

Institutional Presentation

2Q19

AGENDA



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Usiminas

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Pillars of Usiminas' Management

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Governance and Highlights

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Appendix

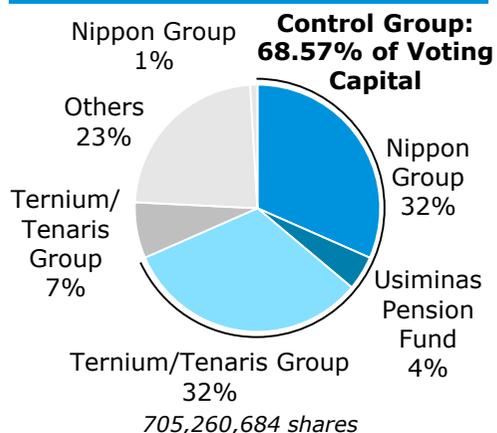
Usiminas at a Glance

Company Overview

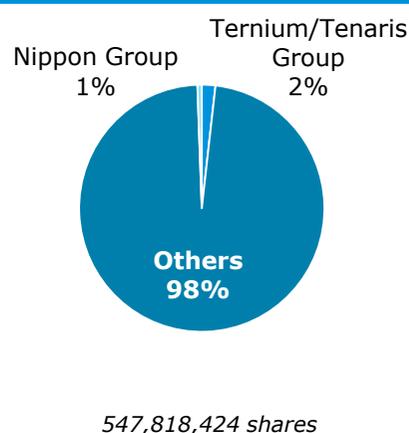
- ✓ Usiminas is one of the largest flat steel producers in Brazil, with operations in several segments of the value chain, such as mining and logistics, capital goods, service and distribution centers and customized solutions
- ✓ Two steel plants strategically located along Brazil's main industrial axis, with sales force present in the main regions of the country
- ✓ First Brazilian steel company certified by ISO 9001
- ✓ Founder of the most enduring environmental education project in the private sector since 1984

Shareholder Structure (% of total capital, except otherwise indicated)

Voting Capital



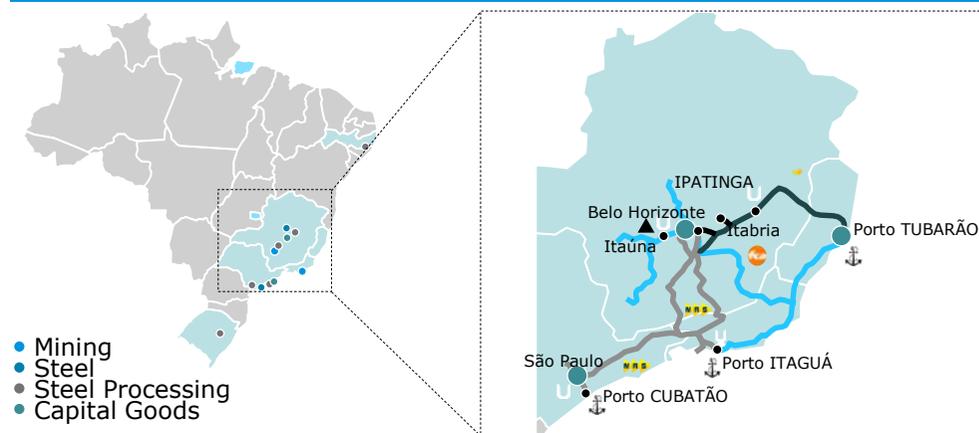
Preferred Shares



56% of ON and 44% of PN

Classification of Information: Public

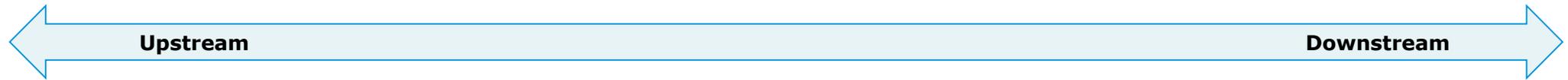
Geographic Footprint

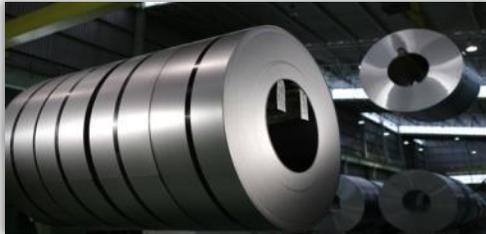


Financial Highlights (in R\$m, except otherwise indicated)

	2015	2016	2017	2018	LTM 2Q19
Net Revenues	10,186	8,454	10,734	13,737	14,515
<i>Growth YoY</i>	(13%)	(17%)	27%	28%	6%
Adjusted EBITDA	291	660	2,186	2,693	2,596
<i>Margin</i>	3%	8%	20%	20%	18%
Net Income	(3,685)	(577)	315	829	938
<i>Margin</i>	(36%)	(7%)	3%	6%	6%
Total Debt	7,886	6,942	6,656	5,854	5,466
Cash and Equivalents	2,024	2,257	2,314	1,693	1,245
Net Debt	5,862	4,684	4,342	4,161	4,221
<i>Net Debt / EBITDA</i>	20.1 x	7.1 x	2.0 x	1.6 x	1.6 x

Complete Solutions on Products and Services



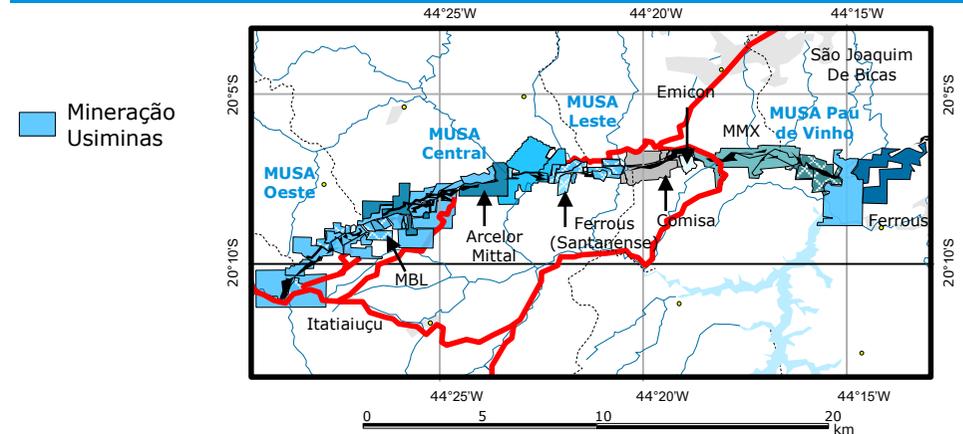
Mining	Steel	Steel Processing	Capital Goods
Mineração Usiminas	Ipatinga Cubatão Unigal	Soluções Usiminas	Usiminas Mecânica
			
<ul style="list-style-type: none"> ✓ JV formed in 2010 through a partnership with Sumitomo Corporation ✓ Responsible for the mining operations, in addition to rail and port transportation ✓ Three iron ore plants at Serra Azul ✓ Also has pellet and sinter feed processing plants ✓ Concluded investments that will expand the current capacity to 12mm tons/year 	<ul style="list-style-type: none"> ✓ One of the largest producers of flat rolled steel in Brazil ✓ Two industrial plants in Ipatinga (MG) and Cubatão (SP) ✓ Nominal capacity for producing 9.5 million tons of raw steel per annum ✓ Also holds Unigal Usiminas, a JV with Nippon Steel responsible for steel hot-dip galvanizing activities, enhancing the technology content within Usiminas' steel 	<ul style="list-style-type: none"> ✓ Created in 2009, Soluções Usiminas has a wide portfolio of products and services in the transformation and distribution of flat rolled steel division ✓ Holds 7 industrial facilities ✓ Soluções Usiminas' portfolio includes steel coils, coarse plates, rollers, welded assemblies, metal structures and metal disks and tubes, among other items 	<ul style="list-style-type: none"> ✓ High value-added products for the capital goods industry ✓ Major provider of creative solutions for the steel, mining, automotive, energy, petrochemical, among other industries ✓ Key products: industrial equipment, heavy steel structures, steel bridges and viaducts, cast steel pieces, railway wagons, blanks and stamped products. ✓ Industrial plants in Ipatinga

Usiminas is evaluating alternatives for its participation in this asset

Overview

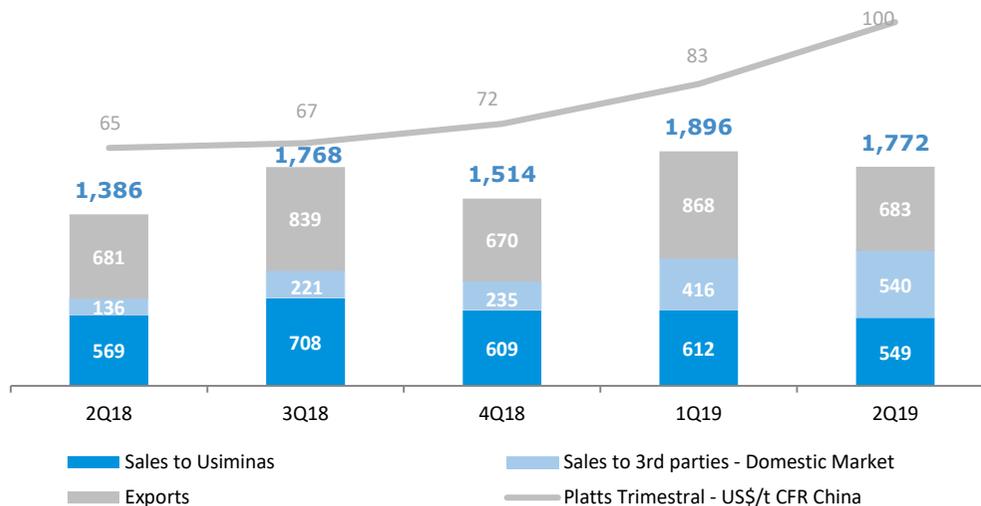
- JV formed in 2010 through a partnership with Sumitomo Corporation (30% economic stake) responsible for mining and railway operations
- Three mining sites in the Serra Azul region (MG), with resources of 2.4 billion tons of iron ore
- Asset base also includes pellet and sinter feed processing plants
- Concluded investments that will expand the currently capacity to 12 mm tons/year
- The company also has voting equity stake of 20% of MRS Logística and a strategic field in Sepetiba Bay (RJ)

Assets Location

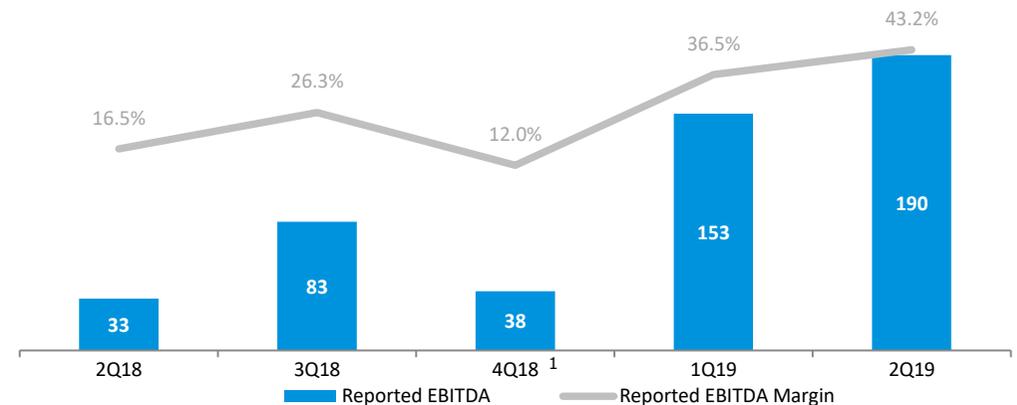


Iron Ore Sales and Price PLATTS (62% FE CFR China)

Mining Business Unit - Thousand tons - Prices in US\$/ton



EBITDA (R\$ mm) and EBITDA Margin (%)



¹ With a negative non-recurring effect of R\$ 38 Million negative due a provision for non-recovery of ICMS.

