

(A free translation of the original in Portuguese)

**Usinas Siderúrgicas de
Minas Gerais S.A. -
USIMINAS**

**Quarterly Information (ITR) at
March 31, 2019
and report on review of
quarterly information**

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Report on review of quarterly information

To the Board of Directors and Stockholders
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2019, comprising the balance sheet as at that date and the statements of operations, comprehensive income (loss), changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2019. These statements are the responsibility of the Company's management and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information and are considered supplementary information under IFRS, which do not require the presentation of the statements of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, April 17, 2019

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Guilherme Campos e Silva
Contador CRC 1SP218254/O-0

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Company Information / Capital Breakdown

Number of shares (units)	Current quarter 03/31/2019
Common Shares - Paid-in Capital	705,260,684
Preferred Shares - Paid-in Capital	547,818,424
Total - Paid-in Capital	1,253,079,108
Common Treasury Shares	2,526,656
Preferred Treasury Shares	21,051,399
Total Treasury Shares	23,578,055

Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2019	Prior year 12/31/2018
1	Total Assets	24,160,525	24,439,085
1.01	Current Assets	6,148,938	6,381,672
1.01.01	Cash and Cash Equivalents	857,901	765,638
1.01.03	Trade Receivables	1,248,390	1,669,763
1.01.04	Inventories	3,244,647	3,183,996
1.01.08	Other Current Assets	798,000	762,275
1.01.08.03	Other	798,000	762,275
1.01.08.03.01	Taxes Recoverable	467,530	478,283
1.01.08.03.02	Prepaid Income Tax and Social Contribution	83,550	79,407
1.01.08.03.03	Dividends Receivable	71,601	71,601
1.01.08.03.04	Advances to Suppliers	2,976	2,871
1.01.08.03.05	Financial Instruments	970	347
1.01.08.03.06	Other	171,373	129,766
1.02	Noncurrent Assets	18,011,587	18,057,413
1.02.01	Long-term Receivables	3,442,611	3,470,246
1.02.01.04	Accounts Receivable	178,974	159,791
1.02.01.04.01	Trade Accounts Receivable	16,734	17,052
1.02.01.04.02	Other Accounts Receivable	162,240	142,739
1.02.01.07	Deferred Income Tax and Social Contribution	1,751,594	1,726,425
1.02.01.09	Receivables from Related Parties	42,839	45,069
1.02.01.10	Other Noncurrent Assets	1,469,204	1,538,961
1.02.01.10.03	Judicial Deposits	372,657	367,777
1.02.01.10.04	Properties for Sale	27,481	27,481
1.02.01.10.05	Financial Instruments	3,524	3,553
1.02.01.10.06	Taxes Recoverable	378,160	452,768
1.02.01.10.07	Credits - Eletrobrás	676,023	676,023
1.02.01.10.08	Other	11,359	11,359
1.02.02	Investments	4,373,465	4,260,600
1.02.02.01	Ownership Interests	4,373,465	4,260,600
1.02.02.01.01	Interest Held in Associates	16,908	23,518
1.02.02.01.02	Interest Held in Subsidiaries	3,722,682	3,633,115
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	633,875	603,967
1.02.03	Property, Plant and Equipment (PPE)	10,120,384	10,248,224
1.02.03.01	Property, Plant and Equipment in Use	9,369,882	9,528,990
1.02.03.03	Construction in Progress	750,502	719,234
1.02.04	Intangible Assets	75,127	78,343

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2019	Prior year 12/31/2018
2	Total Liabilities and Equity	24,160,525	24,439,085
2.01	Current Liabilities	2,802,676	3,042,942
2.01.01	Social and Labor Liabilities	148,597	158,556
2.01.02	Trade Payables	1,089,108	1,038,083
2.01.03	Tax Liabilities	59,418	101,151
2.01.04	Borrowings	180,516	462,363
2.01.04.01	Borrowings	153,802	392,126
2.01.04.02	Debentures	26,714	70,237
2.01.05	Other Liabilities	1,325,037	1,282,789
2.01.05.02	Other	1,325,037	1,282,789
2.01.05.02.01	Dividends and Interest on Capital Payable	172,762	172,762
2.01.05.02.04	Accounts Payable	121,230	114,846
2.01.05.02.05	Taxes Payable in Installments	4,213	4,178
2.01.05.02.07	Advances from Customers	32,564	25,076
2.01.05.02.08	Accounts Payable - Forfeiting	994,268	965,927
2.02	Noncurrent Liabilities	7,051,644	7,129,845
2.02.01	Borrowings	5,297,776	5,372,720
2.02.01.01	Borrowings	4,490,609	4,552,937
2.02.01.02	Debentures	807,167	819,783
2.02.02	Other Liabilities	251,004	249,179
2.02.02.01	Payables to Related Parties	98,287	96,896
2.02.02.02	Other	152,717	152,283
2.02.02.02.05	Other Accounts Payable	152,717	152,283
2.02.04	Provisions	1,502,864	1,507,946
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,502,864	1,507,946
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	1,013,514	1,033,840
2.02.04.01.05	Provision for Litigation	489,350	474,106
2.03	Equity	14,306,205	14,266,298
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	310,049	309,391
2.03.04	Profit Reserves	766,942	766,942
2.03.04.01	Legal reserve	47,984	47,984
2.03.04.10	Investments and working capital	718,958	718,958
2.03.05	Retained Earnings (Accumulated Losses)	50,018	-
2.03.06	Other Comprehensive Income	-21,099	-10,330

Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter	Prior period
		01/01/2019 to 03/31/2019	current quarter 01/01/2018 to 03/31/2018
3.01	Revenue	3,088,470	3,002,944
3.02	Cost of Sales and/or Services	-2,837,252	-2,514,486
3.03	Gross Profit	251,218	488,458
3.04	Operating Income (Expenses)	-87,544	-159,602
3.04.01	Selling Expenses	-28,448	-36,730
3.04.02	General and Administrative Expenses	-75,040	-74,781
3.04.04	Other Operating Income	71,300	125,088
3.04.05	Other Operating Expenses	-168,989	-206,257
3.04.06	Equity in Results of Investees	113,633	33,078
3.05	Income Before Financial Income (Expense) and Taxes	163,674	328,856
3.06	Finance result, Net	-137,769	-134,418
3.07	Income Before Income Taxes	25,905	194,438
3.08	Income Tax and Social Contribution	20,952	-54,324
3.08.01	Current	-	-37,467
3.08.02	Deferred	20,952	-16,857
3.09	Net Income (loss) from Continuing Operations	46,857	140,114
3.11	Net Income/Loss for the Period	46,857	140,114
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-
3.99.01	Basic Earnings per Share	-	-
3.99.01.01	Registered Common Shares (RCS)	0.04000	0.11000
3.99.01.02	Registered Preferred Shares (RPS)	0.04000	0.12000
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	RCS	0.04000	0.11000
3.99.02.02	RPS	0.04000	0.12000

Parent Company Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2019 to 03/31/2019	Prior period current quarter 01/01/2018 to 03/31/2018
4.01	Consolidated Net Income for the Period	46,857	140,114
4.02	Other Comprehensive Income (Loss)	-8,175	-5,471
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-8,175	-5,471
4.03	Consolidated Comprehensive Income (Loss) for the Period	38,682	134,643

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2019 to 03/31/2019	Prior period 01/01/2018 to 03/31/2018
6.01	Net Cash from Operating Activities	527,257	227,434
6.01.01	Cash From Operations	303,400	582,263
6.01.01.01	Net Income (Loss) for the Period	46,857	140,114
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	42,038	59,385
6.01.01.03	Interest Expenses	96,333	98,386
6.01.01.04	Depreciation and Amortization	201,280	212,370
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	-749	6,914
6.01.01.06	Equity in Results of Investees	-113,633	-33,078
6.01.01.08	Deferred Income Tax and Social Contribution	-20,952	16,857
6.01.01.09	Set up (Reversal) of Provisions	30,750	72,249
6.01.01.10	Actuarial Gains (Losses)	21,476	9,066
6.01.02	Changes in Assets and Liabilities	399,075	-192,839
6.01.02.01	Trade Receivables	421,769	-210,393
6.01.02.02	Inventories	-62,183	-164,442
6.01.02.03	Taxes Recoverable	-8,868	43,656
6.01.02.04	Receivables from Related Parties	2,902	1,928
6.01.02.05	Judicial Deposits	-7,290	-4,150
6.01.02.06	Other Increase (Decrease) In Assets	-62,564	-99,397
6.01.02.07	Accounts Payable, Contractors and Freight	51,025	168,750
6.01.02.08	Advances from Customers	7,488	24,230
6.01.02.10	Taxes Payable	52,496	-22,052
6.01.02.11	Accounts Payable – Forfeiting	28,341	52,102
6.01.02.13	Other Increase (Decrease) in Liabilities	-24,041	16,929
6.01.03	Other	-175,218	-161,990
6.01.03.01	Actuarial Liabilities Paid	-54,201	-34,343
6.01.03.02	Interest Paid	-121,017	-127,647
6.02	Net Cash from Investing Activities	-65,491	863,450
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	819	19,469
6.02.02	Fixed Assets Purchases	-64,160	-53,384
6.02.04	Dividends Received	-	126,000
6.02.06	Marketable Securities	-	774,407
6.02.07	Purchase of Software	-2,150	-3,042
6.03	Net Cash from Financing Activities	-368,376	-381,226
6.03.02	Repayment of Borrowings	-368,376	-381,095
6.03.03	Payment of Taxes Payable in Installments	-	-131
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-1,127	-8,084
6.05	Increase (Decrease) in Cash and Cash Equivalents	92,263	701,574
6.05.01	Cash and Cash Equivalents at the beginning of Period	765,638	3,122
6.05.02	Cash and cash Equivalents at end of Period	857,901	704,696

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (loss)	Equity
5.01	Opening balances	13,200,295	309,391	766,942	-	-10,330	14,266,298
5.03	Adjusted Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298
5.04	Capital Transactions with Shareholders	-	658	-	3,161	-2,594	1,225
5.04.03	Recognized Options Granted	-	-567	-	567	-	-
5.04.05	Treasury Stock Sold	-	1,225	-	-	-	1,225
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,594	-2,594	-
5.05	Total Comprehensive Income	-	-	-	46,857	-8,175	38,682
5.05.01	Net Income for the Period	-	-	-	46,857	-	46,857
5.05.02	Other Comprehensive Income	-	-	-	-	-8,175	-8,175
5.05.02.06	Actuarial gain and loss on retirement benefits	-	-	-	-	-8,175	-8,175
5.07	Closing Balances	13,200,295	310,049	766,942	50,018	-21,099	14,306,205

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2018 to 03/31/2018

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (loss)	Equity
5.01	Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795
5.03	Adjusted Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795
5.04	Capital Transactions with Shareholders	-	4,163	-	6,692	-4,451	6,404
5.04.03	Recognized Options Granted	-	-2,241	-	2,241	-	-
5.04.05	Treasury Stock Sold	-	6,404	-	-	-	6,404
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	4,451	-4,451	-
5.05	Total Comprehensive Income	-	-	-	140,114	-5,471	134,643
5.05.01	Net Income for the Period	-	-	-	140,114	-	140,114
5.05.02	Other Comprehensive Income	-	-	-	-	-5,471	-5,471
5.05.02.06	Actuarial gain and loss on Retirement Benefits	-	-	-	-	-5,471	-5,471
5.07	Closing Balances	13,200,295	315,910	202,207	146,806	50,624	13,915,842

