



Public Disclosure - Belo Horizonte, October 25, 2019. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; LATIBEX: XUSIO and XUSI) today releases its third quarter (3Q19) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the second quarter of 2019 (2Q19), unless stated otherwise.

Release of the 3Q19 results

Main operational and financial indicators in the 3Q19

- Steel sales volume of 1.0 million tons;
- Iron ore sales volume of 2.5 million tons;
- Consolidated Adjusted EBITDA of R\$441 million and Adjusted EBITDA margin of 11.5%;
- Working capital on 09/30/19 of R\$4.8 billion;
- Cash position on 09/30/19 of R\$1.8 billion;
- Investments of R\$140 million.

Highlights

R\$ million - Consolidated	3Q19	2Q19	3Q18	Change		9M19	9M18	Change 9M19/9M18
				3Q19/2Q19	3Q19/3Q18			
Steel Sales Volume (000 t)	1,033	1,059	1,107	-2%	-7%	3,095	3,173	-2%
Iron Ore Sales Volume (000 t)	2,453	1,772	1,768	38%	39%	6,121	4,960	23%
Net Revenue	3,850	3,694	3,862	4%	0%	11,076	10,310	7%
COGS	(3,374)	(3,088)	(3,217)	9%	5%	(9,498)	(8,471)	12%
Gross Profit (Loss)	476	606	644	-22%	-26%	1,578	1,839	-14%
Net Income (Loss)	(139)	171	289	-	-	109	427	-75%
EBITDA (Instruction CVM 527)	453	570	686	-21%	-34%	1,497	1,804	-17%
EBITDA Margin (Instruction CVM 527)	12%	15%	18%	- 4 p.p.	- 6 p.p.	14%	18%	- 4 p.p.
Adjusted EBITDA	441	576	703	-23%	-37%	1,505	1,863	-19%
Adjusted EBITDA Margin	11%	16%	18%	- 4 p.p.	- 7 p.p.	14%	18%	- 4 p.p.
Investments (CAPEX)	140	105	90	33%	55%	334	222	50%
Cash and Cash Equivalents	1,822	1,245	1,682	46%	8%	1,822	1,682	8%

Market Data - 09/30/19

B3:	USIM5	R\$7.81/share
	USIM3	R\$9.35/share
EUA/OTC:	USNZY	US\$1.86/ADR
LATIBEX:	XUSI	€1.63/share
	XUSIO	€2.18/share

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Economic Outlook

Recent economic activity indicators point to a considerably lower-than-expected rate of growth for this year. Nevertheless, Brazilian economy remains in a slow and gradual recovery process.

In the January-August 2019 period, domestic industrial production measured by the Brazilian Geography and Statistics Institute (IBGE) receded 1.7% in relation to the same period of the previous year. The segments associated to steel consumption showed growth. The Durable Goods segment grew 0.5%, driven by increased automobile and domestic appliances production, while Capital Goods presented expansion of 0.8%, influenced by truck and bus production increase, as did the Machinery and Equipment segment.

Industrial production results accounted by the National Industrial Confederation (CNI) confirm the difficult recovery of activity over the course of 2019. Installed capacity utilization, for example, rose for two straight months, July and August, and currently is 0.1 p.p. above last year's average. Industrial revenue showed a 1.9% decline in the period, but grew for three straight months, June, July and August. Other indicators, such as the number of hours worked and job level, were positive in August, however still present difficulty advancing in a more consistent form.

Although having shown declines in the August survey, CNI's expectation indices continue optimistic concerning demand, raw materials purchases and jobs. The exported quantity index, however, has been falling since January due to lower exports to Argentina, an important industrialized goods destination. The investment intention index fell in September, although it remains relatively high at 53.5 points, 4.3 points above the historical average.

Banco Central's economic activity index, the IBC-Br, points to a 0.87% growth in January-August, compared to the same period of the previous year.

The September Banco Central Inflation Report, the latest available, increased its projection of GDP growth from 0.8% to 0.9% in 2019. The increase was driven by positive expected growth of Agriculture (revised from +1.1% to +1.8%). The Services GDP forecast was maintained at 1.0% growth and the Industrial GDP expected growth was reduced from 0.2% to 0.1%.

The Banco Central Focus Report expectations survey shows lower economic growth at the end of 2019. After falling strongly over the second quarter, the projected GDP expansion showed a stable performance in the third quarter and presently is at 0.87%, a level it has maintained for six weeks.

The following is a list of Focus Report indicators on 10/11/19:

Focus Projections	
Indicators	2019
GDP (IBGE)	0.9%
Industrial GDP	0.3%
Industrial Production (IBGE)	-0.7%
Inflation - IPCA	3.2%
Interest - Selic (end of period)	4.8%
Exchange rate R\$/US\$ - (end of period)	4.00

Source: Focus Report 10/11/19, Banco Central do Brasil.

Economic and Financial Performance

Comments on the Consolidated Results

Net Revenue

Net revenue in the 3Q19 was R\$3.8 billion, against R\$3.7 billion in the 2Q19, a 4.2% increase, mainly due to higher volume of sales in the Mining Unit, in the Steel Processing Unit and in the Capital Goods Unit in the period, partially compensated by lower sales volume of 2.5% in the Steel Unit.

Net Revenue Breakdown					
	3Q19	2Q19	3Q18	9M19	9M18
Domestic Market	84%	84%	84%	83%	83%
Exports	16%	16%	16%	17%	17%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold - COGS

Cost of goods sold – COGS – was R\$3.4 billion in the 3Q19, against R\$3.1 billion in the 2Q19, a 9.3% increase. For further information, see the Business Unit section of this release.

Gross Profit

Gross profit was R\$476 million in the 3Q19, against R\$606 million in the 2Q19, a 21.5% decrease. Gross margin is presented below:

Gross Margin					
	3Q19	2Q19	3Q18	9M19	9M18
	12.4%	16.4%	16.7%	14.2%	17.8%

Operating Expenses and Income

Sales expenses in the 3Q19 totaled R\$74 million, a R\$3 million increase over those in the 2Q19.

In the 3Q19, general and administrative expenses were R\$98 million, a 10.8% decrease over those in the 2Q19, which were R\$110 million, mainly due to lower expenses with personnel and general expenses.

In the 3Q19, other net operating income (expenses) were a negative R\$163 million, a 22.2% increase over those in the 2Q19, which were a negative R\$133 million, mainly due to:

- Higher provisions for contingencies by R\$99 million in the 3Q19, mainly referring to the addition of labor and civil contingencies.

Partially compensated by:

- Recognition of the principal amount of fiscal credits in the amount of R\$78 million, of which R\$58 million were accounted in the Steel Unit, R\$18 million in the Mining Unit and R\$2 million in the Capital Goods Unit, related to the judgement in the 3Q19 of exclusion of ICMS tax from the base calculation of PIS and COFINS (Note ICMS tax in the base calculation of PIS and COFINS taxes).

Thus, net operating income (expenses) were a negative R\$335 million in the 3Q19, against negative R\$314 million in the 2Q19.

In this manner, the Company's operating margin presented the following performance:

EBIT Margin					
3Q19	2Q19	3Q18	9M19	9M18	
3.8%	7.9%	9.2%	5.6%	8.5%	

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing: (a) income tax and social contribution; (b) financial result; (c) depreciation, amortization and depletion; (d) equity in the results of Associate and Jointly-controlled subsidiaries; (e) impairment of assets, and including the proportional share of 70% of Unigal and other Jointly-controlled subsidiaries.