Mining

Key Projects

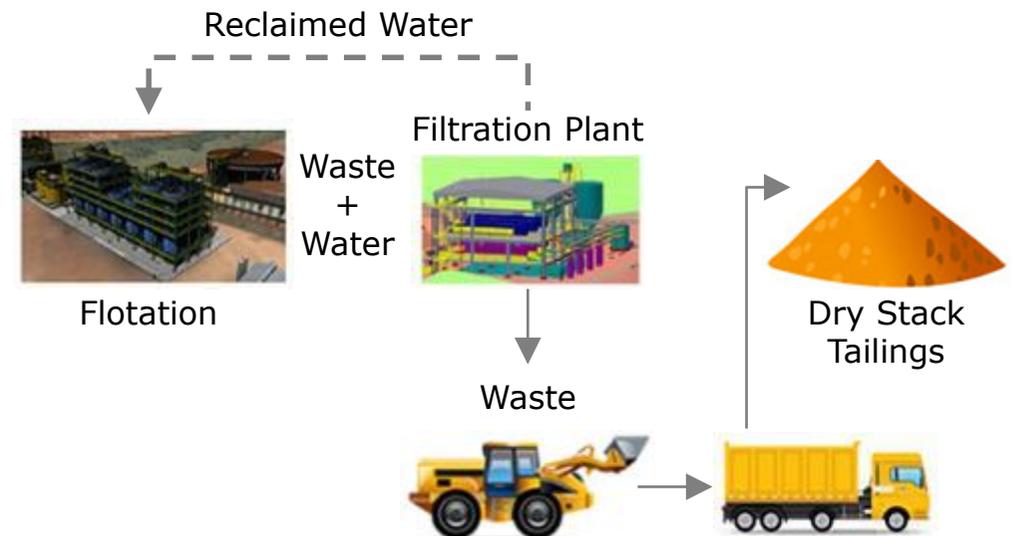
Friables

- ✓ Started operation in 2014
- ✓ Two iron ore processing plants
- ✓ Increased nominal capacity from 8 million to 12 million tons / year of iron ore
- ✓ Iron ore with better quality, higher concentration of iron content and lower impurity level



Dry Stacking (ongoing)

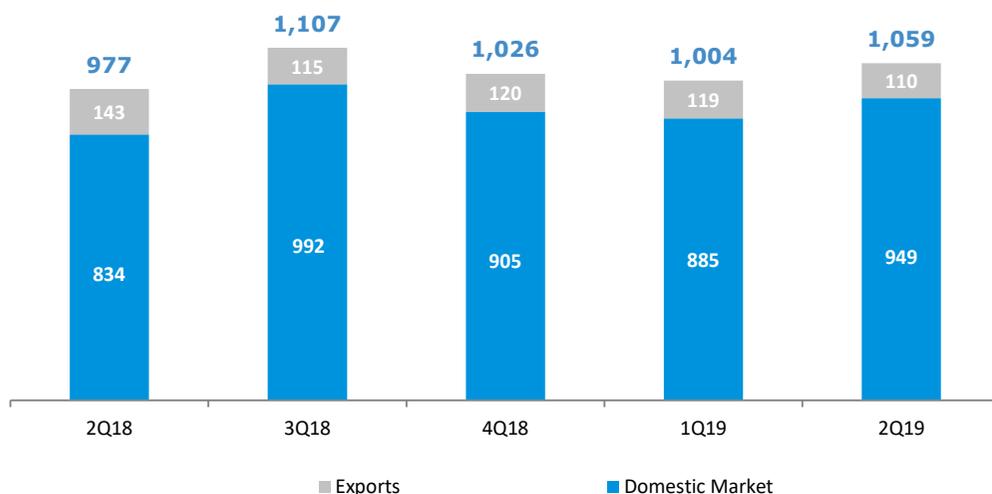
- ✓ MUSA is investing in the dry stacking technique. With an R\$140 million investment, the process will start operating in 2020, depending on environmental licensing



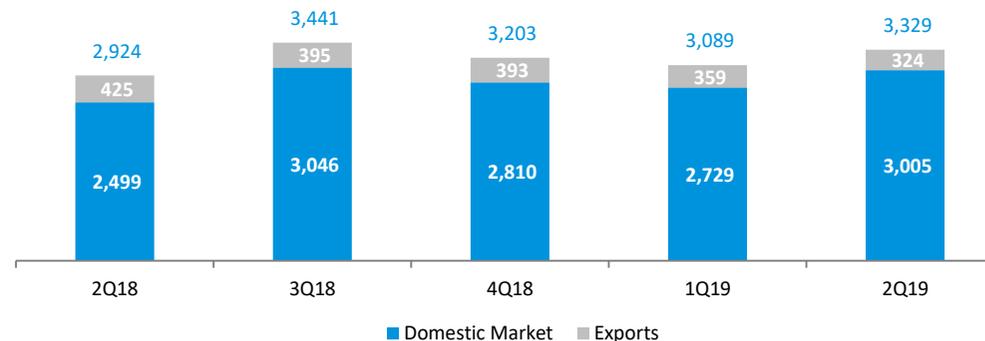
Overview

- One of the largest producers of flat rolled steel in Brazil
- Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- Nominal production capacity of 9.5 mm tons of annual crude steel
- The company owns Unigal Usiminas, a JV with Nippon Steel engaged in steel hot-dip galvanizing, enhancing the technology content within Usiminas' steel
- Largest center of steel research in Latin America

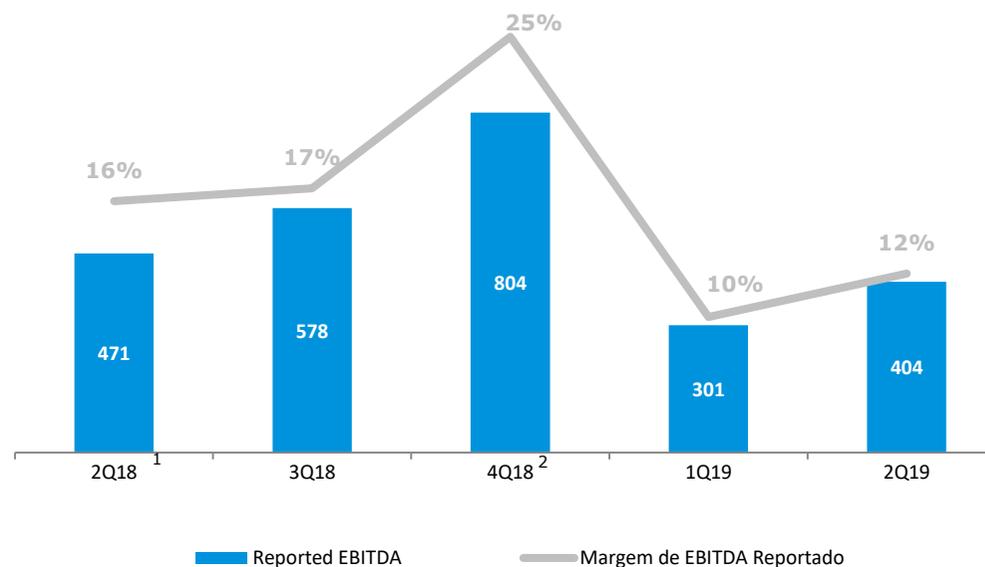
Steel Sales Evolution (Thousand tons)



Net Revenue (R\$ mm)



EBITDA (R\$ mm) and EBITDA Margin (%)

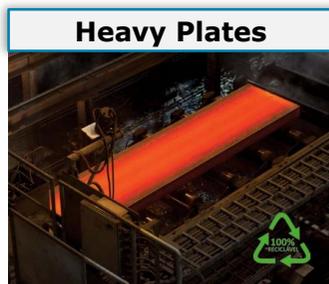


¹ Negative non-recurring effect of R\$ 62 million, due to the provision of the RS Government related to assessment ICMS credit appropriation.

² Non-recurring effect of R\$ 503 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$411 Mi), Amounts Receivable – Eletrobras (R\$ 186 Mi), PDD (R\$ 34 Mi Negative) e Other Non-recurring (R\$60 Mi negative)

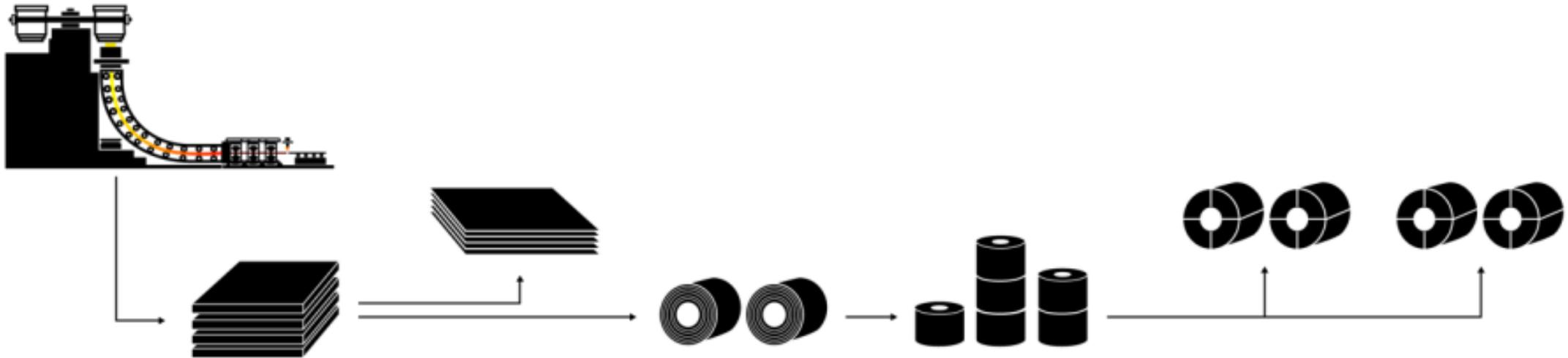
Steel (Cont'd)

Flat steel consumption markets



Steel (Cont'd)

Crude steel capacity of 9.5 million tons, being 5 million tons in Ipatinga and 4.5 million in Cubatão, which had the operation of its crude steel production temporarily suspended and currently processes purchased slabs



	Heavy Plates	Hot Rolled	Cold Rolled	Galvanized		Total
				Electrogalvanized	HDG	
Total Production Capacity ¹ of Products for Sale	1,900	4,200	2,200	350	1,020	9,670
Generation of Products for Sale with the Equipment in Operation ²	900	2,070	2,200	350	900	6,420

¹ According to the theoretical mix of sales in the implementation of the line.

² Excluding the temporarily suspended capacities of Heavy Plates and Hot Strip Laminator #1 in Cubatão.

Steel (Cont'd)

Key Projects

CLC Technology¹

- ✓ Licensed in 2009
- ✓ The project enabled Usiminas' to meet specific requirements from Petrobras (application on pre-salt operation, besides the shipbuilding sector)



Hot-dip Galvanizing Line

- ✓ Started operations in 2011
- ✓ Double the capacity to 1 million tons / year
- ✓ Expertise in ultra-high strength steel production (dual phase)



Coke Plant Revamp – Ipatinga

- ✓ Started operations in May 2015
- ✓ Metallurgical coke with adequate specifications for pig iron production in the blast furnace process
- ✓ Reduction of particle emissions, gases and volatile substances
- ✓ Coke gas to be used in the operational facilities of Ipatinga Mill and electricity generation
- ✓ Total capacity of coke plant of 1.1 million tons/year



Steel (Cont'd)

Focus on developing new steel and improving production processes

Research and Development



Largest Center for Steel Research in Latin America

- More than 40 years of operation
- 17 LABORATORIES
- Improve processes and develop products
- CONTRIBUTE TO THE LEADERSHIP OF USIMINAS IN THE GENERATION OF PATENTS IN BRAZIL

**Steel mill with the largest number of patents in Brazil.
Annual R&D investment in the range of 0.2% to 0.3% of gross revenue.**