Parent Company Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period		Prior period	
		01/01/2019 to 03/31/2019	01/01/2018 to 03/31/2018	01/01/2019 to 03/31/2019	01/01/2018 to 03/31/2018
7.01	Revenue	3,817,513		3,730,964	
7.01.01	Sales of Goods, Products and Services	3,770,817		3,663,189	
7.01.02	Other Revenues	46,509		68,736	
7.01.04	Allowance (Reversal of) for Doubtful Accounts	187		-961	
7.02	Inputs Acquired from Third Parties	-3,098,611		-2,959,217	
7.02.01	Costs of Products Goods and Services Sold	-2,929,055		-2,766,370	
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-169,556		-192,847	
7.03	Gross Value Added	718,902		771,747	
7.04	Retentions	-201,280		-212,370	
7.04.01	Depreciation, Amortization and Depletion	-201,280		-212,370	
7.05	Net Value Added Produced	517,622		559,377	
7.06	Value Added Received in Transfer	159,467		58,311	
7.06.01	Equity in earnings	113,633		33,078	
7.06.02	Financial Revenues	51,136		60,654	
7.06.03	Other	-5,302		-35,421	
7.06.03.01	Actuarial Gains (Losses)	-8,268		-9,066	
7.06.03.02	Foreign Currency Gains/Losses, net	2,966		-26,355	
7.07	Total Value Added to be Distributed	677,089		617,688	
7.08	Distribution of Value Added	677,089		617,688	
7.08.01	Personnel	164,388		174,466	
7.08.01.01	Direct Compensation	150,605		159,172	
7.08.01.02	Benefits	698		808	
7.08.01.03	Unemployment Compensation Fund (FGTS)	13,085		14,486	
7.08.02	Taxes, Rates and Contributions	273,973		134,391	
7.08.02.01	Federal	-1,592		85,341	
7.08.02.02	State	258,802		32,892	
7.08.02.03	Municipal	16,763		16,158	
7.08.03	Remuneration of Third Parties	191,871		168,717	
7.08.03.01	Interest	177,310		170,183	
7.08.03.03	Other	14,561		-1,466	
7.08.04	Equity Remuneration	46,857		140,114	
7.08.04.03	Retained Earnings (Accumulated Losses)	46,857		140,114	

Consolidated Financial Statements - Balance Sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter -	
		03/31/2019	Prior period - 12/31/2018
1	Total Assets	26,251,939	26,523,851
1.01	Current Assets	8,221,070	8,324,317
1.01.01	Cash and Cash Equivalents	1,162,045	1,106,790
1.01.02	Financial investments	610,747	586,559
1.01.03	Trade Receivables	1,718,305	1,894,291
1.01.04	Inventories	3,872,200	3,880,635
1.01.08	Other Current Assets	857,773	856,042
1.01.08.03	Other	857,773	856,042
1.01.08.03.01	Taxes Recoverable	594,375	617,731
1.01.08.03.02	Prepaid Income Tax and Social Contribution	115,111	130,197
1.01.08.03.03	Dividends Receivable	13,762	13,562
1.01.08.03.04	Advances to Suppliers	4,276	4,050
1.01.08.03.05	Financial Instruments	970	347
1.01.08.03.06	Other Accounts Receivable	129,279	90,155
1.02	Noncurrent Assets	18,030,869	18,199,534
1.02.01	Long-term Receivables	4,646,750	4,700,822
1.02.01.04	Accounts Receivable	207,862	202,519
1.02.01.04.01	Trade Accounts Receivable	63,740	64,058
1.02.01.04.02	Other Accounts Receivable	144,122	138,461
1.02.01.05	Inventories	36,868	26,899
1.02.01.07	Deferred Taxes	2,781,358	2,765,356
1.02.01.09	Receivables from Related Parties	2,117	2,342
1.02.01.10	Other Noncurrent Assets	1,618,545	1,703,706
1.02.01.10.03	Judicial Deposits	513,026	523,557
1.02.01.10.04	Financial Instruments	3,524	3,553
1.02.01.10.05	Taxes Recoverable	379,673	454,284
1.02.01.10.07	Credits - Eletrobrás	676,023	676,023
1.02.01.10.08	Other	46,299	46,289
1.02.02	Investments	1,113,812	1,088,094
1.02.02.01	Ownership Interest	1,113,812	1,088,094
1.02.02.01.01	Interests Held in Associates	469,982	473,765
1.02.02.01.05	Other Ownership Interests	643,830	614,329
1.02.03	Property, Plant and Equipment (PP&E)	11,571,751	11,715,022
1.02.03.01	Property, Plant and Equipment in Use	10,773,321	10,869,010
1.02.03.03	Construction in Progress	798,430	846,012
1.02.04	Intangible Assets	698,556	695,596

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter - 03/31/2019	Prior period - 12/31/2018
2	Total Liabilities and Equity	26,251,939	26,523,851
2.01	Current Liabilities	3,112,311	3,335,670
2.01.01	Social and Labor Liabilities	194,354	205,583
2.01.02	Trade Payables	1,149,580	1,133,763
2.01.03	Tax Liabilities	92,659	126,212
2.01.03.01	Federal Tax Liabilities	92,659	126,212
2.01.03.01.01	Income and Social Contribution Taxes Payable	5,826	3,299
2.01.03.01.02	Taxes Payable	86,833	122,913
2.01.04	Borrowings	185,293	467,036
2.01.04.01	Borrowings	158,579	396,799
2.01.04.02	Debentures	26,714	70,237
2.01.05	Other Liabilities	1,490,425	1,403,076
2.01.05.02	Other	1,490,425	1,403,076
2.01.05.02.01	Dividends and Interest on Capital Payable	202,809	202,809
2.01.05.02.04	Taxes Payable in Installments	4,215	4,180
2.01.05.02.06	Advances from Customers	72,179	63,484
2.01.05.02.08	Accounts Payable	216,954	166,676
2.01.05.02.09	Accounts Payable - Forfeiting	994,268	965,927
2.02	Noncurrent Liabilities	7,372,906	7,490,790
2.02.01	Borrowings	5,306,543	5,382,754
2.02.01.01	Borrowings	4,499,376	4,562,971
2.02.01.02	Debentures	807,167	819,783
2.02.02	Other Liabilities	221,953	234,550
2.02.02.01	Payables to Associates	121,838	134,254
2.02.02.02	Other	100,115	100,296
2.02.02.02.06	Other Payables	100,115	100,296
2.02.04	Provisions	1,844,410	1,873,486
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,630,980	1,669,779
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	1,013,879	1,034,228
2.02.04.01.05	Provision for litigation	617,101	635,551
2.02.04.02	Other Provisions	213,430	203,707
2.02.04.02.03	Provisions for Environmental Liabilities and Decommissioning	213,430	203,707
2.03	Equity	15,766,722	15,697,391
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	310,049	309,391
2.03.04	Revenue Reserves	766,942	766,942
2.03.04.01	Legal Reserve	47,984	47,984
2.03.04.10	Investments and working capital	718,958	718,958
2.03.05	Retained Earnings (Accumulated Losses)	50,018	-
2.03.06	Other Comprehensive Income	-21,099	-10,330
2.03.09	Noncontrolling Shareholders	1,460,517	1,431,093

Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter	Prior period
		01/01/2019 to 03/31/2019	current quarter 01/01/2018 to 03/31/2018
3.01	Revenue	3,531,985	3,244,207
3.02	Cost of Sales and/or Services	-3,035,995	-2,632,109
3.03	Gross Profit	495,990	612,098
3.04	Operating Income (Expenses)	-262,976	-247,336
3.04.01	Selling expenses	-67,358	-76,138
3.04.02	General and Administrative Expenses	-100,758	-102,782
3.04.04	Other Operating Income	75,555	125,294
3.04.05	Other Operating Expenses	-207,908	-234,864
3.04.06	Equity in Results of Investees	37,493	41,154
3.05	Income Before Financial Income (Expense) and Taxes	233,014	364,762
3.06	Finance result, Net	-135,780	-133,774
3.07	Income Before Income Taxes	97,234	230,988
3.08	Income Tax and Social Contribution	-20,956	-73,803
3.08.01	Current	-32,741	-67,480
3.08.02	Deferred	11,785	-6,323
3.09	Net income (loss) from Continuing Operations	76,278	157,185
3.11	Net Income/Loss for the Period	76,278	157,185
3.11.01	Attributed to Shareholders of Parent Company	46,857	140,114
3.11.02	Attributable to Noncontrolling Shareholders	29,421	17,071
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-
3.99.01	Basic Earnings per Share	-	-
3.99.01.01	Registered Common Shares (RCS)	0.04000	0.11000
3.99.01.02	Registered Preferred Shares (RPS)	0.04000	0.12000
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	RCS	0.04000	0.11000
3.99.02.02	RPS	0.04000	0.12000

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2019 to 03/31/2019	Current period 01/01/2018 to 03/31/2018
4.01	Consolidated Net Income for the Period	76,278	157,185
4.02	Other Comprehensive Income (Loss)	-8,172	-5,471
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-8,172	-5,471
4.03	Consolidated Comprehensive Income (Loss) for the Period	68,106	151,714
4.03.01	Attributed to Shareholders of Parent Company	38,682	134,643
4.03.02	Attributable to Noncontrolling Shareholders	29,424	17,071

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2019 to 03/31/2019	Prior period 01/01/2018 to 03/31/2018
6.01	Net Cash from Operating Activities	530,910	113,134
6.01.01	Cash From Operations	490,381	654,860
6.01.01.01	Net Income (Loss) for the Period	76,278	157,185
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	48,263	49,781
6.01.01.03	Interest Expenses	95,000	99,100
6.01.01.04	Depreciation and Amortization	241,020	257,104
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	-1,159	6,797
6.01.01.06	Equity in Results of Investees	-37,493	-41,154
6.01.01.08	Deferred Income Tax and Social Contribution	-11,785	6,323
6.01.01.09	Set up (Reversal) of Provisions	58,806	111,030
6.01.01.10	Actuarial Gains (Losses)	21,451	8,694
6.01.02	Changes in Assets and Liabilities	227,278	-341,392
6.01.02.01	Trade Receivables	175,413	-188,053
6.01.02.02	Inventories	11,309	-241,758
6.01.02.03	Taxes Recoverable	2,968	40,170
6.01.02.04	Judicial Deposits	-9,867	-75,993
6.01.02.05	Receivables from Related Parties	225	195
6.01.02.06	Other (Increase) Decrease in Assets	-70,588	-26,854
6.01.02.07	Accounts Payable, Contractors and Freight	15,817	130,378
6.01.02.08	Advances from Customers	8,695	18,721
6.01.02.09	Payables to Related Parties	-12,416	-8,917
6.01.02.10	Taxes Payable	60,598	-64,649
6.01.02.11	Accounts Payable – Forfeiting	28,341	52,102
6.01.02.14	Other Increase (Decrease) in Liabilities	16,783	23,266
6.01.03	Other	-186,749	-200,334
6.01.03.01	Actuarial Liabilities Paid	-54,201	-34,343
6.01.03.02	Interest Paid	-121,257	-148,319
6.01.03.03	Income and Social Contribution Taxes Paid	-11,291	-17,672
6.02	Net Cash from Investing Activities	-104,994	205,016
6.02.02	Purchases of Property, Plant and Equipment	-81,487	-61,629
6.02.03	Received by Disposal of Property, Plant and Equipment	1,300	19,652
6.02.05	Dividends Received	1,544	128,013
6.02.06	Marketable Securities	-24,188	122,218
6.02.07	Purchase of Software	-2,154	-3,238
6.02.08	Capital Increase in Subsidiary	-9	-
6.03	Net Cash from Financing Activities	-369,534	-939,587
6.03.02	Repayment of Borrowings	-369,534	-939,455
6.03.03	Payment of Taxes Payable in Installments	-	-132
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-1,127	-8,084
6.05	Increase (Decrease) in Cash and Cash Equivalents	55,255	-629,521
6.05.01	Cash and Cash Equivalents at Beginning of Period	1,106,790	1,770,573
6.05.02	Cash and cash Equivalents at End of Period	1,162,045	1,141,052

