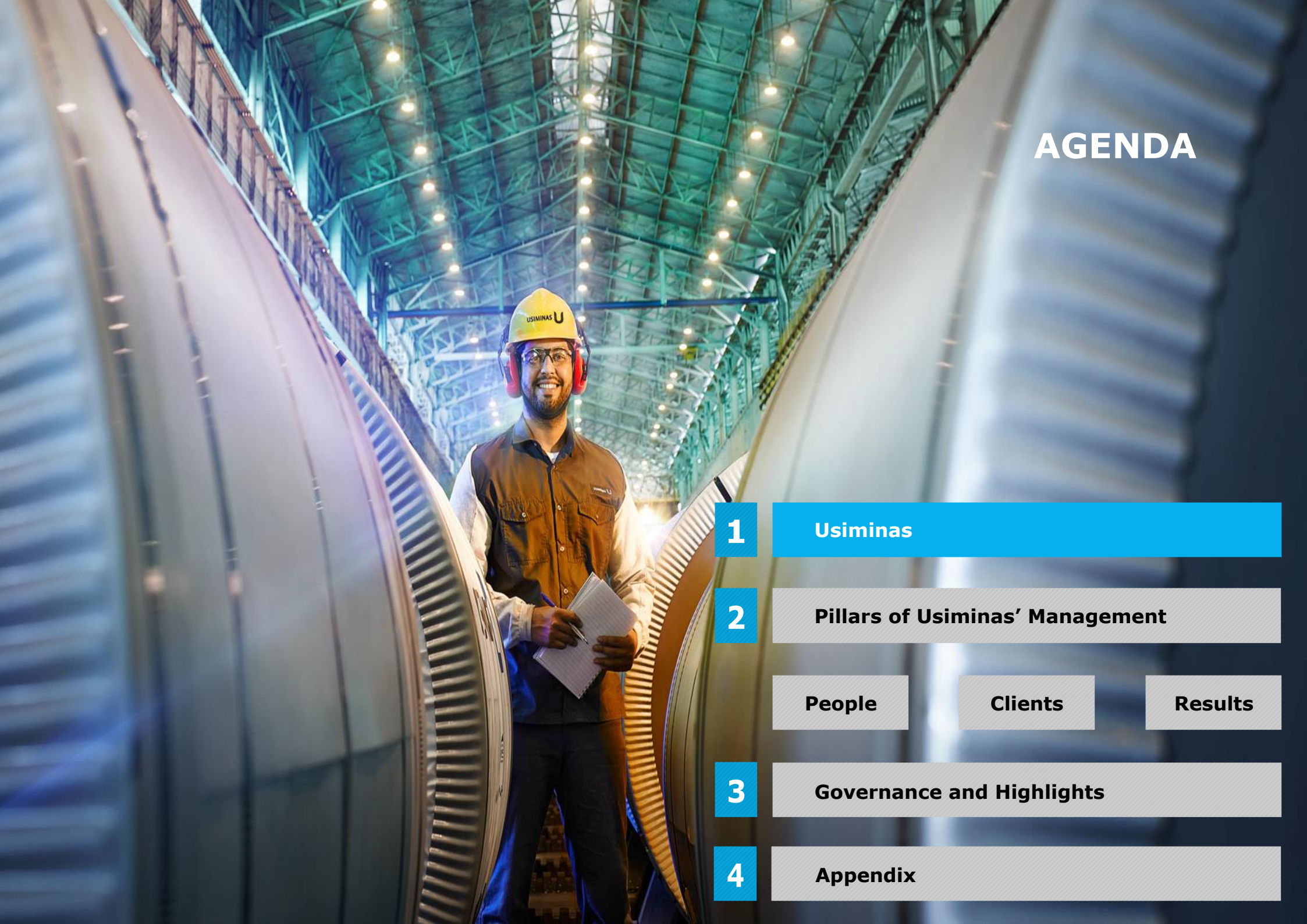
Institutional Presentation

4Q19 and 2019

Classificação da informação: Pública

USIMINAS



AGENDA

1. Usiminas
2. Pillars of Usiminas' Management
   - People
   - Clients
   - Results
3. Governance and Highlights
4. Appendix

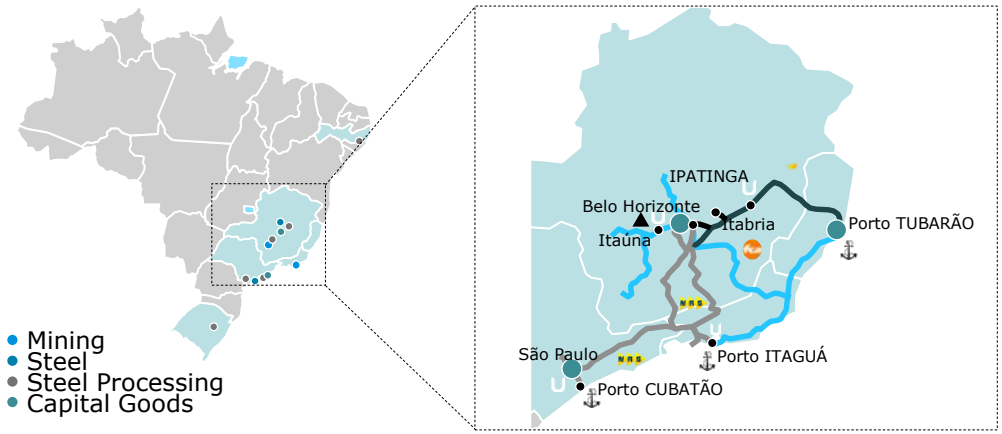
Usiminas at a Glance

USIMINAS

Company Overview

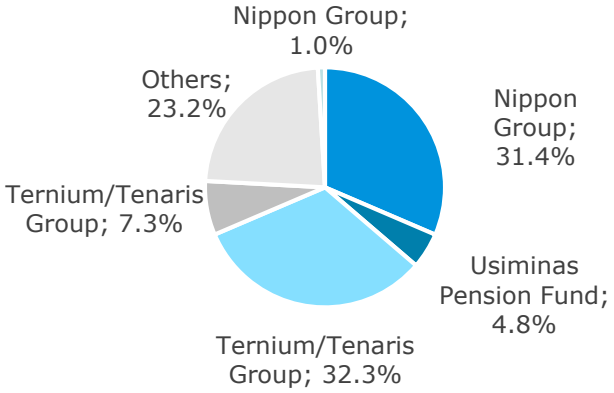
- ✓ Usiminas is one of the largest flat steel producers in Brazil, with operations in several segments of the value chain, such as mining and logistics, capital goods, service and distribution centers and customized solutions
- ✓ Two steel plants strategically located along Brazil's main industrial axis,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

Geographic Footprint



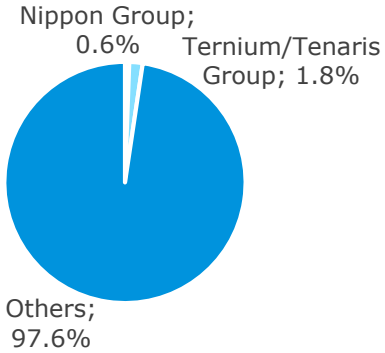
Shareholder Structure (% of total capital, except otherwise indicated)

Voting Capital



705,260,684 shares

Preferred Shares



547,818,424 shares

56% of ON and 44% of PN

Financial Highlights (in R$mm, except otherwise indicated)

	2015	2016	2017	2018	2019
Net Revenues	**10,186**	**8,454**	**10,734**	**13,737**	**14,950**
Growth YoY	-13%	-17%	27%	28%	9%
Adjusted EBITDA	**291**	**660**	**2,186**	**2,693**	**1,973**
Margin	3%	8%	20%	20%	13%
Net Income	**(3,685)**	**(577)**	**315**	**829**	**377**
Margin	(36%)	(7%)	3%	6%	3%
Total Debt	**7,886**	**6,942**	**6,656**	**5,854**	**5,111**
Cash and Equivalents	**2,024**	**2,257**	**2,314**	**1,693**	**1,921**
Net Debt	**5,862**	**4,684**	**4,342**	**4,161**	**3,189**
Net Debt / EBITDA	20.1 x	7.1 x	2.0 x	1.6 x	1.6 x

Classificação da informação: Pública

Complete Solutions on Products and Services

USIMINAS

Upstream → **Downstream**

Mining

Mineração Usiminas

- ✓ JV formed in 2010 through a partnership with Sumitomo Corporation
- ✓ Responsible for the mining operations, in addition to rail and port transportation
- ✓ Three iron ore plants at Serra Azul
- ✓ Also has pellet and sinter feed processing plants
- ✓ Concluded investments that will expand the current capacity to 12mm tons/year

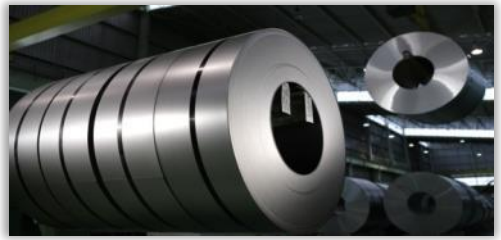
Steel

Ipatinga | Cubatão | Unigal

- ✓ One of the largest producers of flat rolled steel in Brazil
- ✓ Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- ✓ Nominal capacity for producing 9.5 million tons of raw steel per annum
- ✓ Also holds Unigal Usiminas, a JV with Nippon Steel responsible for steel hot-dip galvanizing activities, enhancing the technology content within Usiminas' steel

Steel Processing

Soluções Usiminas



- ✓ Created in 2009, Soluções Usiminas has a wide portfolio of products and services in the transformation and distribution of flat rolled steel division
- ✓ Holds 7 industrial facilities
- ✓ Soluções Usiminas' portfolio includes steel coils, coarse plates, rollers, welded assemblies, metal structures and metal disks and tubes, among other items

Capital Goods

Usiminas Mecânica

- ✓ High value-added products for the capital goods industry
- ✓ Major provider of creative solutions for the steel, mining, automotive, energy, petrochemical, among other industries
- ✓ Key products: industrial equipment, heavy steel structures, steel bridges and viaducts, cast steel pieces, railway wagons, blanks and stamped products.
- ✓ Industrial plants in Ipatinga

Classificação da informação: Pública

Mining

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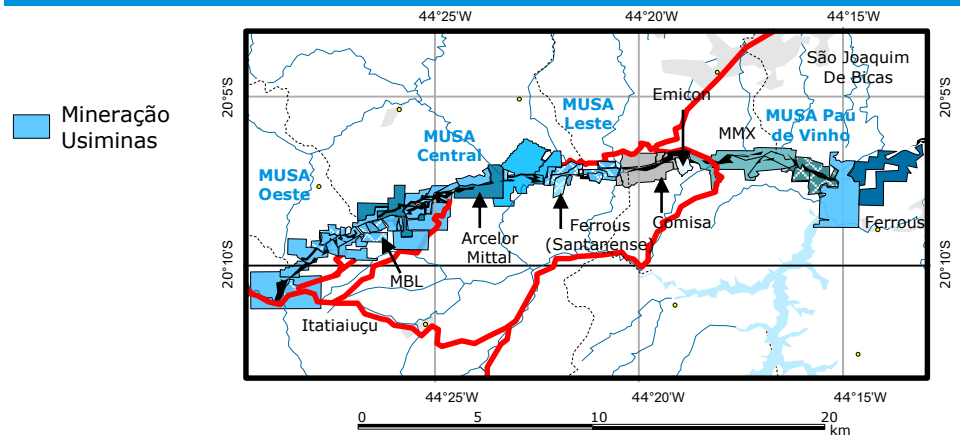
Usiminas is evaluating alternatives for its participation in this asset

Overview

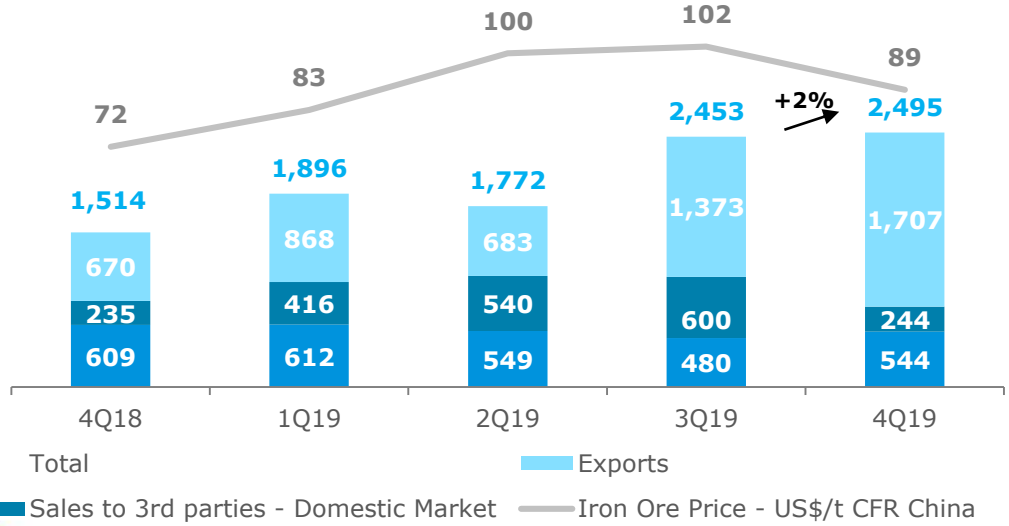
- JV formed in 2010 through a partnership with Sumitomo Corporation (30% economic stake) responsible for mining and railway operations
- Three mining sites in the Serra Azul region (MG), with resources of 2.4 billion tons of iron ore
- Asset base also includes pellet and sinter feed processing plants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

Assets Location

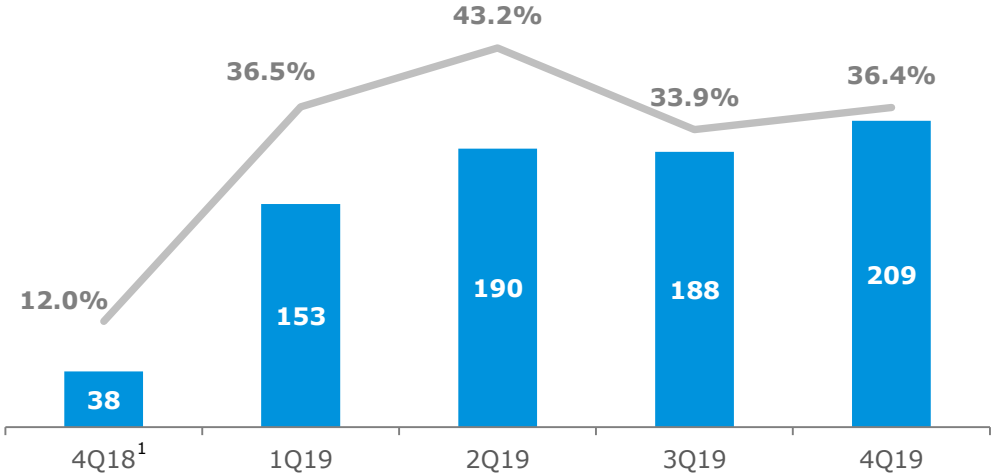


Iron Ore Sales and Price PLATTS (62% FE CFR China)

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



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



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

Classificação da informação: Pública

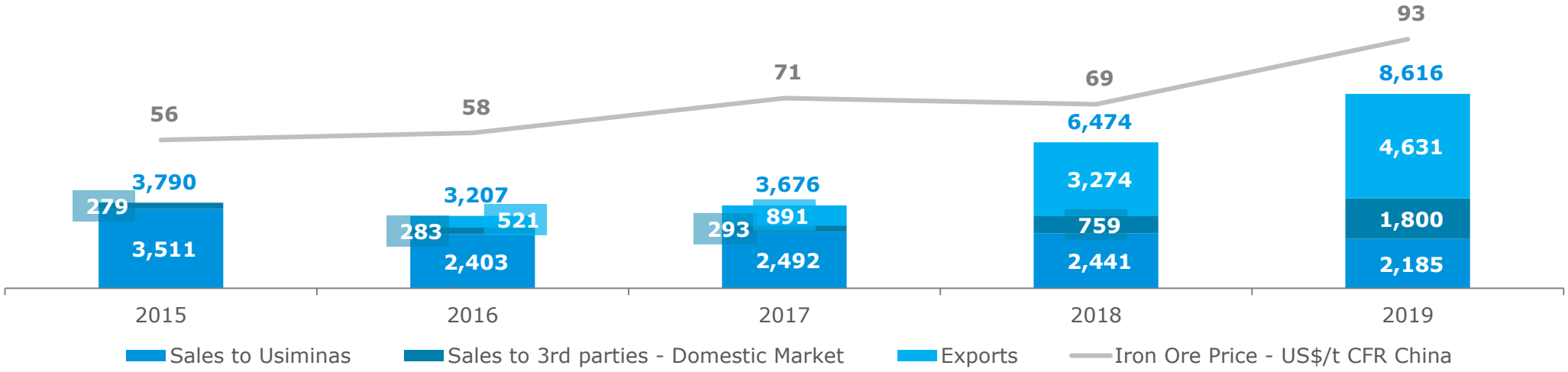
Mining (Cont'd)

Annual Results

USIMINAS

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

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



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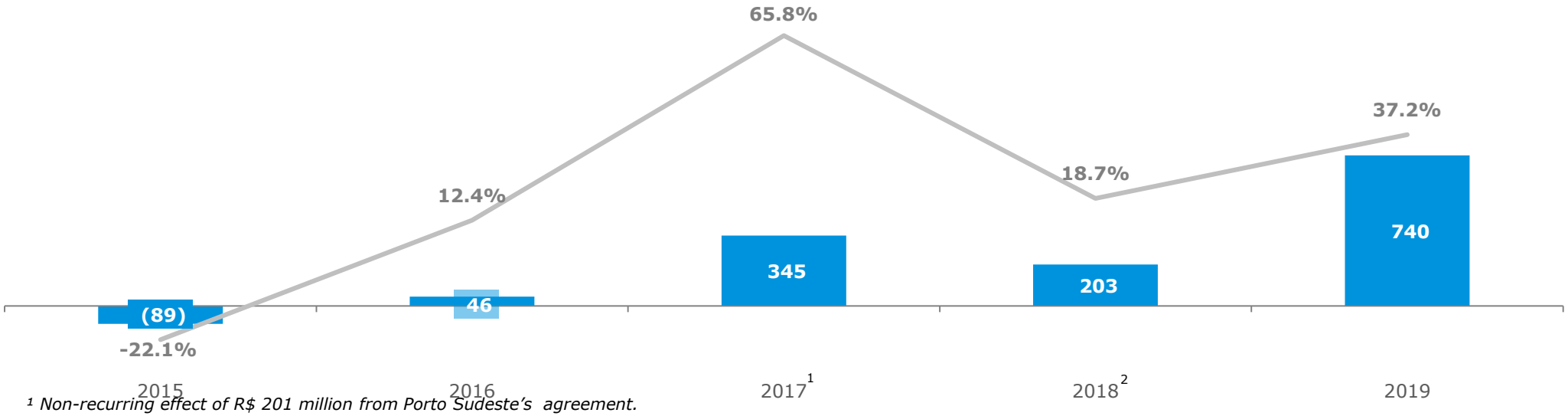


[1] Non-recurring effect of R$ 201 million from Porto Sudeste's agreement.