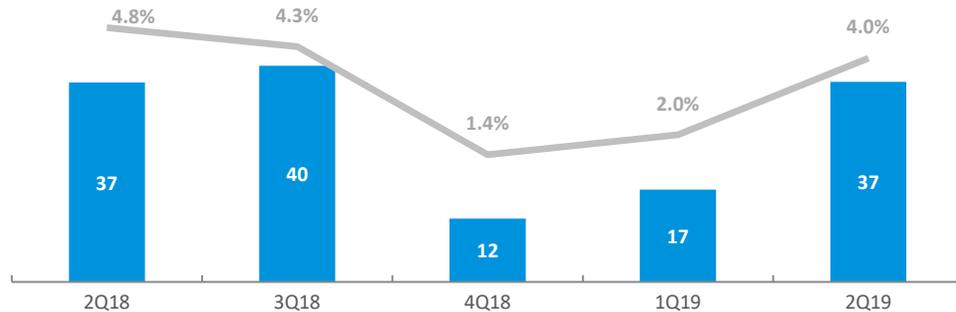
Overview – Soluções Usiminas

- Soluções Usiminas engages in steel transformation and distribution
- The company is controlled by Usiminas, that holds a 68.9% stake
- Its portfolio includes the production of steel coils, coarse plates, rollers, welded assemblies, metal structures and metal disks and tubes, among other items
- Located in seven different sites with an installed capacity to transform 1.9 million tons of steel per year

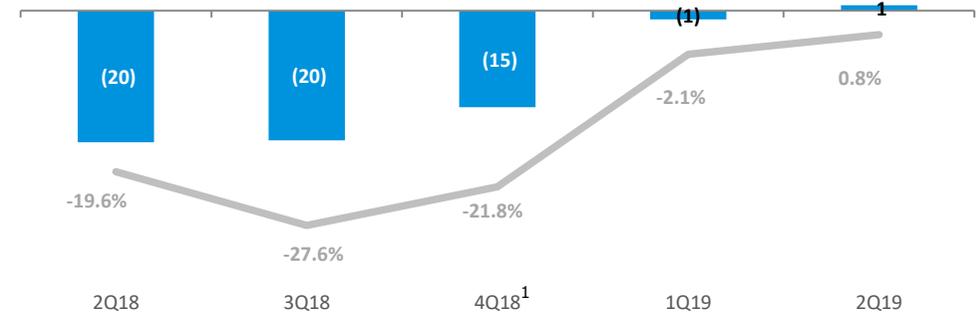
Overview – Usiminas Mecânica

- Usiminas Mecânica is one of the main capital goods companies in Brazil
- It engages in the high-technology manufacturing of light, medium and heavy steel structures for projects in the oil & gas, construction, infrastructure, heavy industry and other major sectors
- Main industrial plant in Ipatinga (MG)

EBITDA (R\$ mm) and EBITDA Margin (%) – Steel Processing - Quarterly



EBITDA (R\$ mm) and EBITDA Margin (%) – Capital Goods - Quarterly



¹ With non-recurring effect of R\$ 8 million relative to ICMS tax in the base calculation of PIS/COFINS.

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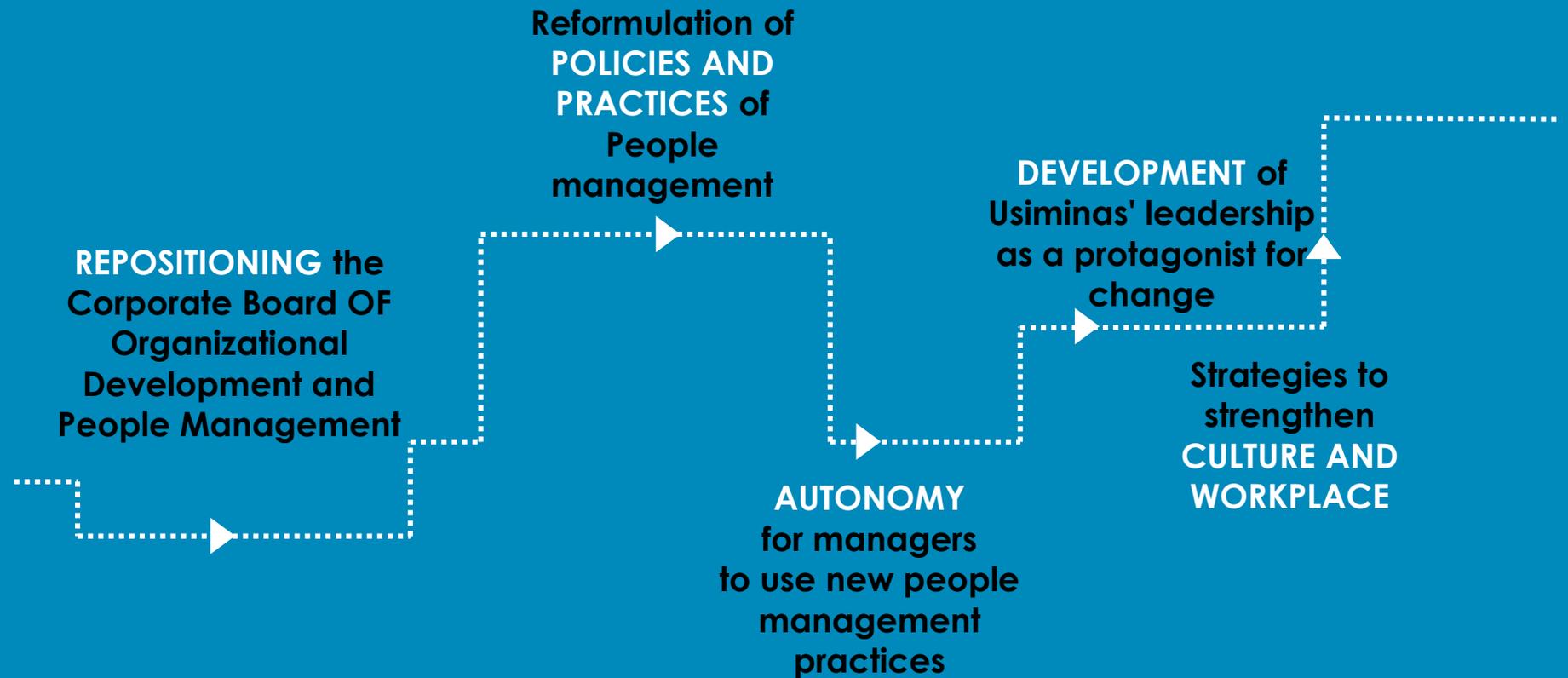
Appendix

PILLARS OF USIMINAS' MANAGEMENT USIMINAS U

People, Clients and Results



PEOPLE



People

Social and Environmental Highlights

Highlights 2018



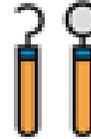
“Projeto Superar”

Awarded by **World Steel Association**
“Excellence in health and safety – Impact on occupational health.”



“Todos pela Água”

was the greatest winner in the category “**Best sustainable partner project**” of “IX Prêmio Hugo Werneck” in Sustainability & Love to Nature.



193 thousand Dental Care

at the “Integrated Dentistry Center”



1.039 Scholarship

at “Colégio São Francisco Xavier”.



97% Customer Satisfaction

at “Hospital Márcio Cunha”.

“Mobiliza Caminhos do Vale” Project

Promotes the recovery of rural roads based on steel aggregates, having as a counterpart the realization of socio-environmental projects and the recovery of springs by the municipalities

- ✓ **2.1 Million** tons of applied Siderbrita
- ✓ **1.3 Million** beneficiaries
- ✓ **1,653 km** of rural roads recovered
- ✓ **84,000** trips on 25 tons’ trucks
- ✓ **54 municipalities** in the east of Minas Gerais
- ✓ **2,019** springs in recovery process
- ✓ **605,320** seedlings planted (average 396/spring)
- ✓ **191,230** wood fence posts used
- ✓ **592,810** meters of wire fixed



People

Social and Environmental Highlights

“Mobiliza Todos pela Água” Project

Enters into partnerships with municipal councils, using slag to recover springs

54
municipalities
participating

1445
Springs
recovered

572,700
Seedlings
planted



People

Social and Environmental Highlights

“Mobiliza Caminhos do Vale” Project

Socio-environmental projects as counterpart in **Marliéria**



Slope containment works, leading to a **100% annual attendance** in the local schools

Contrapartidas sócio ambientais em **Paraíso e Iapú**



Workshop on **Ecology** and **Environmental Preservation**, environmental awareness and tree seed plantation in the springs by community children



Increase in **tourism** and **handicraft**, and helping the local products flow

Classification of Information: Public



Construction of the **free flight ramp** in the community of Achado, 2nd largest in the State of Minas Gerais

PEOPLE

Social and Environmental Initiatives

Education and Culture

São Francisco Xavier School

First educational institution in Brazil to obtain ISO 9001



Usiminas Institute

Usiminas invested over R\$260 million, encouraging around 2,000 social projects



Projects and Programs

Xerimbabo Usiminas Project

Promotes protection and environmental education free of charge for more than 2 million young people



“Plante uma vida” Project

The initiative promotes the planting of native tree by employees who had a children in the year



Social and Environmental Initiatives

São Francisco Xavier Foundation

Márcio Cunha Hospital – Unit I

Reference center in the area of health in Brazil



Márcio Cunha Hospital – Unit II

Hospitalization, Ambulatory Care, Diagnostic Imaging Center and Usifamília



Carlos Chagas Municipal Hospital

Reference for the municipalities of the Itabira microregion to SUS patients



Cubatão Hospital

General Hospital for services of medium complexity, reference for the region of São Vicente, Cubatão, Guarujá and Praia Grande



Awards and Recognition

Prêmio Hugo Werneck 2016 – Brazil's biggest sustainability award

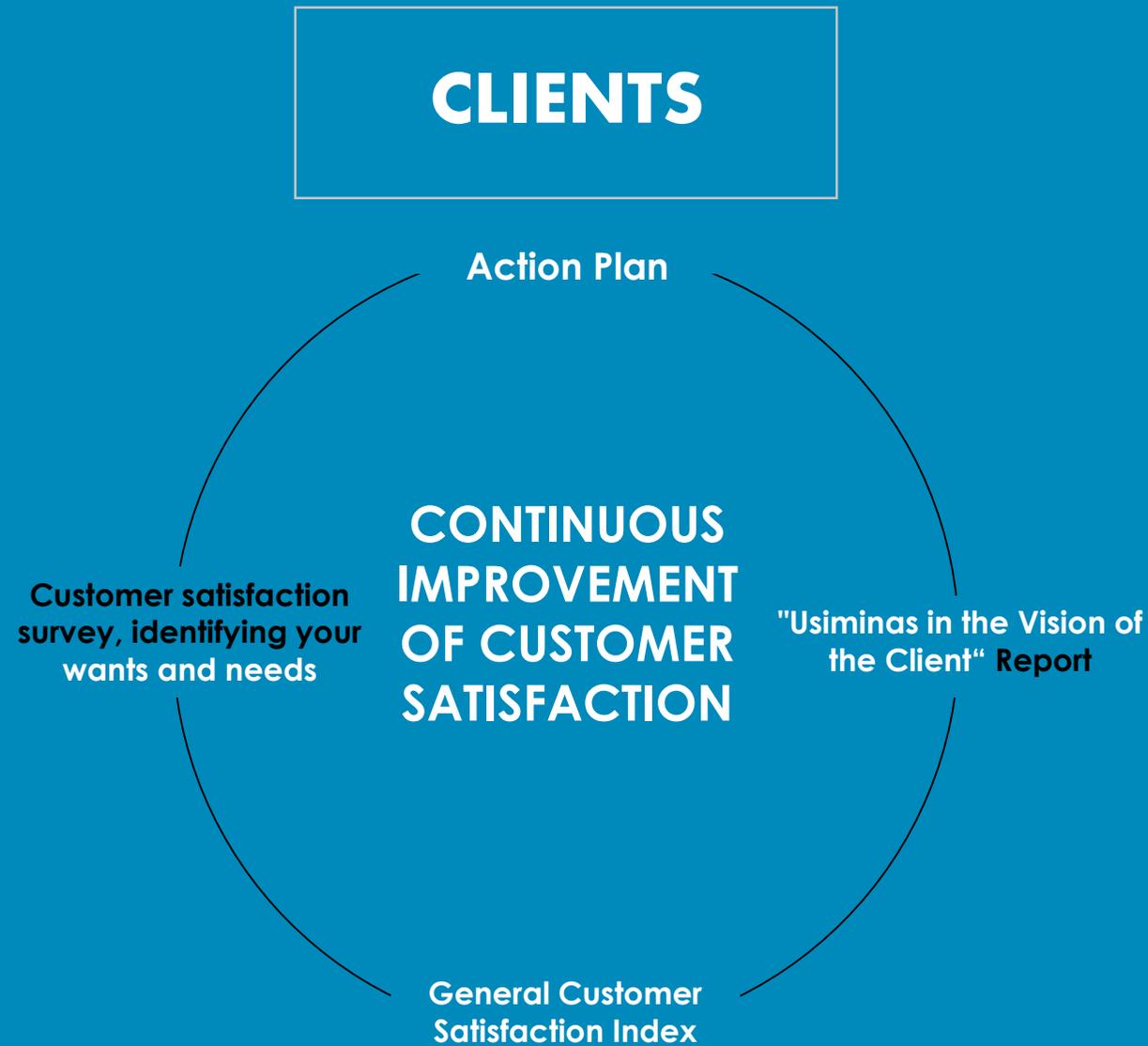
Prêmio World Steel Association 2017 - Biggest World Award - Belgium