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2019 to 03/31/2019

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298	1,431,093	15,697,391
5.03	Adjusted Opening Balances	13,200,295	309,391	766,942	-	-10,330	14,266,298	1,431,093	15,697,391
5.04	Capital Transactions with Shareholders	-	658	-	3,161	-2,594	1,225	-	1,225
5.04.03	Recognized Options Granted	-	-567	-	567	-	-	-	-
5.04.05	Treasury Stock Sold	-	1,225	-	-	-	1,225	-	1,225
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	2,594	-2,594	-	-	-
5.05	Total Comprehensive Income (Loss)	-	-	-	46,857	-8,175	38,682	29,424	68,106
5.05.01	Net Income (Loss) for the Period	-	-	-	46,857	-	46,857	29,421	76,278
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-8,175	-8,175	3	-8,172
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	-8,175	-8,175	3	-8,172
5.07	Closing Balances	13,200,295	310,049	766,942	50,018	-21,099	14,306,205	1,460,517	15,766,722

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2018 to 03/31/2018

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795	1,409,169	15,183,964
5.03	Adjusted Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795	1,409,169	15,183,964
5.04	Capital Transactions with Shareholders	-	4,163	-	6,692	-4,451	6,404	-46,489	-40,085
5.04.03	Recognized Options Granted	-	-2,241	-	2,241	-	-	-	-
5.04.05	Treasury Stock Sold	-	6,404	-	-	-	6,404	-	6,404
5.04.06	Dividends	-	-	-	-	-	-	-46,489	-46,489
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	4,451	-4,451	-	-	-
5.05	Total Comprehensive Income	-	-	-	140,114	-5,471	134,643	17,071	151,714
5.05.01	Net Income for the Period	-	-	-	140,114	-	140,114	17,071	157,185
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-5,471	-5,471	-	-5,471
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	-	-5,471	-5,471	-	-5,471
5.07	Closing Balances	13,200,295	315,910	202,207	146,806	50,624	13,915,842	1,379,751	15,295,593

Consolidated Financial State-ments / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period	Prior period
		01/01/2019 to 03/31/2019	01/01/2018 to 03/31/2018
7.01	Revenue	4,539,149	4,221,854
7.01.01	Sales of Goods, Products and Services	4,492,635	4,153,886
7.01.02	Other Revenues	47,309	69,636
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-795	-1,668
7.02	Inputs Acquired from Third Parties	-3,534,436	-3,292,522
7.02.01	Costs of Products Goods and Services Sold	-3,291,138	-3,029,421
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-243,298	-263,101
7.03	Gross Value Added	1,004,713	929,332
7.04	Retentions	-241,020	-257,104
7.04.01	Depreciation, Amortization and Depletion	-241,020	-257,104
7.05	Net Value Added Produced	763,693	672,228
7.06	Value Added Received in Transfer	100,327	83,873
7.06.01	Equity in Results of Investees	37,493	41,154
7.06.02	Financial Revenues	67,433	76,894
7.06.03	Other	-4,599	-34,175
7.06.03.01	Actuarial Gains and Losses	-8,243	-8,694
7.06.03.02	Foreign Exchange Gains/losses	3,644	-25,481
7.07	Total Value Added to be Distributed	864,020	756,101
7.08	Distribution of Value Added	864,020	756,101
7.08.01	Personnel	240,564	251,366
7.08.01.01	Direct Compensation	222,320	231,826
7.08.01.02	Benefits	773	882
7.08.01.03	Unemployment Compensation Fund (FGTS)	17,471	18,658
7.08.02	Taxes, Rates and Contributions	340,321	162,363
7.08.02.01	Federal	-36,256	117,810
7.08.02.02	State	357,715	26,856
7.08.02.03	Municipal	18,862	17,697
7.08.03	Remuneration of Third Parties	206,857	185,187
7.08.03.01	Interest	192,402	186,653
7.08.03.03	Other	14,455	-1,466
7.08.04	Equity Remuneration	76,278	157,185
7.08.04.03	Retained Earnings (Accumulated Losses)	46,857	140,114
7.08.04.04	Noncontrolling Interests in Retained Profits	29,421	17,071

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (“USIMINAS”, “Usiminas”, “Parent company” or “Company”), headquartered in the city of Belo Horizonte, state of Minas Gerais, is a publicly-held company and its shares are traded on the Brazilian stock exchange (B3 – Brasil, Bolsa, Balcão) under tickers USIM3, USIM5 and USIM6.

The Company and its subsidiaries, jointly-controlled subsidiaries and associates (“Usiminas”) operate in the steel industry and related activities, such as iron ore extraction, steel transformation, production of capital goods and logistics. It currently has two steel mills with nominal production capacity of 9.5 million (not reviewed) metric tons per annum of flat-rolled products, located in the cities of Ipatinga, state of Minas Gerais, and Cubatão, state of São Paulo, in addition to iron ore reserves, service and distribution centers, maritime ports and cargo terminals, strategically located in several Brazilian cities.

The Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and associates, as described in Note 1 to the financial statements for the year ended December 31, 2018.

2 Interim accounting information

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Company and Consolidated accounts were approved by the Board of Directors at a meeting held on April 17, 2019.

3 Summary of significant accounting policies

The main accounting policies applied in the preparation of this interim accounting information are consistent with those adopted and presented in the financial statements of the Company for the year ended December 31, 2018, except for the adoption of the IFRS 16, Leases, which has been effective since January 1, 2019.

The accounting policies applied in transactions considered immaterial were not included in this interim accounting information.

The accounting policies, which have been consistently applied in the current period, are consistent with those of the year and period presented for comparison purposes, and common to the parent company, subsidiaries, associates and jointly-controlled subsidiaries, and the interim accounting information on the subsidiaries was adjusted, as applicable, to meet this criterion.

3.1 Basis of preparation and statement of compliance

This interim accounting information for the quarter ended March 31, 2019, should be read together with the Company’s financial statements for the year ended December 31, 2018.

Considering that there were no material changes in the composition and nature of the balances presented in the financial statements for the year ended December 31, 2018, the following Notes are presented in a condensed manner for the quarter ended March 31, 2019.

- 3 Summary of significant accounting policies;
- 4 Financial risk management objectives and policy;
- 11 Income tax and social contribution;
- 12 Judicial deposits;
- 13 Investments;
- 14 Property, plant and equipment;
- 15 Impairment of non-financial assets;
- 16 Intangible assets;
- 17 Borrowings and debentures;
- 19 Taxes payable in installments;
- 20 Provision for litigation;
- 21 Retirement benefit obligations;
- 22 Equity;
- 28 Transactions with related parties; and
- 29 Stock option plan.

Parent company and consolidated interim accounting information

The parent company and consolidated interim accounting information presented herein under Parent company and Consolidated, respectively, has been prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, International Accounting Standard (IAS) 34 - Interim Financial Reporting, and the rules of the Brazilian Securities Commission (CVM). Accordingly, this interim accounting information discloses all the applicable significant information, which is consistent with the information utilized by management in the performance of its duties.

3.2 Standards, amendments to and interpretations of existing standards

In the quarter ended March 31, 2019, no new standards, amendments to and interpretations of existing standards were issued.

IFRS 16 / CPC 06 (R2) - "Leases" has been effective since January 1, 2019. As described in Note 3.21 to the financial statements at December 31, 2018, the Company did not identify any material impacts from the adoption of this new standard in the quarter ended March 31, 2019.

IFRS 16 has introduced a single lease accounting model in the balance sheet for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Optional exemptions are available for short-term leases and low-value items. The lessor's accounting remains similar to the former standard, that is, a lessor has continued to classify its leases as finance leases or operating leases.

IFRS 16 replaces the existing lease standards, including CPC 06 (IAS 17) - Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Complementary Aspects of Lease Transactions.

Management has reviewed all the lease agreements entered into by Usiminas and concluded that most of them refer to short-term, low-value leases and also to leases in which Usiminas does not control the asset or define its use. These leases continued to be recognized on a straight-line basis as expenses in the statement of income for the year. With respect to other leases, subject to the scope of the new standard, Usiminas recognized right-of-use assets and lease liabilities of approximately R\$ 10,000 at January 1, 2019.

(i) Transition

Usiminas applied the simplified transition approach and has not restated comparative amounts for the year prior to the first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets were measured at the amount of the lease liability on adoption.

4 Financial risk management objectives and policy

At March 31, 2019, there were no significant changes in financial risk policies and management in relation to those disclosed in the Company's financial statements for the year ended December 31, 2018.

4.1 Foreign exchange risk

(i) Foreign exchange exposure

Usiminas operates internationally and is exposed to foreign exchange risk arising from exposures in certain currencies, primarily with respect to the U.S. dollar and, to a lesser extent, yen and euro. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations, as described below.

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Assets in foreign currency				
Cash and cash equivalents	13,557	49,059	124,659	170,717
Marketable securities	-	-	9,658	9,036
Trade receivables	110,861	233,168	294,256	342,424
Advances to suppliers	3,741	3,720	4,483	4,407
	<u>128,159</u>	<u>285,947</u>	<u>433,056</u>	<u>526,584</u>
Liabilities in foreign currency				
Borrowings	(1,199,242)	(1,272,702)	(1,199,242)	(1,272,702)
Trade payables, contractors and freight charges	(401,575)	(338,289)	(410,806)	(361,804)
Advances from customers	(10,889)	(13,740)	(10,889)	(17,480)
Other payables	(24,830)	(23,760)	(24,827)	(23,756)
	<u>(1,636,536)</u>	<u>(1,648,491)</u>	<u>(1,645,764)</u>	<u>(1,675,742)</u>
Currency exposure	<u>(1,508,377)</u>	<u>(1,362,544)</u>	<u>(1,212,708)</u>	<u>(1,149,158)</u>

(ii) Sensitivity analysis - foreign exchange risk arising from assets and liabilities denominated in foreign currency

The Company prepares a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at the end of the period, considering the foreign exchange rate at March 31, 2019. Scenario I considered a depreciation of the Brazilian real by 5% when compared to the current scenario. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amount of the foreign currency at March 31, 2019.

The currencies used in the sensitivity analysis and their related scenarios are shown below:

Currency	3/31/2019			
	Foreign exchange rate at the end of the period	Scenario I	Scenario II	Scenario III
US\$	3.8967	4.0915	4.8709	5.8451
EUR	4.3760	4.5948	5.4700	6.5640
YEN	0.0352	0.0370	0.0440	0.0528

Effects on the finance result, considering Scenarios I, II and III, are shown below:

Currency	Consolidated		
	3/31/2019		
	Scenario I	Scenario II	Scenario III
US\$	(60,504)	(302,520)	(605,039)
EUR	(110)	(547)	(1,095)
YEN	(22)	(110)	(221)

4.2 Cash flow or fair value interest rate risk

(i) Composition of borrowings and debentures by type of interest rate

The interest rate risk arises from interest rates used in financial investments, borrowings and debentures.

The composition of borrowings and debentures contracted, by type of interest rate, in current and non-current liabilities, is presented as follows:

	<u>Parent company</u>				<u>Consolidated</u>			
	<u>3/31/2019</u>	<u>%</u>	<u>12/31/2018</u>	<u>%</u>	<u>3/31/2019</u>	<u>%</u>	<u>12/31/2018</u>	<u>%</u>
Borrowings								
Fixed	19,356	1	20,420	1	32,900	1	35,127	1
TJLP	315,737	6	336,902	6	315,737	6	336,902	6
Libor	1,067,844	19	1,133,228	19	1,067,844	19	1,133,228	19
CDI	3,114,769	57	3,324,139	57	3,114,769	57	3,324,139	57
Other	126,705	2	130,374	2	126,705	2	130,374	2
	<u>4,644,411</u>	<u>85</u>	<u>4,945,063</u>	<u>85</u>	<u>4,657,955</u>	<u>85</u>	<u>4,959,770</u>	<u>85</u>
Debentures								
CDI	833,881	15	890,020	15	833,881	15	890,020	15
	<u>5,478,292</u>	<u>100</u>	<u>5,835,083</u>	<u>100</u>	<u>5,491,836</u>	<u>100</u>	<u>5,849,790</u>	<u>100</u>

The Company uses derivative financial instruments to manage the effects of interest rate volatility risk on its borrowings.