[2] With a negative non-recurring effect of R$ 38 Million due a provision for non-recovery of ICMS.

Classificação da informação: Pública

1.Mining and Logistics (Cont'd)

Key Projects

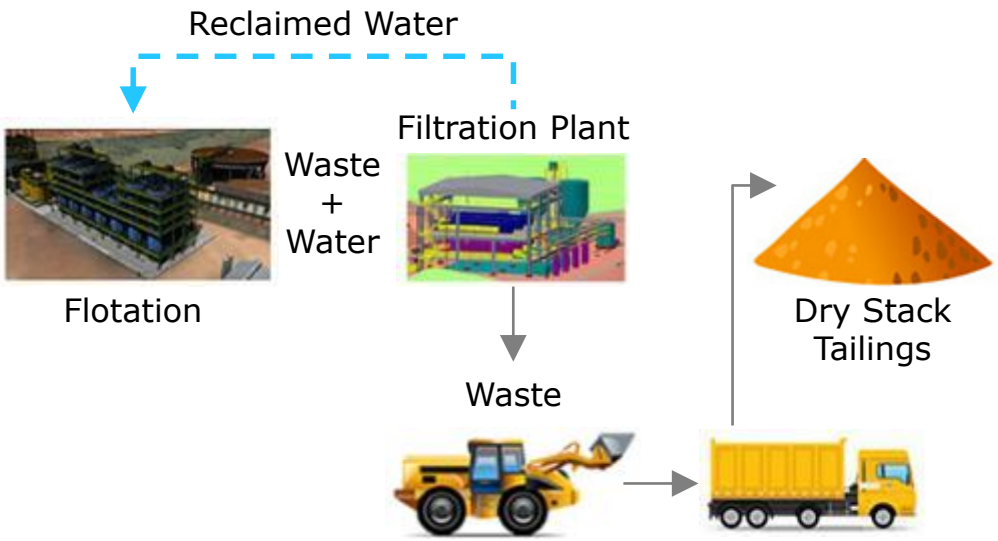
USIMINAS

Friables

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

Dry Stacking (ongoing)

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



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

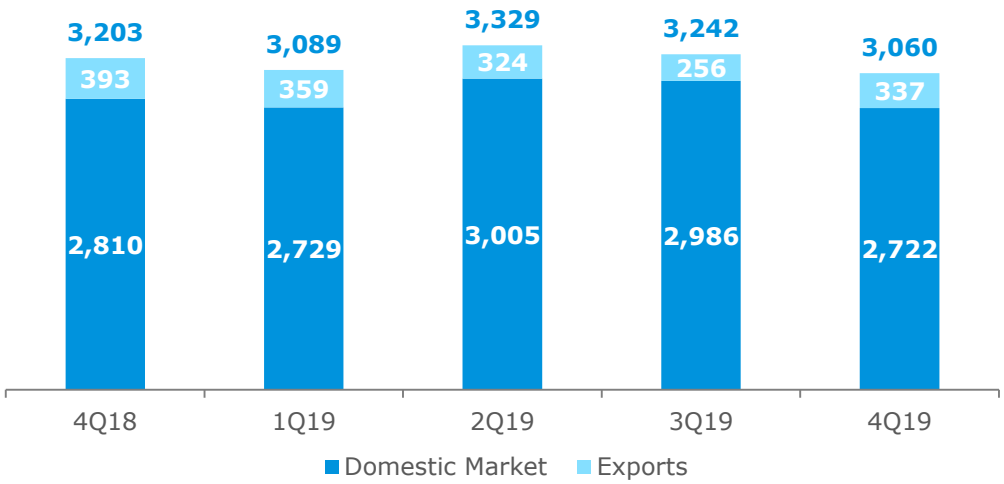
Steel

USIMINAS

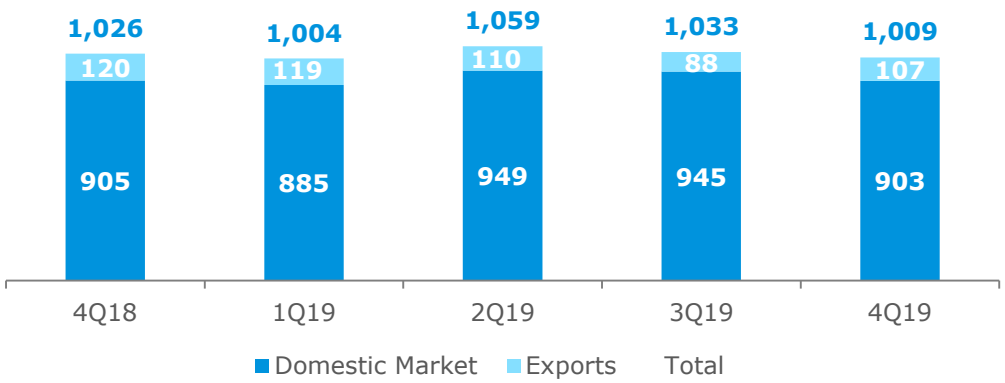
Overview

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

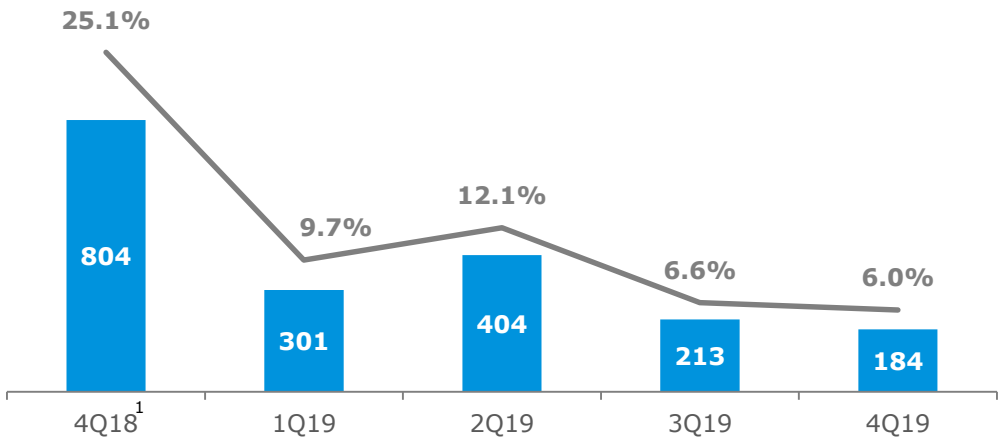
Net Revenue (R$ mm)



Steel Sales Evolution (Thousand tons)



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



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

Classificação da informação: Pública

Steel (Cont'd)

Annual Results

USIMINAS

Overview

- One of the largest producers of flat rolled steel in Brazil
- Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- Nominal production capacity of 9.5 mm tons of annual crude steel
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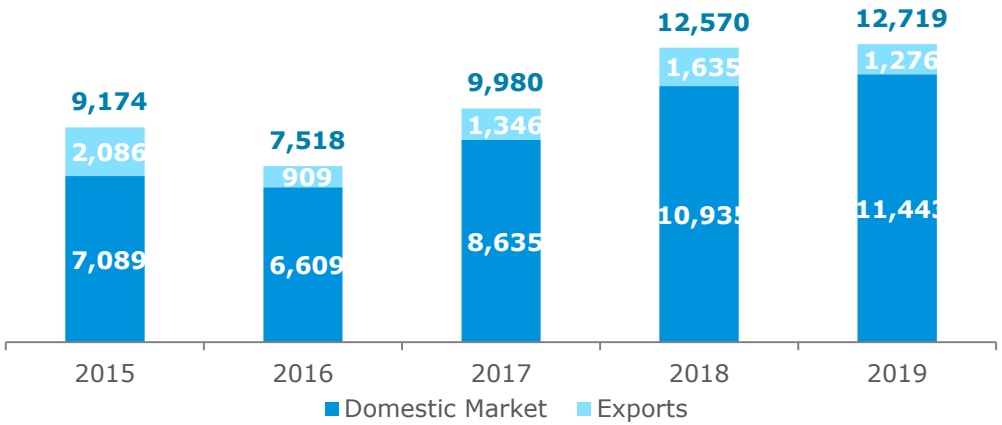
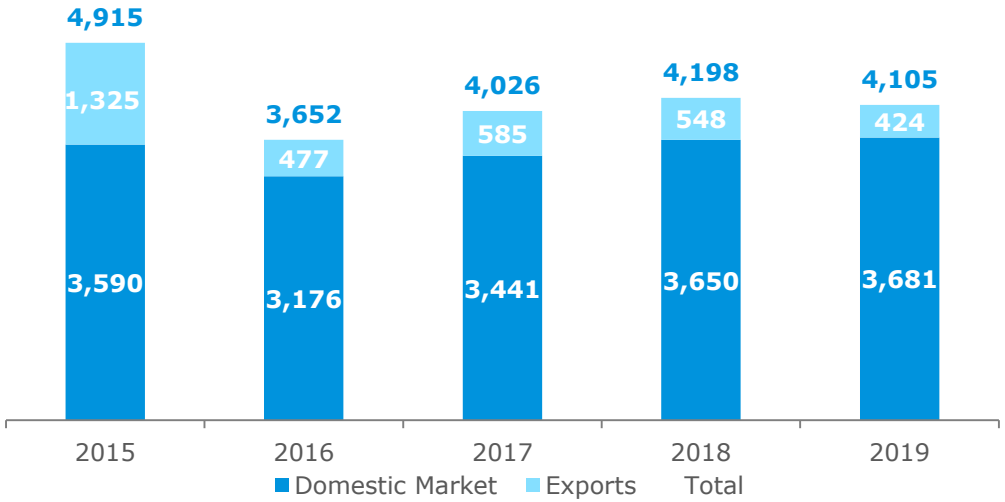
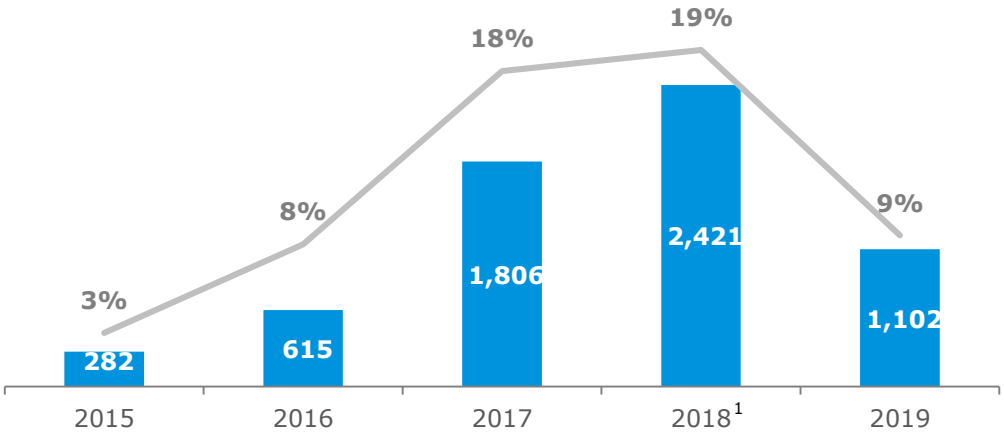


Steel Sales Evolution (Thousand tons)



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



[1] *Non-recurring effect of R$ 441 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R$411 Mi), Amounts Receivable – Eletrobras (R$ 186 Mi), PDD (R$ 34 Mi Negative) Other Non-recurring (R$122 Mi negative).*

Classificação da informação: Pública

Steel (Cont'd)

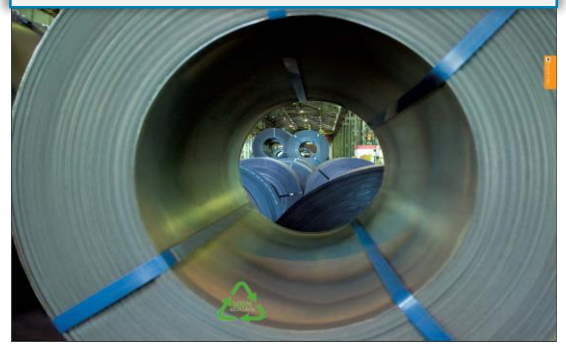
Flat steel consumption markets

USIMINAS

Heavy Plates

- Civil Construction
- Machinery and Equipment
- Pipelines
- Capital Goods
- Wind Energy
- Oil and Gas

Hot Rolled



- Civil Construction
- Machinery and Equipment
- Pipelines
- Auto Industry
- Solar Energy
- Oil and Gas

Cold Rolled

- Civil Construction
- White Line
- Auto Industry

Galvanized

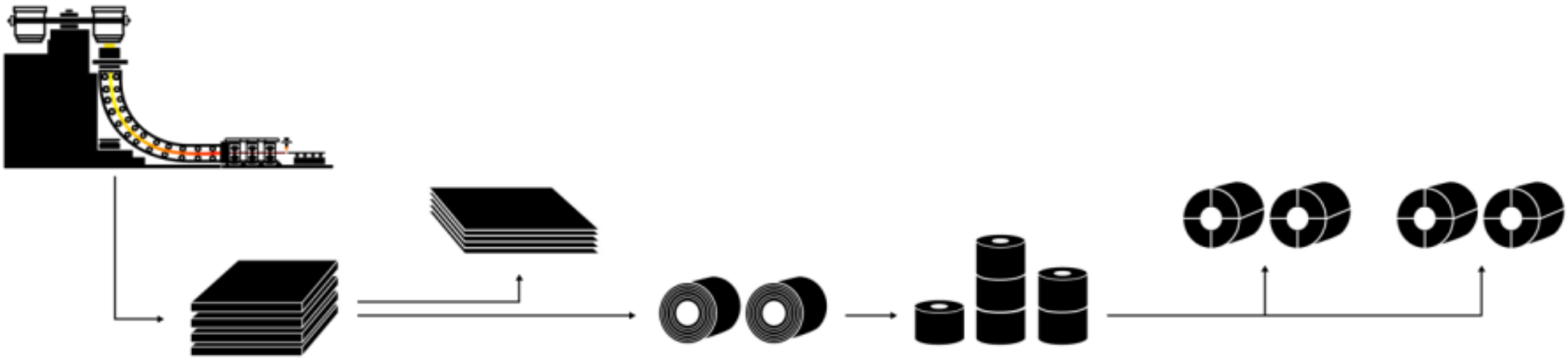
- Civil Construction
- White Line
- Auto Industry
- Solar Energy

Classificação da informação: Pública

Steel (Cont'd)

USIMINAS

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



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

[1] *According to the theoretical mix of sales in the implementation of the line.*
[2] *Excluding the temporarily suspended capacities of Heavy Plates and Hot Strip Laminator #1 in Cubatão.*

Classificação da informação: Pública

Steel (Cont'd)

Key Projects

USIMINAS

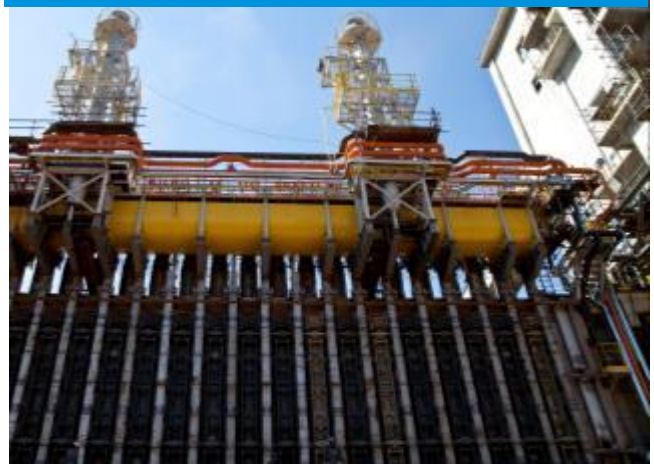
CLC Technology

- ✓ Licensed in 2009
- ✓ Consists of an accelerated cooling process for heavy plates.
- ✓ The project enabled Usiminas' to meet specific requirements from Petrobras (application on pre-salt operation, besides the shipbuilding sector)

Hot-dip Galvanizing Line

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

Coke Plant Revamp – Ipatinga



- ✓ Started operations in May 2015
- ✓ Metallurgical coke with adequate specifications for pig iron production in the blast furnace process
- ✓ Reduction of particle emissions, gases and volatile substances
- ✓ Coke gas to be used in the operational facilities of Ipatinga Mill and electricity generation
- ✓ Total capacity of coke plant of 1.4 million tons/year

Classificação da informação: Pública

Steel (Cont'd)

Focus on developing new steel and improving production processes

Research and Development

Largest Center for Steel Research in Latin America

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

Steel mill with the largest number of patents in Latin America.
Annual R&D investment around R$30million.