Prêmio Boas Práticas Ambientais 2017 – FEAM and FIEMG Recognition

Prêmio Sustentabilidade Américas 2018 – Biggest Americas Award

Prêmio Hugo Werneck 2018 – Best Sustainable Partner Project
“Todos pela Água”





Customer Satisfaction, Awards and Recognition

AWARDS AND RECOGNITION

- Top Supplier Ford – Raw Material and Stamping 2018
- Gestamp Supplier Quality – Excellence Award 2017
- MotoHonda Supplier – Excellence in Quality and Delivery 2017
- Mercedes Benz award for environmental responsibility 2017
- 2015 REI Award
- Ranking of the "100 most Innovative Companies in Brazil"
- Toyota Global Suppliers Award
- Auto Data Quality Ranking and Partnership 2015
- PSA Peugeot-Citroen Award

MAIN SUPPLIER FOR THE AUTOMOTIVE MARKET



RESULTS

CRISE
 Deterioration of results
 Loss of Market Cap.
 Furnace shutdown

SURVIVAL
 Capital increase of R\$ 1Bi
 Debt Restructuring
 Change of the business model in Cubatão

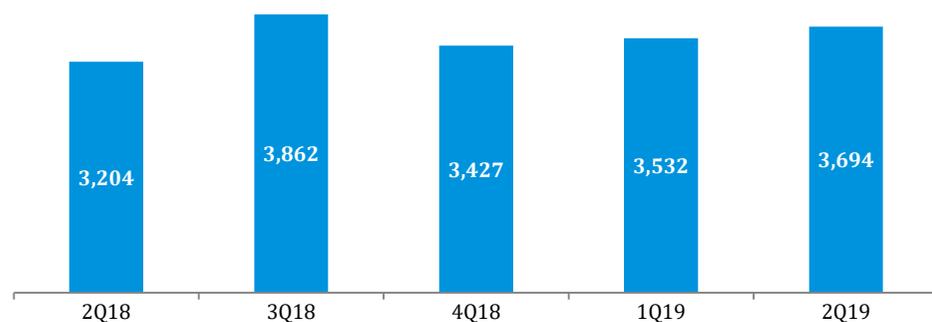
CONSTRUCTION OF RESULTS
 Focus on results
 Group of Ten
 Restructuring the team
 Valorization of employees
 Austerity measures
 Revenue increase

CONSTRUCTION OF THE FUTURE
 Retrieval of AF1 in Ipatinga
 Retake of ITM Flotation and ITM Leste in Itatiaiuçu
 New products
 Improvements for customers
 "Exploring Opportunities" and "Vale do Vale"

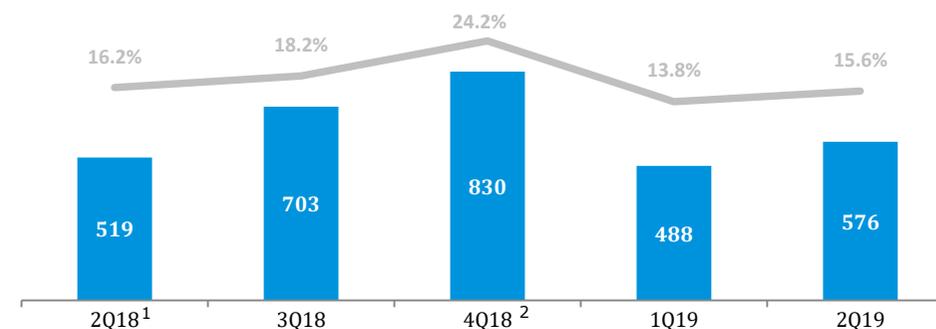
Results

(R\$m, except otherwise indicated)

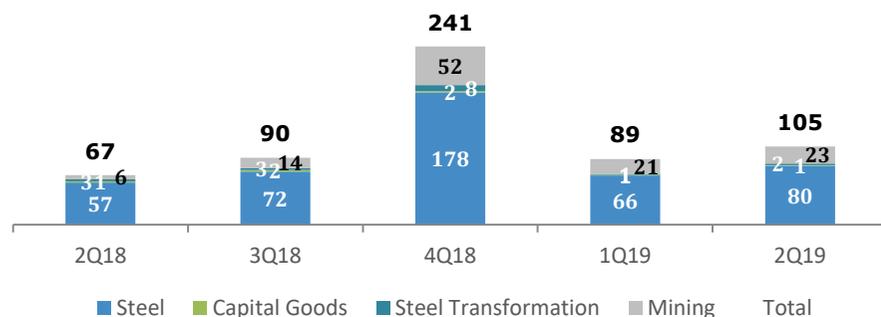
Net Revenues



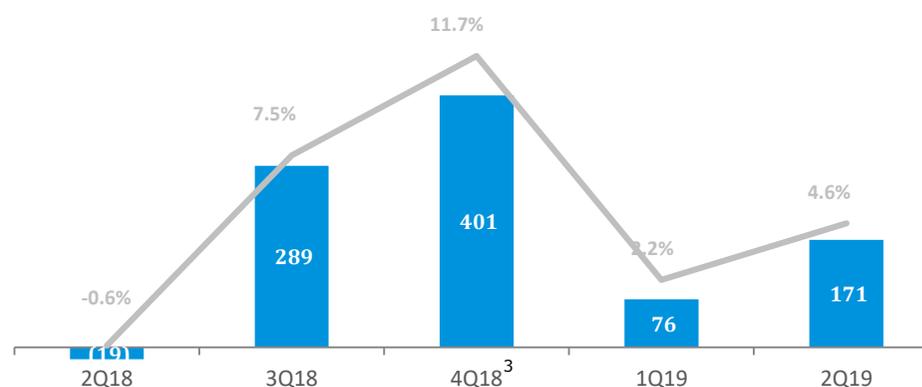
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



Net Income and Net Margin



¹ Negative non-recurring effect of R\$ 62 million, due to the provision of the RS Government related to assessment ICMS credit appropriation.

² Non-recurring effect of R\$ 467 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$418 Mi), Amounts Receivable - Eletrobras (R\$ 186 Mi), PDD (R\$ 38 Mi Negative) e Other Non-recurring (R\$99 Mi negative)

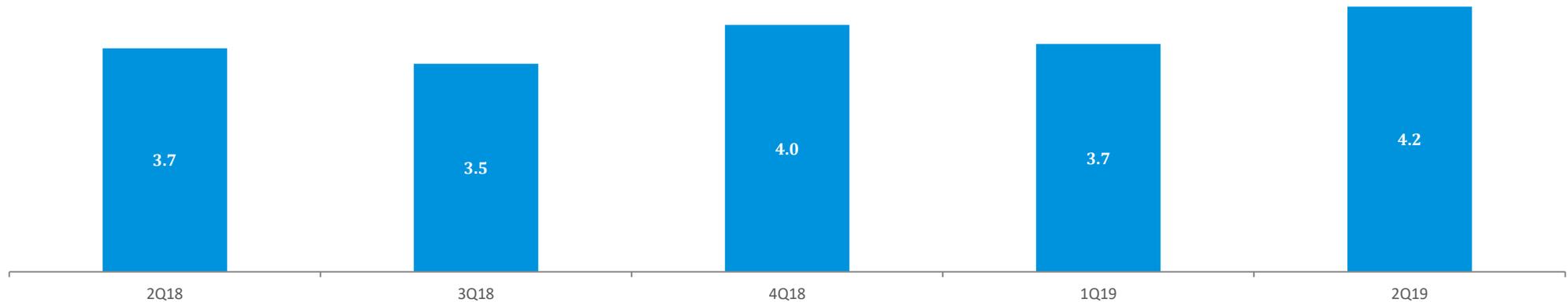
³ With non-recurring effect of R\$901 Million.

Results

(R\$m, except otherwise indicated)

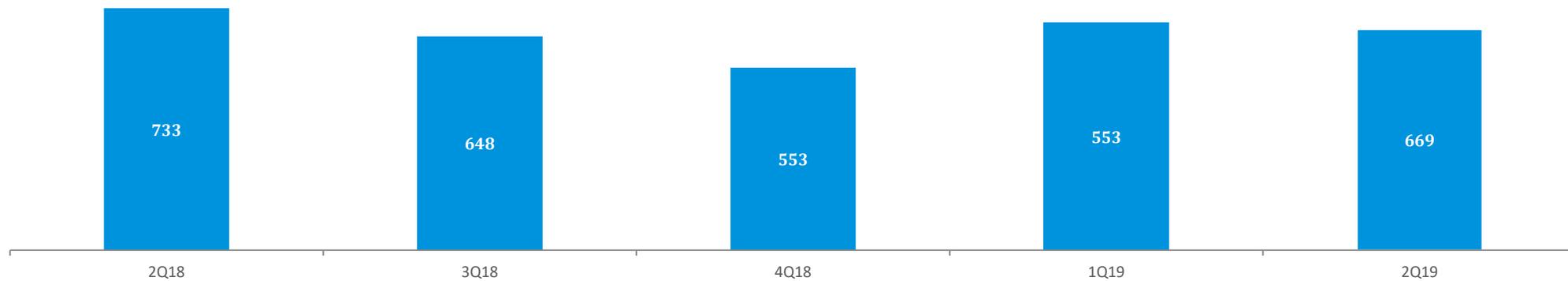
Working Capital

R\$ Billion



Working Capital – Steel inventories

Thousand Tons



Days in Inventory

68

53

49

61

56

25

Financial Restructuring

In 2016, Usiminas implemented important actions to preserve its financial and operational capacity

Capital Increase

	Ordinary Shares	Preferred Shares
Capital Increase Amount	R\$1 billion	R\$50 million
Subscription Price	R\$5.00/sh	R\$1.28/sh
# Subscribed Shares	200 million	39 million
Homologation	AGE	RCA
Closing Date	July 19, 2016	June 3, 2016
Share Price @Closing Date	R\$7.05/sh	R\$1.82/sh

Debt Renegotiation

Creditors Involved



R\$ 6.3bn Renegotiated with no haircut

92% of Usiminas indebtedness

Tenor

- 10 years (three years of grace period)
- Installments increasing gradually

Cost

- CDI+3% p.a.