(ii) Sensitivity analysis of changes in interest rates

The Company prepares a sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rates prevailing at March 31, 2019 for the probable scenario. Scenario I considers a 5% increase on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amounts of these rates at March 31, 2019.

The rates used and their related scenarios are shown below:

Index	3/31/2019			
	Rates at the end of the period (i)	Scenario I	Scenario II	Scenario III
CDI	6.4%	6.7%	8.0%	9.6%
TJLP	7.0%	7.4%	8.8%	10.5%
LIBOR	2.7%	2.8%	3.4%	4.1%

(i) Annual rates.

Effects on the finance result, considering Scenarios I, II and III, are shown below:

Index	Consolidated		
	3/31/2019		
	Scenario I	Scenario II	Scenario III
CDI	(7,493)	(37,464)	(74,928)
TJLP	(1,110)	(5,549)	(11,098)
LIBOR	(1,447)	(7,237)	(14,473)

The interest rates to which the Company is exposed, which are related to borrowings and debentures, are presented in Note 20 to the financial statements for the year ended December 31, 2018, and mainly comprise London Interbank Offered Rate (LIBOR), Long-Term Interest Rate (TJLP) and Interbank Deposit Certificate (CDI).

Derivative financial instruments used for interest rate risk, contracted to mitigate the volatility in the Company's profit or loss, were included in the sensitivity analysis for assets and liabilities (Note 5).

4.3 Capital management

The objectives for managing capital are to safeguard the ability to continue as going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure at optimum costs.

Consistent with others in the industry, Usiminas monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt divided by total capital. Net debt is calculated as total borrowings and debentures, and taxes payable in installments (including current and non-current transactions, as shown in the consolidated balance sheet) less cash and cash equivalents and marketable securities. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

We present below the calculation of the gearing ratio considering net debt as a percentage of total capital.

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Total borrowings, debentures and taxes payable in installments	5,482,505	5,839,261	5,496,051	5,853,970
Less: cash and cash equivalents and marketable securities	<u>(857,901)</u>	<u>(765,638)</u>	<u>(1,772,792)</u>	<u>(1,693,349)</u>
Net debt	<u>4,624,604</u>	<u>5,073,623</u>	<u>3,723,259</u>	<u>4,160,621</u>
Total equity	14,306,205	14,266,298	15,766,722	15,697,391
Total capital	<u>18,930,809</u>	<u>19,339,921</u>	<u>19,489,981</u>	<u>19,858,012</u>
Gearing ratio	<u>24%</u>	<u>26%</u>	<u>19%</u>	<u>21%</u>

5 Derivative financial instruments

Usiminas enters into swap transactions to hedge and manage interest rate risks, thereby reducing the effects of volatility of interest rates on its borrowings. The Company does not acquire such financial instruments for speculative purposes. The Company does not settle its transactions prior to the respective original maturities and does not prepay its derivative financial instruments.

At March 31, 2019, the transactions with derivative financial instruments entered into by the Company are as follows:

(a) Parent company and Consolidated

Maturity range MMYY	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Profit/Loss for the period
	3/31/2019		3/31/2019		12/31/2018		3/31/2019	12/31/2018	3/31/2019
	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)

RATE AND FOREIGN EXCHANGE HEDGES (SWAP)

Bradesco	Apr/15 to Apr/25	TR + 9.8000% p.a.	95.00% of the CDI rate	R\$ 59,000	R\$ 59,000	R\$ 59,000	R\$ 59,000	4,494	3,900	594
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Financial gain/loss in the period 594

Book balance (net asset position - liability position) 4,494 3,900

The book balances of the derivative financial instruments are described below:

	Parent company and Consolidated			
	3/31/2019	12/31/2018		
Current assets	970	347		
Non-current assets	3,524	3,553		
	<u>4,494</u>	<u>3,900</u>		
			Parent company Consolidated	
	3/31/2019	3/31/2018	3/31/2019	3/31/2018
In finance result	<u>594</u>	<u>1,466</u>	<u>594</u>	<u>1,466</u>

6 Cash and cash equivalents

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Bank accounts	18,694	19,706	31,331	52,551
Bank accounts abroad	13,557	49,059	124,659	170,717
Bank Deposit Certificates (CDB) and repurchase commitments	825,650	696,873	1,006,055	883,522
	<u>857,901</u>	<u>765,638</u>	<u>1,162,045</u>	<u>1,106,790</u>

Financial investments in Bank Deposit Certificates (CDB) and repurchase agreements have immediate liquidity and earn on average 97.23% (December 31, 2018 - 99.88%) of the CDI rate in the Parent company and 99.10% (December 31, 2018 – 100.39%) of the CDI rate in Consolidated.

At March 31, 2019, Usiminas does not have overdraft accounts.

7 Marketable securities

	Consolidated	
	<u>3/31/2019</u>	<u>12/31/2018</u>
Bank Deposit Certificates (CDB)	601,089	577,523
Financial investments abroad	<u>9,658</u>	<u>9,036</u>
	<u>610,747</u>	<u>586,559</u>

Financial investments in Bank Deposit Certificates (CDB) earn on average 99.10% (December 31, 2018 - 100.39%) of the CDI rate in Consolidated.

None of these financial assets is either past due or impaired.

In the quarter ended March 31, 2019, the Company does not have balances related to financial investments classified as marketable securities.

8 Trade receivables

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Trade receivables:				
In Brazil	844,222	1,187,944	1,503,355	1,747,854
Abroad	103,638	203,923	287,033	313,179
Provision for impairment of trade receivables (i)	(141,830)	(141,908)	(186,855)	(185,964)
Trade receivables, net	806,030	1,249,959	1,603,533	1,875,069
Receivables from related parties				
In Brazil	447,226	403,075	166,644	49,499
Abroad	11,868	33,781	11,868	33,781
Receivables from related parties	459,094	436,856	178,512	83,280
	<u>1,265,124</u>	<u>1,686,815</u>	<u>1,782,045</u>	<u>1,958,349</u>
Current assets	1,248,390	1,669,763	1,718,305	1,894,291
Non-current assets	16,734	17,052	63,740	64,058

(i) Out of the total provision for impairment of trade receivables in the Parent company and Consolidated accounts, the balance of R\$2,236 (December 31, 2018 - R\$4,536) refers to trade receivables denominated in foreign currency.

The ageing analysis of trade receivables was as follows:

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Amounts not yet due	1,129,183	1,325,683	1,558,861	1,753,909
Amounts past due:				
Up to 30 days	84,682	332,515	161,275	173,611
From 31 to 60 days	2,187	11,896	4,295	5,527
From 61 to 90 days	3,735	-	8,770	2,769
From 91 to 180 days	29,859	293	32,567	5,368
Over 181 days	157,308	158,336	203,132	203,129
(-) Provision for impairment of trade receivables	(141,830)	(141,908)	(186,855)	(185,964)
	<u>1,265,124</u>	<u>1,686,815</u>	<u>1,782,045</u>	<u>1,958,349</u>

At March 31, 2019, trade receivables amounting to R\$135,941 in the Parent company and R\$223,184 in Consolidated were past due but not impaired (December 31, 2018 – R\$361,132 and R\$204,440, respectively). These accounts relate to a number of customers for which there is no recent history of default, or the outstanding balances of which are supported by guarantees.

Trade receivables, net of the provision for impairment of trade receivables, are denominated in the following currencies:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>12/31/2018</u>
Brazilian real	1,154,263	1,453,647	1,487,789	1,615,925
U.S. dollar	109,056	228,741	292,451	337,997
Euro	<u>1,805</u>	<u>4,427</u>	<u>1,805</u>	<u>4,427</u>
	<u>1,265,124</u>	<u>1,686,815</u>	<u>1,782,045</u>	<u>1,958,349</u>

Changes in the provision for impairment of trade receivables were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018	<u>(141,908)</u>	<u>(185,964)</u>
(Additions to) reversals of profit or loss	187	(795)
Write-off against trade receivables	-	14
Foreign exchange gains/losses	<u>(109)</u>	<u>(110)</u>
At March 31, 2019	<u>(141,830)</u>	<u>(186,855)</u>

The additions to and release of the provision for impairment of trade receivables have been included in "Selling expenses" in the statement of income. Usiminas does not hold any collateral for trade receivables.

9 Inventories

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Current assets				
Finished products	675,274	775,025	828,994	929,661
Work in progress	869,608	745,192	887,652	764,214
Raw materials	775,726	709,731	1,196,710	1,196,015
Supplies and spare parts	544,188	533,253	601,034	589,732
Imports in transit	242,700	327,054	242,712	327,062
Provision for losses (i)	(86,439)	(86,172)	(105,497)	(102,837)
Other	223,590	179,913	220,595	176,788
	<u>3,244,647</u>	<u>3,183,996</u>	<u>3,872,200</u>	<u>3,880,635</u>
Non-current assets				
Work in progress (ii)	-	-	36,868	26,899
	<u>3,244,647</u>	<u>3,183,996</u>	<u>3,909,068</u>	<u>3,907,534</u>

(i) Refers to losses related to fair value adjustments and obsolescence of certain inventories.

(ii) Refers to inventories of products of the subsidiary Mineração Usiminas that are expected to be sold in more than 12 months.

10 Taxes recoverable

	3/31/2019		Parent company 12/31/2018	
	Current	Non-current	Current	Non-current
PIS (i)	58,273	-	72,683	76,143
COFINS (i)	341,361	348,202	322,859	348,202
ICMS	47,082	21,955	46,360	20,419
Excise Tax (IPI)	10,378	-	26,595	-
Export credit - Reintegra	6,459	-	6,115	-
Cacex	-	8,003	-	8,003
Other	3,977	-	3,671	1
	<u>467,530</u>	<u>378,160</u>	<u>478,283</u>	<u>452,768</u>
	3/31/2019		Consolidated 12/31/2018	
	Current	Non-current	Current	Non-current
PIS (i)	66,582	16	83,324	76,161
COFINS (i)	389,242	348,275	371,246	348,285
ICMS	90,233	23,224	90,737	21,679
IPI	22,967	-	48,371	-
Export credit - Reintegra	6,459	-	6,115	-
National Institute of Social Security (INSS) recoverable	10,345	-	13,671	-
Cacex	-	8,003	-	8,003
Other	8,547	155	4,267	156
	<u>594,375</u>	<u>379,673</u>	<u>617,731</u>	<u>454,284</u>

(i) ICMS in the calculation bases of PIS/COFINS, as described in Note 24 (c) of the financial statements for the year ended December 31, 2018.

In the quarter ended March 31, 2019, the Company made compensations of PIS in the amount of R\$94.229 in the Parent company and R\$97.995 in the Consolidated.

11 Income tax and social contribution

(a) Taxes on profit

The amounts of income tax and social contribution on net income differ from the theoretical value that would be obtained by using the nominal rates of such taxes, applicable to profit or loss before taxation, in the Parent company and Consolidated accounts, as shown below:

	Parent company		Consolidated	
	3/31/2019	3/31/2018	3/31/2019	3/31/2018
Profit before income tax and social contribution	25,905	194,438	97,234	230,988
Nominal rates	34%	34%	34%	34%
Taxes on profit at nominal rates	(8,807)	(66,109)	(33,060)	(78,536)
Adjustments to determine taxes on profit:				
Equity in the results of investees	31,313	24,595	12,747	13,992
Interest on capital	-	(13,824)	-	5,925
Permanent exclusions (additions)	(1,554)	339	(1,901)	1,728
Tax incentives	-	675	540	675
Non-taxable income and rate differences of foreign subsidiaries	-	-	718	(17,587)
Taxes on the results	<u>20,952</u>	<u>(54,324)</u>	<u>(20,956)</u>	<u>(73,803)</u>
Current	-	(37,467)	(32,741)	(67,480)
Deferred	<u>20,952</u>	<u>(16,857)</u>	<u>11,785</u>	<u>(6,323)</u>
Taxes on profit (loss) in the statement of income	<u>20,952</u>	<u>(54,324)</u>	<u>(20,956)</u>	<u>(73,803)</u>
Income tax	15,406	(39,763)	(15,256)	(58,509)
Social contribution	<u>5,546</u>	<u>(14,561)</u>	<u>(5,700)</u>	<u>(15,294)</u>
Effective rates	-	28%	22%	32%

There are no current tax items presented in equity in this interim accounting information.