Classificação da informação: Pública

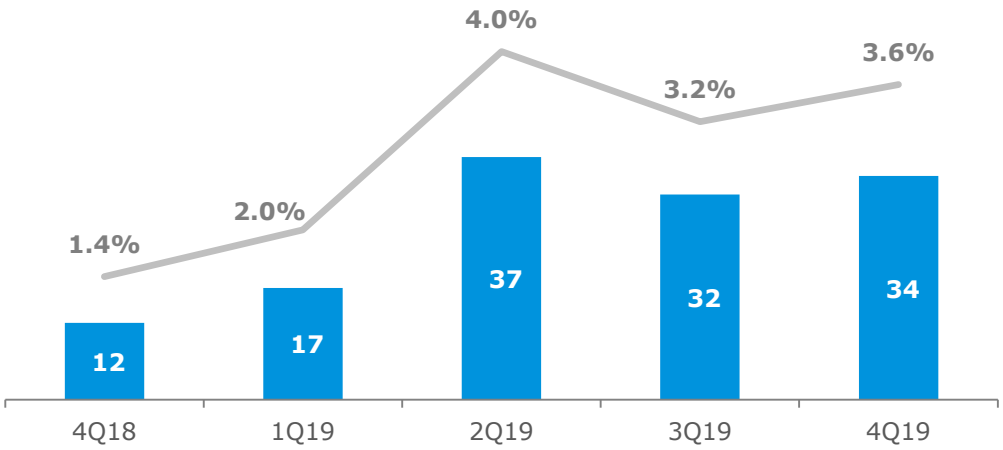
Steel Processing

USIMINAS

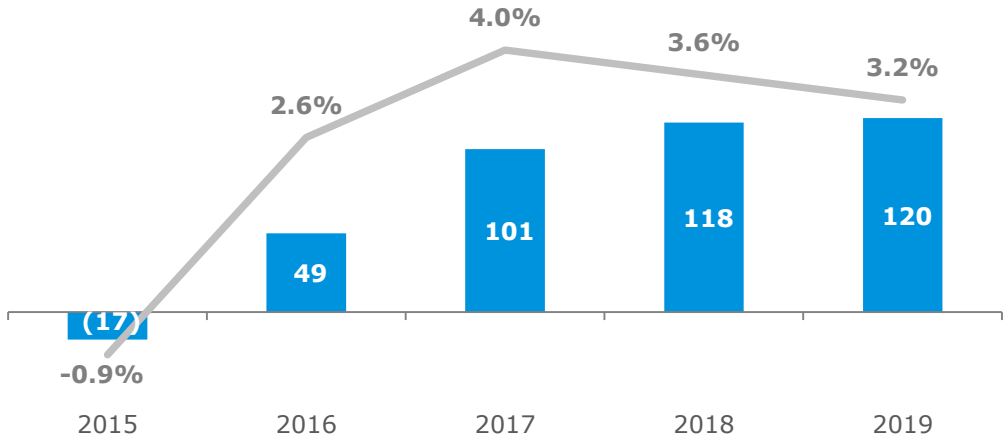
Overview – Soluções Usiminas

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

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



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



Classificação da informação: Pública

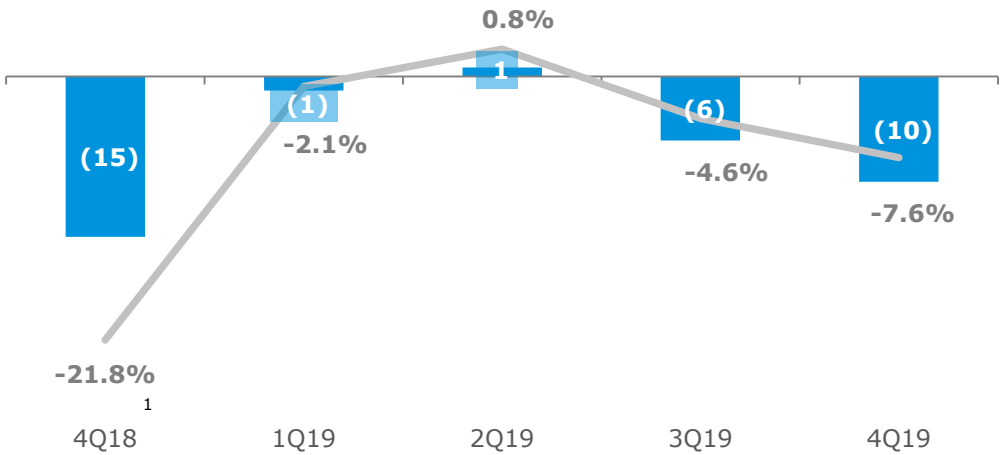
Capital Goods

USIMINAS

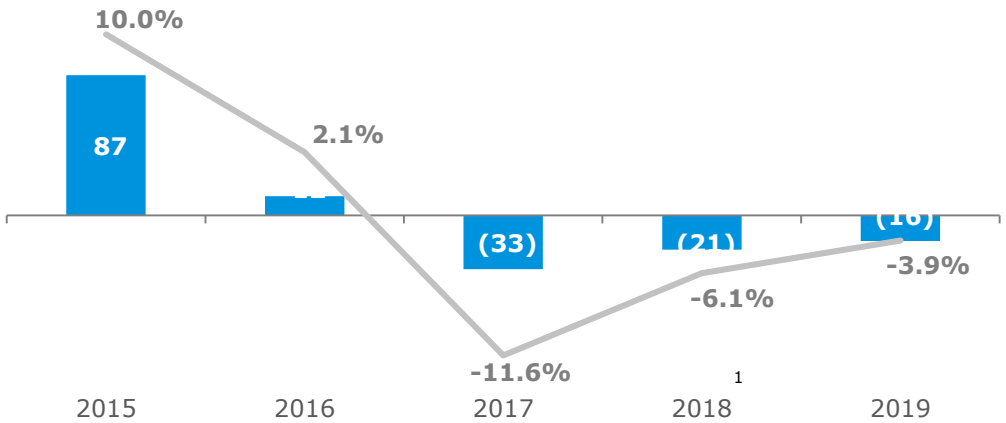
Overview – Usiminas Mecânica

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

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

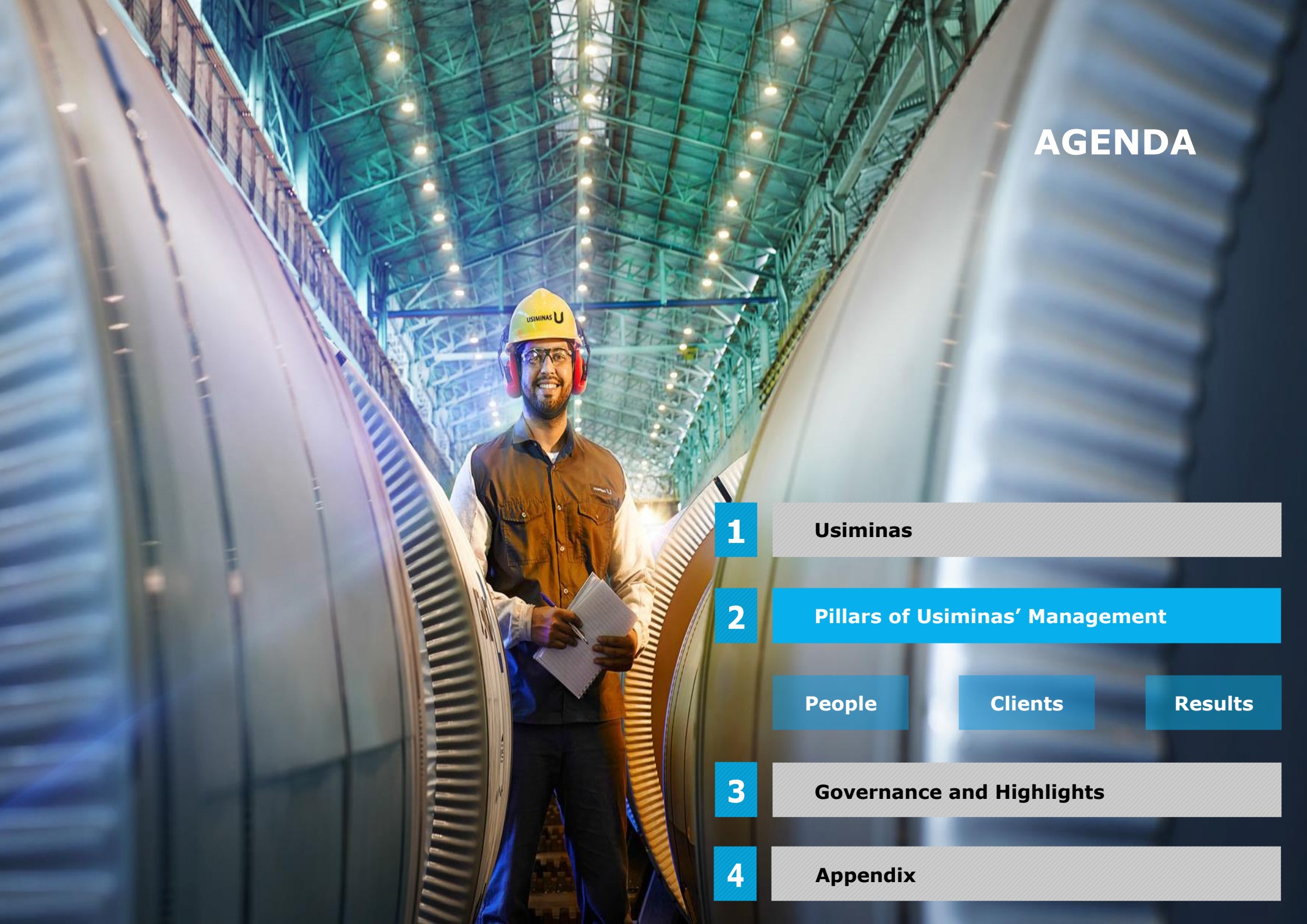


EBITDA (R$ mm) and EBITDA Margin (%) – Capital Goods - Yearly



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

Classificação da informação: Pública



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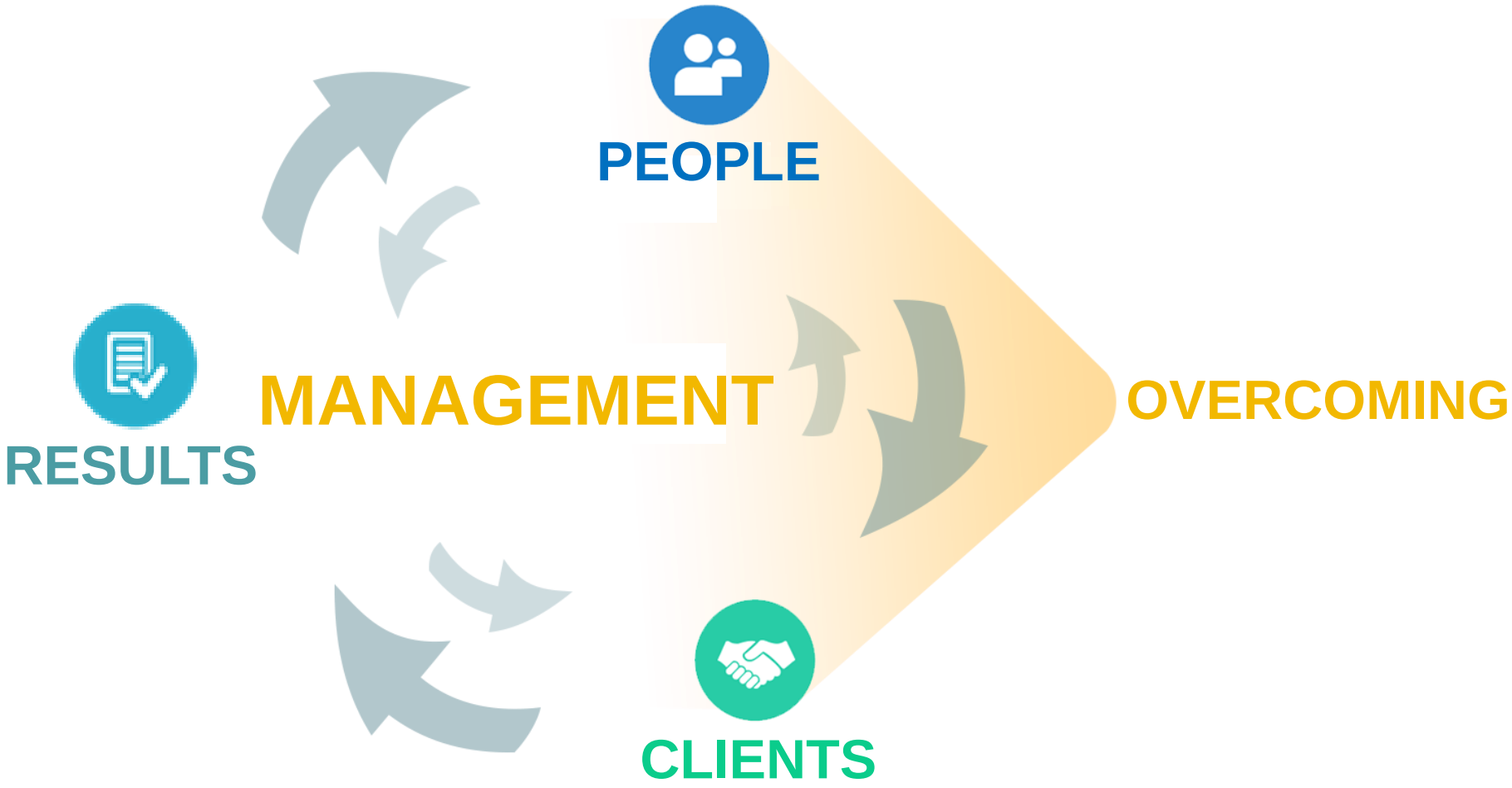
PILLARS OF USIMINAS' MANAGEMENT

People, Clients and Results



Classificação da informação: Pública

USIMINAS

PEOPLE

REPOSITIONING the Corporate Board OF Organizational Development and People Management

Reformulation of **POLICIES AND PRACTICES** of People management

AUTONOMY for managers to use new people management practices

DEVELOPMENT of Usiminas' leadership as a protagonist for change

Strategies to strengthen **CULTURE AND WORKPLACE**

People

Social and Environmental Highlights

USIMINAS

Highlights

"Projeto Superar"
Awarded by **World Steel Association** "Excellence in health and safety – Impact on occupational health."

"Todos pela Água"
was the greatest winner in the category **"Best sustainable partner project"** of "IX Prêmio Hugo Werneck" in Sustainability & Love to Nature.

215 thousand Dental Care
at the "Integrated Dentistry Center" in 2019.

1,513 Scholarship
at "**Colégio São Francisco Xavier" i**n 2019.