Completion

- September 2016

Other Highlights

Ratings' upgrade from all credit rating agencies

	MOODY'S	FitchRatings	S&P Global Ratings
 Global	B1 → Ba3	B+ → BB-	B → B+
 National	Baa2.br → A2.br	A- → A+	brA+ → brAA

Bonds Issuance

Objectives:

Prepayment of Development Banks and partial prepayment of Brazilian Debenture Holders and Creditors;

Changes in the terms and conditions of the remaining debt

- Exclusion of "cash sweep"
- Flexibility on CAPEX;
- Release of real mortgage guarantee

Value	• US\$750 Million
Tenor	• 7 years
Coupon (Interest)	• 5,875% a.a.
Yield	• 6,125% a.a.
Liquidation	• July 18 th , 2019

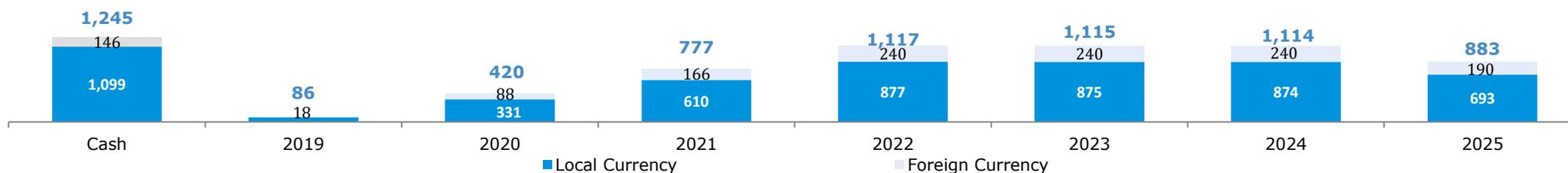
Liquidity and Indebtedness

(R\$m as of 2Q19, except otherwise indicated)

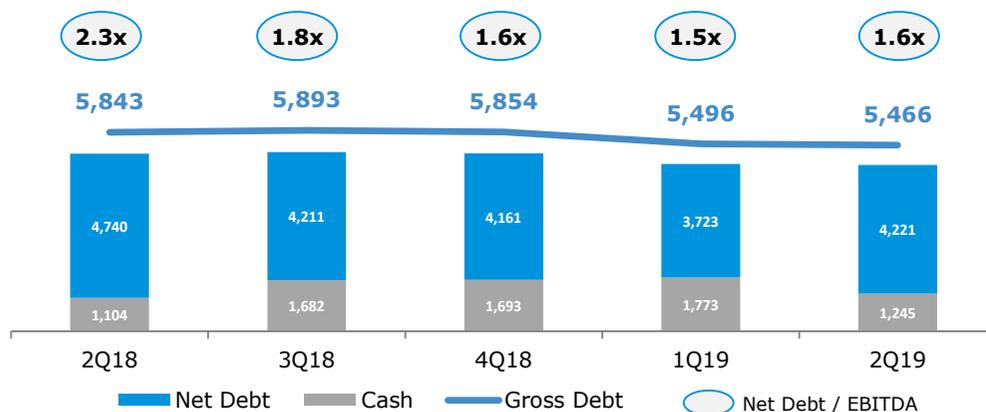
Debt Repayment Schedule

Current cash position covers c.3 years of debt

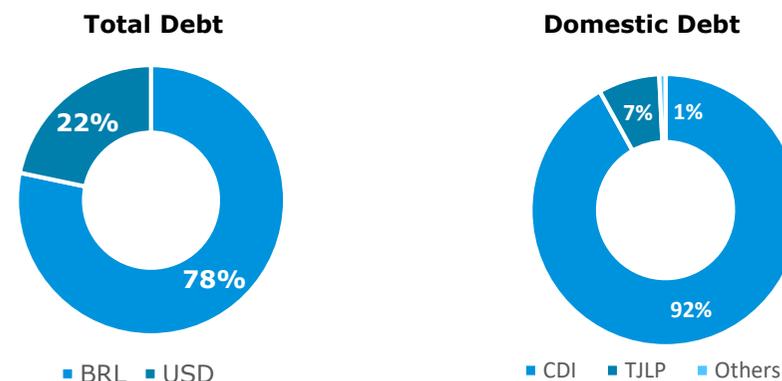
Duration: R\$: 39 months
US\$: 42 months



Cash Position and Indebtedness



Debt Profile by Category



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Usiminas' Corporate Governance

Usiminas' model of corporate governance meets government and market requirements for listed companies, preserving and encouraging transparency

New Shareholders Agreement

- ✓ On October, 2018, the Company's amended and restated the Usiminas Shareholders Agreement - valid until November, 2031

Corporate Governance Model

- ✓ The Board of Directors is responsible for general strategic policies
- ✓ 7 current members and their respective alternates, besides the Chairman
- ✓ Election for unified terms of 2 years

2 committees supporting the BoD:

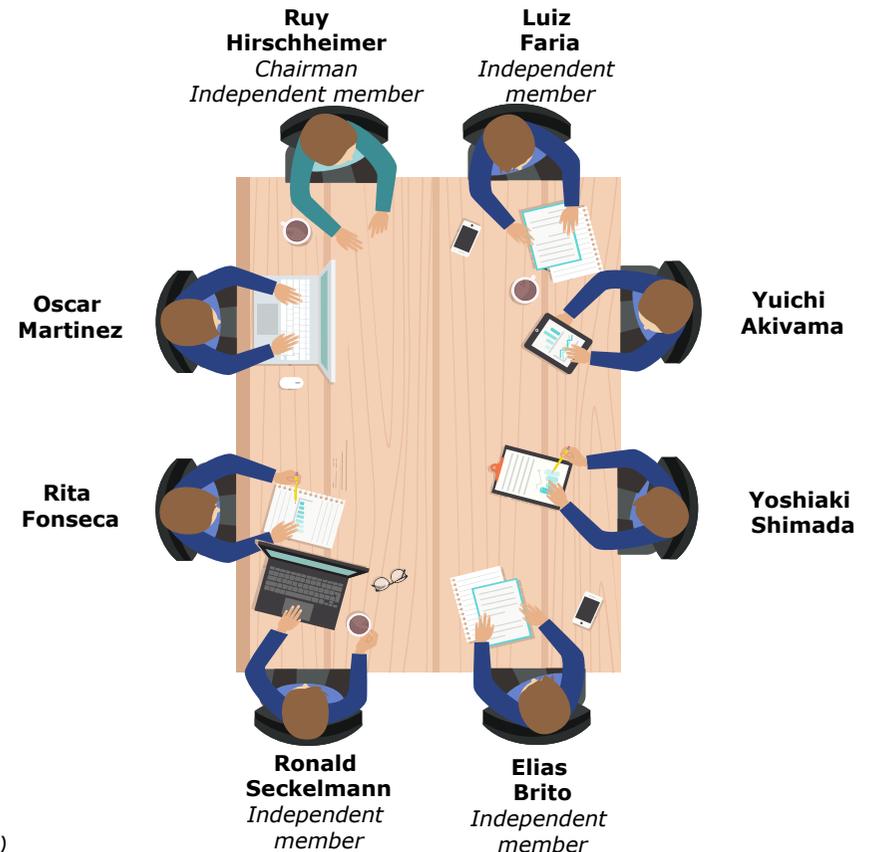
- ✓ Human Resources Committee
- ✓ Audit Committee

Permanent Fiscal Council

- ✓ Review of the financial statements, investment plans, budgets, opinion on dividend distribution, etc
- ✓ Five members elected in General Meeting

- ✓ Listing on B3 Level 1, ADR on OTC Market (New York) and Latibex exchange (Madrid)
- ✓ Improvement in quarterly reports, including the disclosure of consolidated financial statements and special audit revision
- ✓ Disclosure of an annual calendar of corporate events
- ✓ Minimum Free Float of 25%
- ✓ Evaluation of Board of Directors, Management, and Committees
- ✓ Minimum dividend payout of 25% of the net profit (after legal reserves and contingencies – in compliance with Law N° 6,404)

Board of Directors (Current Members)



Source: Company's 1Q19 Institutional Presentation (available at ri.usiminas.com/enu/download-center)

Note: Independent board members based on the criteria of the Brazilian Code of Corporate Governance and Novo Mercado.

Usiminas' Corporate Governance (Cont'd) **USIMINAS**

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

Integrity Program

- ✓ **Code of Ethics and Conduct**
- ✓ **Anticorruption Policy**
- ✓ **Competition Policy**
- ✓ **Policy of Conflict of Interests and Transactions with Related Parties**
- ✓ **Policy of Rewards, Gifts and Hospitalitys**
- ✓ **Policy of Sponsorship and Donations**
- ✓ **Policy of Relationship with Third Intermediary Parties**

Policies of the Brazilian Corporate Governance Code

- ✓ **Policy of Destination of Results**
- ✓ **Policy of on the Remuneration of the Members of the Board of Officers**
- ✓ **Policy of Contracting of Extra-audit Services**
- ✓ **Policy of Disclosure of Information and Negotiation with Securities**

Approved by the Board of Directors in October 2018

Key Investment Highlights



1

Leading position in the Brazilian steel market, with presence in strategic international markets



2

Diversification across products and markets



3

Assets strategically located in the country's main industrial and logistic axis in the country



4

Seasoned and specialized management team



5

Solid corporate governance



6

Culture of Employee, Social and Environmental Responsibility

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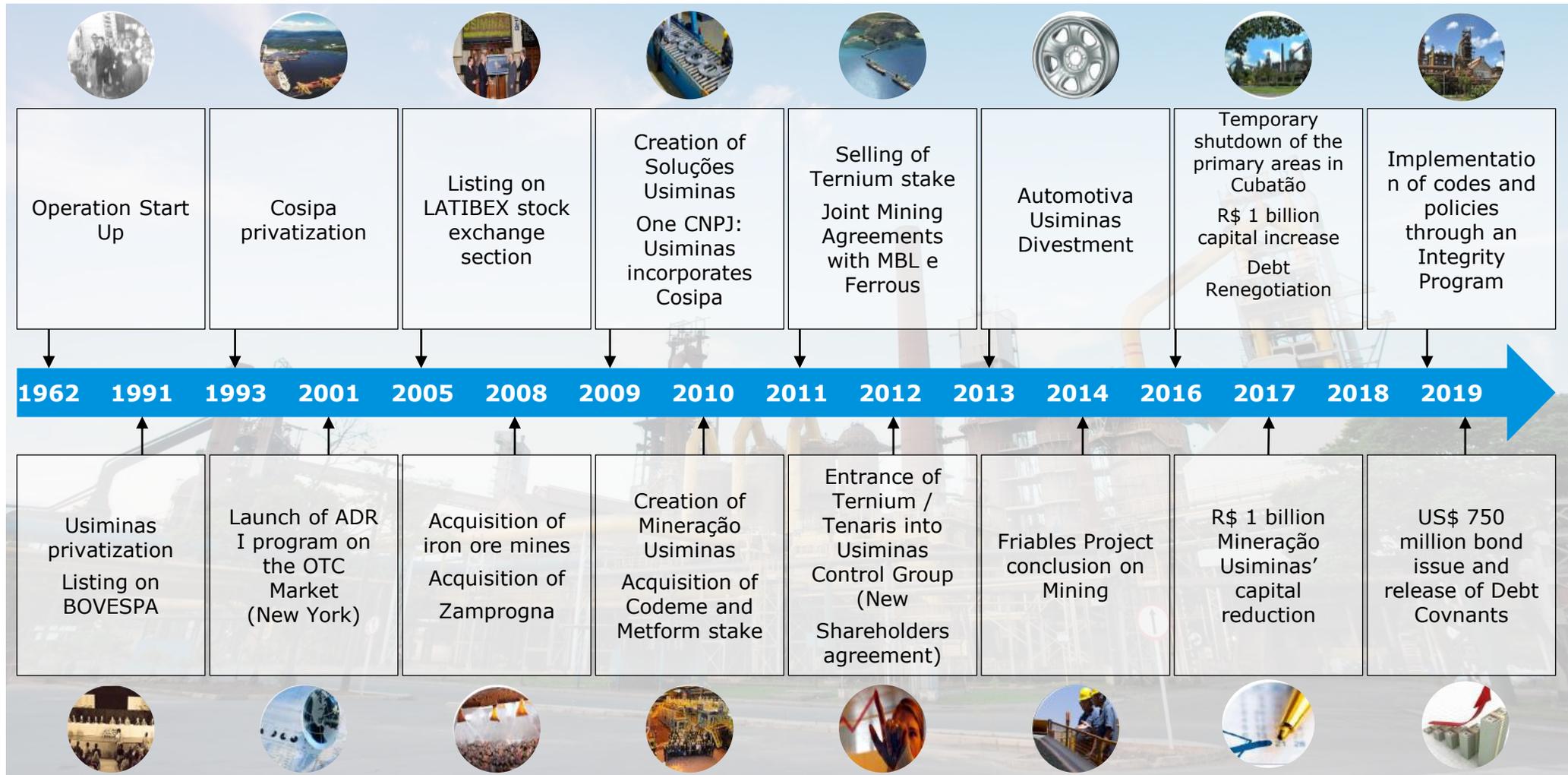
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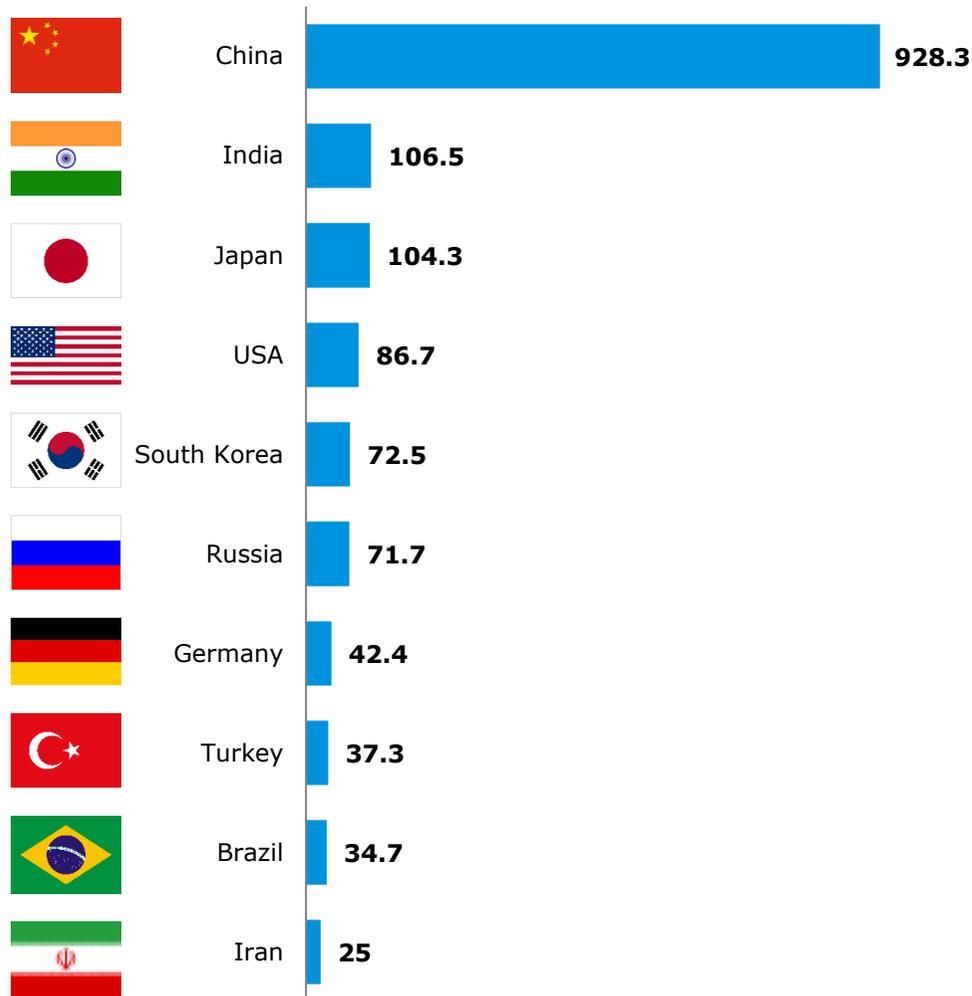
Appendix