(b) Deferred income tax and social contribution

Changes in deferred income tax and social contribution, net, for the quarter ended March 31, 2019, were as follows:

	Assets	
	Parent company	Consolidated
At December 31, 2018	1,726,425	2,765,356
Deferred taxes in the statement of income, net	20,952	11,785
Deferred taxes in comprehensive income (actuarial liabilities)	4,217	4,217
At March 31, 2019	1,751,594	2,781,358

The composition of deferred income tax and social contribution assets and liabilities is shown below:

	Parent company		Consolidated	
	3/31/2019	12/31/2018	3/31/2019	12/31/2018
Deferred assets arising from income tax and social contribution losses	2,471,731	2,354,187	2,672,574	2,567,127
Deferred assets arising from temporary differences	1,059,702	1,069,429	2,010,040	2,021,159
Deferred liabilities arising from temporary differences	(750,648)	(668,000)	(803,126)	(724,800)
Unrecognized deferred income tax and social contribution	(1,029,191)	(1,029,191)	(1,098,130)	(1,098,130)
	<u>1,751,594</u>	<u>1,726,425</u>	<u>2,781,358</u>	<u>2,765,356</u>

In the quarter ended March 31, 2019, the Company had deferred income tax and social contribution that were not recognized in the interim accounting information in the amounts of R\$1,029,191 in the Parent company and R\$1,098,130 in Consolidated (December 31, 2018 – R\$1,029,191 and R\$1,098,130, respectively), arising from the expectation of not using these credits for the next 10 years. The Company's management will continue to monitor the tax credits related to income tax and social contribution, which may be recorded as soon as their use is considered probable.

According to the projections approved by the Company's management and the balance of deferred income tax assets (tax losses and temporary differences) at March 31, 2019, the expected realization of the taxes was as follows:

	<u>Parent company</u>	<u>Consolidated</u>
2019	172,943	189,292
2020	199,425	268,165
2021	166,672	241,705
2022	212,665	256,605
2023	240,475	262,416
2024 to 2026	711,611	968,745
2027 to 2029	899,106	1,282,790
2030 to 2032	741,468	834,800
After 2033 (i)	<u>187,068</u>	<u>378,096</u>
Total	3,531,433	4,682,614
Unrecognized tax credits	<u>(1,029,191)</u>	<u>(1,098,130)</u>
Assets	<u>2,502,242</u>	<u>3,584,484</u>
Liabilities	<u>(750,648)</u>	<u>(803,126)</u>
Net position	<u><u>1,751,594</u></u>	<u><u>2,781,358</u></u>

(i) In Consolidated, the amounts refer mainly to tax credits from goodwill on Mineração Usiminas downstream merger. These tax credits were allocated to match the expected useful lives of the mines, which are expected to be fully depleted by 2053.

The recognition of tax assets is based on a study of the expected future taxable income, reviewed by the Statutory Audit Board and approved by the Board of Directors of the Company. The study to determine the expected future taxable income adopts the same data and assumptions as those adopted in the impairment test of assets, according to Note 17 of the financial statements for the year ended December 31, 2018.

As the income tax and social contribution taxable bases arise not only from the profit that may be generated, but also from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's profit and the income subject to income tax and social contribution. Accordingly, the projected tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

12 Judicial deposits

At March 31, 2019, changes in judicial deposits were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018 (i)	<u>564,669</u>	<u>720,449</u>
Additions (ii)	8,899	12,346
Interest/inflation indexation	1,414	2,023
Reversals (ii)	<u>(5,433)</u>	<u>(24,900)</u>
Subtotal	<u>569,549</u>	<u>709,918</u>
(-) Offset against taxes payable in installments	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2019	<u>372,657</u>	<u>513,026</u>

- (i) To the total amount of judicial deposits presented in the balance sheet, the amount of R\$196,892 must be added, related to the offset of taxes payable in installments.
- (ii) In the Parent company, the additions and reversals refer, mainly, to labor claims. In Consolidated, the additions and reversals refer, mainly, to the extinction of the judicial deposit related to the State Tax of Mineral Resources (TFRM) of the subsidiary Mineração Usiminas, in the amount of R\$18,831, which was compensated against contingencies of the same nature.

13 Investments

(a) Changes in investments

(i) Parent company

	<u>12/31/2018</u>	<u>Equity in the results of investees (i)</u>	<u>Unrealized profits in inventories</u>	<u>Other</u>	<u>3/31/2019</u>
Subsidiaries					
Mineração Usiminas	2,468,185	62,078	-	5	2,530,268
Soluções Usiminas	646,174	4,113	20,299	-	670,586
Usiminas Europa	114,768	1,279	-	-	116,047
Usiminas International	39,389	830	-	-	40,219
Usiminas Mecânica	279,109	(1,046)	1,237	-	279,300
Usiminas Participações e Logística S.A. (UPL)	75,441	2,160	-	2	77,603
Goodwill in subsidiaries	<u>10,049</u>	<u>-</u>	<u>-</u>	<u>(1,390)</u>	<u>8,659</u>
	3,633,115	69,414	21,536	(1,383)	3,722,682
Jointly-controlled subsidiaries					
Unigal	593,854	29,366	-	-	623,220
Usiroll	10,113	542	-	-	10,655
	<u>603,967</u>	<u>29,908</u>	<u>-</u>	<u>-</u>	<u>633,875</u>
Associates					
Codeme	12,778	(6,931)	-	-	5,847
MRS	10,740	321	-	-	11,061
	<u>23,518</u>	<u>(6,610)</u>	<u>-</u>	<u>-</u>	<u>16,908</u>
	<u>4,260,600</u>	<u>92,712</u>	<u>21,536</u>	<u>(1,383)</u>	<u>4,373,465</u>

(i) In the equity in the results of investees presented in the statement of income and statement of cash flows of the Parent company, which totals R\$103,633 when compared with the income of R\$92.712 disclosed in changes in investments, the results related to net capital deficiency of the subsidiary Rios Unidos totaling R\$615 and unrealized profit on inventories of R\$21,536 determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica must be considered.

(ii) Consolidated

	<u>12/31/2018</u>	<u>Additions (reductions)</u>	<u>Equity in the results of investees</u>	<u>Interest on capital and dividends</u>	<u>Transfers</u>	<u>Other</u>	<u>3/31/2019</u>
Jointly-controlled subsidiaries							
Modal	2,626	-	648	(1,055)	-	-	2,219
Unigal	593,854	-	29,366	-	-	-	623,220
Usiroll	10,113	-	542	-	-	-	10,655
Goodwill on jointly-controlled subsidiaries	<u>7,736</u>	-	-	-	-	-	<u>7,736</u>
	614,329	-	30,556	(1,055)	-	-	643,830
Associates							
Codeme	12,778	-	(6,931)	-	-	-	5,847
MRS	438,761	-	13,146	-	-	9	451,916
Paraopeba Terminal	891	27	(2)	-	-	-	916
Sarzedo Terminal	1,558	(18)	739	(689)	-	-	1,590
Other	2,528	-	(15)	-	-	-	2,513
Goodwill in associates	<u>17,249</u>	-	-	-	(8,659)	(1,390)	<u>7,200</u>
	<u>473,765</u>	<u>9</u>	<u>6,937</u>	<u>(689)</u>	<u>(8,659)</u>	<u>(1,381)</u>	<u>469,982</u>
Total	<u><u>1,088,094</u></u>	<u><u>9</u></u>	<u><u>37,493</u></u>	<u><u>(1,744)</u></u>	<u><u>(8,659)</u></u>	<u><u>(1,381)</u></u>	<u><u>1,113,812</u></u>

14 Property, plant and equipment

Changes in property, plant and equipment were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018	10,248,224	11,715,022
Additions	64,160	86,490
Disposals	(69)	(140)
Depreciation	(195,914)	(234,010)
Interest and monetary/foreign exchange variations capitalized (ii)	1,741	1,741
Transfers from intangible assets	-	843
Other	<u>2,242</u>	<u>1,805</u>
At March 31, 2019	<u>10,120,384</u>	<u>11,571,751</u>

(i) These charges were capitalized at the contracted rates, which are described in Note 20 to the financial statements for the year ended December 31, 2018.

In the quarter ended March 31, 2019, additions to property, plant and equipment refer to expenses incurred to ensure the Company's production capacity.

At March 31, 2019, interest and foreign exchange variations were capitalized on borrowings in property, plant and equipment, at an amount of R\$1,741 in the Parent company and in Consolidated.

At March 31, 2019, depreciation in the Parent company was recognized in "Cost of sales", "Selling expenses" and "General and administrative expenses", in the amounts of R\$193,936, R\$747 and R\$1,231 (March 31, 2018 – R\$203,611, R\$782 and R\$2,289), respectively. In Consolidated, depreciation was recognized in "Cost of sales", "Selling expenses" and "General and administrative expenses" in the amounts of R\$230,872, R\$996 and R\$2,141 (March 31, 2018 - R\$245,115, R\$1,050 and R\$3,439), respectively.

Certain property, plant and equipment items are pledged as collateral of borrowings and judicial proceedings (Note 30).

15 Impairment of non-financial assets

For calculation of the recoverable amount of each business segment, Usiminas uses the discounted cash flow method based on the economic and financial projections of each segment. The projections take into consideration the changes observed in the economic scenario of the markets in which the companies operate, as well as assumptions of expected results and the history of profitability of each segment.

During the quarter ended March 31, 2019, management monitored the behavior of the main assumptions used in the impairment tests carried out at December 31, 2018 (as described in Note 17 to the financial statements at December 31, 2018), as well as the macroeconomic context of each business segment. This monitoring did not identify the need for change in the assumptions used in the preparation of these impairment tests. Management will continue to monitor the key assumptions of each business segment, and the results in 2019, which will indicate the reasonableness of the future projections used.

16 Intangible assets

Changes in intangible assets in the quarter ended March 31, 2019 can be summarized as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018	78,343	695,596
Additions	2,150	2,154
Amortization	(5,366)	(7,010)
Transfers	-	7,816
At March 31, 2019	<u>75,127</u>	<u>698,556</u>

17 Borrowings and debentures

At March 15, 2019, the Company made payments to its creditors, on a pro-rata basis, using the excess amount of cash determined at December 31, 2018, in the amount of R\$367,308, being R\$310,713 of Borrowings and R\$56,595 of Debentures.

With respect to the financial covenants, as presented in the financial statements for the year ended December 31, 2018, the Company is required to comply with rates calculated on an individual basis (Parent company) as from June 2019. In relation to the non-financial covenants established in the debt instruments, the Company has monitoring controls and, for the quarter ended March 31, 2019, no breaches of these covenants were found.