80% Customer Satisfaction
at **"Hospital Márcio Cunha"** in 2018**9**

"Mobiliza Caminhos do Vale" Project

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

- ✓ **2.8 Million** tons of applied Siderbrita
- ✓ **1.3 Million** beneficiaries
- ✓ **2,330 km** of rural roads recovered
- ✓ **112,000** trips on 25 tons' trucks
- ✓ **85 municipalities** in the east of Minas Gerais
- ✓ **4,190** springs in recovery process
- ✓ **979,278** seedlings planted (average 396/spring)
- ✓ **337,675** wood fence posts used
- ✓ **1,046,789** meters of wire fixed

Classificação da informação: Pública

People

Social and Environmental Highlights

"Mobiliza Todos pela Água" Project

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

85
Municipalities participating

4,190
Springs recovered

979,278
Seedlings planted

Classificação da informação: Pública

People

Social and Environmental Highlights

USIMINAS

"Mobiliza Pelo Trabalho" Project

Manufacture of interlocking blocks based on steel aggregate using inmates labor

88,255
benefited people

750m²/month
of production

100t
of **Siderbrita**
used per month

50%
less costly*

Gains in **accessibility** and **convenience** for the population
Re-socialization and **remission** of punishment for the inmates

*compared to similars on the market.

People

Social and Environmental Highlights

USIMINAS

"Mobiliza Caminhos do Vale" Project

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

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

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

Contrapartidas sócio ambientais em **Paraíso** e **Iapú**

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

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

People

Social and Environmental Initiatives

Education and Culture

São Francisco Xavier School

First educational institution in Brazil to obtain ISO 9001

Usiminas Institute

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

Projects and Programs

Xerimbabo Usiminas Project

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

"Plante uma vida" Project

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

People

Social and Environmental Initiatives

São Francisco Xavier Foundation

Márcio Cunha Hospital – Unit I

Reference center in the area of health in Brazil

Carlos Chagas Municipal Hospital

Reference for the municipalities of the Itabira microregion to SUS patients

Márcio Cunha Hospital – Unit II

Hospitalization, Ambulatory Care, Diagnostic Imaging Center and Usifamília

Cubatão Hospital

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

Classificação da informação: Pública

People

Social and Environmental Highlights

Awards and Recognition

2019 – "Boas Práticas Ambientais" State Award – Recognition from SEMAD and Sisema

2019 – "Chico Mendes Institute Social-Environmental Award" - Proactive posture in relation to sustainable development

2018 - "Sustentabilidade Américas" Award – Biggest Americas' Award

2018 – "Hugo Werneck" Award – Best Sustainable Partner Project: "Todos pela Água"

2017 – "Boas Práticas Ambientais" Award – Recognition from FEAM and FIEMG

2017 – "World Steel Association": Biggest World Award (Belgium)

CLIENTS

Action Plan
CONTINUOUS IMPROVEMENT OF CUSTOMER SATISFACTION
Customer satisfaction survey, identifying your wants and needs
"Usiminas in the Vision of the Client" Report
General Customer Satisfaction Index

Clients

Customer Satisfaction, Awards and Recognition

USIMINAS

AWARDS AND RECOGNITION

Whirlpool Supplier Award Quality Excellence 2019

Latin American Quality Awards 2019 - Latin American Excellence Model

Top Supplier Ford – Raw Material and Stamping 2018

Gestamp Supplier Quality – Excellence Award 2017

MotoHonda Supplier – Excellence in Quality and Delivery 2017

Mercedes Benz award for environmental responsibility 2017

2015 *REI Award*

Ranking of the "100 most Innovative Companies in Brazil"

Toyota Global Suppliers Award

Auto Data Quality Ranking and Partnership 2015

PSA Peugeot-Citroen Award

MAIN SUPPLIER FOR THE AUTOMOTIVE MARKET

Ford
FCA FIAT CHRYSLER AUTOMOBILES
TOYOTA
GM
HONDA
NISSAN
HYUNDAI
Mercedes-Benz
SCANIA
PSA PEUGEOT CITROËN
RENAULT
MAN

USIMINAS

RESULTS

CRISE
Deterioration of results
Loss of Market Cap.
Furnace shutdown

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

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

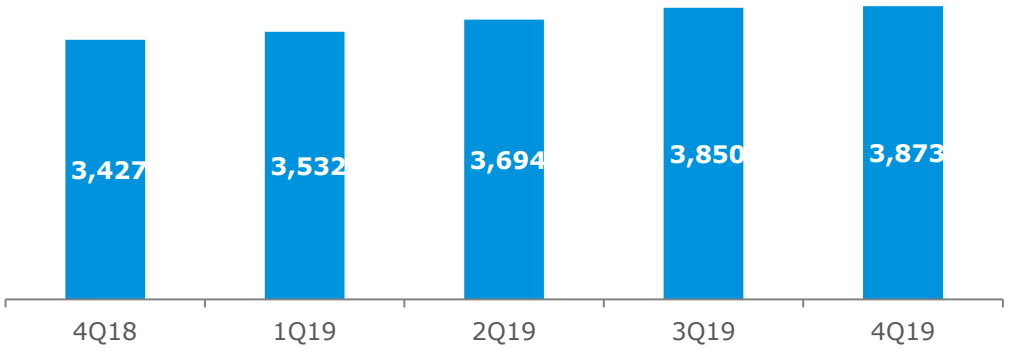
CONSTRUCTION OF THE FUTURE
Retrieval of AF1 in Ipatinga
Retake of ITM Flotation and ITM Leste in Itatiauçu
New products
Improvements for customers
"Exploring Opportunities" and "Vale do Vale"

Results

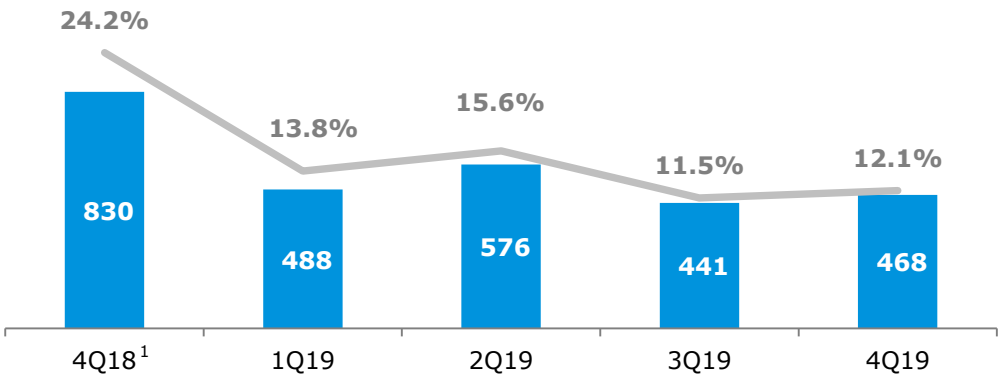
(R$ Million, except otherwise indicated)

USIMINAS

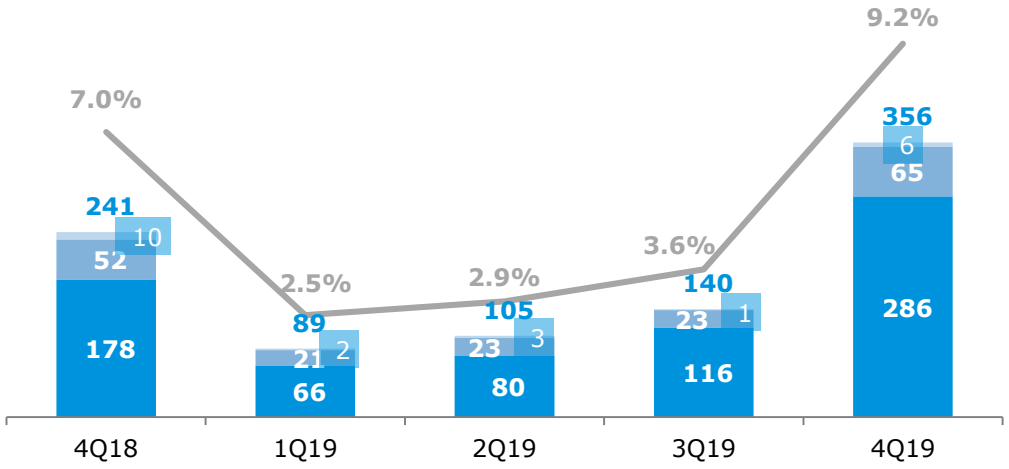
Net Revenues



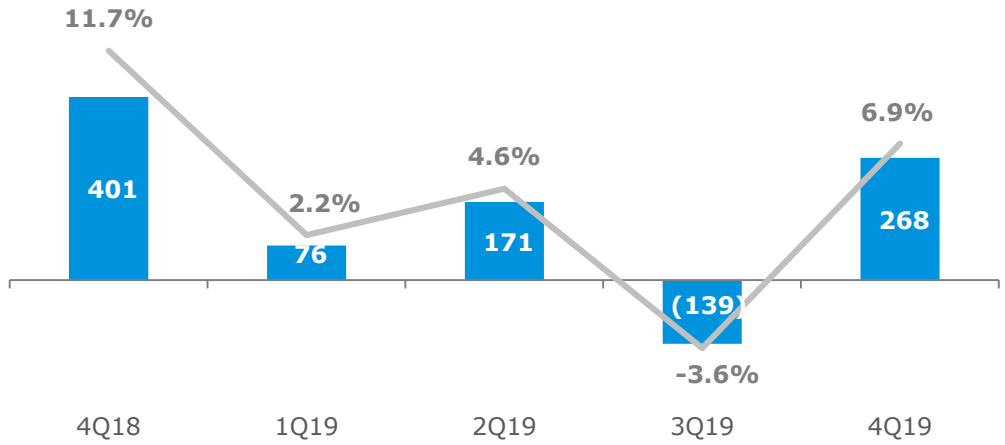
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



Net Income and Net Margin



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

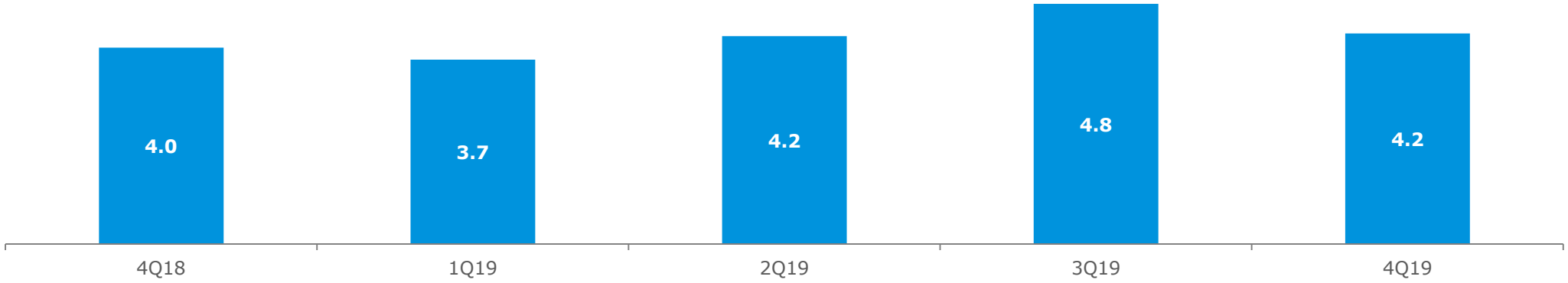
Classificação da informação: Pública

Results

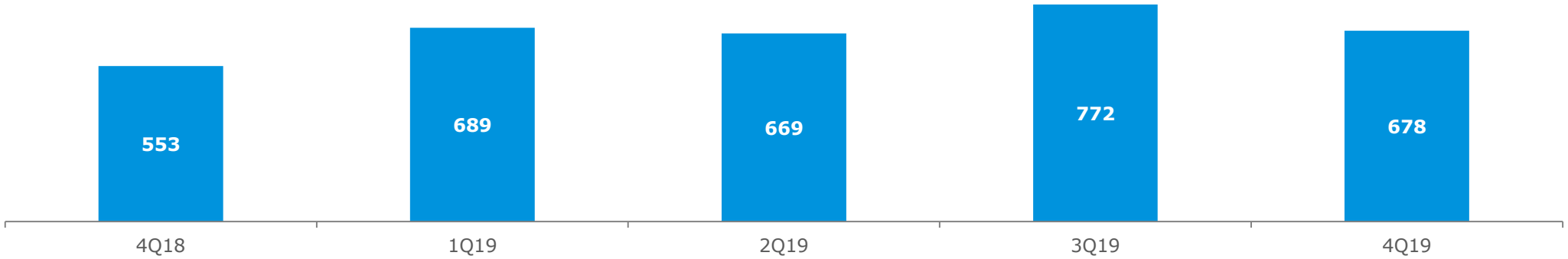
Financial Results

USIMINAS

Working Capital (R$ Billion)



Working Capital – Steel inventories (Thousand tons)



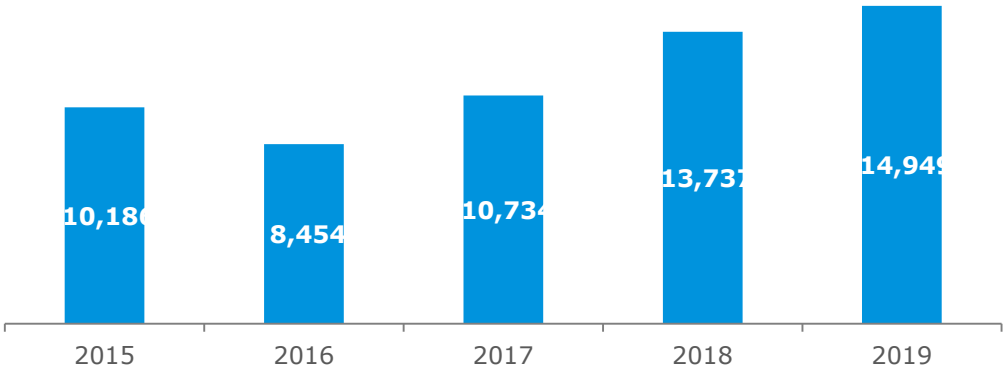
	4Q18	1Q19	2Q19	3Q19	4Q19
Days in Inventory	**50**	**62**	**57**	**69**	**62**

Results

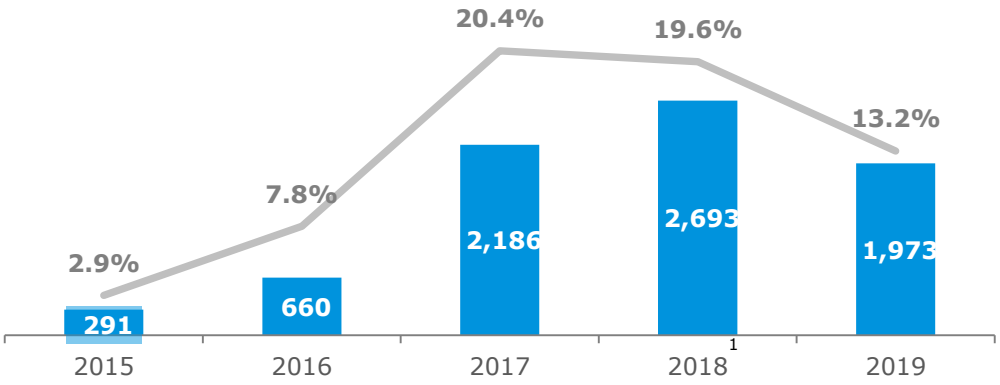
Annual (R$mm, except otherwise indicated)

USIMINAS

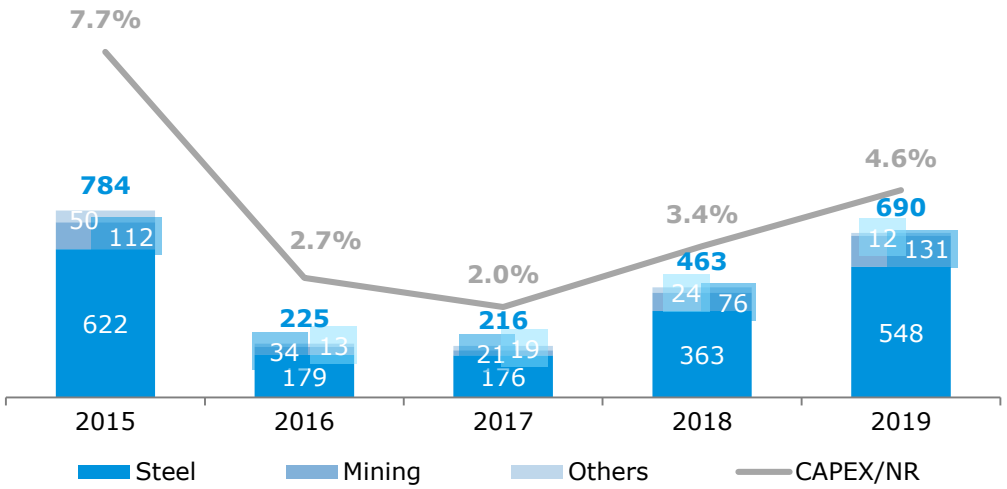
Net Revenues



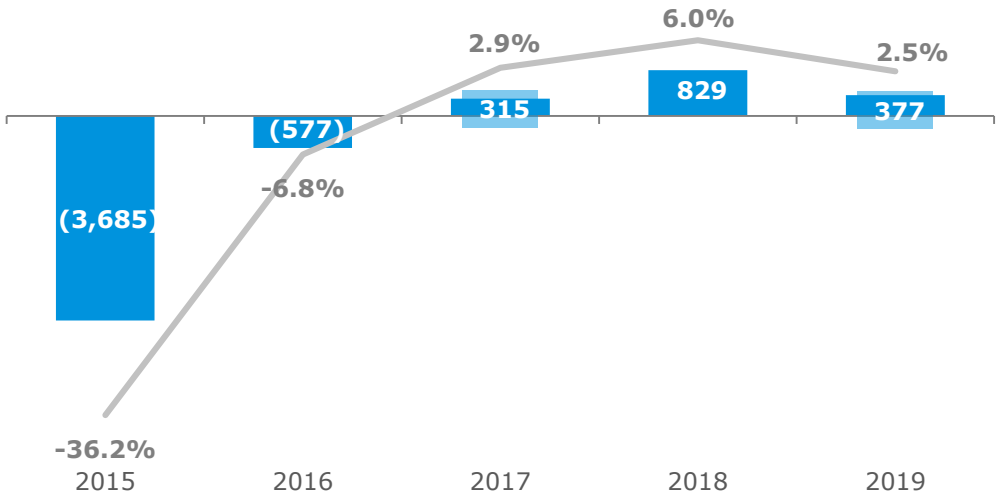
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



Net Income and Net Margin



[1] *Non-recurring effect of R$ 401 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R$418 Mi), Amounts Receivable – Eletrobras (R$ 186 Mi), PDD (R$ 42 Mi Negative) e Other Non-recurring (R$162 Mi negative)*

Classificação da Informação: Pública

Financial Restructuring

USIMINAS

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

Capital Increase

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

Debt Renegotiation

Creditors Involved

Banco do Brasil, Itaú, Bradesco, BNDES, JBIC, Mizuho, SMBC, MUFG, Debentures Holders

R$ 6.3bn Renegotiated with no haircut

92% of Usiminas indebtedness

Tenor

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

Cost

- CDI+3% p.a.