EBITDA Breakdown					
Consolidated (R\$ thousand)	3Q19	2Q19	3Q18	9M19	9M18
Net Income (Loss)	(138,980)	171,246	289,131	108,544	427,266
Income Tax / Social Contribution	(106,514)	74,097	4,587	(11,461)	61,258
Financial Result	444,734	83,758	134,391	664,272	544,743
Depreciation, Amortization and depletion	253,663	240,920	257,514	735,603	770,950
EBITDA - Instruction CVM - 527	452,903	570,021	685,623	1,496,958	1,804,217
Equity in the Results of Associate and Jointly-controlled subsidiaries	(58,258)	(36,877)	(74,734)	(132,628)	(147,229)
Jointly-controlled subsidiaries proportional EBITDA	46,524	42,738	91,873	140,233	205,789
Adjusted EBITDA	441,169	575,882	702,762	1,504,563	1,862,777
Adjusted EBITDA Margin	11.5%	15.6%	18.2%	13.6%	18.1%

Adjusted EBITDA was R\$441 million in the 3Q19, against R\$576 million in the 2Q19, a 23.4% decrease, as a result, mainly, of higher cost of goods sold in all the Company's Business Units, partially compensated by higher sales volume of iron ore in the Mining Unit.

For further information, see the Business Unit sections of this release.

Financial Result

In the 3Q19, the financial result was a negative R\$445 million, a 431.0% increase in relation to the previous quarter, which was negative R\$84 million. The variation is mainly due to:

- An 8.7% depreciation of the Real against the Dollar in the period, which generated exchange losses of R\$286 million in the 3Q19, against exchange gains of R\$17 million in the 2Q19;
- Increase of R\$87 million in monetary effects on contingencies, totaling R\$114 million in the 3Q19, against R\$28 million in the 2Q19, referring mainly to civil contingencies;
- Increase of R\$68 million in financing commission expenses related to the debt instrument issuance operation concluded on 07/11/19.

Partially compensated by:

- Recognition of monetary effects over credits receivable from Eletrobras in the amount of R\$75 million (Note Compulsory Loan - Eletrobras);
- Recognition of interest regarding the process of exclusion of ICMS from the base calculation of PIS and COFINS in the amount of R\$57 million (Note ICMS tax in the base calculation of PIS and COFINS taxes).

Financial Result - Consolidated

R\$ thousand	3Q19	2Q19	3Q18	3Q19/2Q19	3Q19/3Q18	9M19	9M18	9M19/9M18
Net Currency Exchange Variation	(286,254)	17,071	(19,118)	-	1397%	(280,588)	(194,377)	44%
Financial Income	203,960	90,178	70,429	126%	190%	361,571	205,699	76%
Interest on Financial Asset and Monetary Effects	26,424	20,404	21,358	30%	24%	70,671	66,530	6%
Monetary Effects on ICMS tax in the base calculation of PIS and COFINS	57,053	4,150	-	1275%	-	64,374	-	-
Monetary Effects on receivable from Eletrobrás	75,380	-	-	-	-	75,380	-	-
Other Financial Income	45,103	65,624	49,071	-31%	-8%	151,146	139,169	9%
Financial Expenses	(362,440)	(191,007)	(185,702)	90%	95%	(745,255)	(556,065)	34%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(124,482)	(119,197)	(131,555)	4%	-5%	(368,831)	(390,806)	-6%
Swap Transactions Market Cap.	(4,992)	2,207	244	-	-	(2,191)	755	-
Charges over actuarial liabilities	(3,467)	(12,107)	-	-71%	-	(28,782)	-	-
Financing Commission and Others	(73,515)	(5,646)	(4,971)	1202%	1379%	(84,093)	(14,590)	476%
Monetary Effects on contingencies	(114,365)	(27,504)	(29,088)	316%	293%	(160,859)	(79,771)	102%
Other Financial Expenses	(41,619)	(28,760)	(20,332)	45%	105%	(100,499)	(71,653)	40%
FINANCIAL RESULT	(444,734)	(83,758)	(134,391)	431%	231%	(664,272)	(544,743)	22%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-8.7%	1.7%	-3.8%	- 10.3 p.p.	- 4.8 p.p.	-7.5%	-21.0%	+ 13.6 p.p.

Equity in the Results

In the 3Q19, Equity in the results of investees totaled R\$58 million, a 58.0% increase in relation to the 2Q19, which was R\$37 million. The increase is mainly due to better performance of associated company MRS Logística in the period.

Net Profit (Loss)

In the 3Q19, the Company accounted a net loss of R\$139 million, against net profit of R\$171 million in the 2Q19.

Working Capital

In the 3Q19, working capital was R\$4.8 billion, against R\$4.2 billion in the 2Q19, an increase of R\$622 million, mainly generated by the increase in Other Assets, as a result of the reclassification of the amount receivable from Eletrobras, R\$751 million, from non-current assets to current assets.

Investments (CAPEX)

In the 3Q19, CAPEX totaled R\$140 million, a 33.0% increase from the previous quarter, which was R\$105 million. Investments were applied mainly to sustaining CAPEX, environment and safety, with 83% in the Steel Unit, 16% in Mining and 1% in the Steel Processing Unit.

Indebtedness

On 09/30/19, gross consolidated debt was R\$5.9 billion, a 7.1% increase in relation to that on 06/30/19, which was R\$5.5 billion. The increase is mainly due to the depreciation of the Real against the Dollar of 8.7% in the period, which affected the parcel of foreign currency debt. This corresponded to 53% of the Company's debt on 09/30/19, against 22% on 06/30/19, in function of the emission of debt instruments concluded on 07/11/19 in the amount of US\$750 million.

With the funds from this issuance, the Company effected pre-payment of a considerable part of its debt in local currency, which made up 47% of debt on 09/30/19, against 78% on 06/30/19. Debt composition by maturity maintained stable, corresponding to 5% short term and 95% long term.

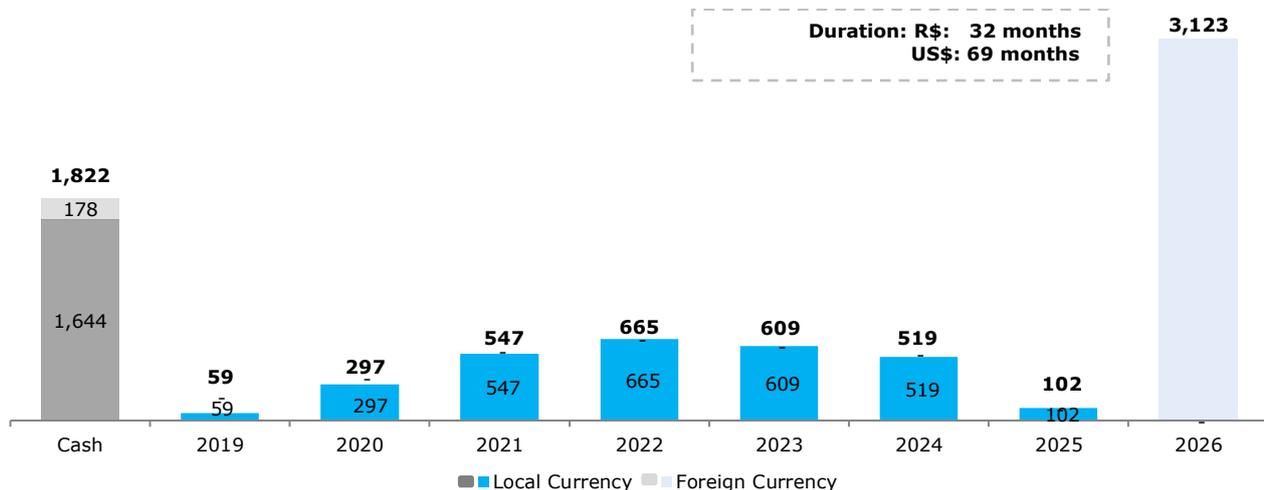
Net consolidated debt on 09/30/19 was R\$4.0 billion, a 4.5% reduction in relation to 06/30/19, which was R\$4.2 billion, in function of higher Cash and Cash Equivalents by 46.4% at the quarter's end. The net debt/EBITDA ratio closed the 3Q19 at 1.7x, against 1.6x in the 2Q19. The following chart demonstrates the consolidated debt indices:

Total Indebtedness by Index - Consolidated

R\$ thousand	30-Sep-19			%	30-Jun-19	Change Jun19/Mar19	30-Sep-18	Change Sep19/Sep18
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	243,390	2,529,588	2,772,978	47%	4,286,837	-35%	4,578,479	-39%
TJLP	-	-	-	-	315,380	-	336,758	-
CDI	235,295	2,499,481	2,734,776	-	3,946,173	-31%	4,213,716	-35%
Others	8,095	30,107	38,202	-	25,284	51%	28,005	36%
Foreign Currency*	36,699	3,045,077	3,081,776	53%	1,179,060	161%	1,314,311	134%
Gross Debt	280,089	5,574,665	5,854,754	100%	5,465,897	7%	5,892,790	-1%
Cash and Cash Equivalents	-	-	1,822,413	-	1,245,112	46%	1,681,875	8%
Net Debt	-	-	4,032,341	-	4,220,785	-4%	4,210,915	-4%

(*)100% of total foreign currency is US dollars denominated in the 3Q19

The graph below demonstrates the cash position and debt profile (principal only) in millions of Reais on 09/30/19.



Performance of the Business Units

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



Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel		Steel Processing		Capital Goods		Adjustment		Consolidated*	
	3Q19	2Q19	3Q19	2Q19	3Q19	2Q19	3Q19	2Q19	3Q19	2Q19	3Q19	2Q19
Net Revenue	554.9	441.1	3,241.8	3,329.2	984.8	929.8	127.3	96.4	(1,059.0)	(1,102.5)	3,849.8	3,694.0
Domestic Market	177.4	179.8	2,985.7	3,005.5	984.7	929.6	127.3	96.4	(1,059.0)	(1,102.5)	3,216.0	3,108.8
Exports	377.6	261.3	256.1	323.7	0.1	0.2	-	-	-	-	633.7	585.2
COGS	(329.0)	(211.2)	(3,027.5)	(2,927.6)	(937.5)	(871.8)	(117.9)	(86.0)	1,038.0	1,009.1	(3,374.0)	(3,087.6)
Gross Profit (Loss)	226.0	229.8	214.3	401.6	47.3	58.0	9.3	10.4	(21.0)	(93.4)	475.8	606.5
Operating Income (Expenses)	(69.2)	(70.4)	(225.0)	(208.8)	(22.6)	(28.1)	(15.2)	(9.6)	(2.9)	2.6	(334.9)	(314.2)
Selling	(33.2)	(22.7)	(24.5)	(31.9)	(11.0)	(12.5)	(4.0)	(2.9)	(1.1)	(1.1)	(73.8)	(71.0)
General and Administrative	(6.3)	(6.6)	(74.8)	(85.3)	(14.4)	(14.8)	(6.5)	(6.6)	4.0	3.4	(97.9)	(109.8)
Other Operating Income (expenses), Net	(29.8)	(41.1)	(125.7)	(91.7)	2.8	(0.8)	(4.7)	(0.1)	(5.8)	0.2	(163.1)	(133.5)
EBIT	156.7	159.5	(10.7)	192.8	24.7	29.9	(5.8)	0.8	(23.9)	(90.8)	141.0	292.2
Depreciation and amortization	31.3	31.0	223.9	211.0	7.0	7.5	-	-	(8.6)	(8.6)	253.7	240.9
Equity in the results of investees	27.9	13.0	107.1	83.3	-	-	(0.0)	(0.0)	(76.8)	(59.4)	58.3	36.9
EBITDA (Instruction CVM 527)	216.0	203.5	320.4	487.1	31.6	37.4	(5.9)	0.8	(109.2)	(158.7)	452.9	570.0
EBITDA Margin	38.9%	46.1%	9.9%	14.6%	3.2%	4.0%	-4.6%	0.8%	10.3%	14.4%	11.8%	15.4%
Adjusted EBITDA	188.1	190.5	213.2	403.8	31.6	37.4	(5.8)	0.8	14.1	(56.6)	441.2	575.9
Adj.EBITDA Margin	33.9%	43.2%	6.6%	12.1%	3.2%	4.0%	-4.6%	0.8%	-1.3%	5.1%	11.5%	15.6%

*Consolidated 70% of Unigal

Income Statement per Business Units - Non Audited - Nine Months Ended September 30, 2019

R\$ million	Mining		Steel		Steel Processing		Capital Goods		Adjustment		Consolidated*	
	9M19	9M18	9M19	9M18	9M19	9M18	9M19	9M18	9M19	9M18	9M19	9M18
Net Revenue	1,414.2	768.7	9,659.5	9,367.4	2,794.0	2,406.8	286.2	285.9	(3,078.0)	(2,519.1)	11,075.8	10,309.8
Domestic Market	489.8	265.4	8,720.5	8,124.8	2,793.7	2,406.4	286.2	285.8	(3,078.0)	(2,519.1)	9,212.2	8,563.3
Exports	924.3	503.3	939.0	1,242.6	0.3	0.4	-	0.1	-	-	1,863.6	1,746.4
COGS	(773.7)	(528.5)	(8,749.3)	(7,733.1)	(2,656.0)	(2,252.4)	(257.6)	(268.7)	2,939.0	2,312.2	(9,497.5)	(8,470.6)
Gross Profit (Loss)	640.4	240.2	910.2	1,634.4	138.0	154.4	28.6	17.2	(139.0)	(206.9)	1,578.3	1,839.2
Operating Income (Expenses)	(203.9)	(168.2)	(637.2)	(683.1)	(73.6)	(71.5)	(34.9)	(38.2)	0.0	7.8	(949.6)	(953.2)
Selling	(79.4)	(68.3)	(84.8)	(111.9)	(34.9)	(31.7)	(9.8)	(8.9)	(3.3)	(3.4)	(212.1)	(224.2)
General and Administrative	(18.8)	(19.3)	(237.8)	(239.3)	(43.4)	(41.7)	(19.4)	(26.5)	11.0	10.1	(308.5)	(316.7)
Other Operating Income (expenses), Net	(105.8)	(80.6)	(314.5)	(331.9)	4.7	1.9	(5.8)	(2.9)	(7.6)	1.1	(429.0)	(412.3)
EBIT	436.5	72.0	273.1	951.3	64.4	82.8	(6.3)	(21.1)	(138.9)	(199.0)	628.7	886.0
Depreciation and amortization	94.5	93.1	644.8	665.6	21.9	23.3	-	14.3	(25.7)	(25.4)	735.6	771.0
Equity in the results of investees	54.5	46.0	251.1	101.2	-	-	(0.0)	(0.0)	(172.9)	0.1	132.6	147.2
EBITDA (Instruction CVM 527)	585.6	211.2	1,168.9	1,718.1	86.3	106.2	(6.4)	(6.9)	(337.5)	(224.4)	1,497.0	1,804.2
EBITDA Margin	41.4%	27.5%	12.1%	18.3%	3.1%	4.4%	-2.2%	-2.4%	11.0%	8.9%	13.5%	17.5%
Adjusted EBITDA	531.1	165.2	917.9	1,616.9	86.3	106.2	(6.3)	(6.8)	(24.4)	(18.7)	1,504.6	1,862.8
Adj.EBITDA Margin	37.6%	21.5%	9.5%	17.3%	3.1%	4.4%	-2.2%	-2.4%	0.8%	0.7%	13.6%	18.1%

*Consolidated 70% of Unigal

I) MINING

The average iron ore market reference price for 62% Fe in the 3Q19 was US\$102.00/t, an increase of around 1.9% compared to the 2Q19, which had an average of US\$100.10/t and an increase of 52.9% in comparison to the same period of the previous year, average of US\$66.73/t.

