

Announcement: Usinas Siderurgicas de Minas Gerais S.A.

Moody's comments on Usiminas potential acquisition

Sao Paulo, January 11, 2008 -- Moody's Investors Service ("Moody's") comments on Usinas Siderúrgicas de Minas Gerais S.A. -- USIMINAS's ("Usiminas") announced ongoing negotiations to acquire Mineração J. Mendes Ltda., Somisa Siderúrgica Oeste de Minas Ltda. and Global Mineração Ltda. (collectively "J. Mendes"). Moody's expects that the potential acquisition, if concluded, would have no impact on Moody's Baa3 ratings, which already incorporated the potential acquisition of J. Mendes for a consideration in line with current market prices for iron ore resources.

From a margin volatility standpoint, the acquisition of J. Mendes would further improve Usiminas' business profile by creating a natural hedge for its iron ore costs and thus making the company virtually self-sufficient in iron ore. In Moody's view, the potential increase in Usiminas' financial leverage deriving from a debt-funded acquisition would still be commensurate with the Baa3 rating, supported by the maintenance of solid liquidity and a prudent dividend payout ratio. Please refer to Moody's credit opinion dated January 4th, 2008 at moodys.com for further information on what could change Usiminas's ratings.

Headquartered in Belo Horizonte, Brazil, the Usiminas Group (Usiminas) comprises Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS, Companhia Siderúrgica Paulista - COSIPA, and several subsidiaries operating downstream facilities. Usiminas is the largest fully integrated flat-steel manufacturer in Latin America, with production of 8.7 million tons of crude steel in the last twelve months ended September 30, 2007 using continuous casting technology. Usiminas reported consolidated net revenues of BRL 13.6 billion (USD 6,7 billion) in the twelve months ended September 30, 2007.

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