Completion

- September 2016

Classificação da informação: Pública

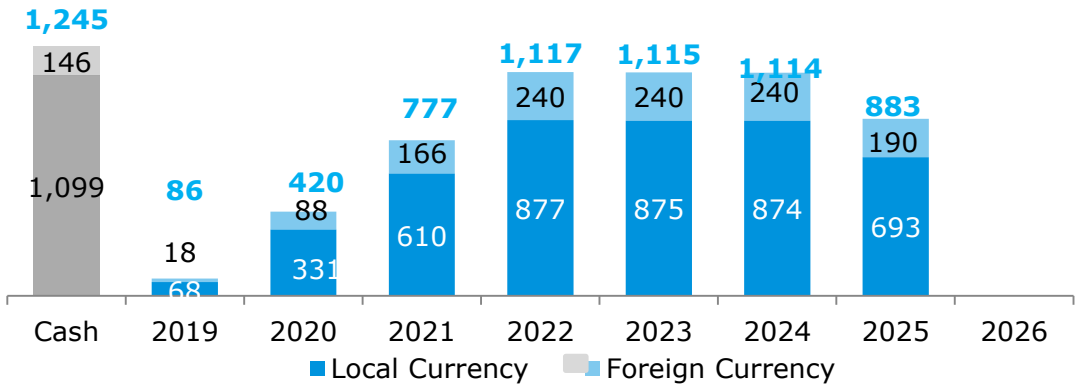
DEBT PROFILE

USIMINAS

2019 brought important events that changed the Company's debt profile

Previous Profile: 06/30/2019

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



Important Events

07/11/2019

Bonds Issuance
US$ 750 million

Maturity
7 anos

Yield
6,125% a.a.

Coupon
5,875% a.a.

Liquidation:
07/18/2019

10/16/2019

Receipt of credits due by Eletrobras

R$ 751 million

In order to prepay debt.

Liquidation:

10/21/2019

09/30/2019

Debentures Issuance
R$ 2 billion

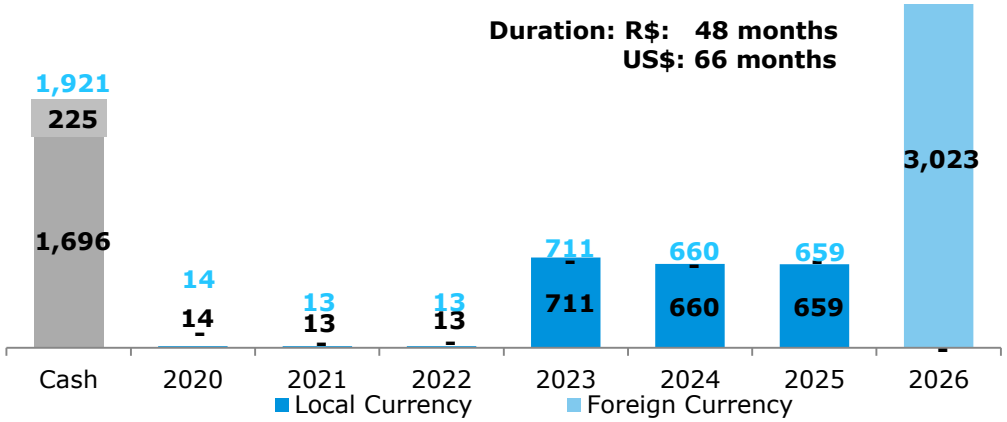
Maturity
1st Series : 2023
2nd Series : 2024 and 2025

Coupon:
1st Series: CDI + 1,7%
2nd Series: CDI +2,1%

Liquidation
10/23/2019

The New Profile (Proforma unaudited): 12/31/2019 – after bonds, debentures and Eletrobras credits

Duration: R$: 48 months
US$: 66 months



- "Cash Sweep" exclusion
- CAPEX Flexibility
- Release of Collaterals.

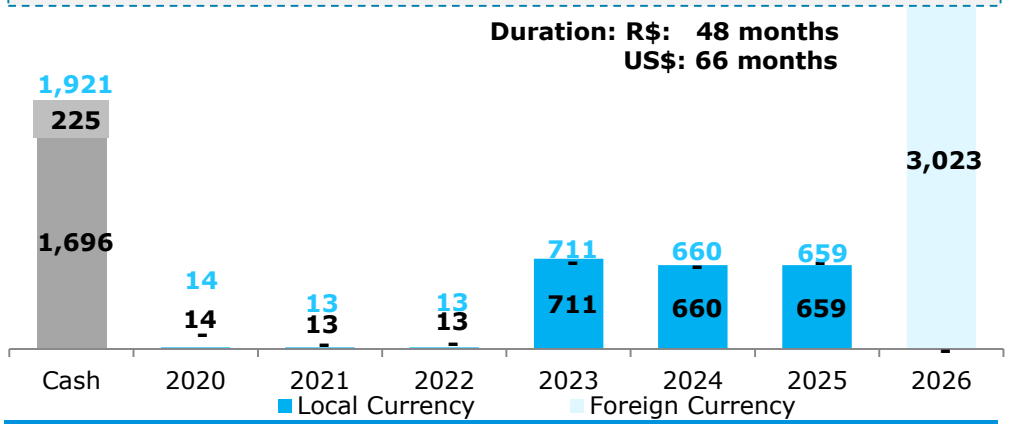
Liquidity and Indebtedness

(R$mm as of 4Q19, except otherwise indicated)

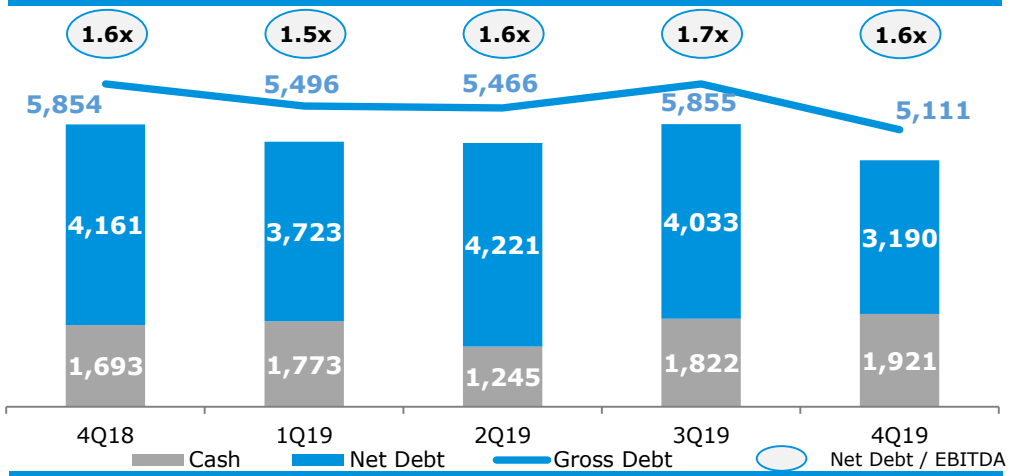
USIMINAS

Debt Repayment Schedule

Current cash position covers c.5.8 years of debt

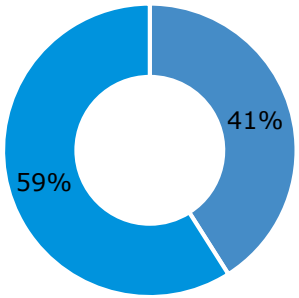


Cash Position and Indebtedness



Debt Profile by Category

Total Debt



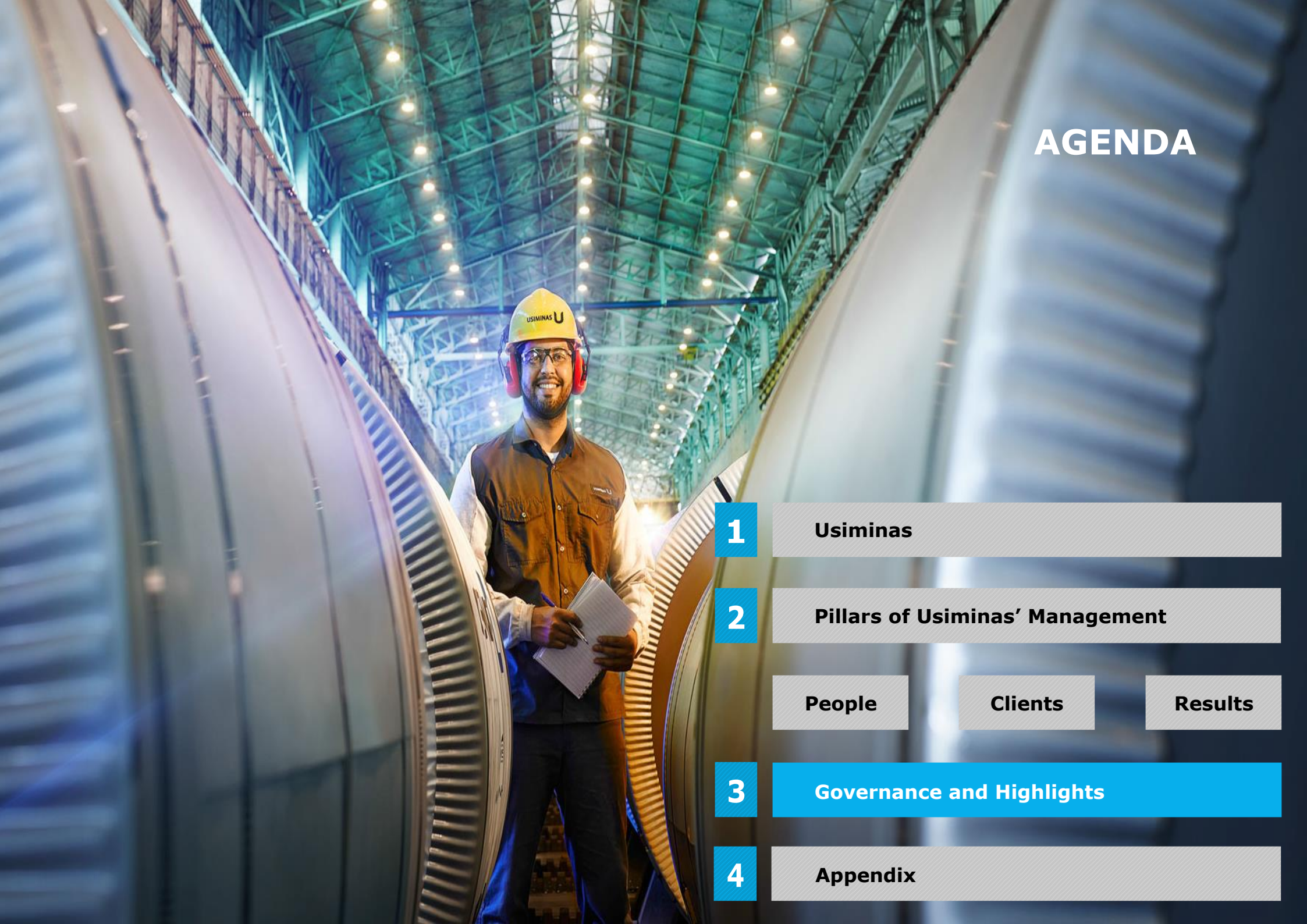
Cost of Debt

Local Currency	CDI + 1.7% CDI + 2.1%
Foreing Curency	5.875%

Credit Rating

	Global	National	Outlook
Moody's	Ba3	A2.br	Stable
S&P Global	B+	brAA	Stable
FitchRatings	BB-	A+(bra)	Stable

Classificação da informação: Pública



AGENDA

1 Usiminas

2 Pillars of Usiminas' Management

People | Clients | Results

3 Governance and Highlights

4 Appendix

Usiminas' Corporate Governance

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

New Shareholders Agreement

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

Corporate Governance Model

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

2 committees supporting the BoD:

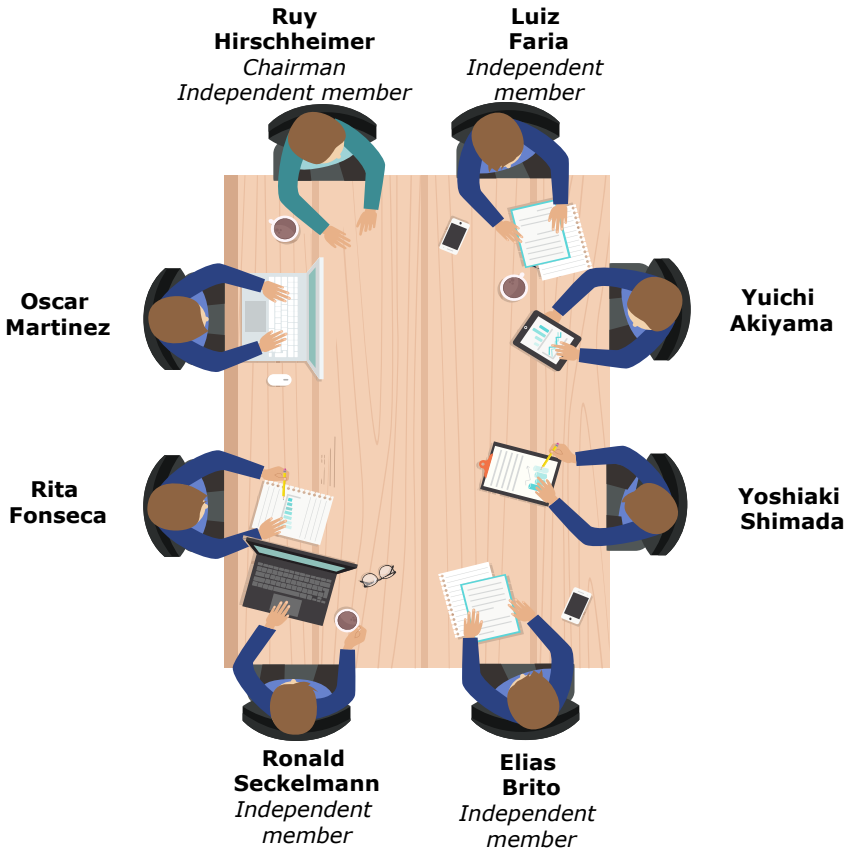
- ✓ Human Resources Committee
- ✓ Audit Committee

Permanent Fiscal Council

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

- ✓ Listing on B3 Level 1, ADR on OTC Market (New York) and Latibex exchange (Madrid)
- ✓ Improvement in quarterly reports, including the disclosure of consolidated financial statements and special audit revision
- ✓ Disclosure of an annual calendar of corporate events
- ✓ Minimum Free Float of 25%
- ✓ Evaluation of Board of Directors, Management, and Committees
- ✓ Minimum dividend payout of 25% of the net profit (after legal reserves and contingencies – in compliance with Law Nº 6,404)

Board of Directors (Current Members)



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

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

Classificação da informação: Pública

Usiminas' Corporate Governance (Cont'd)