Over Half a Century of Leadership



World Crude Steel Market in 2018

(Million tons)



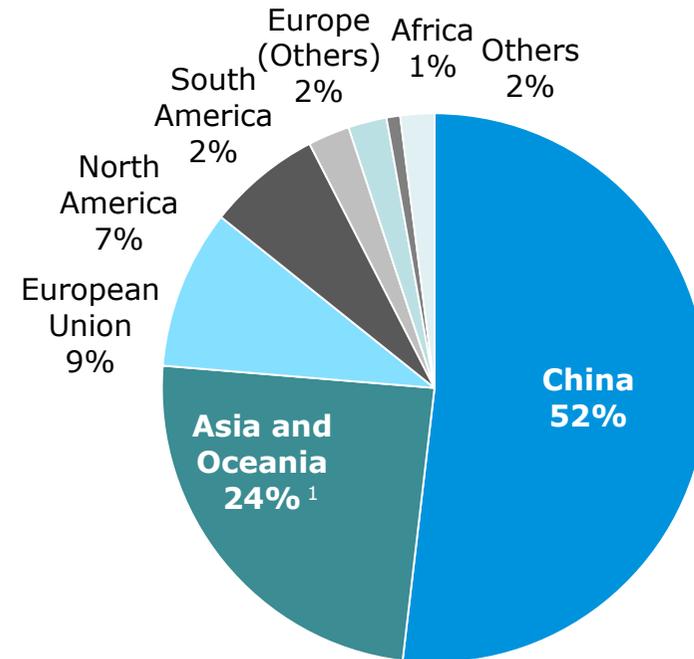
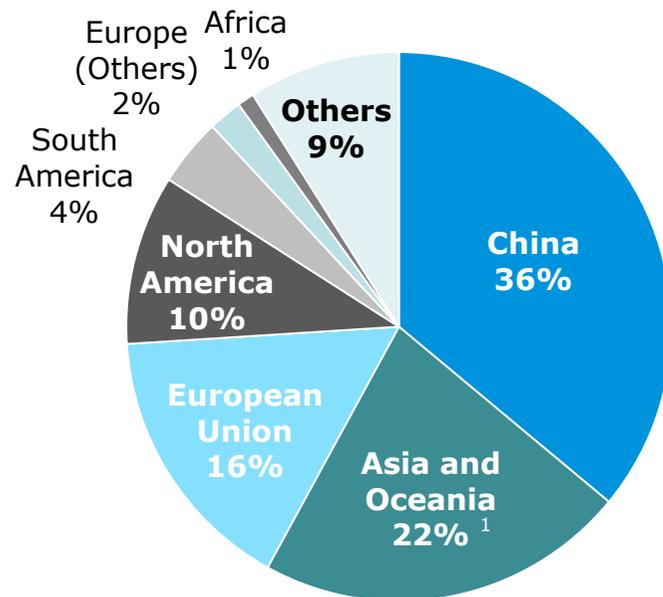
Source: World Steel Association / OECD

¹ Latest data available as of 2017.

World Crude Steel Production

2007

2018



1,348 million tons

+34%

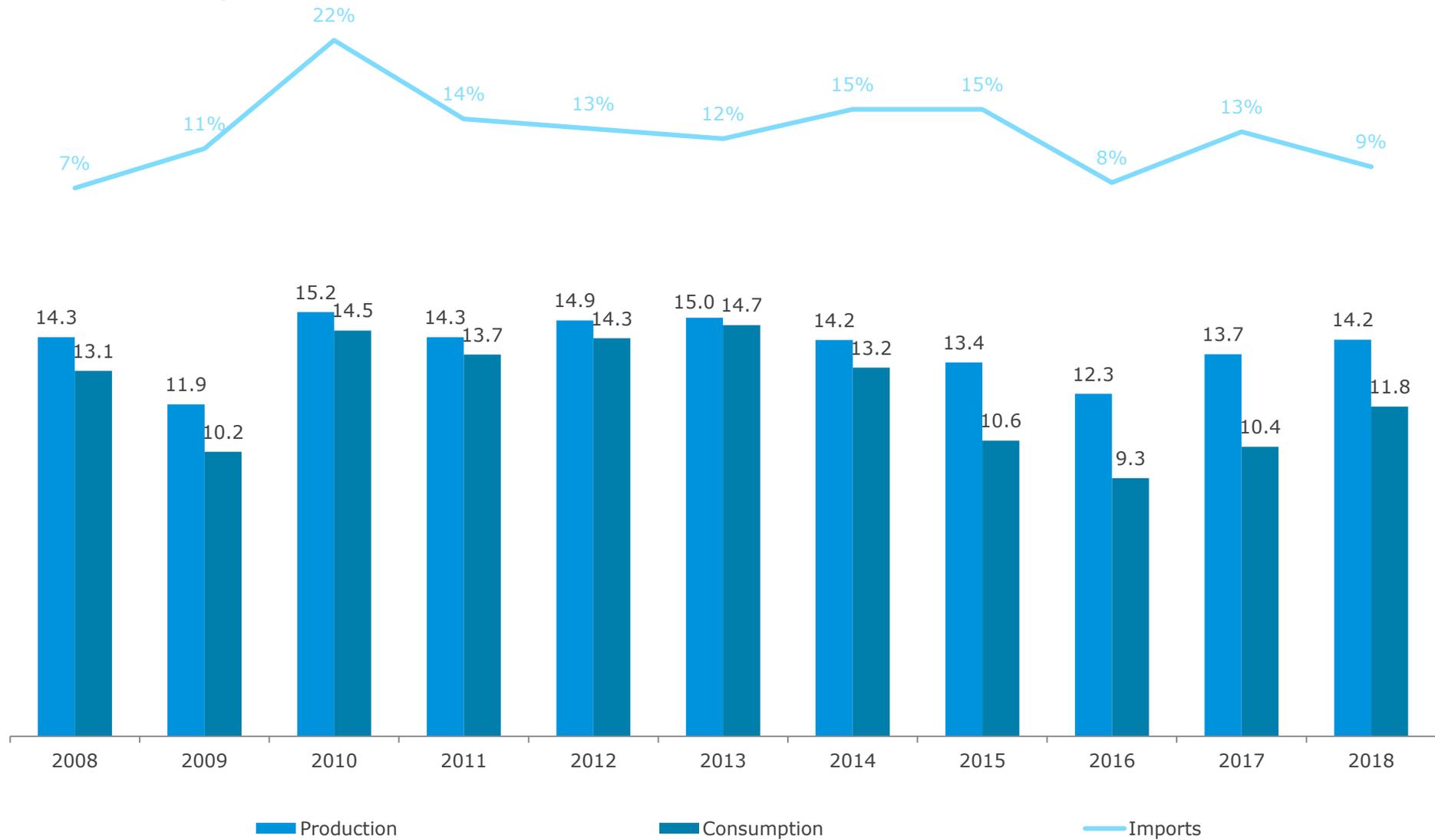
1,809 million tons

Source: World Steel Association and Company's 1Q19 Institutional Presentation (available at ri.usiminas.com/enu/download-center)

¹ Except China.

Brazilian Flat Steel Market

(Million tons)



Source: Instituto Aço Brasil / Usiminas
 Note: Excludes Slabs.

Key Investment Highlights



1

Leading position in the Brazilian steel market, with presence in strategic international markets



2

Diversification across products and markets



3

Assets strategically located in the country's main industrial and logistic axis in the country



4

Seasoned and specialized management team



5

Solid corporate governance



6

Culture of Employee, Social and Environmental Responsibility

Leading Position in the Brazilian Steel Market, **USIMINAS**

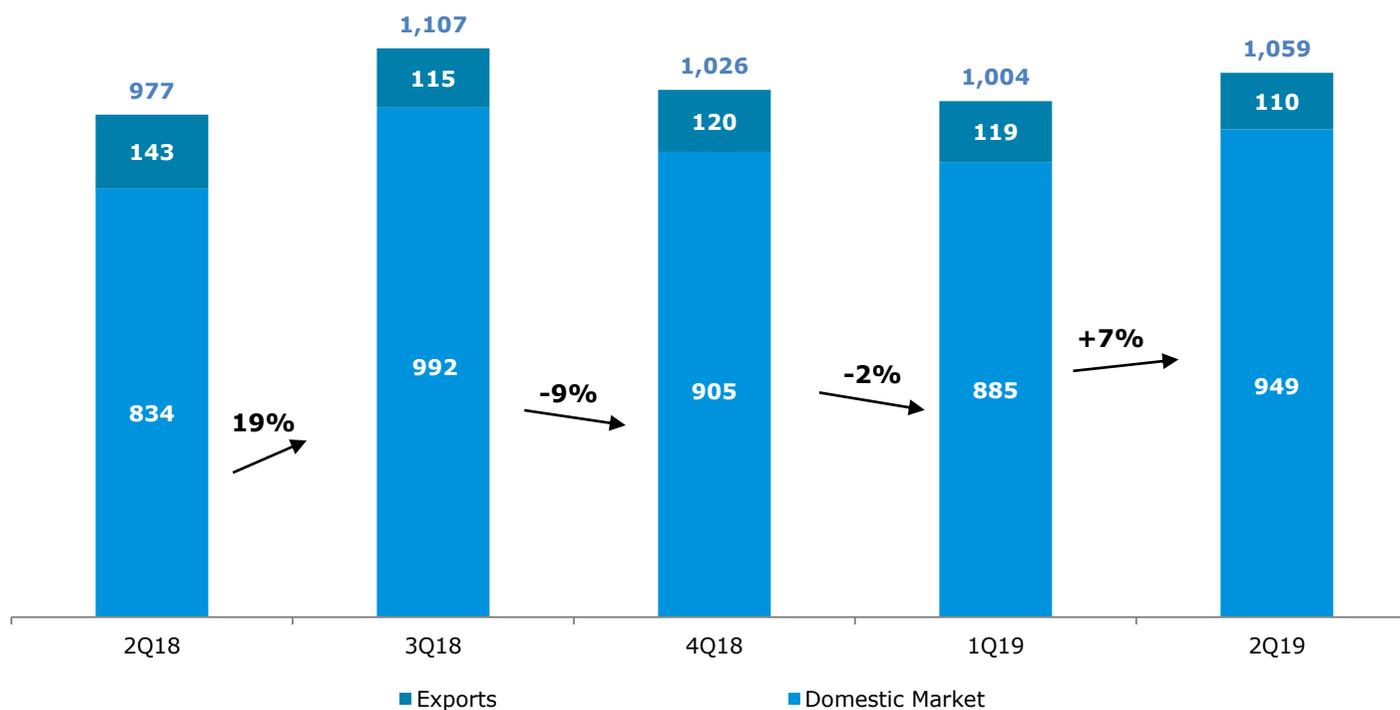
with Presence in Strategic International Markets

