Operating Profit (Loss)	**92,616**	**210,632**	**(166,331)**	**-56%**
Income Tax / Social Contribution	(16,713)	(34,922)	59,193	-52%
Net Income (Loss)	**75,903**	**175,710**	**(107,138)**	**-57%**
Net Margin	**2.7%**	**6.8%**	**-4.8%**	**- 4.1 p.p.**
Attributable:				
Shareholders	**76,959**	**117,073**	**(114,141)**	**-34%**
Minority Shareholders	**(1,056)**	**58,637**	**7,003**	**-**
EBITDA (Instruction CVM 527)	**444,149**	**710,527**	**300,576**	**-37%**
EBITDA Margin (Instruction CVM 527)	**16.2%**	**27.7%**	**13.3%**	**- 11.5 p.p.**
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	**452,784**	**749,852**	**306,896**	**-40%**
Adjusted EBITDA Margin	**16.5%**	**29.2%**	**13.5%**	**- 12.7 p.p.**
Depreciation and Amortization	286,572	328,601	307,630	-13%

Income Statement - Consolidated | IFRS

R$ thousand	9M17	9M16	Chg. 9M17/9M16
Net Revenues	**7,657,348**	**6,334,056**	**21%**
Domestic Market	6,707,189	5,511,498	22%
Exports	950,159	822,558	16%
COGS	(6,436,716)	(6,106,142)	5%
Gross Profit	**1,220,632**	**227,914**	**436%**
Gross Margin	**15.9%**	**3.6%**	**+ 12.3 p.p.**
Operating Income (Expenses)	**(562,289)**	**(875,458)**	**-36%**
Selling Expenses	(180,787)	(187,429)	-4%
Provision for Doubtful Accounts	(27,574)	(22,304)	24%
Other Selling Expenses	(153,213)	(165,125)	-7%
General and Administrative	(295,873)	(263,306)	12%
Other Operating Income (Expenses)	(85,629)	(424,723)	-80%
Reintegra Program	16,984	693	2351%
Provision for Legal Liabilities	(109,276)	(51,219)	113%
Result of the Non Operating Asset Sale/Write-Off	1,482	71,080	-98%
Result of the Sale of the Surplus Electric Energy	6,946	(120,938)	-
Temporary Equipments Shutdown (includes depreciation)	(312,594)	(379,741)	-18%
Impairment of Assets	-	(7,443)	-100%
Acordo com Porto Sudeste	201,106	-	-
Tax credit on imports PIS/COFINS	190,025	111,810	70%
Other Operating Income (Expenses), Net	(80,302)	(48,965)	64%
EBIT	**658,343**	**(647,544)**	-
EBIT Margin	**8.5%**	**-10.3%**	**+ 18.8 p.p.**
Financial Result	**(290,836)**	**56,897**	**-**
Financial Income	455,941	470,821	-3%
Financial Expenses	(781,267)	(1,059,443)	-26%
Net foreing exchange gain and losses	34,490	645,519	-95%
Equity in the Results of Associate and Subsidiary Companies	102,914	115,547	-11%
Operating Profit (Loss)	**470,421**	**(475,100)**	**-**
Income Tax / Social Contribution	(110,490)	93,228	-
Net Income (Loss)	**359,931**	**(381,872)**	**-**
Net Margin	**4.6%**	**-6.1%**	**+ 10.7 p.p.**
Attributable:			
Shareholders	**282,933**	**(396,343)**	**-**
Minority Shareholders	**76,998**	**14,471**	**432%**
EBITDA (Instruction CVM 527)	**1,682,771**	**410,992**	**309%**
EBITDA Margin (Instruction CVM 527)	**22.0%**	**6.5%**	**+ 15.5 p.p.**
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	**1,735,405**	**426,258**	**307%**
Adjusted EBITDA Margin	**22.7%**	**6.7%**	**+ 16.0 p.p.**
Depreciation and Amortization	921,514	942,989	-2%