USIMINAS

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

Integrity Program	Policies of the Brazilian Corporate Governance Code
✓ Code of Ethics and Conduct	✓ Policy of Destination of Results
✓ Anticorruption Policy	
✓ Competition Policy	✓ Policy of on the Remuneration of the Members of the Board of Officers
✓ Policy of Conflict of Interests and Transactions with Related Parties	
✓ Policy of Rewards, Gifts and Hospitalities	✓ Policy of Contracting of Extra-audit Services
✓ Policy of Sponsorship and Donations	
✓ Policy of Relationship with Third Intermediary Parties	✓ Policy of Disclosure of Information and Negotiation with Securities

Approved by the Board of Directors in October 2018

Classificação da informação: Pública

Key Investment Highlights

USIMINAS

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

2. Diversification across products and markets

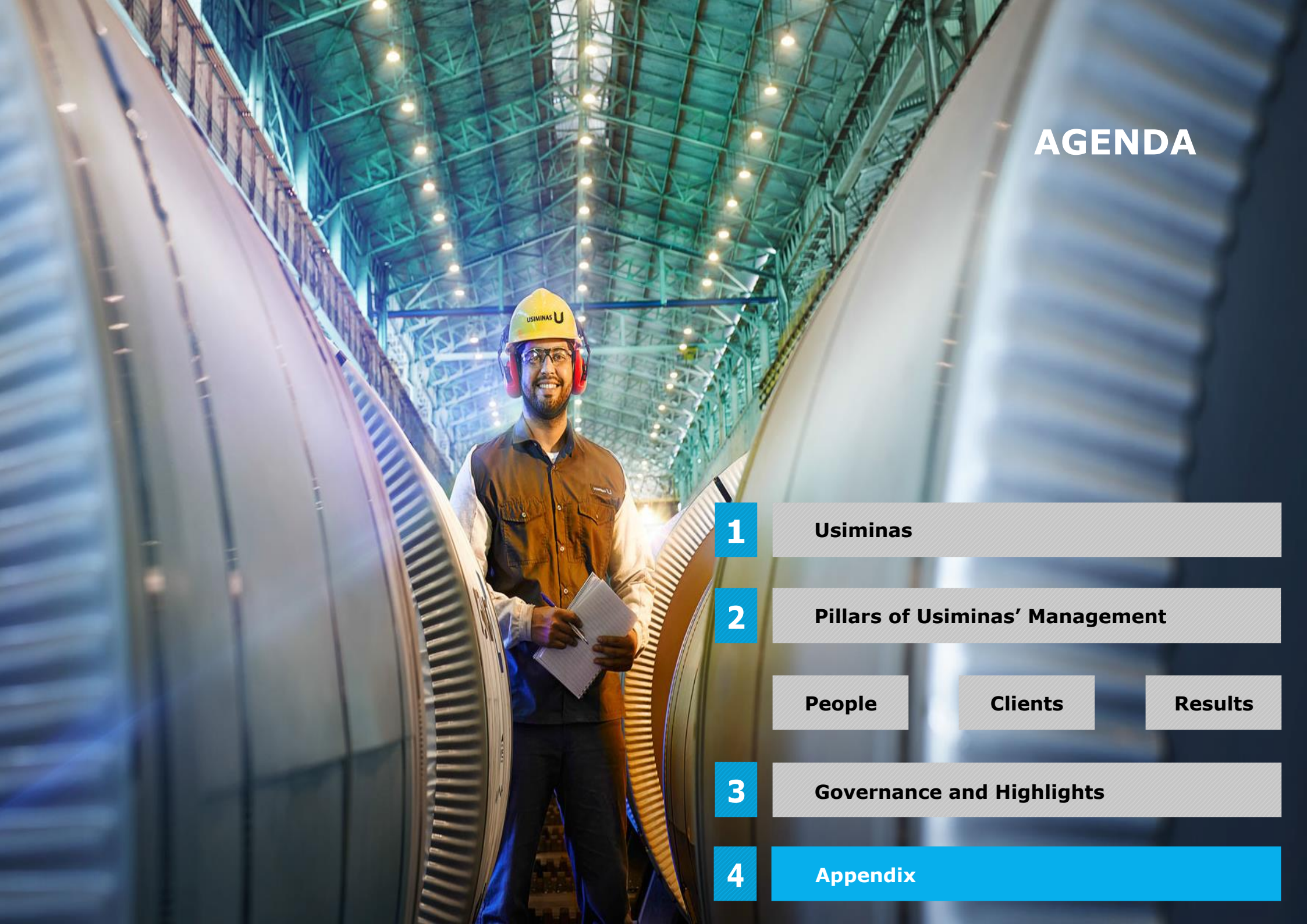
3. Assets strategically located in the country's main industrial and logistic axis in the country

4. Seasoned and specialized management team

5. Solid corporate governance

6. Culture of Employee, Social and Environmental Responsibility

Classificação da informação: Pública



AGENDA

1 Usiminas

2 Pillars of Usiminas' Management

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3 Governance and Highlights

4 Appendix

Over Half a Century of Leadership

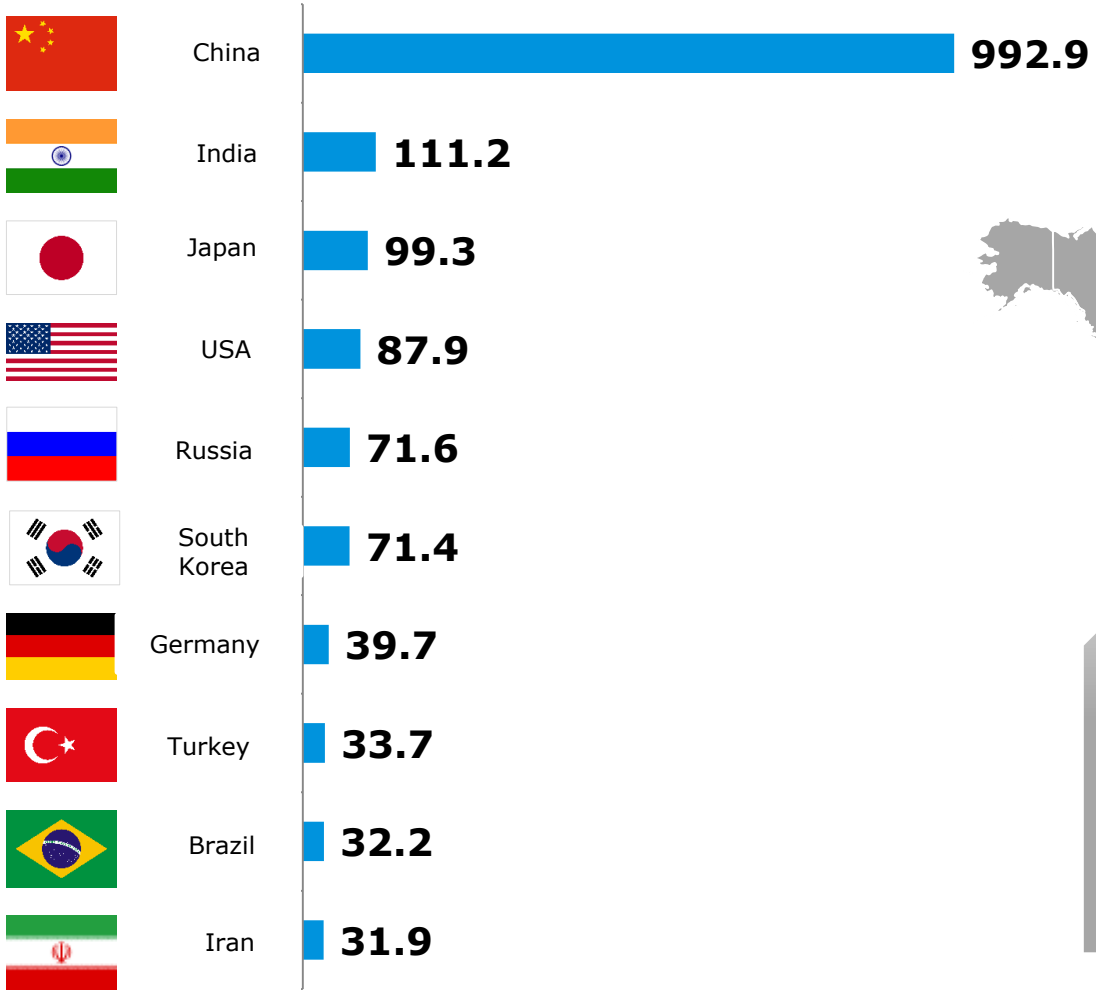
USIMINAS

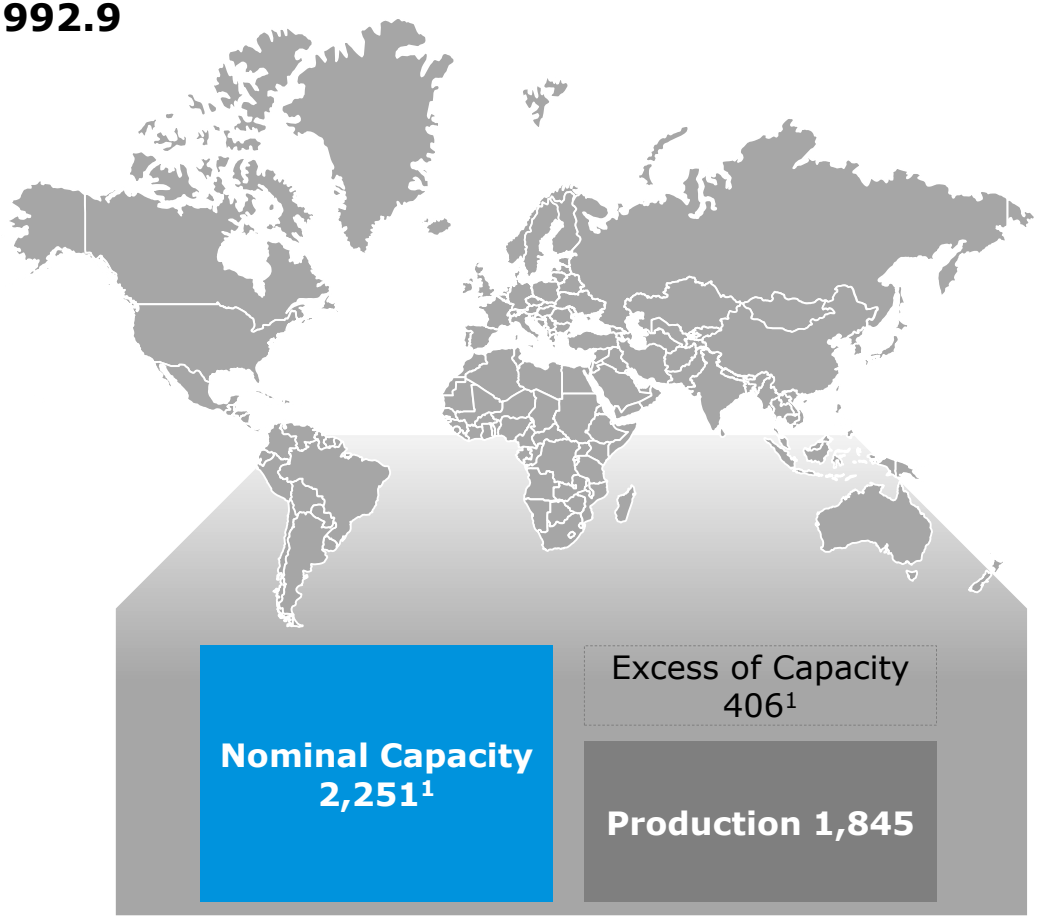
Year	Top	Bottom
1962	Operation Start Up	
1991		Usiminas privatization Listing on BOVESPA
1993	Cosipa privatization	
2001		Launch of ADR I program on the OTC Market (New York)
2005	Listing on LATIBEX stock exchange section	
2008		Acquisition of iron ore mines Acquisition of Zamprogna
2009	Creation of Soluções Usiminas One CNPJ: Usiminas incorporates Cosipa	
2010		Creation of Mineração Usiminas Acquisition of Codeme and Metform stake
2011	Selling of Ternium stake Joint Mining Agreements with MBL e Ferrous	
2012		Entrance of Ternium / Tenaris into Usiminas Control Group (New Shareholders agreement)
2013	Automotiva Usiminas Divestment	
2014		Friables Project conclusion on Mining
2016	Temporary shutdown of the primary areas in Cubatão R$ 1 billion capital increase Debt Renegotiation	
2017		R$ 1 billion Mineração Usiminas' capital reduction
2018		
2019	Implementation of codes and policies through an Integrity Program	US$ 750 million bond issue and R$2 billion debenture issue. Release of Debt Covenants

Classificação da informação: Pública

World Crude Steel Market in 2019

(Million tons)





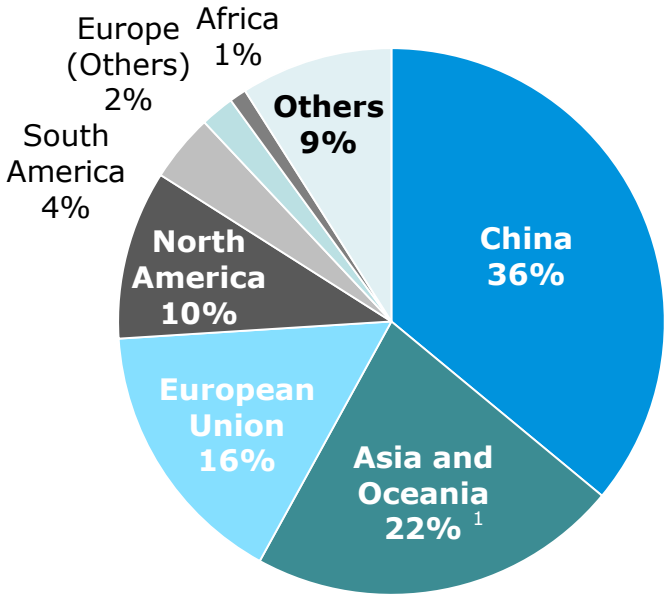
Source: World Steel Association / OECD

[1] Latest data available as of 2017.

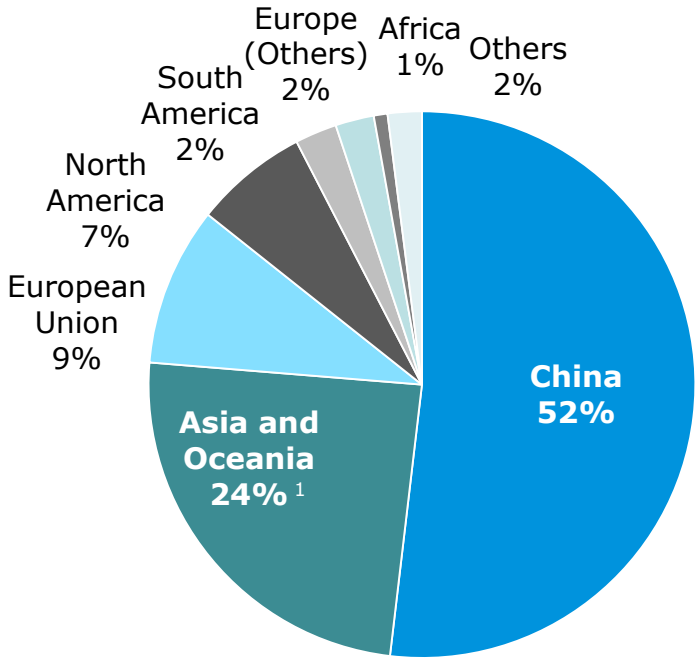
World Crude Steel Production

USIMINAS

2007



2018



1,348 million tons → **+34%** → **1,809 million tons**

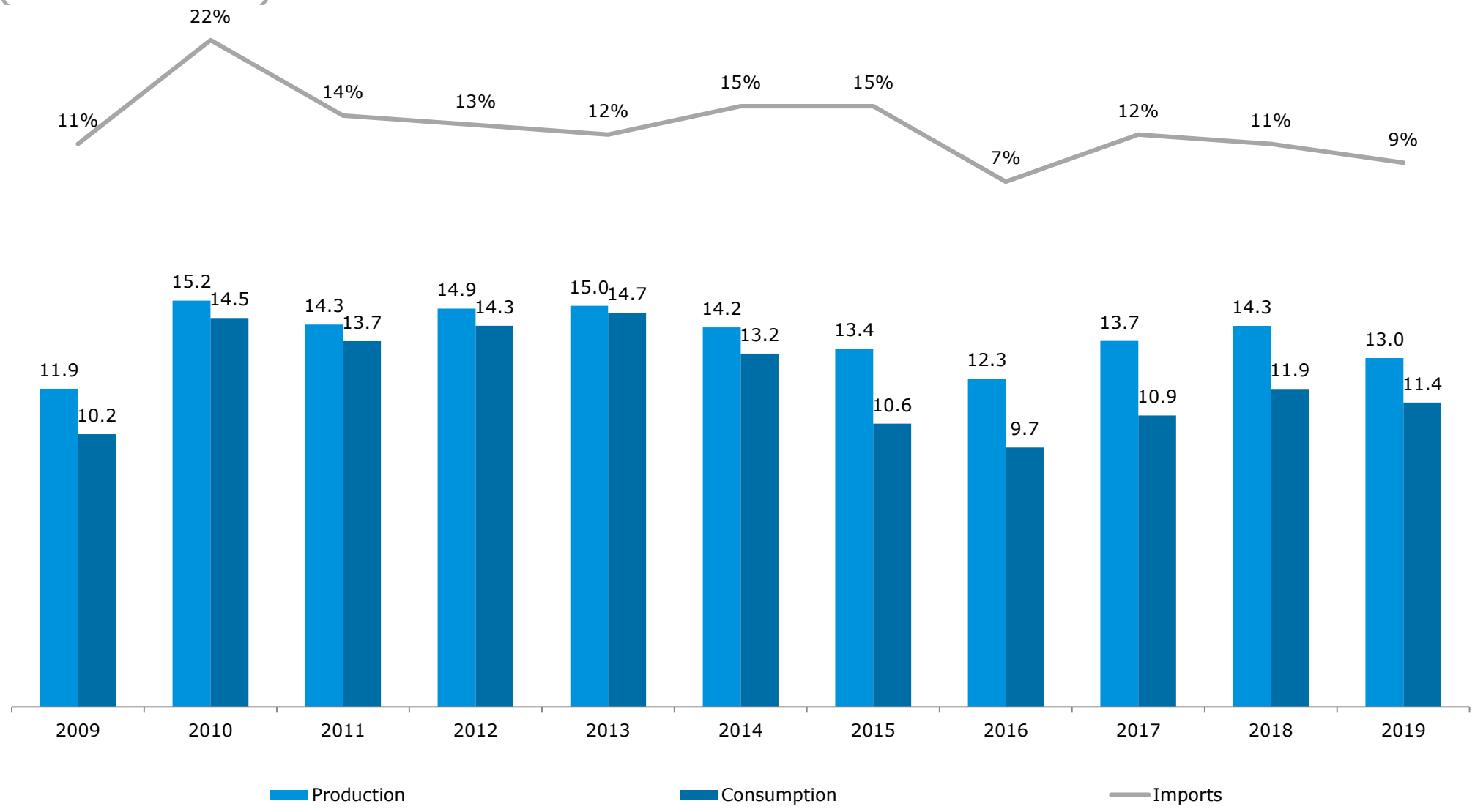
Source: World Steel Association and Company's 1Q19 Institutional Presentation (available at ri.usiminas.com/enu/download-center)

[1] Except China.

