



Usiminas.
Fazer melhor sempre.

USIMINAS U

Public Disclosure - Belo Horizonte, October 26, 2018. 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 (3Q18) 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 2018 (2Q18), unless stated otherwise.

Release of the 3Q18 results

The main operational and financial indicators were:

- Steel sales volume of 1.1 million tons; highest volume since fourth quarter 2015;
- Iron ore sales volume of 1.8 million tons;
- Consolidated Adjusted EBITDA of R\$702.8 million and Adjusted EBITDA margin of 18.2%. Best Adjusted EBITDA in 8 years, excluding the effects from the agreement with Porto Sudeste in the 2Q17;
- Working capital on 09/30/18 of R\$3.5 billion;
- Cash position on 09/30/18 of R\$1.7 billion;
- Investments of R\$90.3 million.

Highlights

R\$ million - Consolidated	3Q18	2Q18	3Q17	Chg. 3Q18/2Q18	9M18	9M17	Chg. 9M18/9M17
Steel Sales Volume (000 t)	1,107	977	1,016	13%	3,173	2,935	8%
Iron Ore Sales Volume (000 t)	1,768	1,386	904	28%	4,960	2,176	128%
Net Revenue	3,862	3,204	2,737	21%	10,310	7,657	35%
COGS	(3,217)	(2,621)	(2,379)	23%	(8,471)	(6,437)	32%
Gross Profit (Loss)	644	583	358	11%	1,839	1,221	51%
Net Income (Loss)	289	(19)	76	-	427	360	19%
EBITDA (Instruction CVM 527)	686	497	444	38%	1,804	1,683	7%
EBITDA Margin (Instruction CVM 527)	18%	16%	16%	+ 2 p.p.	18%	22%	- 4 p.p.
Adjusted EBITDA	703	519	453	35%	1,863	1,735	7%
Adjusted EBITDA Margin	18%	16%	17%	+ 2 p.p.	18%	23%	- 5 p.p.
Investments (CAPEX)	90	67	52	35%	222	109	103%
Cash and Cash Equivalents	1,682	1,104	2,138	52%	1,682	2,138	-21%

Market Data – 09/30/18

B3: **USIM5 R\$8.32/share**
 USIM3 R\$11.37/share

EUA/OTC: **USNZY US\$2.07/ADR**

LATIBEX: **XUSI €1.82/share**
 XUSIO €2.64/share

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Economic Outlook

Economic activity indicators in the 3Q18 suggests the weak pace of economic growth in Brazil. Industrial production declined 0.3% in August, without signaling any advance over the levels before the highway transportation strike. Other indicators, such as retail sales and service sector revenues also suggest irrelevant progress in activity. The confidences indices have continued to decline since the 1Q18, partly due to political uncertainty, partly already reflecting the perception of a slowdown in demand with inventory levels above planned levels for the 3Q18.

Within industrial production, steel intensive consumption segments have shown above average performance. While industry as a whole showed 2.5% growth in the accumulated rate through August, capital goods production advanced 9.0% and durable goods, 13.8%.

Market consensus is that GDP growth in 2018 will finish out at 1.3%, with industrial production growing 2.7%. Below is a summary of indicators with projections according to the Focus Report of 10/19/18:

Synthesis of Annual Indicators

Indicators	Focus Projection	
	2017	2018
GDP (IBGE)	1.0%	1.3%
Industrial GDP	0.0%	1.6%
Industrial Production (IBGE)	2.5%	2.7%
Inflation - IPCA	2.9%	4.4%
Interest - Selic (end of period)	7.0%	6.5%
Exchange rate R\$/US\$ - fp	3.31	3.75

Source: Focus Report 10/19/2018, Banco Central do Brasil.

Economic and Financial Performance Comments on the Consolidated Results

Net Revenue

Net revenue in the 3Q18 was R\$3.9 billion, against R\$3.2 billion in the 2Q18, a 20.5% increase, with a highlight to better steel prices and volume in the domestic market and higher export prices, as well as higher iron ore volume in the period.