(a) Borrowings

Changes in borrowings were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018	<u>4,945,063</u>	<u>4,959,770</u>
Accrued charges	81,579	81,747
Monetary variation	21,685	21,752
Foreign exchange gains/losses	5,523	5,523
Payment of interest	(101,264)	(101,504)
Repayment of principal	(311,781)	(312,939)
Deferral of commissions	<u>3,606</u>	<u>3,606</u>
At March 31, 2019	<u>4,644,411</u>	<u>4,657,955</u>
Current liabilities	153,802	158,579
Non-current liabilities	<u>4,490,609</u>	<u>4,499,376</u>

Long-term amounts fall due as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>12/31/2018</u>
2020	276,280	346,521	279,141	350,649
2021	650,261	649,990	653,408	653,137
2022	940,247	939,551	942,977	942,281
2023	940,550	939,853	940,575	939,878
2024	940,047	939,348	940,051	939,352
2025	<u>743,224</u>	<u>737,674</u>	<u>743,224</u>	<u>737,674</u>
	<u>4,490,609</u>	<u>4,552,937</u>	<u>4,499,376</u>	<u>4,562,971</u>

(b) Debentures

At March 31, 2019, changes in debentures were as follows:

	<u>Parent company and Consolidated</u>
At December 31, 2018	<u>890,020</u>
Accrued charges	16,731
Monetary variation	3,142
Payment of interest	(19,753)
Repayment of principal	(56,595)
Deferral of commissions	<u>336</u>
At March 31, 2019 (i)	<u><u>833,881</u></u>
Current liabilities	26,714
Non-current liabilities	<u>807,167</u>

(i) Balance presented net, after deducting the amount of R\$6,129 related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

At March 31, 2019, the charges of R\$1,715 on the debentures are recorded in current liabilities (December 31, 2018 - R\$1,589).

Long-term amounts fall due as follows:

	<u>Parent company and Consolidated</u>	
	<u>3/31/2019</u>	<u>12/31/2018</u>
2020	49,202	61,769
2021	116,702	116,769
2022	169,202	169,269
2023	169,202	169,269
2024	169,202	169,269
2025	<u>133,657</u>	<u>133,438</u>
	<u><u>807,167</u></u>	<u><u>819,783</u></u>

18 Taxes payable

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>12/31/2018</u>
ICMS	46,169	52,633	57,816	57,499
IPI	6,528	23,664	10,793	27,127
Withholding Income Tax (IRRF)	2,630	20,044	3,487	21,787
Services Tax (ISS)	1,336	1,612	3,494	4,050
PIS and COFINS	1,935	1,965	2,796	3,395
Financial Compensation for Mineral Resources Exploration (CFEM)	-	-	6,917	5,869
Other	820	1,233	1,530	3,186
	<u>59,418</u>	<u>101,151</u>	<u>86,833</u>	<u>122,913</u>

19 Taxes payable in installments

Changes in the balance of taxes payable in installments were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018 (i)	<u>201,070</u>	<u>201,072</u>
Provision for interest	<u>35</u>	<u>35</u>
Subtotal	<u>201,105</u>	<u>201,107</u>
Balance of judicial deposit offset	<u>(196,892)</u>	<u>(196,892)</u>
At March 31, 2019 (ii)	<u>4,213</u>	<u>4,215</u>

(i) From the total amount of taxes payable in installments presented in the balance sheet, the amount of R\$196,892, which refers to the offsets against judicial deposits, must be deducted in the Parent company and Consolidated accounts.

(ii) The balance in the Parent company refers to the Excise Tax (IPI). The balance in Consolidated, in addition to the IPI of the Parent company, comprises social security debts.

20 Provision for litigation

	Parent company					
	3/31/2019			12/31/2018		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
ICMS	50,807	-	50,807	50,581	-	50,581
Labor	379,165	(130,775)	248,390	361,516	(123,414)	238,102
Civil	59,378	(23,047)	36,331	62,009	(28,453)	33,556
	<u>489,350</u>	<u>(153,822)</u>	<u>335,528</u>	<u>474,106</u>	<u>(151,867)</u>	<u>322,239</u>
	Consolidated					
	3/31/2019			12/31/2018		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	55	-	55	54	(54)	-
ICMS	53,127	-	53,127	67,269	(1,194)	66,075
PIS/COFINS	1,948	-	1,948	1,927	-	1,927
Labor	478,018	(135,637)	342,381	460,227	(175,995)	284,232
Civil	75,048	(37,514)	37,534	78,650	(44,453)	34,197
Other	8,905	-	8,905	27,424	(21,435)	5,989
	<u>617,101</u>	<u>(173,151)</u>	<u>443,950</u>	<u>635,551</u>	<u>(243,131)</u>	<u>392,420</u>

The judicial deposits related to the provisions for litigation, Parent company and Consolidated, are part of the total judicial deposits presented in Note 12.

At March 31, 2019, changes in the provisions for litigation were as follows:

	Parent company	Consolidated
At December 31, 2018	<u>474,106</u>	<u>635,551</u>
Additions	38,501	41,771
Interest/inflation indexation	16,718	18,990
Payments/reductions	(24,109)	(44,470)
Transfers	-	(13,850)
Reversal of principal	(8,244)	(12,761)
Reversal of interest and inflation indexation	<u>(7,622)</u>	<u>(8,130)</u>
At March 31, 2019	<u>489,350</u>	<u>617,101</u>

The provisions for litigation were recorded to cover probable losses arising from administrative proceedings and litigation relating to tax, labor, civil and environmental matters, in amounts considered sufficient by Management, based on the advice and assessment of internal and external legal advisors.

(a) Possible loss contingencies

In the quarter ended March 31, 2019, Usiminas was the defendant in proceedings involving risks of losses classified as possible by management, based on the opinion of its legal advisors, amounting to R\$6,605,570 (December 31, 2018 – R\$6,500,433). At March 31, 2019, the mentioned proceedings, for which no provision was recorded, related to civil matters - R\$1,721,095; environmental matters - R\$20,397; labor matters - R\$972,452; and tax matters - R\$3,891,626 (December 31, 2018 – civil matters - R\$1,677,161; environmental matters - R\$20,747; labor matters - R\$916,962 and tax matters - R\$3,885,563).

(b) Contingent assets

At March 31, 2019, the main proceedings in which the Company is the plaintiff are presented below:

(i) Compulsory loan - Eletrobrás

The Company is the plaintiff in a lawsuit claiming the receipt of the full amount paid by Usiminas related to its Cubatão and Ipatinga branches to Eletrobrás, as a compulsory loan, in accordance with the legislation criteria in force at the time the tax was paid.

A final and unappealable decision was rendered with respect to the declaratory action relating to the Cubatão branch. In June 2016, the Company filed for liquidation by determination, with the immediate appointment of a forensic expert. At March 31, 2019, the amount in dispute totaled R\$842,732 (December 31, 2018 - R\$833,915).

A final and unappealable decision was issued with respect to the declaratory action relating to the Ipatinga branch in which the Company claimed the amount of R\$1,387,296. On December 19, 2018, the 2nd Federal Court of the Federal District issued a decision in which it recognized the amount of R\$676,023 as undisputed for the enforcement of the judgment, considering that Eletrobrás itself expressly required the approval of this amount, monetarily restated up to July 1, 2016. Accordingly, the Company recorded this amount in its financial statements for the year ended December 31, 2018, under "Receivables - Eletrobrás", in non-current assets, as corresponding entry to "Other operating income" and "Finance result", in the amounts of R\$ 186,010 and R\$ 490,013, respectively. Eletrobrás and the Federal Government filed appeals that are pending judgment, which are not related to the undisputed amount recognized. Therefore, the Company is awaiting the necessary legal steps to be taken to receive the undisputed amount, restated up to the date of its actual receipt. In addition, the Company continues to claim in court the unrecognized amount that it believes is owed by Eletrobrás.

(ii) Inclusion of ICMS in the calculation basis of PIS and COFINS

In May 2018, a final and unappealable decision was issued on the petition for writ of mandamus filed in 2010 by the Company, its subsidiary Usiminas Mecânica S.A. and its jointly-controlled subsidiary Unigal Ltda., which challenged the inclusion of the Value-Added Tax on Sales and Services (ICMS) in the calculation bases of PIS and COFINS. With this favorable decision, referring to the period from June 2005 to December 2014, the Company determined, together with its external consultants, the amounts of taxes unduly collected, considering the aspects related to the issue with regard to the quantification of credits, especially the Private Letter Ruling No. 13 - COSIT of the Brazilian Federal Revenue Secretariat, the method of monetary restatement of the amounts, as well as the prospects of its realization by offsetting against federal taxes payable. Accordingly, the Company recorded the amount of R\$789,160 in its financial statements for the year ended December 31, 2018, under "Taxes recoverable", of which R\$364,815 in current assets and R\$424,345 in non-current assets, as a corresponding entry to "Other operating income" and "Finance result" in the amounts of R\$410,932 and R\$378,228, respectively. In the same period, the amount of R\$803,249 was recorded in Consolidated under "Taxes recoverable", of which R\$378,904 in current assets and R\$424,345 in non-current assets, as a corresponding entry to "Other operating income" and "Finance result" in the amounts of R\$418,744 and R\$384,505, respectively. In the quarter ended March 31, 2019, the following amounts were offset: R\$94,229 in the Parent company and R\$97,995 in Consolidated.

21 Retirement benefit obligations

The amounts and information on retirement benefit obligations were as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2019</u>	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>12/31/2018</u>
Balance sheet obligations for:				
Pension benefits	515,313	546,681	515,313	546,681
Post-employment medical benefits	<u>498,201</u>	<u>487,159</u>	<u>498,566</u>	<u>487,547</u>
	<u>1,013,514</u>	<u>1,033,840</u>	<u>1,013,879</u>	<u>1,034,228</u>
	<u>Parent company</u>		<u>Consolidated</u>	
	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2019</u>	<u>3/31/2018</u>
Income (expenses) recognized in the statement of income				
Pension benefits	(10,435)	424	(10,435)	424
Post-employment medical benefits	<u>(11,041)</u>	<u>(9,490)</u>	<u>(11,016)</u>	<u>(9,118)</u>
	<u>(21,476)</u>	<u>(9,066)</u>	<u>(21,451)</u>	<u>(8,694)</u>

At March 31, 2019, changes in actuarial gains and losses recognized in other comprehensive income were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Actuarial losses recognized directly in other comprehensive income	(29,890)	(29,882)
Actuarial losses on loans recognized directly in other comprehensive income - CPC 33 and IFRIC 14	(14,066)	(14,066)
Decrease in assets (asset ceiling) in other comprehensive income - paragraph 58, CPC 33 and IAS 19	<u>35,781</u>	<u>35,776</u>
Accumulated actuarial losses recognized in other comprehensive income (i)	<u>(8,175)</u>	<u>(8,172)</u>

(i) At March 31, 2019, total balance in the Parent company includes the amount of R\$3 related to actuarial gains (losses) of subsidiaries and jointly-controlled subsidiaries, recorded under the equity method of accounting.

Changes in retirement benefit obligations

In line with CPC 33 (R1) and IAS 19, the actuarial study carried out by an independent actuary as at December 31, 2018 presented liabilities of R\$1,033,840 in the Parent company and R\$1,034,228 in Consolidated. Changes in retirement benefit obligations are presented below:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2018	<u>1,033,840</u>	<u>1,034,228</u>
Amortization	(54,201)	(54,201)
Amounts recognized in the statement of income	21,476	21,451
Actuarial losses recognized directly in other comprehensive income	<u>12,399</u>	<u>12,401</u>
At March 31, 2019	<u><u>1,013,514</u></u>	<u><u>1,013,879</u></u>

22 Equity

(a) Share capital

At March 31, 2019, the Company's capital is R\$13,200,295, comprising 1,253,079,108 book entry shares with no par value, of which 705,260,684 common shares; 547,749,823 Class A preferred shares and 68,601 Class B preferred shares, as shown below:

	<u>Common shares</u>	<u>Class A Preferred shares</u>	<u>Class B Preferred shares</u>	<u>Total</u>
Total shares at March 31, 2019	705,260,684	547,749,823	68,601	1,253,079,108
Total treasury shares	(2,526,656)	(21,051,399)	-	(23,578,055)
Total shares except treasury shares	<u>702,734,028</u>	<u>526,698,424</u>	<u>68,601</u>	<u>1,229,501,053</u>

In the quarter ended March 31, 2019, there were no conversions of class B preferred shares into class A preferred shares

(b) Reserves

At March 31, 2019, there were no changes in the nature and conditions of reserves in relation to those described in Note 27 (b) to the Company's financial statements for the year ended December 31, 2018. Therefore, management decided not to repeat this disclosure in this interim accounting information.