Classificação da informação: Pública

Brazilian Flat Steel Market

(Million tons)



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

Classificação da informação: Pública

Key Investment Highlights

USIMINAS

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

2. Diversification across products and markets

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

4. Seasoned and specialized management team

5. Solid corporate governance

6. Culture of Employee, Social and Environmental Responsibility

Classificação da informação: Pública

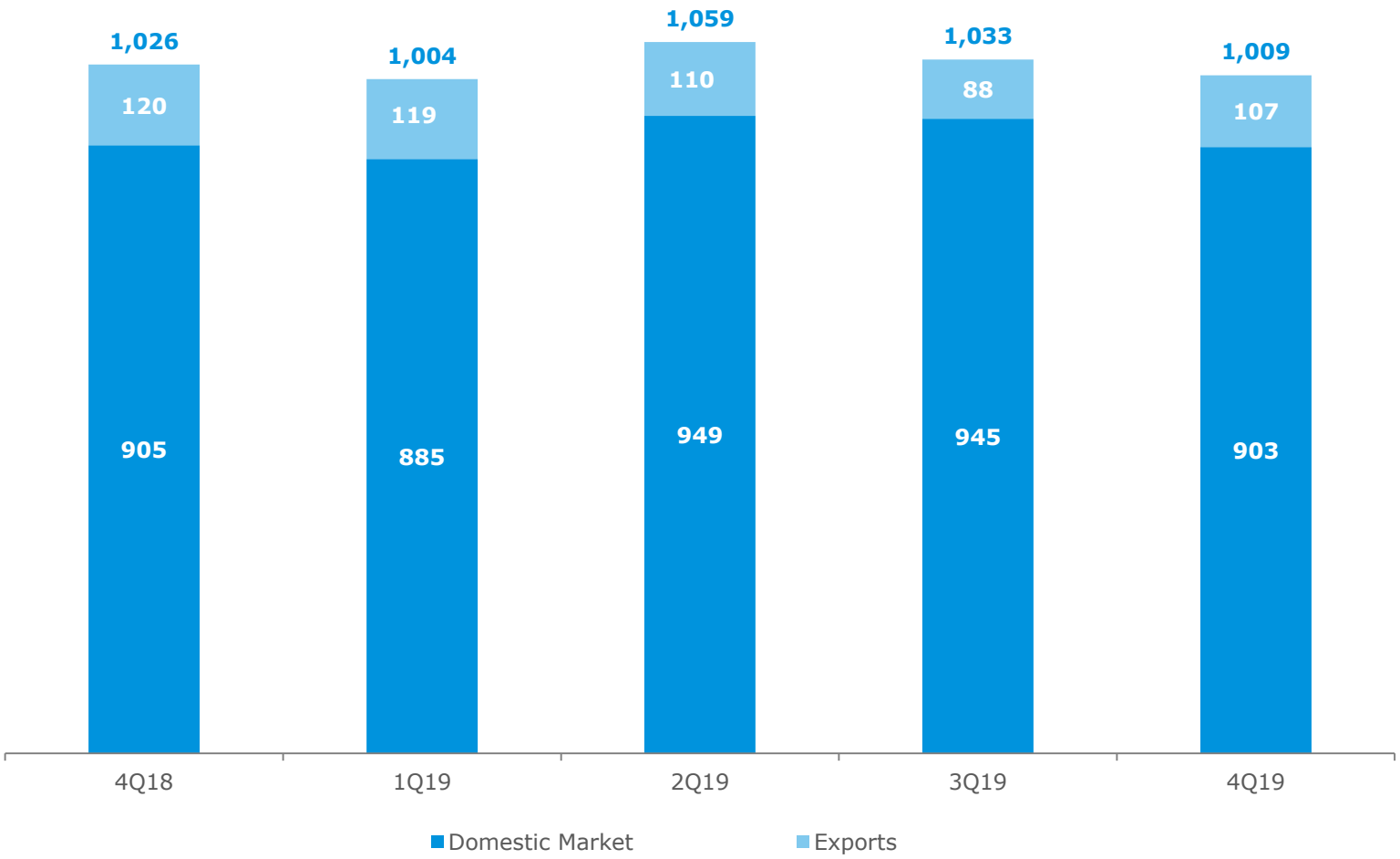
1

Leading Position in the Brazilian Steel Market, with Presence in Strategic International Markets

USIMINAS

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

Sales Volumes – Steel – (Thousand Tons – Quarterly)



Awards Received

Ford
Top Supplier Award 2018 (Raw Material and Stamping)

Gestamp
Quality Excellence Award

FCA
FIAT CHRYSLER AUTOMOBILES
Best Raw Material Supplier Award

Classificação da informação: Pública

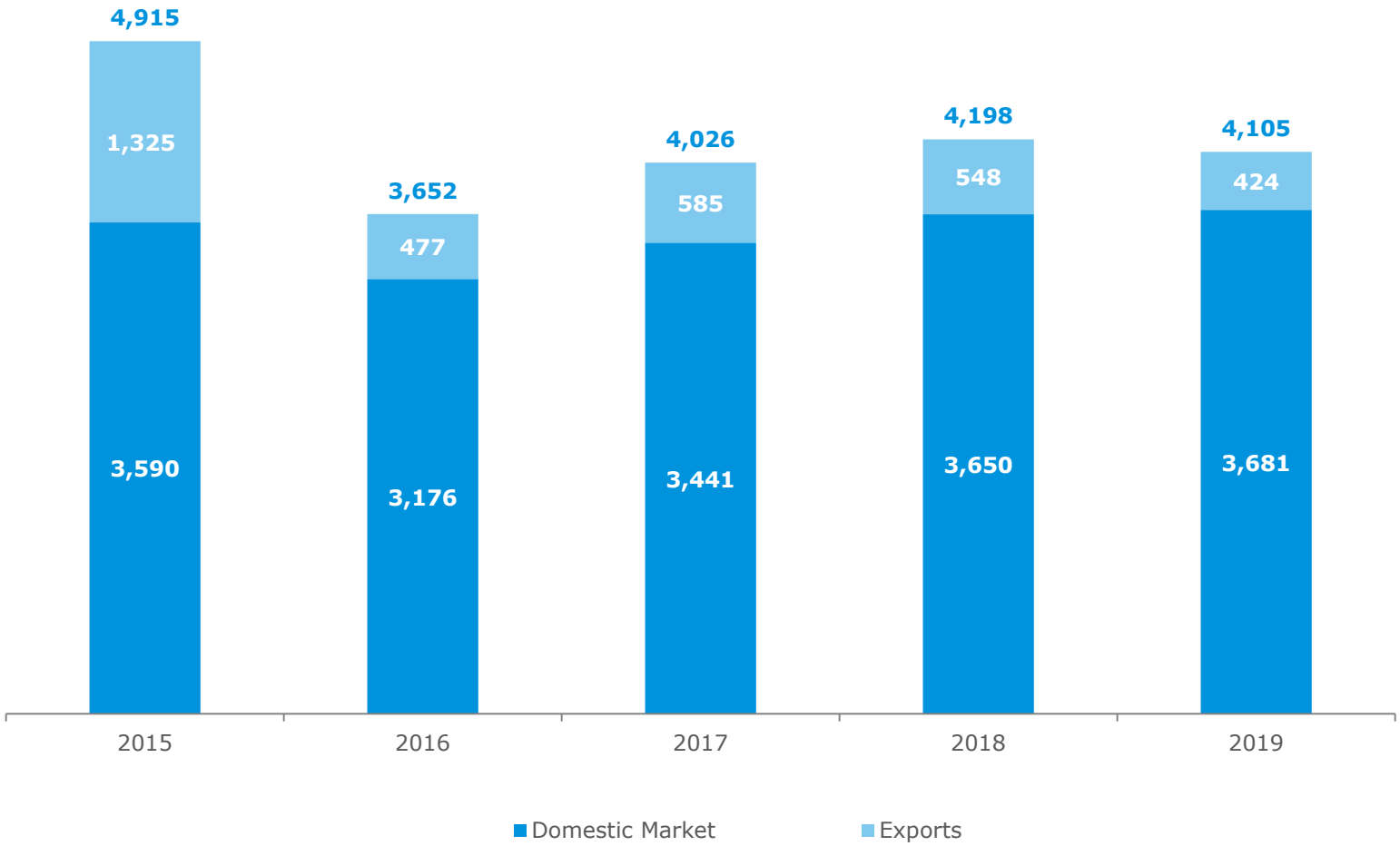
1

Leading Position in the Brazilian Steel Market, with Presence in Strategic International Markets

USIMINAS

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

Sales Volumes – Steel – (Thousand Tons – Yearly)



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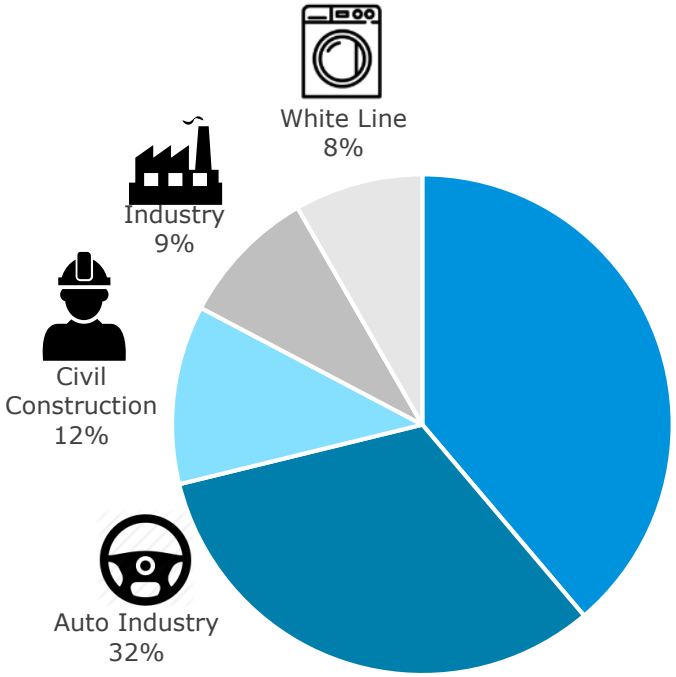
Classificação da informação: Pública

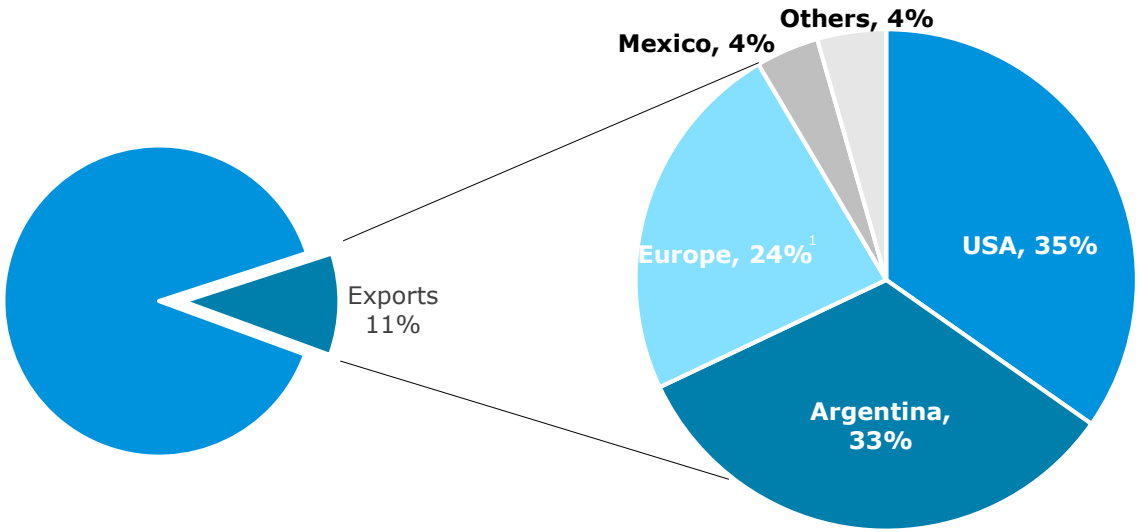
Diversification Across Products and Markets

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

End Markets Share of Volume, 4Q19



Revenues by Country Share of Net Revenue, 4Q19



[1] *Europe includes: Germany, UK, Spain, Belgium, Portugal, Switzerland and Netherlands*
[2] *Other includes: Colombia, Paraguay and Bolivia.*