In the quarter, the price of iron ore 62% Fe reached a level of US\$120/t. However, with the recovery in global iron ore supply and worsening of the trade war between China and the US, the quarter ended with price negotiated at US\$93.20/t.

The 3Q19 also presented a decline in the premium paid for higher quality ores. The spread between 65% Fe and 62% Fe was negotiated on average at US\$7.48/t, a 49% fall in relation to the 2Q19, due to decline in steel margins and consequent fall in demand for high iron content ore.

Maritime freight, on the other hand, increased over the 3Q19, accumulating a high of 55% over the 2Q19. The average rate for the Tubarão-Qindao route for capsized vessels was negotiated at US\$24.12/t versus US\$15.55/t in the 2Q19, driven by the increase in iron ore shipments on this route and by lesser availability of ships, as a result of adaptations to new maritime transportation regulations that will take effect in 2020.

Operational and Sales Performance - Mining

In the 3Q19, production volume was 2.3 million tons, a 29.3% increase over the previous quarter, which was 1.7 million tons, mainly due to resumption of operations at the Samambaia Plant. Sales volume was 2.5 million tons in the 3Q19, against 1.8 million tons in the 2Q19, a 38.4% increase, due to higher exported volumes and increase in domestic market sales to third parties, partially compensated by lower volume sold to Usiminas.

Production and sales volumes are shown below:

Thousand tons	Iron Ore					Change		
	3Q19	2Q19	3Q18	3Q19/2Q19	3Q19/3Q18	9M19	9M18	9M19/9M18
Production	2,260	1,748	1,507	29%	50%	5,345	4,206	27%
Sales - Third Parties - Domestic Market	600	540	221	11%	171%	1,556	524	197%
Sales - Exports	1,373	683	839	101%	64%	2,924	2,604	12%
Sales to Usiminas	480	549	708	-13%	-32%	1,641	1,832	-10%
Total Sales	2,453	1,772	1,768	38%	39%	6,121	4,960	23%

Comments on the Business Unit Results – Mining

Net revenue totaled R\$555 million in the 3Q19, a 25.8% increase in relation to the 2Q19, which was R\$441 million, mainly due to higher iron ore sales volume, higher prices in the international market, as well as Real depreciation against the Dollar, partially compensated by increase in freights and lower premiums. In the quarter, there were higher CFR (Cost and Freight) export sales, thus increasing net revenue.

Total cash cost per ton was R\$67.3/t in the 3Q19, against R\$69.8/t in the 2Q19. Excluding expenses with temporarily inactive beneficiation plants, cash cost of production was R\$58.0/t in the 3Q19, against R\$56.6/t in the 2Q19, a 2.6% increase between periods.

Cost of goods sold (COGS) in the 3Q19 was R\$329 million, 55.7% higher than in the 2Q19, which was R\$211 million, mainly due to higher sales volume, the increase in freights and higher CFR export sales. In unit terms, COGS/t was R\$134.0/t in the 3Q19, a 12.6% increase over the previous quarter, which was R\$119.0/t. Excluding maritime freight costs, COGS/t in 3Q19 was R\$100.0/t, stable in relation to the previous quarter (R\$99.1/t).

In the 3Q19, net operating income (expenses) presented a negative R\$69 million, stable in relation to those in the 2Q19, which were a negative R\$70 million.

Adjusted EBITDA was R\$188 million in the 3Q19, stable in relation to the 2Q19, which was R\$190 million. Adjusted EBITDA margin was 33.9% in the 3Q19, against 43.2% in the 2Q19.

Investments (CAPEX)

CAPEX totaled R\$23 million in the 3Q19, stable in relation to the previous quarter. Investments were mainly applied to safety, environment and sustaining CAPEX.

II) STEEL

According to the Brazilian Steel Institute, apparent flat steel consumption was 8.3 million tons between January and August 2019, a 2.1% decline over the same period in 2018. Domestic flat steel sales fell 0.5% to 7.2 million tons, and imports fell 11.1% to 907 thousand tons. Flat steel exports is currently at the level of 1.4 million tons, a 17.2% decline, affected by the Argentine economic crisis and restrictions in other markets abroad. The expectation of the Institute (July 2019) for Apparent Consumption of Flat and Long Steel was a growth of 2.1% in 2019.

According to the National Steel Distributors Institute (INDA), in the January-August 2019 period, flat steel sales grew 5.7% in the member distribution network, while purchases varied negatively 3.5% in the same period. Inventories began the year at high level – 964 thousand tons and turnover of 3.6 months in January – declined to 762 thousand ton and turnover of 2.7 months in August. For September, the National Steel Distributors Institute (INDA), forecasts stability in volumes and turnover.

Production - Ipatinga and Cubatão Plants

In the 3Q19, crude steel production in Ipatinga was 834 thousand tons, stable in relation to the 2Q19. Flat steel production in the Ipatinga and Cubatão plants totaled 1.0 million tons in the 3Q19, a 5.2% decrease over that in the 2Q19, which was 1.1 million tons. In the 3Q19, 309 thousand tons of purchased slab were processed, against 384 thousand tons in the 2Q19.

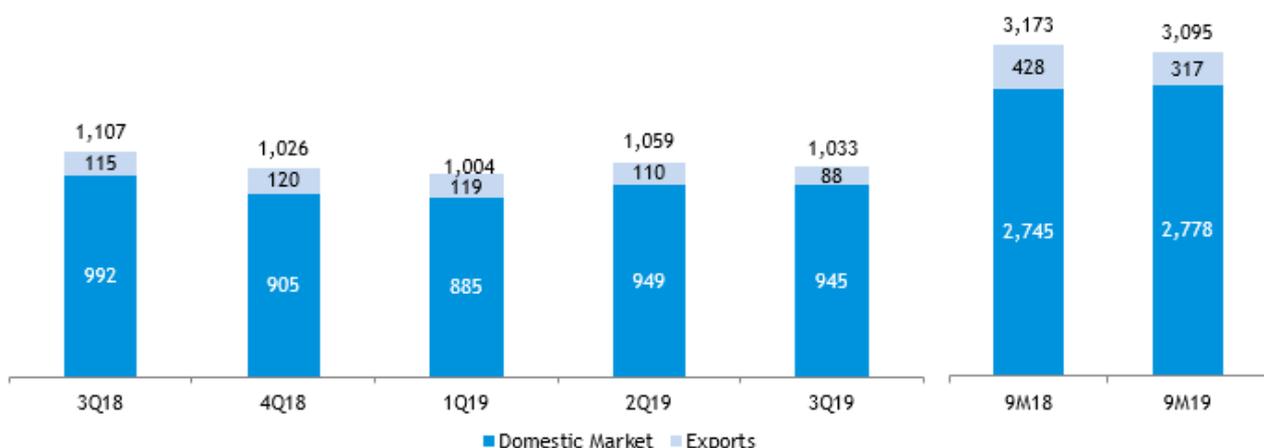
Production of Crude and Rolled Steel

Thousand tons	3Q19	2Q19	3Q18	Change		9M19	9M18	Change 9M19/9M18
				3Q19/2Q19	3Q19/3Q18			
Total Crude Steel	834	833	845	0%	-1%	2,467	2,373	4%
Total Rolled Steel	1,043	1,100	1,066	-5%	-2%	3,120	3,196	-2%

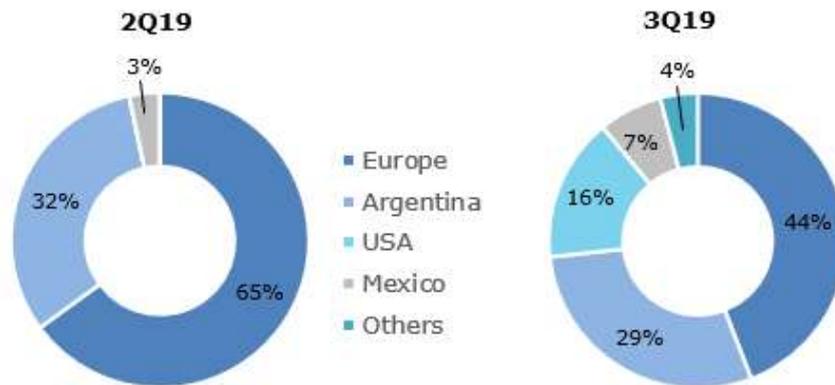
Sales

In the 3Q19, total sales were 1.0 million tons of steel, a 2.5% decrease over that in the 2Q19, which was 1.1 million tons. In the domestic market, sales reached 945 thousand tons in the 3Q19, stable in relation to the 2Q19, which was 949 thousand tons. Export sales were 88 thousand tons in the 3Q19, a 19.9% decrease in relation to export volume in the 2Q19, which was 110 thousand tons. Sales volume was 91% to domestic market and 9% to exports in the 3Q19.