Net Revenue Breakdown

	3Q18	2Q18	3Q17	9M18	9M17
Domestic Market	84%	83%	87%	83%	88%
Exports	16%	17%	13%	17%	12%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold (COGS)

COGS in the 3Q18 totaled R\$3.2 billion, against R\$2.6 billion in the 2Q18, a 22.7% increase. For further information, see the Business Unit section of this release.

Gross profit

Gross profit was R\$644.3 million in the 3Q18, against R\$582.8 million in the 2Q18, a 10.6% increase. Gross margin was 16.7%, against 18.2% in the 2Q18, as shown below:

Gross Margin

3Q18	2Q18	3Q17	9M18	9M17
16.7%	18.2%	13.1%	17.8%	15.9%

Operating Expense and Income

In the 3Q18, sales expenses were R\$74.3 million, stable in relation to those in the 2Q18, which were R\$73.7 million.

General and administrative expenses in the 3Q18 totaled R\$101.0 million, a 10.5% decrease against those in the 2Q18, which were R\$112.9 million, mainly due to lower expenses with personnel and third party services.

In the 3Q18, other operating expenses and income were a negative R\$115.6 million, against a negative R\$187.2 million in the 2Q18, a reduction of 38.2% mainly due to:

- Lower provisions for legal liabilities, which totaled R\$39.4 million in the 3Q18, against R\$98.2 million in the 2Q18, mainly related to the effect of the process referring to fines by the State of Rio Grande do Sul in function of appropriations of presumed ICMS credits in the amount of R\$62.4 million occurred in the 2Q18;
- Higher positive result of the sale of surplus electrical energy, which totaled R\$20.9 million in the 3Q18, against positive result of R\$6.7 million in the 2Q18.

These effects were partially compensated by:

- Lower result of the Reintegra Program, which totaled R\$0.4 million in the 3Q18, against R\$5.1 million in the 2Q18;
- Lower tax credits, which were R\$7.0 million in the 3Q18, against R\$9.7 million in the 2Q18. This amount concludes the process of tax recovery of PIS/Cofins taxes over the ICMS base in imports.

Thus, net operating expenses and income were a negative R\$291.0 million in the 3Q18, against a negative R\$373.7 million in the 2Q18.

In this manner, the Company's operational margin showed the following performance:

EBIT Margin

3Q18	2Q18	3Q17	9M18	9M17
9.2%	6.6%	3.9%	8.5%	8.5%

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing income tax and social contribution, financial result, depreciation, amortization and depletion, and equity in the results of Associate, Joint Subsidiary and Subsidiary Companies, not including impairment of assets. Adjusted EBITDA considers the proportional share of 70% of Unigal and other subsidiaries jointly.

EBITDA Breakdown

Consolidated (R\$ thousand)	3Q18	2Q18	3Q17	9M18	9M17
Net Income (Loss)	289,131	(19,050)	75,903	427,266	359,931
Income Tax / Social Contribution	4,587	(17,132)	16,713	61,258	110,490
Financial Result	134,391	276,578	64,961	544,743	290,836
Depreciation, Amortization	257,514	256,332	286,572	770,950	921,514
EBITDA - Instruction CVM - 527	685,623	496,728	444,149	1,804,217	1,682,771
Equity in the Results of Associate and Subsidiary Companies	(74,734)	(31,341)	(50,556)	(147,229)	(102,914)
Joint Subsidiary Companies proportional EBITDA	91,873	53,426	59,191	205,789	155,548
Adjusted EBITDA	702,762	518,813	452,784	1,862,777	1,735,405

Adjusted EBITDA was R\$702.8 million in the 3Q18, against R\$518.8 million in the 2Q18, an increase of R\$183.9 million, main due to higher steel prices and volumes in the domestic market and higher export prices, as well as higher volumes of iron ore sales in the period. Additionally, there were non-recurring effects of the provision for fines by the Rio Grande do Sul state government, which negatively impacted EBITDA in the 2Q18 by R\$62.4 million.