23 Segment reporting

Usiminas has four reportable operating segments, which offer different products and services and are managed separately. These segments are determined based on different legal entities and there are no different segments within the same company.

The following summary describes the main operations of each of the reportable segments of Usiminas:

<u>Reportable segments</u>	<u>Operations</u>
Mining and logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, transport of cargo and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the Steelworks segment.
Steelworks	Manufacture and sale of steel products. A portion of the sales is for the steel transformation and capital goods segments.
Steel transformation	Transformation and distribution of steel products.
Capital assets	Manufacture of equipment and installations for several industries.

Management reviews the internal managerial reports for each segment periodically.

Information on operating income (loss), assets and liabilities by reportable segment

	3/31/2019						
	Mining and logistics	Steel metallurgy	Steel transformation	Capital assets	Subtotal	Eliminations and adjustments	Total
Revenue	418,148	3,088,491	879,379	62,473	4,448,491	(916,506)	3,531,985
Cost of sales	(233,497)	(2,794,174)	(846,678)	(53,611)	(3,927,960)	891,965	(3,035,995)
Gross profit (loss)	<u>184,651</u>	<u>294,317</u>	<u>32,701</u>	<u>8,862</u>	<u>520,531</u>	<u>(24,541)</u>	<u>495,990</u>
Operating expenses	(50,768)	(142,654)	(22,905)	(10,181)	(226,508)	(36,468)	(262,976)
Selling expenses	(23,533)	(28,448)	(11,359)	(2,850)	(66,190)	(1,168)	(67,358)
General and administrative expenses	(5,905)	(77,720)	(14,291)	(6,333)	(104,249)	3,491	(100,758)
Other income (expenses)	(34,890)	(97,181)	2,745	(983)	(130,309)	(2,044)	(132,353)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	13,560	60,695	-	(15)	74,240	(36,747)	37,493
Operating profit (loss)t	<u>133,883</u>	<u>151,663</u>	<u>9,796</u>	<u>(1,319)</u>	<u>294,023</u>	<u>(61,009)</u>	<u>233,014</u>
Finance result	1,319	(131,826)	(867)	(645)	(132,019)	(3,761)	(135,780)
Profit (loss) before income tax and social contribution	<u>135,202</u>	<u>19,837</u>	<u>8,929</u>	<u>(1,964)</u>	<u>162,004</u>	<u>(64,770)</u>	<u>97,234</u>
Income tax and social contribution	(41,167)	12,806	(2,958)	918	(30,401)	9,445	(20,956)
Profit (loss) for the period	<u>94,035</u>	<u>32,643</u>	<u>5,971</u>	<u>(1,046)</u>	<u>131,603</u>	<u>(55,325)</u>	<u>76,278</u>
Attributable to							
Controlling interests	66,472	32,643	4,113	(1,046)	102,182	(55,325)	46,857
Non-controlling interests	<u>27,563</u>	<u>-</u>	<u>1,858</u>	<u>-</u>	<u>29,421</u>	<u>-</u>	<u>29,421</u>
Assets	4,349,608	24,218,817	1,689,969	416,169	30,674,563	(4,422,624)	26,251,939
Total assets include:							
Investments in associates (except goodwill and investment properties)	443,364	16,971	-	2,447	462,782	-	462,782
Additions to non-current assets (except financial instruments and deferred tax assets)	21,086	75,871	1,916	2,800	101,673	(656)	101,017
Current and non-current liabilities	<u>560,380</u>	<u>9,845,405</u>	<u>574,933</u>	<u>132,460</u>	<u>11,113,178</u>	<u>(627,961)</u>	<u>10,485,217</u>

	3/31/2018						
	Mining and logistics	Steel metallurgy	Steel transformation	Capital assets	Subtotal	Eliminations and adjustments	Total
Revenue	251,877	3,003,369	702,829	113,324	4,071,399	(827,192)	3,244,207
Cost of sales	(178,632)	(2,460,060)	(656,028)	(73,760)	(3,368,480)	736,371	(2,632,109)
Gross profit (loss)	<u>73,245</u>	<u>543,309</u>	<u>46,801</u>	<u>39,564</u>	<u>702,919</u>	<u>(90,821)</u>	<u>612,098</u>
Operating expenses	(45,475)	(139,070)	(26,089)	(11,649)	(222,283)	(25,053)	(247,336)
Selling expenses	(25,250)	(36,730)	(9,826)	(3,178)	(74,984)	(1,154)	(76,138)
General and administrative expenses	(6,299)	(77,708)	(13,312)	(8,794)	(106,113)	3,331	(102,782)
Other income (expenses)	(24,802)	(81,061)	(2,951)	340	(108,474)	(1,096)	(109,570)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	10,876	56,429	-	(17)	67,288	(26,134)	41,154
Operating profit (loss)	<u>27,770</u>	<u>404,239</u>	<u>20,712</u>	<u>27,915</u>	<u>480,636</u>	<u>(115,874)</u>	<u>364,762</u>
Finance result	1,505	(135,869)	578	966	(132,820)	(954)	(133,774)
Profit (loss) before income tax and social contribution	<u>29,275</u>	<u>268,370</u>	<u>21,290</u>	<u>28,881</u>	<u>347,816</u>	<u>(116,828)</u>	<u>230,988</u>
Income tax and social contribution	15,312	(102,344)	(7,747)	(9,764)	(104,543)	30,740	(73,803)
Profit (loss) for the period	<u>44,587</u>	<u>166,026</u>	<u>13,543</u>	<u>19,117</u>	<u>243,273</u>	<u>(86,088)</u>	<u>157,185</u>
Attributable to							
Controlling interests	31,731	166,026	9,328	19,117	226,202	(86,088)	140,114
Non-controlling interests	12,856	-	4,215	-	17,071	-	17,071
Assets	<u>4,188,565</u>	<u>23,354,210</u>	<u>1,707,340</u>	<u>663,019</u>	<u>29,913,134</u>	<u>(4,536,356)</u>	<u>25,376,778</u>
Total assets include:							
Investments in associates (except goodwill and investment properties)	406,419	36,022	-	2,552	444,993	-	444,993
Additions to non-current assets (except financial instruments and deferred tax assets)	3,909	62,002	74,512	2,004	142,427	(66)	142,361
Current and non-current liabilities	<u>659,192</u>	<u>9,348,741</u>	<u>607,304</u>	<u>196,655</u>	<u>10,811,892</u>	<u>(730,707)</u>	<u>10,081,185</u>

							12/31/2018
Assets	4,294,012	24,543,528	1,718,978	435,876	30,992,394	(4,468,543)	26,523,851
Total assets include:							
Investments in associates (except goodwill and investment properties)	430,474	23,580	-	2,462	456,516	-	456,516
Additions to non-current assets (except financial instruments and deferred tax assets)	77,133	408,960	93,509	10,586	590,188	(2,721)	587,467
Current and non-current liabilities	598,830	10,195,809	609,913	151,121	11,555,673	(729,213)	10,826,460

Sales between segments were carried out at arm's length.

Billings are dispersed and the Company and its subsidiaries do not have third-party customers representing individually more than 10% of their billings.

24 Revenue

The reconciliation between gross and net revenue was as follows:

	Parent company		Consolidated	
	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2019</u>	<u>3/31/2018</u>
Sales of products				
Domestic market	3,439,858	3,248,316	3,634,886	3,295,394
Foreign market	<u>359,545</u>	<u>424,770</u>	<u>648,794</u>	<u>642,890</u>
	<u>3,799,403</u>	<u>3,673,086</u>	<u>4,283,680</u>	<u>3,938,284</u>
Sales of services				
Domestic market	5,890	345	39,766	64,291
Foreign market	<u>589</u>	<u>-</u>	<u>589</u>	<u>-</u>
	<u>6,479</u>	<u>345</u>	<u>40,355</u>	<u>64,291</u>
Gross revenue	<u>3,805,882</u>	<u>3,673,431</u>	<u>4,324,035</u>	<u>4,002,575</u>
Deductions from revenue	<u>(717,412)</u>	<u>(670,487)</u>	<u>(792,050)</u>	<u>(758,368)</u>
Net revenue	<u>3,088,470</u>	<u>3,002,944</u>	<u>3,531,985</u>	<u>3,244,207</u>

25 Expenses by nature

	Parent company		Consolidated	
	3/31/2019	3/31/2018	3/31/2019	3/31/2018
Depreciation, amortization and depletion	(201,280)	(212,370)	(241,020)	(257,104)
Employee benefit expenses	(204,244)	(214,664)	(292,966)	(302,980)
Raw materials and consumables	(2,067,047)	(1,809,133)	(2,050,819)	(1,706,912)
Scheduled maintenance	(39,051)	(29,906)	(41,030)	(29,311)
Freight charges and insurance	(115,680)	(97,113)	(191,840)	(135,424)
Distribution costs	(13,120)	(21,554)	(35,392)	(45,752)
Third-party services	(188,272)	(204,562)	(235,555)	(251,091)
Judicial charges	(607)	(3,088)	(3,107)	(4,179)
Income (expenses) in litigation, net	(30,257)	(10,687)	(29,010)	(10,848)
Result on the sale of excess electricity	(6,109)	(14,270)	(5,735)	(13,596)
Result on the sale/write-off of PP&E, intangible assets and investments	749	(6,914)	1,159	(6,797)
PIS/COFINS credits on imports	-	19,321	-	19,321
Other	(173,511)	(102,226)	(211,149)	(175,926)
	<u>(3,038,429)</u>	<u>(2,707,166)</u>	<u>(3,336,464)</u>	<u>(2,920,599)</u>
Cost of sales	(2,837,252)	(2,514,486)	(3,035,995)	(2,632,109)
Selling expenses	(28,448)	(36,730)	(67,358)	(76,138)
General and administrative expenses	(75,040)	(74,781)	(100,758)	(102,782)
Other operating income (expenses), net	(97,689)	(81,169)	(132,353)	(109,570)
	<u>(3,038,429)</u>	<u>(2,707,166)</u>	<u>(3,336,464)</u>	<u>(2,920,599)</u>

26 Finance result

	Parent company		Consolidated	
	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2019</u>	<u>3/31/2018</u>
Finance income				
Interest from customers	3,903	6,735	6,574	8,968
Income from financial investments	8,917	10,197	18,235	19,668
Monetary effects	2,472	3,487	5,608	7,138
Restatement of PIS/COFINS credits Imports (i)	-	10,584	-	10,584
Restatement of judicial deposits	1,414	3,403	2,023	4,541
Accretion of present value adjustment of trade receivables	19,776	16,097	19,776	16,097
Reversal of the provision for interest on contingencies referring to litigation	7,622	4,671	8,130	5,051
Other finance income	7,032	5,480	7,087	4,847
	<u>51,136</u>	<u>60,654</u>	<u>67,433</u>	<u>76,894</u>
Finance costs				
Interest on borrowings and taxes payable in installments	(95,538)	(96,289)	(95,739)	(98,109)
Result on swap transactions	594	1,466	594	1,466
Monetary effects	(24,570)	(30,568)	(29,413)	(34,443)
PIS/COFINS on interest on capital	0	(3,761)	-	(3,761)
Interest on provisions for litigation	(16,718)	(17,404)	(18,990)	(19,978)
Accretion of present value adjustment of trade payables	(17,901)	(10,917)	(22,448)	(17,782)
Charges on actuarial liability	(13,208)	-	(13,208)	-
Commissions on borrowings and other	(4,932)	(4,705)	(4,932)	(4,705)
Other finance costs	(4,443)	(6,539)	(7,672)	(7,875)
	<u>(176,716)</u>	<u>(168,717)</u>	<u>(191,808)</u>	<u>(185,187)</u>
Foreign exchange gains/losses, net	<u>(12,189)</u>	<u>(26,355)</u>	<u>(11,405)</u>	<u>(25,481)</u>
	<u>(137,769)</u>	<u>(134,418)</u>	<u>(135,780)</u>	<u>(133,774)</u>

(i) Refers to the restatement of credits approved by the Brazilian Federal Revenue Service (RFB), as described in Note 20 (b)(ii).