Sales evolution is described in the graph below:



The main export destinations are shown below:



Comments on the Business Unit Results - Steel

In the 3Q19, net revenue of the Steel Unit was R\$3.2 billion, a 2.6% decline, compared to the 2Q19, which was R\$3.3 billion, due to lower sales volume in the period.

Cash cost per ton was R\$2,336/t in the 3Q19, against R\$2,292/t in the 2Q19, a 1.9% increase, main due to: lower absorption of fixed costs due to lower production volume in the period; and higher cost of ore by 15.6%, due to higher iron ore and pellets prices over the quarter, higher exchange rate and mix variation of ores used. These effects were partially compensated by lower cost of purchased slab by 16.5%. There were no significant variations in coal and coke costs.

Cost of Goods Sold (COGS) was R\$3.0 billion in the 3Q19, a 3.4% increase over that of 2Q19, which was R\$2.9 billion. COGS per ton was R\$2,932/t in the 3Q19, a 6.0% increase over 2Q19, which was R\$2,765/t, mainly due to higher cost of inventory sold.

Sales expenses were R\$25 million in the 3Q19, against R\$32 million in the 2Q19, mainly due to reversion of provisions for doubtful accounts in the period.

In the 3Q19, general and administrative expenses totaled R\$75 million, against R\$85 million in the 2Q19, mainly due to lower personnel expense.

Other net operating income (expenses) were a negative R\$126 million in the 3Q19, against a negative R\$92 million in the 2Q19, a 37.1% increase, due to:

- Higher provision for contingencies by R\$85 million in the 3Q19, mainly referring to the addition of labor and civil contingencies;
- Recognition of the principal amount of fiscal credits in the amount of R\$58 million, related to the judgement in the 3Q19 relative to exclusion of ICMS from the base calculation of PIS and COFINS taxes (Note ICMS tax in the base calculation of PIS and COFINS taxes).

In this manner, net operating income (expenses) totaled a negative R\$225 million in the 3Q19, against a negative R\$209 million in the 2Q19.

Thus, Adjusted EBITDA reached R\$213 million in the 3Q19, a 47.2% decrease over that in the 2Q19, which was R\$404 million. Adjusted EBITDA margin was 6.6% in the 3Q19, against 12.1% in the 2Q19, a fall of 5.5 percentage points.

Investments (CAPEX)

CAPEX totaled R\$116 million in the 3Q19, a 45.8% increase in relation to the previous quarter, which was R\$80 million. Investments were applied mainly to sustaining CAPEX, safety and environment.

III) STEEL PROCESSING

Soluções Usiminas – SU

Soluções Usiminas operates in the distribution, steel processing and services and small-diameter tubes fabrication markets nationwide, offering its customers high-value added products. Present processing capacity is around 1.7 million tons of steel annually in its industrial facilities in operation in the states of Rio Grande do Sul, São Paulo, Minas Gerais and Pernambuco to serve several economic segments, such as automotive, auto parts, civil construction, electro-electronics, machinery and equipment and household appliances, among others.

Comments on the Business Unit Results – Steel Processing

In the 3Q19, net revenue totaled R\$985 million, against R\$930 million in the 2Q19, a 5.9% increase, mainly due to higher sales volume by 5.2% over that in the 2Q19.

In the 3Q19, cost of goods sold was R\$938 million, 7.5% higher than in the 2Q19, which was R\$872 million, mainly due to higher average raw materials cost in the period. On the other hand, COGS/t was R\$3,143/t in the 3Q19, a 2.2% increase in relation to the 2Q19, which R\$3,074/t.

Net operating income (expenses) were a negative R\$23 million in the 3Q19, a 19.7% decrease compared to those in the 2Q19, which were a negative R\$28 million, mainly in function of lower provisions for contingencies in the amount of R\$3 million accounted in the 2Q19.

Thus, Adjusted EBITDA in the 3Q19 was R\$32 million, a 15.4% decrease over that in the 2Q19, which was R\$37 million, mainly due to lower margins as consequence of higher costs in the period. Adjusted EBITDA margin was 3.2% in the 3Q19, against 4.0% in the 2Q19.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is one of Brazil's largest capital goods made to order companies, dedicated to the fabrication and assembly of metallic structures, shipbuilding and offshore platforms, oil and gas, industrial assembly and equipment fabrication, foundry and railcar manufacture.

Main Contracts: In the 3Q19, the main contracts were for mining, steel and equipment projects.

Comments on the Business Unit Results – Capital Goods

In the 3Q19, net revenue was R\$127 million, 32.0% higher than that in the 2Q19, which was R\$96 million. The increase is mainly due to projects in the mining, steel and equipment segments. Nevertheless, there has still not been relevant, sustainable improvement in Usiminas Mecânica's operations.

Gross profit in the 3Q19 was R\$9 million, a 10.0% decrease over that in the 2Q19, which was R\$10 million, due to higher costs incurred in the period.

Net operating income (expenses) were a negative R\$15 million in the 3Q19, against R\$10 million in the 2Q19, in function of provisions for labor contingencies constituted in the period in the amount of R\$6 million, partially compensated by the recognition of the principal amount of fiscal credits in the amount of R\$2 million, related to the judgement in the 3Q19 of exclusion of ICMS tax from the base calculation of PIS and COFINS (Note ICMS tax in the base calculation of PIS and COFINS taxes).

Adjusted EBITDA in the 3Q19 was a negative R\$6 million, against a positive R\$1 million in the 2Q19. Adjusted EBITDA margin was a negative 4.6% in the 3Q19, against a positive 0.8% in the 2Q19.

Others

Inclusion of ICMS in the calculation basis of PIS and COFINS

In the 2nd quarter of 2019, a new final and unappealable decision was issued on other judicial proceeding filed by the Company, its subsidiaries Usiminas Mecânica S.A. and Mineração Usiminas S.A. and its jointly-controlled subsidiary Unigal Ltda., which also challenged the inclusion of the Value-Added Tax on Sales and Services (ICMS) in the calculation basis of PIS and COFINS. As a result of the favorable outcome, referring to several periods beginning in November 2001, 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. In the 3Q19 the amount of R\$132 million was recorded in Consolidated under "Taxes recoverable", of which R\$31 million in current assets and R\$101 million in non-current assets, as a corresponding entry to "Other operating income" and "Finance result" in the amounts of R\$78 million and R\$54 million, respectively. Additionally, the Company recorded in the 3Q19, under "Finance result", the amount of R\$3 million as monetary restatement of the amounts recorded on its consolidated financial statements in the fiscal year 2018 ending on December 31, referring to the judicial proceeding with unappealable decision issued in May 2018.