Cash Flow - Consolidated | IFRS

R$ thousand	3Q17	2Q17	3Q16
Operating Activities Cash Flow			
Net Income (Loss) in the Period	75,903	175,710	(107,138)
Financial Expenses and Monetary Var. / Net Exchge Var.	(26,094)	103,431	111,782
Interest Expenses	168,381	150,932	54,190
Depreciation and Amortization	286,572	328,601	307,630
Losses/(gains) on Sale of Property, Plant and Equipment	(660)	586	1,775
Equity in the Results of Subsidiaries/Associated Companies	(50,556)	(15,278)	(27,047)
Impairment of Assets	-	-	(194)
Difered Income Tax and Social Contribution	33,954	(17,561)	(64,220)
Constitution (reversal) of Provisions	87,737	36,159	41,357
Actuarial Gains and losses	7,274	7,276	(244)
Stock Option Plan	(1,101)	(441)	922
Total	**581,410**	**769,415**	**318,813**
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(61,653)	(166,760)	(107,545)
Inventories	9,021	(52,898)	63,338
Recovery of Taxes	(13,890)	49,529	(32,454)
Judicial Deposits	(9,392)	(13,218)	(18,298)
Accounts Receiv. Affiliated Companies	(26)	321	196
Others	191,388	(208,586)	(18,422)
Total	**115,448**	**(391,612)**	**(113,185)**
Increase /(Decrease) of Liabilities			
Suppliers, Contractors and Freights	34,819	20,281	(255,575)
Amounts Owed to Affiliated Companies	4,558	4,409	4,856
Customers Advances	(13,751)	(1,736)	(26,614)
Tax Payable	(35,432)	1,671	482
Securities Payable Forfaiting	(126,108)	(279,310)	58,604
Actuarial Liability Payments	(49,107)	(65,724)	(84,342)
Others	(31,376)	(1,578)	7,841
Total	**(216,397)**	**(321,987)**	**(294,748)**
Cash Generated from Operating Activities	**480,461**	**55,816**	**(89,120)**
Interest Paid	(199,331)	(183,716)	(285,577)
Income Tax and Social Contribution	(2,100)	(5,637)	(6,224)
Net Cash Generated from Operating Activities	**279,030**	**(133,537)**	**(380,921)**
Investments activities cash flow			
Marketable Securities	(67,174)	(394,014)	224,366
Fixed Asset Acquisition	(50,168)	(32,362)	(30,605)
Fixed Asset Sale Receipt	818	1	1,180
Dividends Received	(10,578)	12,543	745
Purchase of Software	(1,534)	(1,689)	(3,143)
Net Cash Employed on Investments Activities	**(128,636)**	**(415,521)**	**192,543**
Financial Activities Cash Flow			
Settled Credits assignments	-	-	(43,832)
Payment of Loans, Financ. & Debent.	(3,327)	(8,065)	(163,172)
Shares Issued / Capital Increase	-	-	178,841
Payment of Taxes Installments	(345)	(341)	(404)
Swap Operations Liquidations	(1,366)	(199)	63,748
Dividends and Interest on Capital	(21,862)	(3,643)	-
Capital Gain / Reduction	-	(300,000)	-
Net Cash Generated from (Employed on) Financial Activities	**(26,900)**	**(312,248)**	**35,181**
Exchange Variation on Cash and Cash Equivalents	**(3,904)**	**2,941**	**4,449**
Net Increase (Decrease) of Cash and Cash Equivalents	**119,590**	**(858,365)**	**(969,907)**
Cash and Cash Equivalents at the Beginning of the Period	1,045,292	1,903,657	1,497,757
Cash and Cash Equivalents at the End of The Period	1,164,882	1,045,292	527,850
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	1,045,292	1,903,657	676,598
Marketable Securities at the Beginning of the Period	905,994	511,980	2,036,305
Cash and Cash Equivalents at the Beginning of the Period	**1,951,286**	**2,415,637**	**2,712,903**
Net Increase (Decrease) of Cash and Cash Equivalentes	119,590	(858,365)	(148,748)
Net Increase (Decrease) of Marketable Securities	67,174	394,014	(224,366)
Cash and Cash Equivalents at the End of the Period	1,164,882	1,045,292	527,850
Marketable Securities at the End of the Period	973,168	905,994	1,811,939
Cash and Cash Equivalents at the End of the Period	**2,138,050**	**1,951,286**	**2,339,789**