The Company segregates the Extended Consumer Price Index (IPCA) from borrowings and financial investments the contracted indices of which are CDI and TJLP. Therefore, the IPCA portion is segregated from interest on borrowings and income from financial investments and included in "Monetary effects".

27 Earnings (loss) per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's stockholders by the weighted average number of common and preferred shares issued during the period excluding common shares acquired by the Company and held in treasury (Note 22).

The Company does not have debt convertible into shares. The stock option plan does not include potential common or preferred shares for dilution purposes (Note 29).

	3/31/2019			Parent company 3/31/2018		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator						
Profit available to owners of the parent	25,642	21,216	46,858	76,824	63,290	140,114
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	527,566,777	1,230,300,805	702,734,028	525,880,656	1,228,614,684
Basic and diluted earnings per share - R\$	0.04	0.04	-	0.11	0.12	-

28 Transactions with related parties

The main balances and transactions with related parties are presented below:

(a) Assets

	3/31/2019			12/31/2018		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	26,006	-	2,110	22,033	-	2,355
Non-controlling interests	105,267	-	-	-	-	-
Subsidiaries	280,818	71,255	95,563	354,235	71,255	97,740
Jointly-controlled subsidiaries	175	-	-	68	-	-
Associates	33,524	346	-	26,076	346	-
Other related parties (i)	13,304	-	-	34,444	-	-
Total	459,094	71,601	97,673	436,856	71,601	100,095
Current	443,094	71,601	54,834	420,856	71,601	55,026
Non-current	16,000	-	42,839	16,000	-	45,069
Total	459,094	71,601	97,673	436,856	71,601	100,095

(i) At March 31, 2019, the balance of trade receivables refers to the sale of flat-rolled products to the Nippon Group (R\$2,219) and to the Ternium Group (R\$11,085).

	3/31/2019			12/31/2018		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	25,999	-	2,117	22,033	-	2,355
Non-controlling interests	105,267	-	-	-	-	-
Jointly-controlled subsidiaries	175	200	-	68	-	-
Associates	33,524	13,562	-	26,588	13,562	-
Other related parties (i)	13,547	-	-	34,591	-	-
Total	178,512	13,762	2,117	83,280	13,562	2,355
Current	162,512	13,762	-	67,280	13,562	13
Non-current	16,000	-	2,117	16,000	-	2,342
Total	178,512	13,762	2,117	83,280	13,562	2,355

(i) At March 31, 2019, the balance of trade receivables mainly refers to the sale of flat-rolled products to the Nippon Group (R\$2,219) and the Ternium Group (R\$11,386).

Trade receivables classified as related parties are unsecured in nature and bear interest. At March 31, 2019 and at December 31, 2018, no provisions were recorded for receivables from related parties.

(b) Liabilities

	Parent company					
	3/31/2019			12/31/2018		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	157	24,858	168,274	398	23,795	178,561
Subsidiaries	75,144	98,679	-	70,413	96,905	-
Jointly-controlled subsidiaries	56,850	-	-	96,073	-	-
Associates	746	-	-	2,313	1,356	-
Other related parties (i)	139,529	-	-	138,937	-	-
Total	272,426	123,537	168,274	308,134	122,056	178,561
Current	272,426	25,250	5,493	308,134	25,160	2,934
Non-current	-	98,287	162,781	-	96,896	175,627
Total	272,426	123,537	168,274	308,134	122,056	178,561

(i) At March 31, 2019, these payables refer to the purchase of plates from Ternium Brasil.

	Consolidated					
	3/31/2019			12/31/2018		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	308	24,856	168,274	200	23,793	178,561
Non-controlling interests	-	19,957	-	-	19,957	-
Jointly-controlled subsidiaries	57,572	-	-	96,807	-	-
Associates	2,168	138,803	-	34,674	136,305	-
Other related parties (i)	139,529	6,667	-	138,937	6,667	-
Total	199,577	190,283	168,274	270,618	186,722	178,561
Current	199,577	68,445	5,493	270,618	52,468	2,934
Non-current	-	121,838	162,781	-	134,254	175,627
Total	199,577	190,283	168,274	270,618	186,722	178,561

(i) At March 31, 2019, these payables refer to the purchase of plates from Ternium Brasil S.A.

At March 31, 2019, a borrowing of R\$168,274 (December 31, 2018 - R\$178,561) from Nippon Usiminas Co. Ltd., the controlling stockholder of Usiminas, is recorded in Consolidated.

(c) Results

	<u>3/31/2019</u>			<u>3/31/2018</u>		
	<u>Sales</u>	<u>Purchases</u>	<u>Finance and operating result</u>	<u>Sales</u>	<u>Purchases</u>	<u>Parent company</u>
						<u>Finance and operating result</u>
Controlling interests	64,252	1,702	(3,885)	55,054	1,100	(2,891)
Non-controlling interests	196,337	-	-	-	-	-
Subsidiaries	971,410	144,736	2,300	945,204	96,470	(16,469)
Jointly-controlled subsidiaries	-	89,220	56	198	115,969	(2,720)
Associates	12,197	28,100	-	2,506	39,888	-
Other related parties (i)	<u>55,370</u>	<u>493,682</u>	<u>411</u>	<u>65,630</u>	<u>691,226</u>	<u>711</u>
Total	<u>1,299,566</u>	<u>757,440</u>	<u>(1,118)</u>	<u>1,068,592</u>	<u>944,653</u>	<u>(21,369)</u>

	<u>3/31/2019</u>			<u>3/31/2018</u>		
	<u>Sales</u>	<u>Purchases</u>	<u>Finance and operating result</u>	<u>Sales</u>	<u>Purchases</u>	<u>Consolidated</u>
						<u>Finance and operating result</u>
Controlling interests	64,252	2,165	(3,885)	55,054	1,392	(2,834)
Non-controlling interests	196,346	-	-	-	-	-
Jointly-controlled subsidiaries	541	89,581	56	830	117,543	(2,720)
Associates	12,582	40,111	-	2,868	77,004	(6,865)
Other related parties (i)	<u>55,892</u>	<u>493,682</u>	<u>410</u>	<u>65,630</u>	<u>691,226</u>	<u>704</u>
Total	<u>329,613</u>	<u>625,539</u>	<u>(3,419)</u>	<u>124,382</u>	<u>887,165</u>	<u>(11,715)</u>

(i) At March 31, 2019, total sales to other related parties mainly refer to sales by Usiminas S.A. to the Ternium Group, amounting to R\$47,563.

(ii) On September 7, 2017, the controlling stockholder Ternium completed the process of acquisition of Companhia Siderúrgica do Atlântico (CSA), whose name was changed to Ternium Brasil Ltda. Therefore, as from that date the transactions carried out with CSA started to be included in the balances with related parties. At March 31, 2019, the amount of R\$493,339 relates to the purchase of steel plates from Ternium Brasil Ltda.

The nature of the most significant related-party transactions is described in Note 36(e) to the financial statements for the year ended December 31, 2018.

Finance income (costs) with related parties refers mainly to charges on borrowings disclosed in item (b) above.

Transactions with related parties are substantially carried out under market conditions, with respect to prices and terms.

(d) Remuneration of the key management personnel

The remuneration paid or payable to key management personnel, which includes the Executive Board, the Board of Directors and the Statutory Audit Board of the Company was as follows:

	Parent company and consolidated	
	<u>3/31/2019</u>	<u>3/31/2018</u>
Fees	(3,748)	(2,806)
Social charges	(860)	(634)
Retirement plans	<u>(84)</u>	<u>(5)</u>
	<u>(4,692)</u>	<u>(3,445)</u>

The Company has a share-based payment plan in place, as described in Note 30.

29 Stock option plan

The Company has a stock option plan. The plan is managed by the Company's Board of Directors, with the support of the Human Resources Committee, subject to the plan's limitations.

No changes have been identified in the Plan's characteristics and guidelines in relation to those described in Note 38 to the financial statements at December 31, 2018.

At March 31, 2019, the Plan included four programs:

- Program 2011, launched on October 3, 2011;
- Program 2012, released on November 28, 2012;
- Program 2013, launched on November 28, 2013; and
- Program 2014, launched on November 27, 2014.

The fair value of the options granted is determined based on the Black-Scholes methodology and accounted for as expense over the vesting period.

In the quarter ended March 31, 2019, there was no impact from the Stock Option Plan on the statement of income of the Parent company and Consolidated, considering that the allocation of expenses was fully completed on October 31, 2017. In the same period, the amount of R\$1,225 was reversed to "Retained earnings (Accumulated deficit)" as a result of the exercise of options. Also, the impact on the Company's capital reserves was R\$567 (December 31, 2018 - R\$10,343).

In the quarter ended March 31, 2019, 199,420 options were exercised, resulting in a decrease by the same number in preferred shares in treasury within equity.

30 Guarantees

The composition of the assets pledged as collateral was as follows:

<u>Assets pledged as collateral</u>	<u>Liabilities secured</u>	<u>Parent company</u>		<u>Consolidated</u>	
		<u>3/31/2019</u>	<u>12/31/2018</u>	<u>3/31/2019</u>	<u>12/31/2018</u>
Cash and cash equivalents	Litigation	40,000	40,000	40,000	40,000
Inventories	Litigation	141,917	145,374	141,917	145,374
Property, plant and equipment	Litigation	570,808	593,878	618,544	642,888
Property, plant and equipment	Borrowings	3,806,747	3,829,345	3,828,808	3,851,406
		<u>4,559,472</u>	<u>4,608,597</u>	<u>4,629,269</u>	<u>4,679,668</u>

31 Explanatory notes presented in the annual financial statements that are not presented in this interim accounting information

Pursuant to CVM/SNC/SEP Circular Letter No. 003/2011, the Company disclosed Notes considered material within the context of CPC 00 - "Conceptual Framework for Financial Reporting". All information the omission or misstatement of which could influence the economic decisions of users was properly disclosed in this interim accounting information, which should be read together with the financial statements for the year ended December 31, 2018.

The Notes whose information was not repeated in this interim accounting information, considering that no significant changes were made to the nature and conditions of these Notes in relation to those disclosed in the Company's financial statements for the year ended December 31, 2018 are listed below:

Note 04 - Significant accounting judgments, estimates and assumptions;
Note 19 - Trade payables, contractors and freight charges;
Note 25 - Provision for environmental recovery;
Note 31 - Employee benefits and expenses;
Note 32 - Operating (expenses) income;
Note 35 - Commitments;
Note 37 - Insurance; and
Note 40 - Non-cash investment transactions.

Board of Directors

Ruy Roberto Hirschheimer
Chairman

Antonio Mendes
Board Member

Elias de Matos Brito
Board Member

Yoshiaki Shimoda
Board Member

Luiz Carlos de Miranda Faria
Board Member

Oscar Montero Martinez
Board Member

Rita Rebelo Horta de Assis Fonseca
Board Member

Ronald Seckelmann
Board Member

Statutory Audit Board

Wanderley Rezende de Souza
Chairman

Aloisio Macário Ferreira de Souza
Board Member

Lúcio de Lima Pires
Board Member

Paulo Frank Coelho da Rocha
Board Member

Paulo Roberto Batista Machado
Board Member

Executive Board

Sérgio Leite de Andrade
CEO

Alberto Akikazu Ono
Vice-President - Finance and
Investor Relations

Kohei Kimura
Vice-President - Technology and Quality

Miguel Angel Homes Camejo
Vice-President - Commercial Area

Takahiro Mori
Vice-President - Corporate Planning

Túlio César do Couto Chipoletti
Vice-President - Industrial Area

Lucas Marinho Sizenando Silva
Accountant CRC-MG 080.788/O