Highlights in the Quarter

Open Corps Award: Usiminas received the Open Corps Top 50 Award on 7/23/19. The company figures among the 50 Brazilian companies that interact the most with startups, encouraging open innovation in the country. According to the organizers, more than a thousand companies participate in the formation of the ranking, in addition to 8.6 thousand startups and 50 thousand evaluations registered on the platform.

Brazil Protection Award: Usiminas Mecânica won the silver trophy of the Brasil Work Health and Safety Protection Award 2019 – in the Preventative and Corrective Actions category, with the case Roll Bending Machine Deovalizer. The honor was delivered during the event held in São Paulo, SP on 8/8/19.

"Boas Práticas Ambientais" State Award: Usiminas was recognized by the State Environmental and Sustainable Development Agency (SEMAD) with the "Boas Práticas Ambientais" Award – in its "Less Waste, More Sustainability" edition, awarded by the State Environmental and Water Resources System (Sisema). The program "Mobiliza Todos Pela Água", developed by the Company, was chosen the winner by the State of Minas Gerais as the best environmental management program in application of solid industrial waste.

Events Subsequent to the End of the Quarter

(i) Debt Renegotiation – Debentures

On 10/24/19, the Company concluded the operation of the 7th issuance of simple debentures, not convertible into shares, as approved by the Board of Directors on 09/20/19. This issuance, composed of 2.000.000 (two million) debentures and a total of R\$2 billion, is entitled to remuneration interests on a six-month basis corresponding to CDI + 1.7% p.a. to the first series of debentures, in the amount of R\$700 million, with maturity on 09/30/23; and CDI + 2.1% p.a. to the second series of debentures, in the amount of R\$1.3 billion, with maturity on 09/30/24 and 09/30/25, paying 50% in each amortization.

(ii) Compulsory loan - Eletrobras

The Company is an active participant in the legal proceeding that seeks to receive the whole amount collected by Usiminas at its Cubatão and Ipatinga plants for Eletrobras as compulsory loans, according to the law prevailing at the time of collection of the tax.

On 12/19/18, the 2nd Federal Court of the Federal District issued a decision in which it recognized the amount of R\$676 million as undisputed for the enforcement of the judgment, considering that Eletrobras itself expressly required the approval of this amount, monetarily restated up to 07/01/16.

Accordingly, the Company recorded this amount in its financial statements for the year ended 12/31/18, under "Receivables - Eletrobras", in non-current assets, as corresponding entry to "Other operating income" and "Finance result", in the amounts of R\$186 million and R\$490 million, respectively.

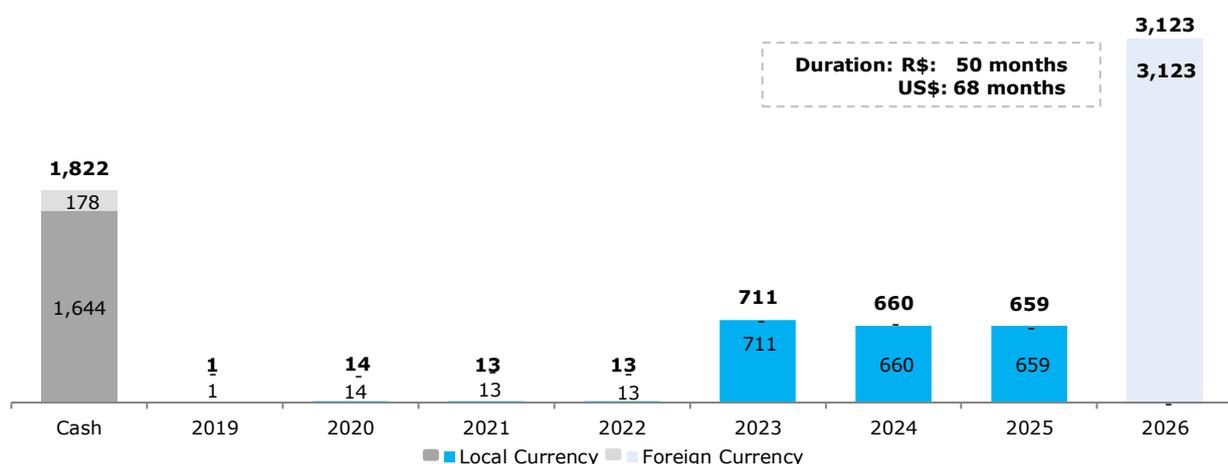
On 10/16/19, the Company received from Eletrobras the updated amount of R\$751 million, related to the undisputed amount of the lawsuit claiming the receipt of the full amount paid as a compulsory loan. On 09/30/19, this amount is recognized in the Company's quarterly statements in current assets, under "Amounts Receivable Eletrobras". In addition, the Company continues to claim in court the unrecognized amount that it believes is owed by Eletrobras.

(iii) New debt profile

The Company used the proceedings mentioned on items (i) and (ii) to prepay the remaining debts with the Brazilian banks (Banco do Brasil S.A., Itaú Unibanco S.A. e Banco Bradesco S.A.) and the debenture holders of the 6th issuance, on 10/23/19. Therefore, after the liquidation of these operations, the Company's debt profile was substantially modified when compared to that of 09/30/19, especially due to the reduction of the outstanding debt, new principal payment schedule, as well as lower financial costs.

The proforma debt profile as a result of events occurred after the closing of the quarter –Receipt of the Eletrobras compulsory loan (Note Compulsory Loan – Eletrobras) and the issuance of debentures (Note Debt Renegotiation) is shown below.

Proforma debt profile



Capital Markets

Usiminas Performance Summary - B3 (USIM5)

	3Q19	2Q19	3Q18	3Q19/2Q19	3Q19/3Q18
Number of Deals	852,077	805,392	925,111	6%	-8%
Daily Average	13,109	12,990	14,684	1%	-11%
Traded - thousand shares	771,991	699,247	982,344	10%	-21%
Daily Average	11,877	11,278	15,593	5%	-24%
Financial Volume - R\$ million	6,418	6,156	8,106	4%	-21%
Daily Average	99	99	129	-1%	-23%
Maximum	9.81	10.41	9.34	-6%	5%
Minimum	6.87	7.70	6.88	-11%	0%
Closing	7.81	8.94	8.32	-13%	-6%
Market Capitalization - R\$ million	9,787	11,203	10,426	-13%	-6%

Performance on the B3

Usiminas' common shares (USIM3) closed the 3Q19 quoted at R\$9.35 and its preferred shares (USIM5) at R\$7.81. In the 3Q19, USIM3 and USIM5 depreciated 10.95% and 12.64%, respectively. In the same period, Ibovespa presented an appreciation of 3.74%.

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY, by Class A preferred shares. On 09/30/19, USNZY ADRs, which have higher liquidity, were quoted at US\$1.86, presenting a depreciation of 18.78% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Exchange: XUSI as preferred shares and XUSIO as common shares. On 09/30/18, XUSI closed quoted at €1.63, depreciating 14.21% in the quarter. XUSIO shares closed quoted at €2.18, presenting a depreciation of 10.66% in the quarter.