Cash Flow - Consolidated | IFRS

R$ thousand	9M17	9M16
Operating Activities Cash Flow		
Net Income (Loss) in the Period	359,931	(381,872)
Financial Expenses and Monetary Var. / Net Exchge Var.	81,515	(33,293)
Interest Expenses	511,832	213,169
Depreciation and Amortization	921,514	942,989
Losses/(gains) on sale of property, plant and equipment	(1,482)	(1,080)
Equity in the Results of Subsidiaries/Associated Companies	(102,914)	(115,547)
Impairment of Assets	-	7,443
Difered Income Tax and Social Contribution	46,998	(105,516)
Constitution (reversal) of Provisions	197,324	34,507
Actuarial Gains and losses	21,823	(966)
Stock Option Plan	(1,247)	(3,384)
Total	**2,035,294**	**556,450**
Increase/Decrease of Assets		
Accounts Receivables Customer	(314,337)	71,743
Inventories	(296,971)	544,166
Recovery of Taxes	37,764	56,771
Judicial Deposits	(39,557)	(48,453)
Accounts Receiv. Affiliated Companies	514	308
Others	8,759	(7,118)
Total	**(603,828)**	**617,417**
Increase /(Decrease) of Liabilities		
Suppliers, contractors and freights	(108,120)	(223,820)
Amounts Owed to Affiliated Companies	(14,119)	(14,709)
Customers Advances	3,801	12,664
Tax Payable	24,089	19,580
Securities Payable Derived from Suppliers	(155,636)	(147,373)
Actuarial Liability payments	(174,413)	(157,301)
Others	(36,736)	(180,412)
Total	**(461,134)**	**(691,371)**
Cash Generated from Operating Activities	**970,332**	**482,496**
Interest Paid	(617,080)	(651,821)
Income Tax and Social Contribution	(22,497)	(14,194)
Net Cash Generated from Operating Activities	**330,755**	**(183,519)**
Investments activities cash flow		
Marketable Securities	564,416	(587,754)
Fixed asset acquisition	(105,204)	(132,236)
Fixed asset sale receipt	2,512	58,243
Dividends Received	3,239	3,224
Software Purchase	(3,906)	(12,294)
Net Cash Employed on Investments Activities	**461,057**	**(670,817)**
Financial Activities Cash Flow		
Assigned Credits	-	43,832
Settled Credits assignments	-	(241,294)
Inflow of Loans, Financing and Debentures	-	-
Payment of Loans, Financ. & Debent.	(16,284)	(266,017)
Shares Issued / Capital Increase	-	1,050,295
Payment of Taxes Installments	(1,021)	(1,272)
Swap Operations Liquidations	(4,090)	12,239
Dividends and Interest on Capital	(25,505)	(2)
Capital Gain / Reduction	(300,000)	-
Net Cash Generated from (Employed on) Financial Activities	**(346,900)**	**597,781**
Exchange Variation on Cash and Cash Equivalents	**100**	**(15,867)**
Net Increase (Decrease) of Cash and Cash Equivalents	**445,012**	**(272,422)**
Cash and Cash Equivalents at the Beginning of the Period	719,870	800,272
Cash and Cash Equivalents at the End of The Period	1,164,882	527,850
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	719,870	800,272
Marketable securities at the beginning of the period	1,537,584	1,224,185
Cash and cash equivalents at the beginning of the period	**2,257,454**	**2,024,457**
Net increase (decrease) of cash and cash equivalentes	445,012	(272,422)
Net increase (decrease) of marketable securities	(564,416)	587,754
Cash and cash equivalents at the end of the period	1,164,882	527,850
Marketable securities at the end of the period	973,168	1,811,939
Cash and cash equivalents at the end of the period	**2,138,050**	**2,339,789**