Classificação da informação: Pública

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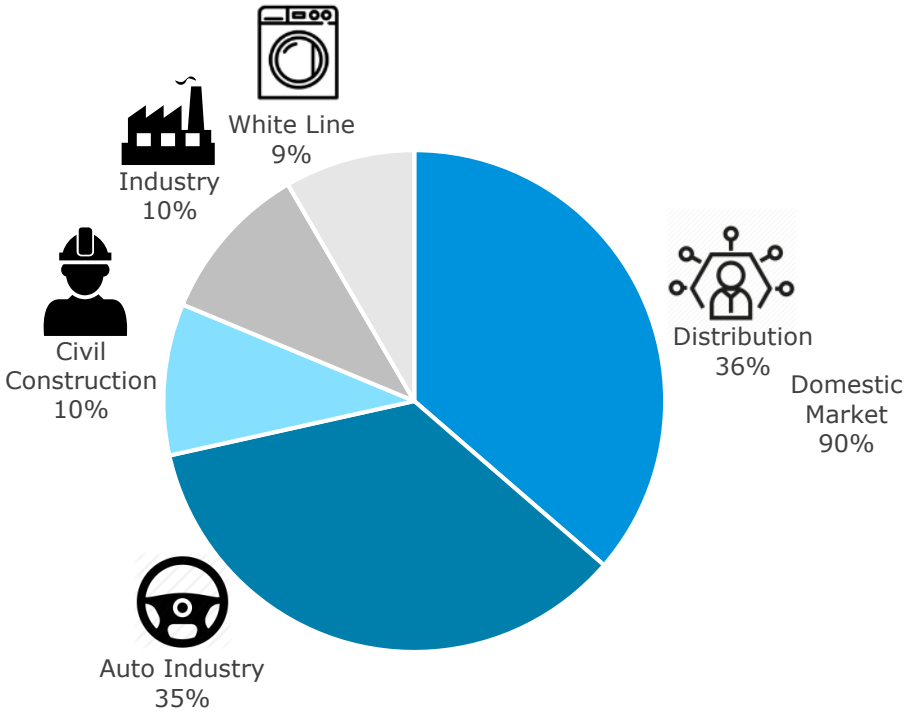
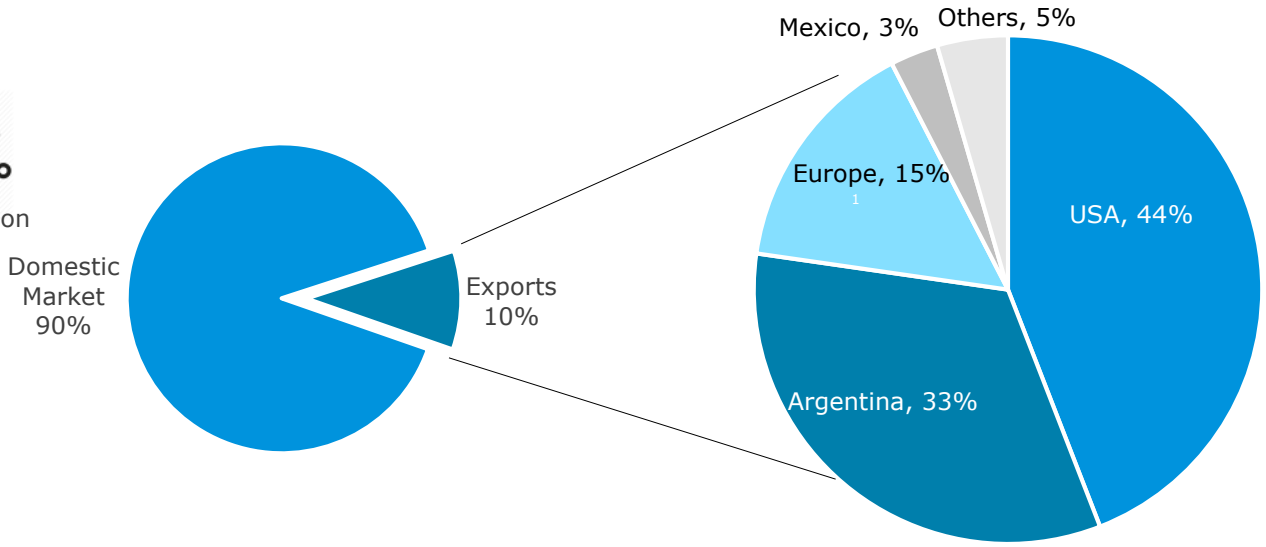


Revenues by Country Share of Net Revenue, 2019



[1] *Europe includes: Germany, Belgium, Spain, UK, Portugal, Switzerland, Italy, Netherlands and Luxembourg.*
[2] *Other includes: Colombia, USA, Mexico, Vietnam and Bolivia.*

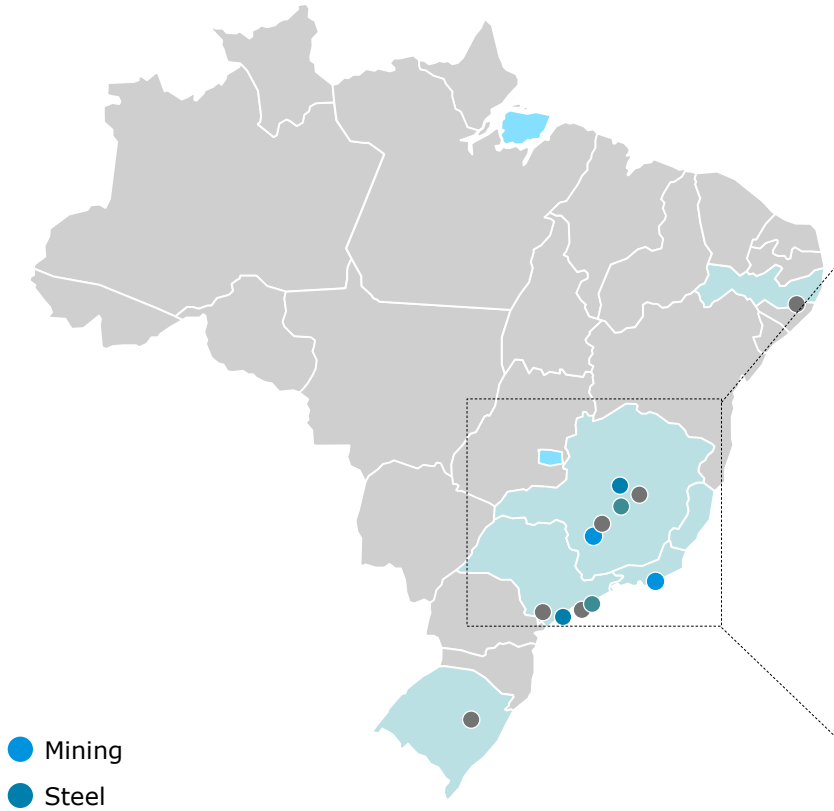
Classificação da informação: Pública

3

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

USIMINAS

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



- Mining
- Steel
- Steel Processing
- Capital Goods

Classificação da informação: Pública

Seasoned and Specialized Management Team

USIMINAS

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

Sergio Leite de Andrade
CEO

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

Takahiro Mori
Corporate Planning Vice President Officer

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

Alberto Akikazu Ono
CFO and IR Vice President Officer

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

Kohei Kimura
Technology and Quality Vice President Officer

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

Tulio Cesar do Couto Chipoletti
Industrial Vice President Officer

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

Miguel Angel Homes Camejo
Commercial Vice President Officer

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

Classificação da informação: Pública

5

Solid Corporate Governance

USIMINAS

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

Integrity Program	Policies of the Brazilian Corporate Governance Code
✓ Code of Ethics and Conduct	✓ Policy of Destination of Results
✓ Anticorruption Policy	
✓ Competition Policy	✓ Policy of on the Remuneration of the Members of the Board of Officers
✓ Policy of Conflict of Interests and Transactions with Related Parties	
✓ Policy of Rewards, Gifts and Hospitalities	✓ Policy of Contracting of Extra-audit Services
✓ Policy of Sponsorship and Donations	
✓ Policy of Relationship with Third Intermediary Parties	✓ Policy of Disclosure of Information and Negotiation with Securities

Approved by the Board of Directors in October 2018

Classificação da informação: Pública

Culture of Employee, Social and Environmental Responsibility

USIMINAS

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

Employee

Investments in professional training and safety prove the ongoing commitment to the qualification, development and life of our people

More than 70 training hours per employee provided in 2018

400 leaders participating in the Trilha da Liderança (Leading path program)

100% of our employees were assessed in 2018

"Mãos Seguras" Hand safety program awarded by the **World Steel Association,** in the **Safety Excellence Category**

Social

The company's sponsorship policy planned and executed by the Institute favors projects that promote inclusion, training and human development

150 thousand people attended **Instituto Cultural Usiminas** shows

46 social, cultural and sports projects sponsored in **Minas Gerais** and **São Paulo**

28 thousand visits to the **Hospital Marcio Cunha Rehabilitation Center**

976 scholarships **in the Colégio São Francisco Xavier**

Environmental

We believe that innovation and sustainability are essential to ensure that we continue to do business and stay competitive

1.87 million tons of recycled materials **reused**

19.000 tree saplings of different species were cultivated within the **Green Areas** program

935 springs recovered by the **Caminhos do Vale** program

96% of the water used in the steel making process is recirculated on Usiminas steel plants

Classificação da informação: Pública

Rating Agencies' Views

USIMINAS

Comments from latest available rating reports

S&P Global Ratings

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

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

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

Moody's

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

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

FitchRatings

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

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

Income Statement – Per Business Unit

USIMINAS

(R$mm, except otherwise indicated)

Income Statement per Business Units - Non Audited – Quarterly												
R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	4Q19	3Q19	4Q19	3Q19	4Q19	3Q19	4Q19	3Q19	4Q19	3Q19	4Q19	3Q19
Net Revenue	575,0	554,9	3.059,7	3.241,8	936,3	984,8	125,7	127,3	(823,9)	(1.059,0)	3.872,9	3.849,8
Domestic Market	116,9	177,4	2.722,5	2.985,7	936,1	984,7	125,7	127,3	(823,9)	(1.059,0)	3.077,5	3.216,0
Exports	458,1	377,6	337,2	256,1	0,2	0,1	-	-	-	-	795,4	633,7
COGS	(370,6)	(329,0)	(3.025,0)	(3.027,5)	(884,1)	(937,5)	(130,9)	(117,9)	833,9	1.038,0	(3.576,6)	(3.374,0)
Gross Profit (Loss)	204,4	226,0	34,7	214,3	52,2	47,3	(5,1)	9,3	10,1	(21,0)	296,3	475,8
Operating Income (Expenses)	(37,0)	(69,2)	(81,0)	(225,0)	(26,6)	(22,6)	(4,5)	(15,2)	(4,2)	(2,9)	(153,2)	(334,9)
Selling	(36,8)	(33,2)	(24,5)	(24,5)	(10,5)	(11,0)	(3,4)	(4,0)	(1,2)	(1,1)	(76,4)	(73,8)
General and Administrative	(5,6)	(6,3)	(95,2)	(74,8)	(13,9)	(14,4)	(7,5)	(6,5)	3,8	4,0	(118,4)	(97,9)
Other Operating Income (expenses), Net	5,4	(29,8)	38,7	(125,7)	(2,2)	2,8	6,4	(4,7)	(6,9)	(5,8)	41,6	(163,1)
EBIT	167,4	156,7	(46,3)	(10,7)	25,6	24,7	(9,6)	(5,8)	5,9	(23,9)	143,0	141,0
Depreciation and amortization	38,9	31,3	217,4	223,9	8,5	7,0	-	-	(8,6)	(8,6)	256,2	253,7
Equity in the results of investees	6,0	27,9	22,1	107,1	-	-	(0,0)	(0,0)	19,9	(76,8)	48,1	58,3
EBITDA (Instruction CVM 527)	**212,3**	**216,0**	**193,2**	**320,4**	**34,1**	**31,6**	**(9,6)**	**(5,9)**	**17,2**	**(109,2)**	**447,3**	**452,9**
EBITDA Margin	**36,9%**	**38,9%**	**6,3%**	**9,9%**	**3,6%**	**3,2%**	**-7,6%**	**-4,6%**	**-2,1%**	**10,3%**	**11,6%**	**11,8%**
Adjusted EBITDA	**209,4**	**188,1**	**184,5**	**213,2**	**34,1**	**31,6**	**(9,6)**	**(5,8)**	**50,1**	**14,1**	**468,4**	**441,2**
Adj.EBITDA Margin	**36,4%**	**33,9%**	**6,0%**	**6,6%**	**3,6%**	**3,2%**	**-7,6%**	**-4,6%**	**-6,1%**	**-1,3%**	**12,1%**	**11,5%**

Note: All intercompany transactions are made at arm´s length basis.
**Consolidated 70% of Unigal*

Classificação da informação: Pública

Income Statement – Per Business Unit

USIMINAS

(R$mm, except otherwise indicated)

Income Statement per Business Units - Non Audited – 2019												
R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net Revenue	1.989,2	1.085,0	12.719,2	12.570,4	3.730,3	3.237,9	411,9	352,7	(3.901,9)	(3.509,2)	14.948,7	13.736,8
Domestic Market	606,8	385,8	11.443,0	10.935,1	3.729,8	3.237,5	411,9	352,6	(3.901,9)	(3.509,2)	12.289,7	11.401,7
Exports	1.382,4	699,2	1.276,2	1.635,3	0,5	0,4	-	0,1	-	-	2.659,1	2.335,1
COGS	(1.144,3)	(748,8)	(11.774,3)	(10.605,5)	(3.540,1)	(3.044,5)	(388,4)	(349,8)	3.773,0	3.226,9	(13.074,1)	(11.521,7)
Gross Profit (Loss)	844,9	336,3	944,9	1.964,9	190,2	193,4	23,5	2,9	(128,9)	(282,3)	1.874,6	2.215,1
Operating Income (Expenses)	(240,9)	(58,9)	(718,1)	(961,7)	(100,2)	(106,3)	(39,4)	(186,3)	(4,2)	(19,8)	(1.102,8)	(1.333,2)
Selling	(116,2)	(87,8)	(109,3)	(186,9)	(45,4)	(46,3)	(13,1)	(11,7)	(4,5)	(4,8)	(288,5)	(337,4)
General and Administrative	(24,4)	(26,1)	(333,1)	(334,8)	(57,3)	(57,9)	(26,9)	(35,2)	14,8	14,0	(426,9)	(440,0)
Other Operating Income (expenses), Net	(100,3)	55,0	(275,8)	(440,1)	2,5	(2,2)	0,7	(139,4)	(14,5)	(29,0)	(387,4)	(555,7)
EBIT	604,0	277,3	226,8	1.003,1	90,0	87,1	(15,9)	(183,5)	(133,1)	(302,1)	771,8	881,9
Depreciation and amortization	133,4	125,5	862,2	888,1	30,4	31,0	-	18,9	(34,3)	(34,0)	991,8	1.029,5
Equity in the results of investees	60,5	62,7	273,2	63,4	-	-	(0,1)	(0,1)	(152,9)	134,3	180,7	260,4
EBITDA (Instruction CVM 527)	**797,9**	**465,5**	**1.362,2**	**1.954,7**	**120,4**	**118,0**	**(16,0)**	**(164,6)**	**(320,2)**	**(201,8)**	**1.944,3**	**2.171,8**
EBITDA Margin	**40,1%**	**42,9%**	**10,7%**	**15,5%**	**3,2%**	**3,6%**	**-3,9%**	**-46,7%**	**8,2%**	**5,8%**	**13,0%**	**15,8%**
Adjusted EBITDA	**740,5**	**203,2**	**1.102,3**	**2.420,5**	**120,4**	**118,0**	**(15,9)**	**(21,4)**	**25,7**	**(27,3)**	**1.973,0**	**2.693,1**
Adj.EBITDA Margin	**37,2%**	**18,7%**	**8,7%**	**19,3%**	**3,2%**	**3,6%**	**-3,9%**	**-6,1%**	**-0,7%**	**0,8%**	**13,2%**	**19,6%**

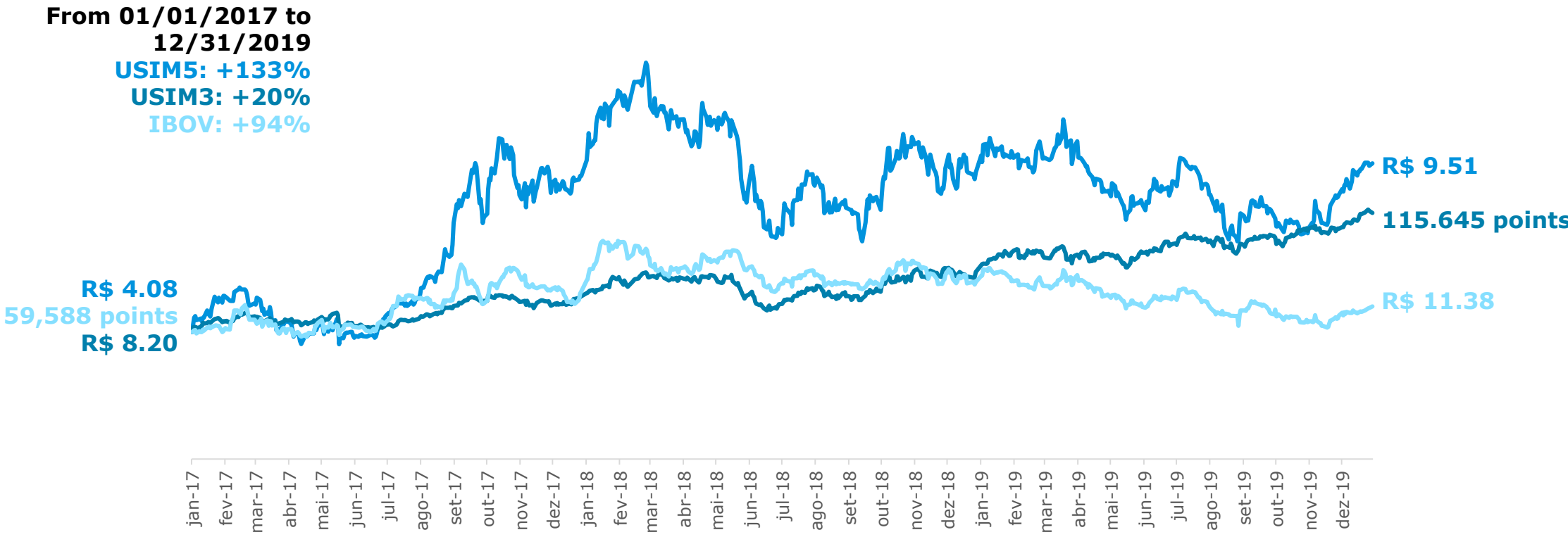
Note: All intercompany transactions are made at arm´s length basis.
**Consolidated 70% of Unigal*

Classificação da informação: Pública

Share Price Performance

USIMINAS

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



Source: Broadcast+ in 13-Feb-2020

Classificação da informação: Pública

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

Classificação da Informação: Pública

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