For further information

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THE BANK OF NEW YORK MELLON
ADR – Depositary Receipt Bank

3Q19 Conference Call Results - Date 10/25/2019	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m. Dial-in Numbers: Brazil: (+55 11) 3193-1001 / 2820-4001	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 646) 828-8246
Audio replay available at (55 11) 3193-1012	
Pincode for replay: 7841455# - Portuguese	Pincode for replay: 8146845# - English
Audio of the conference call will be transmitted live via Internet	

**Visit the Investor Relations site: www.usiminas.com/ri
or access on your mobile phone: m.usiminas.com/ri**

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

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

Assets	30-Sep-19	30-Jun-19	30-Sep-18
Current Assets	9,752,525	8,155,163	7,697,689
Cash and Cash Equivalents	1,822,413	1,245,112	1,681,875
Trade Accounts Receivable	1,828,747	1,898,882	1,947,482
Taxes Recoverable	928,499	712,662	303,376
Inventories	4,240,414	4,137,828	3,603,792
Advances to suppliers	7,136	7,756	4,625
Financial Instruments	742	687	300
Accounts Receiv - Eletrobras	751,404	-	-
Other Securities Receivables	173,170	152,236	156,239
Non-Current Assets	17,261,207	18,010,553	18,400,686
Long-Term Receivable	3,939,233	4,708,540	4,234,920
Deferred Income Tax & Social Contribution	2,923,766	2,766,249	3,133,393
Deposits at Law	535,375	536,940	697,546
Accounts Receiv. Affiliated Companies	1,574	1,877	2,626
Taxes Recoverable	124,199	375,457	58,745
Financial Instruments	6,475	5,658	1,636
Accounts Receiv - Eletrobras	-	676,023	-
Others	347,844	346,336	340,974
Investments	1,222,453	1,165,451	1,183,569
Property, Plant and Equipment	11,403,455	11,437,713	12,314,039
Intangible	696,066	698,849	668,158
Total Assets	27,013,732	26,165,716	26,098,375

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

Liabilities and Shareholders' Equity	30-Sep-19	30-Jun-19	30-Sep-18
Current Liabilities	3,385,283	2,984,180	2,554,236
Loans and Financing and Taxes Payable in Installments	280,089	262,921	22,360
Suppliers, Subcontractors and Freight	1,493,648	1,166,050	1,483,277
Wages and Social Charges	249,717	221,279	242,639
Taxes and Taxes Payables	112,297	110,111	93,841
Accounts Payable Forfeiting	915,783	912,265	506,555
Dividends Payable	395	11,892	182
Customers Advances	100,251	57,171	76,017
Others	233,103	242,491	129,365
Long-Term Liabilities	7,867,171	7,264,334	8,029,694
Loans and Financing and Taxes Payable in Installments	5,574,665	5,202,976	5,870,430
Actuarial Liability	1,018,698	1,009,666	1,002,144
Provision for Legal Liabilities	785,616	610,938	759,968
Environmental Protection Provision	223,359	218,338	169,985
Others	264,833	222,416	227,167
Shareholders' Equity	15,761,278	15,917,202	15,514,445
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	1,036,005	1,216,393	899,616
Non-controlling shareholders participation	1,524,978	1,500,514	1,414,534
Total Liabilities and Shareholders' Equity	27,013,732	26,165,716	26,098,375

Income Statement - Consolidated | IFRS

R\$ thousand	3Q19	2Q19	3Q18	3Q19/2Q19	3Q19/3Q18
Net Revenues	3,849,794	3,694,049	3,861,513	4%	0%
Domestic Market	3,216,047	3,108,842	3,260,915	3%	-1%
Exports	633,747	585,207	600,598	8%	6%
COGS	(3,373,955)	(3,087,584)	(3,217,184)	9%	5%
Gross Profit	475,839	606,465	644,329	-22%	-26%
Gross Margin	12.4%	16.4%	16.7%	- 4.0 p.p.	- 4.3 p.p.
Operating Income (Expenses)	(334,857)	(314,241)	(290,954)	7%	15%
Selling Expenses	(73,789)	(71,002)	(74,339)	4%	-1%
Provision for Doubtful Accounts	9,328	(2,012)	(342)	-	-
Other Selling Expenses	(83,117)	(68,990)	(73,997)	20%	12%
General and Administrative	(97,924)	(109,782)	(101,012)	-11%	-3%
Other Operating Income (expenses)	(163,144)	(133,457)	(115,603)	22%	41%
Inclusion of ICMS tax in the base calculation of PIS and COFINS taxes	78,335	-	-	-	-
Reintegra Program	239	301	379	-21%	-37%
Provision for Contingencies	(134,582)	(35,452)	(39,392)	280%	242%
Result of the Non Operating Asset Sale/Write-Off	(4)	4,945	5,304	-	-
Result of the Sale of the Surplus Electric Energy	22,134	15,252	20,898	45%	6%
Temporary Equipments Shutdown (includes depreciation)	(80,651)	(86,293)	(89,590)	-7%	-10%
Tax credit on imports PIS/COFINS	-	-	7,097	-	-
Other Operating Income (Expenses), Net	(48,615)	(32,210)	(20,299)	51%	139%
EBIT	140,982	292,224	353,375	-52%	-60%
EBIT Margin	3.8%	7.9%	9.2%	- 4.1 p.p.	- 5.4 p.p.
Financial Result	(444,734)	(83,758)	(134,391)	431%	231%
Financial Income	203,960	90,178	70,429	126%	190%
Financial Expenses	(362,440)	(191,007)	(185,702)	90%	95%
Net foreign exchange gain and losses	(286,254)	17,071	(19,118)	-	1397%
Equity in the results of investees	58,258	36,877	74,734	58%	-22%
Operating Profit (Loss)	(245,494)	245,343	293,718	-	-
Income Tax / Social Contribution	106,514	(74,097)	(4,587)	-	-
Net Income (Loss)	(138,980)	171,246	289,131	-	-
Net Margin	-3.5%	4.6%	7.4%	- 8.1 p.p.	- 10.9 p.p.
Attributable:					
Shareholders	(183,909)	131,251	263,924	-	-
Minority Shareholders	44,929	39,995	25,207	12%	78%
EBITDA (Instruction CVM 527)	452,903	570,021	685,623	-21%	-34%
EBITDA Margin (Instruction CVM 527)	11.8%	15.4%	17.8%	- 3.6 p.p.	- 6.0 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	441,169	575,882	702,762	-23%	-37%
Adjusted EBITDA Margin	11.5%	15.6%	18.2%	- 4.1 p.p.	- 6.7 p.p.
Depreciation and Amortization	253,663	240,920	257,514	5%	-1%

Income Statement - Consolidated | IFRS

R\$ thousand	9M19	9M18	9M19/9M18
Net Revenues	11,075,828	10,309,780	7%
Domestic Market	9,212,198	8,563,336	8%
Exports	1,863,630	1,746,444	7%
COGS	(9,497,534)	(8,470,563)	12%
Gross Profit	1,578,294	1,839,217	-14%
Gross Margin	14.2%	17.8%	- 3.6 p.p.
Operating Income (Expenses)	(949,567)	(953,179)	0%
Selling Expenses	(212,149)	(224,151)	-5%
Provision for Doubtful Accounts	6,521	(3,446)	-
Other Selling Expenses	(218,670)	(220,705)	-1%
General and Administrative	(308,464)	(316,701)	-3%
Other Operating Income (Expenses)	(428,954)	(412,327)	4%
Inclusion of ICMS tax in the base calculation of PIS and COFINS taxes	78,335	-	-
Reintegra Program	883	12,706	-93%
Provision for Legal Liabilities	(202,279)	(152,669)	32%
Result of the Non Operating Asset Sale/Write-Off	6,100	(1,819)	-
Result of the Sale of the Surplus Electric Energy	31,651	14,007	126%
Temporary Equipments Shutdown (includes depreciation)	(250,749)	(274,464)	-9%
Tax credit on imports PIS/COFINS	-	36,063	-
Other Operating Income (Expenses), Net	(92,895)	(46,151)	101%
EBIT	628,727	886,038	-29%
EBIT Margin	5.7%	8.6%	- 2.9 p.p.
Financial Result	(664,272)	(544,743)	22%
Financial Income	361,571	205,699	76%
Financial Expenses	(745,255)	(556,065)	34%
Net foreign exchange gain and losses	(280,588)	(194,377)	44%
Equity in the results of investees	132,628	147,229	-10%
Operating Profit (Loss)	97,083	488,524	-80%
Income Tax / Social Contribution	11,461	(61,258)	-
Net Income (Loss)	108,544	427,266	-75%
Net Margin	1.0%	4.1%	- 3.2 p.p.
Attributable:			
Shareholders	(5,801)	371,859	-
Minority Shareholders	114,345	55,407	106%
EBITDA (Instruction CVM 527)	1,496,958	1,804,217	-17%
EBITDA Margin (Instruction CVM 527)	13.5%	17.5%	- 4.0 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	1,504,563	1,862,777	-19%
Adjusted EBITDA Margin	13.6%	18.1%	- 4.5 p.p.
Depreciation and Amortization	735,603	770,950	-5%