Usiminas' leading position is underpinned by the superior quality of its products and the long-term relationship with key clients

Sales Volumes – Steel

Awards Received

Thousand Tons – Quarterly



Top Supplier Award 2018
(Raw Material and Stamping)



Quality Excellence Award

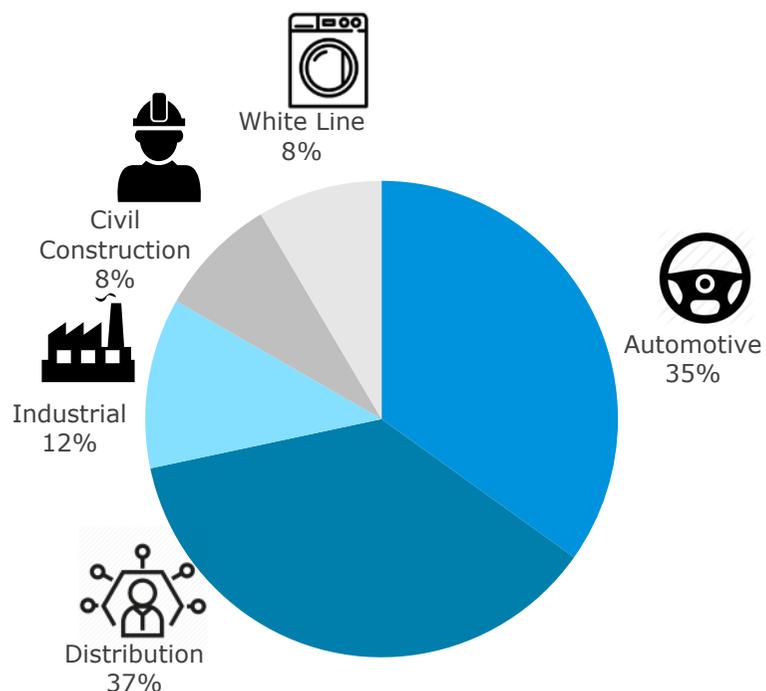


FIAT CHRYSLER AUTOMOBILES
Best Raw Material Supplier Award

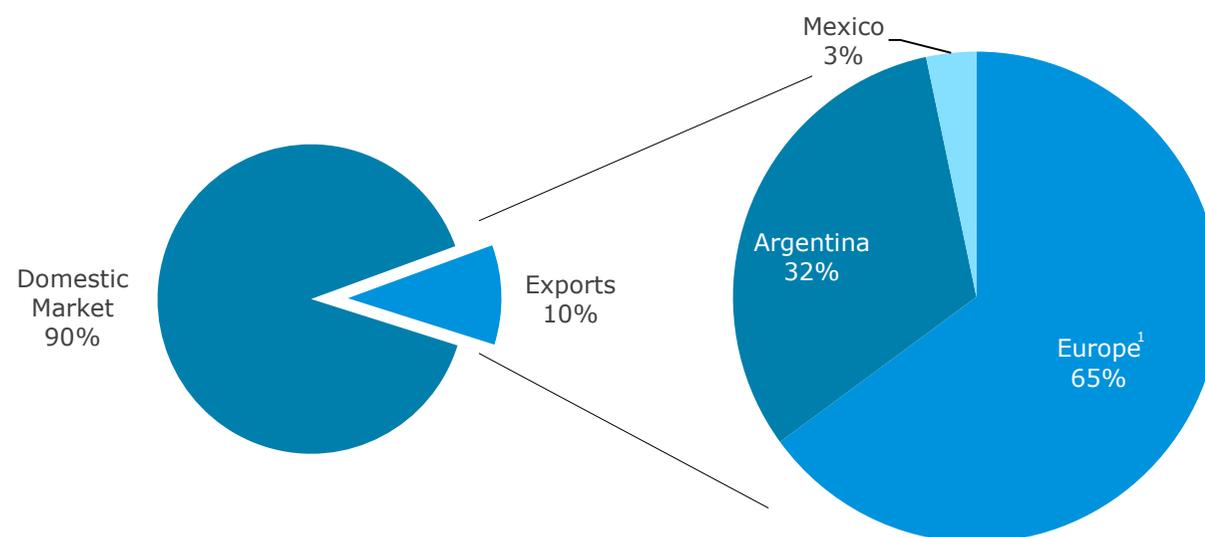
Diversification Across Products and Markets

Usiminas has capacity to produce a wide variety of steel, allowing for flexibility to adjust its production according to market demands domestically and internationally

End Markets Share of Volume, 2Q19



Revenues by Country Share of Net Revenue, 2Q19

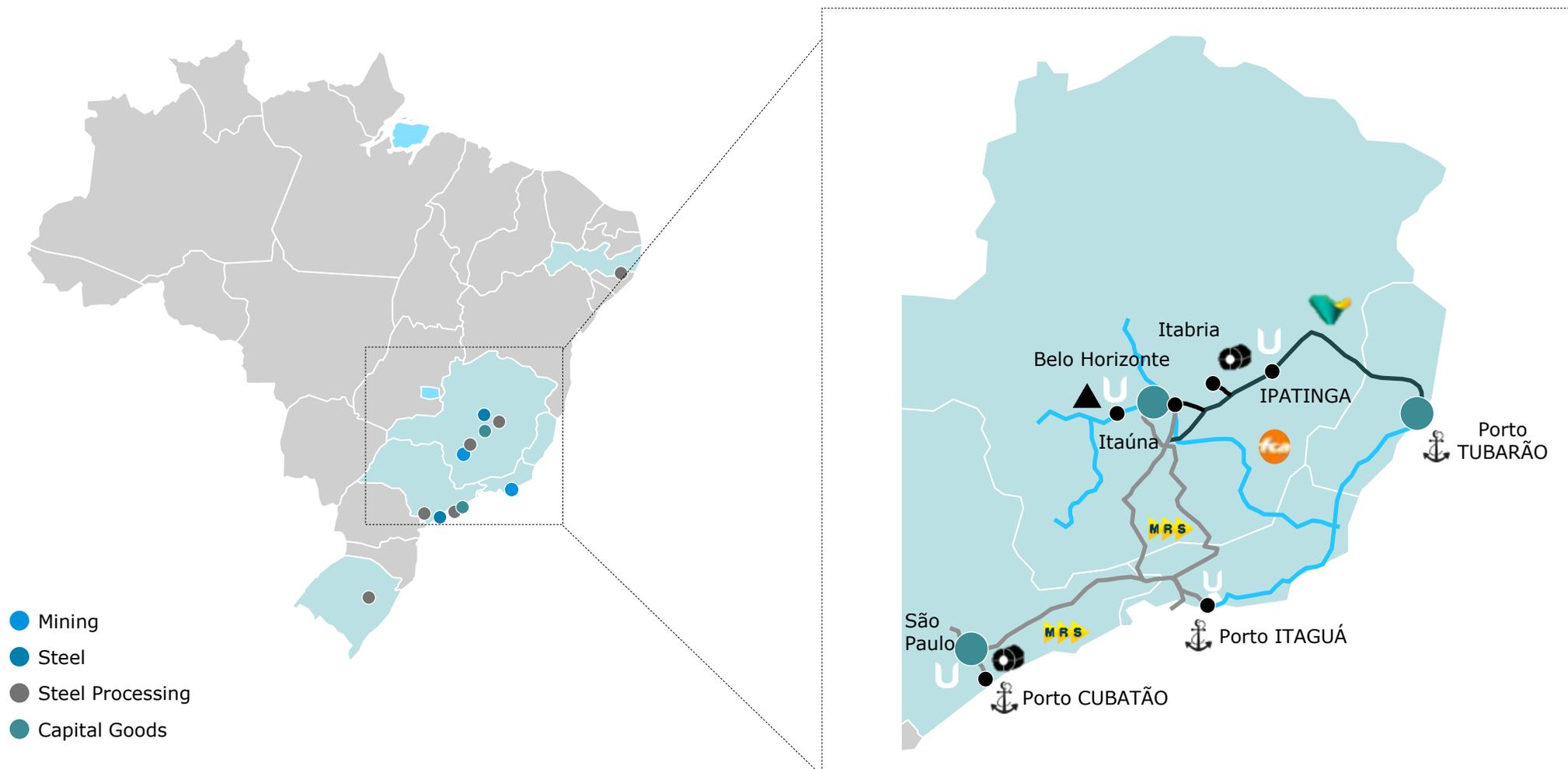


¹ Europe includes: Germany, UK, Spain, Belgium, Portugal, Switzerland and Netherlands

² Other includes: Colombia, Paraguay and Bolivia.

Assets Strategically Located in the Country's Main Industrial and Logistic Axis in the Country

The location of Usiminas' assets allows for access to raw materials (e.g. iron ore), consumption centers and logistic terminals (railways, ports)



Seasoned and Specialized Management Team

Usiminas' Executive Board consists of professionals with deep knowledge in their respective areas



Sergio Leite de Andrade
CEO

- Joined Usiminas in 1976 as Research Engineer, also working in several other areas in the company before being named CEO in 2016
- Holds a BS degree in Metallurgical Engineering by the Federal University of Rio de Janeiro (UFRJ) and a Master's degree in Metallurgical Engineering by the Federal University of Minas Gerais (UFMG)



Takahiro Mori
Corporate Planning Vice President Officer

- Prior to joining Usiminas, he worked at Nippon Steel & Sumitomo Metal Corporation as Manager Of Domestic Plate Sales, Group Manager of Personnel Dept., Manager of HR, among other divisions
- Holds a B.A. in Laws, Tokyo University, and MBA in the The Wharton School of the University of Pennsylvania



Alberto Akikazu Ono
CFO and IR Vice President Officer

- Prior to joining Usiminas in 2009, he worked in other Mining & Metallurgy companies such as Aços Villares SA, CBMM, Votorantim Industrial and Votorantim Siderurgia
- Holds a Ph.D. in Metallurgy from The University of Tokyo and a M.Sc. in Metallurgical Engineering from the University of São Paulo



Kohei Kimura
Technology and Quality Vice President Officer

- Prior to joining Usiminas, he worked at Nippon Steel & Sumitomo Metal Corporation
- Kohei Kimura holds M.Eng. in Metallurgy from Osaka University



Tulio Cesar do Couto Chipoletti
Industrial Vice President Officer

- Prior to joining Usiminas, he worked at The Confab Industrial SA
- Graduated in Industrial Engineering from the Faculty of Industrial Engineering - EIF, in Sao Bernardo do Campo - SP. He holds an MBA in Finance from the Brazilian Institute of Capital Market - IBMEC



Miguel Angel Homes Camejo
Commercial Vice President Officer

- Prior to joining Usiminas, he was General Manager for the Andean Region of Ternium Colombia and Exports Manager at Ternium Sidor
- Graduated with a degree in Economy from Universidad Catolica Andres Bello, in Venezuela, and has completed different management programs at Chicago Booth and Stanford University in California, USA.