Cash Flow - Consolidated | IFRS

Cash Flow - Consolidated IFRS	3Q19	2Q19	3Q18
Operating Activities Cash Flow			
Net Income (Loss) in the Period	(138,980)	171,246	289,131
Financial Expenses and Monetary Var. / Net Exchge Var.	261,365	8,534	94,262
Interest Expenses	120,595	80,944	91,974
Depreciation and Amortization	253,663	240,920	257,514
Losses/(gains) on Sale of Property, Plant and Equipment	4	(4,945)	(5,304)
Equity in the Results of Subsidiaries/Associated Companies	(58,258)	(36,877)	(74,734)
Difered Income Tax and Social Contribution	(160,197)	25,813	(55,354)
Constitution (reversal) of Provisions	155,630	76,165	112,768
Actuarial Gains and losses	21,452	21,453	977
Total	455,274	583,253	711,234
(Increase)/Decrease of Assets			
Accounts Receivables Customer	71,221	(234,385)	(200,477)
Inventories	(79,158)	(258,443)	(115,693)
Recovery of Taxes	(53,526)	(108,768)	142,206
Judicial Deposits	(7,626)	(30,758)	67,071
Accounts Receiv. Affiliated Companies	303	240	188
Others	(23,911)	(39,304)	15,268
Total	(92,697)	(671,418)	(91,437)
Increase /(Decrease) of Liabilities			
Suppliers, Contractors and Freights	327,598	16,470	397,014
Customers Advances	43,080	(15,008)	(29,388)
Tax Payable	138,141	123,546	(93,923)
Securities Payable Forfaiting	3,518	(82,003)	38,384
Actuarial Liability Payments	(4,599)	(57,142)	(52,525)
Others	(63,178)	27,213	(49,990)
Total	444,560	13,076	209,572
Cash Generated from Operating Activities	807,137	(75,089)	829,369
Interest Paid	(93,484)	(125,406)	(131,169)
Income Tax and Social Contribution	(33,469)	(31,708)	(39,217)
Net Cash Generated from Operating Activities	680,184	(232,203)	658,983
Investments activities cash flow			
Marketable Securities	(170,059)	(134,754)	(60,481)
Fixed Asset Acquisition	(135,534)	(98,869)	(85,200)
Fixed Asset Sale Receipt	1,432	6,506	10,354
Dividends Received	1,266	1,458	(2,485)
Purchase of Software	(4,518)	(6,472)	(5,120)
Net Cash Employed on Investments Activities	(307,413)	(232,131)	(142,932)
Financial Activities Cash Flow			
Inflow of Loans, Financing and Debentures	2,811,557	-	-
Payment of Loans, Financ. & Debent.	(2,744,344)	(7,252)	(2,298)
Swap Operations Liquidations	(5,863)	356	-
Dividends and Interest on Capital	(31,965)	(190,917)	(4)
Net Cash Generated from (Employed on) Financial Activities	29,385	(197,813)	(2,302)
Exchange Variation on Cash and Cash Equivalents	5,086	(287)	4,033
Net Increase (Decrease) of Cash and Cash Equivalents	407,242	(662,434)	517,782
Cash and Cash Equivalents at the Beginning of the Period	499,611	1,162,045	578,562
Cash and Cash Equivalents at the End of The Period	906,853	499,611	1,096,344
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	499,611	1,162,045	578,562
Marketable Securities at the Beginning of the Period	745,501	610,747	525,050
Cash and Cash Equivalents at the Beginning of the Period	1,245,112	1,772,792	1,103,612
Net Increase (Decrease) of Cash and Cash Equivalentes	407,242	(662,434)	517,782
Net Increase (Decrease) of Marketable Securities	170,059	134,754	60,481
Cash and Cash Equivalents at the End of the Period	906,853	499,611	1,096,344
Marketable Securities at the End of the Period	915,560	745,501	585,531
Cash and Cash Equivalents at the End of the Period	1,822,413	1,245,112	1,681,875

Cash Flow - Consolidated | IFRS

R\$ thousand	9M19	9M18
Operating Activities Cash Flow		
Net Income (Loss) in the Period	108,544	427,266
Financial Expenses and Monetary Var. / Net Exchge Var.	318,162	370,131
Interest Expenses	296,539	293,868
Depreciation and Amortization	735,603	770,950
Losses/(gains) on sale of property, plant and equipment	(6,100)	1,819
Equity in the Results of Subsidiaries/Associated Companies	(132,628)	(147,229)
Difered Income Tax and Social Contribution	(146,169)	(71,901)
Constitution (reversal) of Provisions	290,601	322,875
Actuarial Gains and losses	64,356	6,782
Total	1,528,908	1,974,561
Increase/Decrease of Assets		
Accounts Receivables Customer	12,249	(396,867)
Inventories	(326,292)	(874,052)
Recovery of Taxes	(159,326)	127,312
Judicial Deposits	(48,251)	(20,680)
Accounts Receiv. Affiliated Companies	768	521
Others	(133,803)	(20,503)
Total	(654,655)	(1,184,269)
Increase /(Decrease) of Liabilities		
Suppliers, contractors and freights	359,885	506,360
Amounts Owed to Affiliated Companies	(12,416)	(8,917)
Customers Advances	36,767	(5,377)
Tax Payable	322,285	(138,031)
Securities Payable Derived from Suppliers	(50,144)	31,304
Actuarial Liability payments	(115,942)	(137,612)
Others	(19,182)	(56,152)
Total	521,253	191,575
Cash Generated from Operating Activities	1,395,506	981,867
Interest Paid	(340,147)	(409,436)
Income Tax and Social Contribution	(76,468)	(69,603)
Net Cash Generated from Operating Activities	978,891	502,828
Investments activities cash flow		
Marketable Securities	(329,001)	(41,816)
Capital increase in subsidiary	(9)	-
Fixed asset acquisition	(315,890)	(209,512)
Fixed asset sale receipt	9,238	30,341
Dividends Received	4,268	126,567
Software Purchase	(13,144)	(12,450)
Net Cash Employed on Investments Activities	(644,538)	(106,870)
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	2,811,557	-
Payment of Loans, Financ. & Debent.	(3,121,130)	(948,973)
Payment of Taxes Installments	-	(132)
Swap Operations Liquidations	(5,507)	14
Dividends and Interest on Capital	(222,882)	(123,291)
Net Cash Generated from (Employed on) Financial Activities	(537,962)	(1,072,382)
Exchange Variation on Cash and Cash Equivalents	3,672	2,195
Net Increase (Decrease) of Cash and Cash Equivalents	(199,937)	(674,229)
Cash and Cash Equivalents at the Beginning of the Period	1,106,790	1,770,573
Cash and Cash Equivalents at the End of The Period	906,853	1,096,344
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	1,106,790	1,770,573
Marketable securities at the beginning of the period	586,559	543,715
Cash and cash equivalents at the beginning of the period	1,693,349	2,314,288
Net increase (decrease) of cash and cash equivalentes	(199,937)	(674,229)
Net increase (decrease) of marketable securities	329,001	41,816
Cash and cash equivalents at the end of the period	906,853	1,096,344
Marketable securities at the end of the period	915,560	585,531
Cash and cash equivalents at the end of the period	1,822,413	1,681,875