Solid Corporate Governance

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

Integrity Program

- ✓ Code of Ethics and Conduct
- ✓ Anticorruption Policy
- ✓ Competition Policy
- ✓ Policy of Conflict of Interests and Transactions with Related Parties
- ✓ Policy of Rewards, Gifts and Hospitalitys
- ✓ Policy of Sponsorship and Donations
- ✓ Policy of Relationship with Third Intermediary Parties

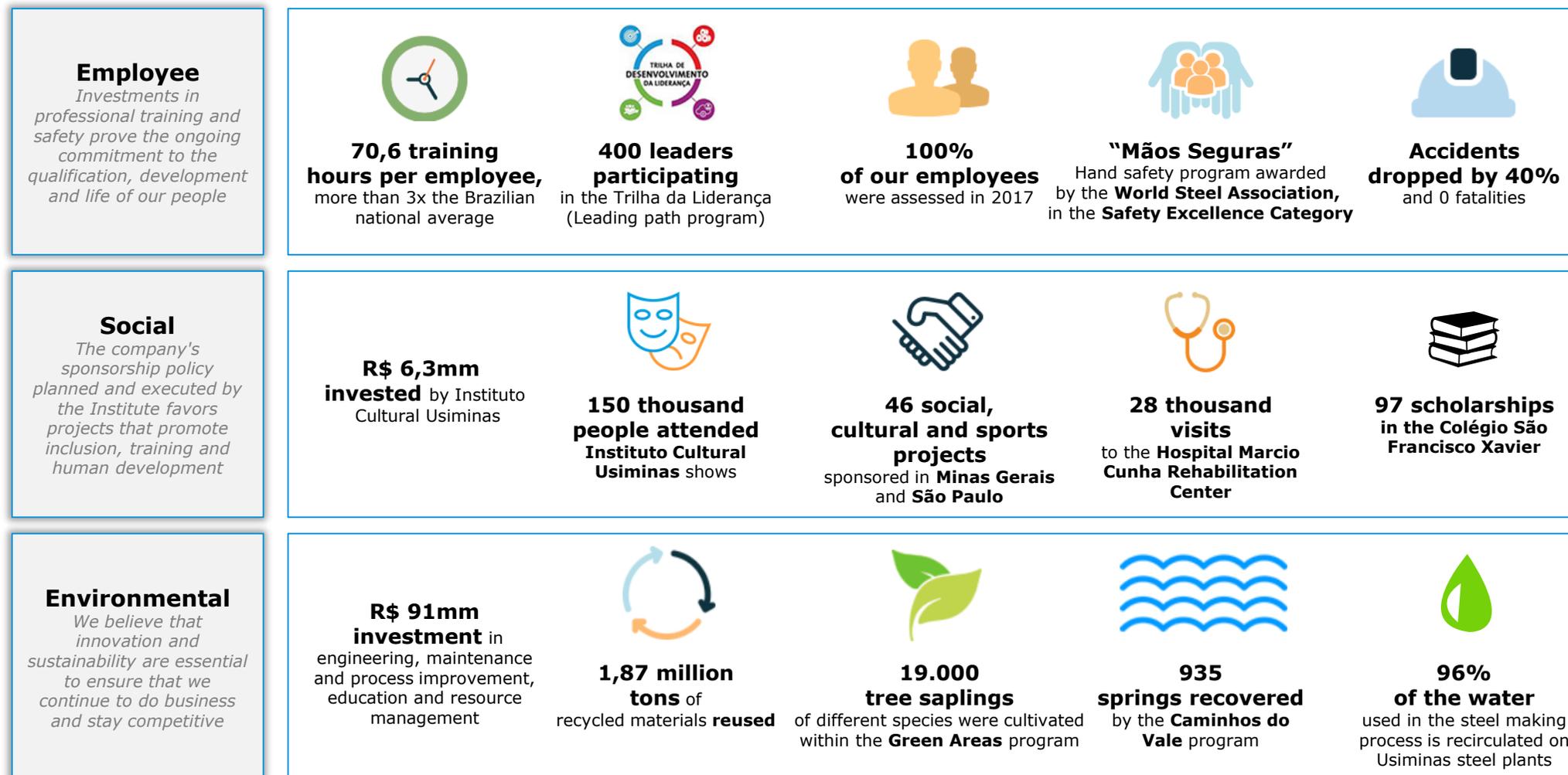
Policies of the Brazilian Corporate Governance Code

- ✓ Policy of Destination of Results
- ✓ Policy of on the Remuneration of the Members of the Board of Officers
- ✓ Policy of Contracting of Extra-audit Services
- ✓ Policy of Disclosure of Information and Negotiation with Securities

Approved by the Board of Directors in October 2018

Culture of Employee, Social and Environmental Responsibility

Usiminas translates concepts into practice, conciliating the objective of all stakeholders



Rating Agencies' Views

Comments from latest available rating reports

S&P Global
Ratings

MOODY'S

FitchRatings

On July 15, 2019, S&P Global Ratings upgraded Usiminas to 'B+' from 'B' on global sale and to 'brAA' from 'brA+' on national scale.

"The company issued a \$750 million bond due 2026, proceeds from which Usiminas will use to amortize a significant part of its debt, in accordance with current creditors. Moreover, the cash sweep will be removed. All of these factors will improve the company's financial flexibility and liquidity, resulting in a very smooth debt amortization profile and lower interest burden for the next several years.

In addition, the recent surge in iron ore prices and mildly better conditions for the steel industry, including a slight increase in domestic demand, a still healthy premium over imported steel, which allows for price adjustments, as well as better sales mix, will bolster the company's FOCF. This will occur despite Usiminas' new investment cycle, including the modernization of a blast furnace at the Ipatinga plant and dry stacking process at the company's mining operations, which aims to increase its operating efficiency for the next years."

Classification of Information: Public

On July 1, 2019, Moody's upgrades Usiminas' ratings to Ba3/A2.br; stable outlook

"The ratings continue to reflect Usiminas' solid position in the Brazilian flat-steel market, and the measures taken to adjust operations to the feeble demand in the domestic market over the past few years, including the temporary halt of two blast furnaces in its Cubatão mill and interruption of activities of the primary areas of the Cubatão plant (including sinter and coke plants, blast furnaces and steelworks), concluded in January 2016. The downsizing process at the Cubatão steel mill has significantly reduced Usiminas' cost structure and production capacity, providing flexibility to the company amid the deterioration of the steel market in Brazil."

On July 1, 2019, Fitch Upgrades Usiminas and Rates New Issuance 'BB-'; Outlook Stable

"The upgrade reflects continued improvements in Usiminas' credit risk profile, supported by the deleveraging of its balance sheet, ample liquidity, and manageable cash outflows over the next three years. Usiminas is expected to refinance its debt, which is currently structured primarily on a secured basis and is exposed to a cash sweep mechanism as part of its 2016 debt restructuring agreement. Usiminas' ability to raise new unsecured debt at attractive costs aiming to refinancing most of the debt agreement would improve liquidity, financial flexibility and further improve its credit risk profile in the short term."

Income Statement – Per Business Unit

(R\$m, except otherwise indicated)

Income Statement per Business Units - Non Audited - Quarterly												
R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18	1Q19	4Q18
Net Revenue	418.1	316.3	3,088.5	3,202.9	879.4	831.1	62.5	66.8	(916.5)	(990.2)	3,532.0	3,427.0
Domestic Market	132.7	120.4	2,729.3	2,810.2	879.4	831.1	62.5	66.8	(916.5)	(990.2)	2,887.3	2,838.4
Exports	285.5	195.9	359.2	392.7	0.0	0.0	-	-	-	-	644.7	588.6
COGS	(233.5)	(220.3)	(2,794.2)	(2,872.4)	(846.7)	(792.1)	(53.6)	(81.1)	892.0	914.7	(3,036.0)	(3,051.1)
Gross Profit (Loss)	184.7	96.1	294.3	330.5	32.7	39.0	8.9	(14.3)	(24.5)	(75.4)	496.0	375.9
Operating Income (Expenses)	(64.3)	109.3	(203.3)	(278.7)	(22.9)	(34.8)	(10.2)	(148.1)	0.3	(27.7)	(300.5)	(380.0)
Selling	(23.5)	(19.5)	(28.4)	(75.0)	(11.4)	(14.6)	(2.9)	(2.8)	(1.2)	(1.4)	(67.4)	(113.3)
General and Administrative	(5.9)	(6.8)	(77.7)	(95.5)	(14.3)	(16.2)	(6.3)	(8.7)	3.5	3.9	(100.8)	(123.3)
Others, Net	(34.9)	135.6	(97.2)	(108.2)	2.7	(4.1)	(1.0)	(136.6)	(2.0)	(30.2)	(132.4)	(143.4)
EBIT	120.3	205.3	91.0	51.8	9.8	4.2	(1.3)	(162.4)	(24.3)	(103.1)	195.5	(4.1)
Depreciation	32.3	32.3	209.9	222.5	7.5	7.6	-	4.7	(8.6)	(8.6)	241.0	258.6
Provisions	13.6	16.7	60.7	(37.7)	-	-	(0.0)	(0.0)	(36.7)	134.2	37.5	113.1
EBITDA (Instruction CVM 527)	166.1	254.3	361.5	236.6	17.3	11.8	(1.3)	(157.7)	(69.6)	22.5	474.0	367.6
EBITDA Margin (Instruction CVM 527)	39.7%	80.4%	11.7%	7.4%	2.0%	1.4%	-2.1%	0.0%	7.6%	-2.3%	13.4%	10.7%
Adjusted EBITDA	152.6	38.1	300.8	803.6	17.3	11.8	(1.3)	(14.6)	18.2	(8.6)	487.5	830.3
Adj.EBITDA Margin	36.5%	12.0%	9.7%	25.1%	2.0%	1.4%	-2.1%	-21.8%	-2.0%	0.9%	13.8%	24.2%

Note: All intercompany transactions are made at arm 's length basis.

*Consolidated 70% of Unigal

Share Price Performance

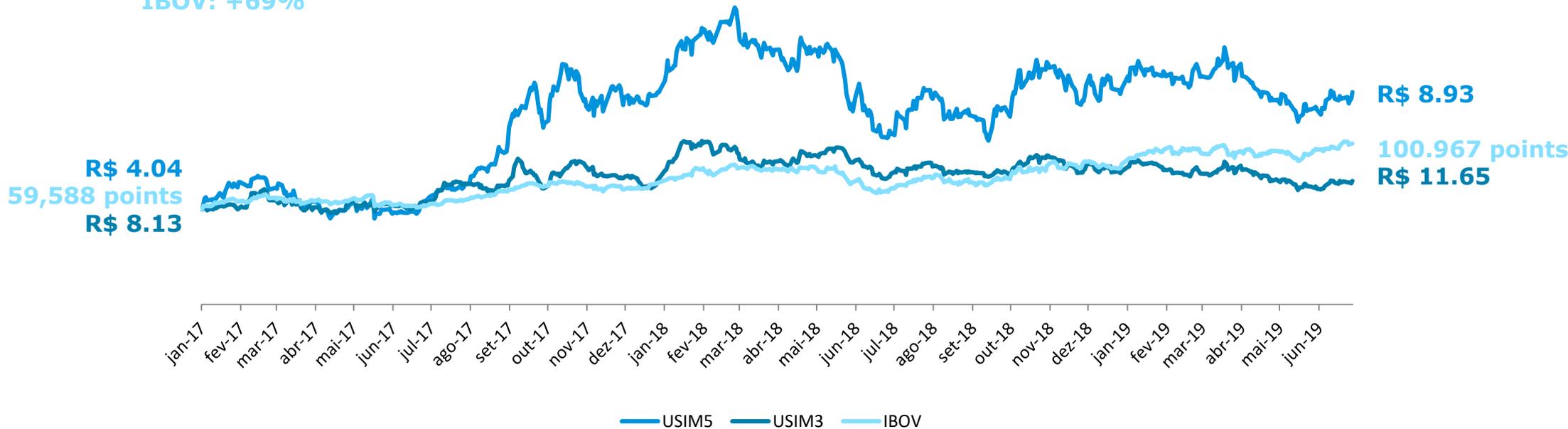
Usiminas (R\$/share) X B3 (points)

From 01/01/2017 to
06/30/2019

USIM5: +123%

USIM3: +30%

IBOV: +69%



Source: Broadcast+ in 12-jul-2019



ADR
Nível I



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Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management's expectations in relation to future performance. These expectations are highly dependent on market behavior, on Brazil's economic situation, on the industry and on international markets, and are therefore subject to change.