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

Adjusted EBITDA margin in the 3Q18 was 18.2%, against 16.2% in the 2Q18, as shown below.

Adjusted EBITDA Margin

3Q18	2Q18	3Q17	9M18	9M17
18.2%	16.2%	16.5%	18.1%	22.7%

Financial Result

In the 3Q18, net financial result was a negative R\$134.4 million, against a negative R\$276.6 million in the 2Q18, a 51% decrease, mainly due to lower depreciation on the of the Real against the Dollar occurred in the 3Q18, which was 3.8%, against a depreciation of 16.0% in the 2Q18. Exchange variation generated losses of R\$19.1 million in the 3Q18, against losses of R\$149.8 million in the 2Q18.

Below, please find a summary of the Financial Result:

Financial Result - Consolidated							
R\$ thousand	3Q18	2Q18	3Q17	Chg. 3Q18/2Q18	9M18	9M17	Chg. 9M18/9M17
Net Currency Exchange Variation	(19,118)	(149,778)	56,042	-87%	(194,377)	34,490	-
Swap Transactions Market Cap.	244	(955)	1,178	-	755	1,776	-57%
Interest on Financial Asset and Monetary Effects	25,184	23,592	97,599	7%	86,166	309,549	-72%
Other Financial Income	45,245	34,784	42,759	30%	119,533	146,392	-18%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(131,555)	(126,699)	(182,104)	4%	(390,806)	(595,699)	-34%
Other Financial Expenses	(54,391)	(57,522)	(80,435)	-5%	(166,014)	(187,344)	-11%
FINANCIAL RESULT	(134,391)	(276,578)	(64,961)	-51%	(544,743)	(290,836)	87%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-3.8%	-16.0%	4.2%	+ 12.2 p.p.	-21.0%	2.8%	- 23.8 p.p.

Equity in the Results

In the 3Q18, the results of Equity of Associate and Subsidiary Companies was R\$74.7 million, against R\$31.3 million in the 2Q18, mainly due to higher contribution of Unigal and MRS Logística and lower impact of the negative result of Codeme.

Net Profit (Loss)

In the 3Q18, the Company accounted a net profit of R\$289.1 million, against a net loss of R\$19.1 million in the 2Q18.

Working Capital

In the 3Q18, working capital was R\$3.5 billion, against R\$3.7 billion in the 2Q18, a decrease of R\$198.0 million, mainly generated by the increase in Suppliers and decrease in Other Assets, partially compensated by the increase in Accounts Receivable and Inventories:

- Increase of R\$397.0 million in Suppliers account related mainly to slab and raw materials purchases;
- Decrease in Other Assets by R\$77.0 million due to lower balance of Taxes Recoverable;
- Increase in Accounts Receivable by R\$199.0 million due to higher sales volume in the period in the Steel, the Mining and the Steel Transformation Units ;
- Increase in Inventories by R\$109.0 million mainly in function of the increment in work in progress products and increase in production costs related to higher raw materials prices.

Investments (CAPEX)

In the 3Q18, investments totaled R\$90.3 million, 35.2% higher compared to those in the 2Q18, which were R\$66.8 million. Investments were applied to sustaining CAPEX, of which 79% was made to the Steel Unit, 15% to the Mining, 2% to Capital Goods and 3% to Steel Processing Units, approximately.

Indebtedness

On 09/30/18, gross consolidated debt was R\$5.9 billion, stable in relation to 06/30/18, which was R\$5.8 billion.

In the 3Q18, the depreciation of the Real against the Dollar of 3.8% impacted the parcel of foreign currency debt, which corresponded to 22% of total debt on that date. On 09/30/18, debt composition by maturity was 0.4% short term and 99.6% long term.

Net consolidated debt on 09/30/18 was R\$4.2 billion, against R\$4.7 billion on 06/30/18, a R\$528.7 million decrease. The net debt/EBITDA ratio at the end of 3Q18 was 1.8x versus 2.3x in the 2Q18.

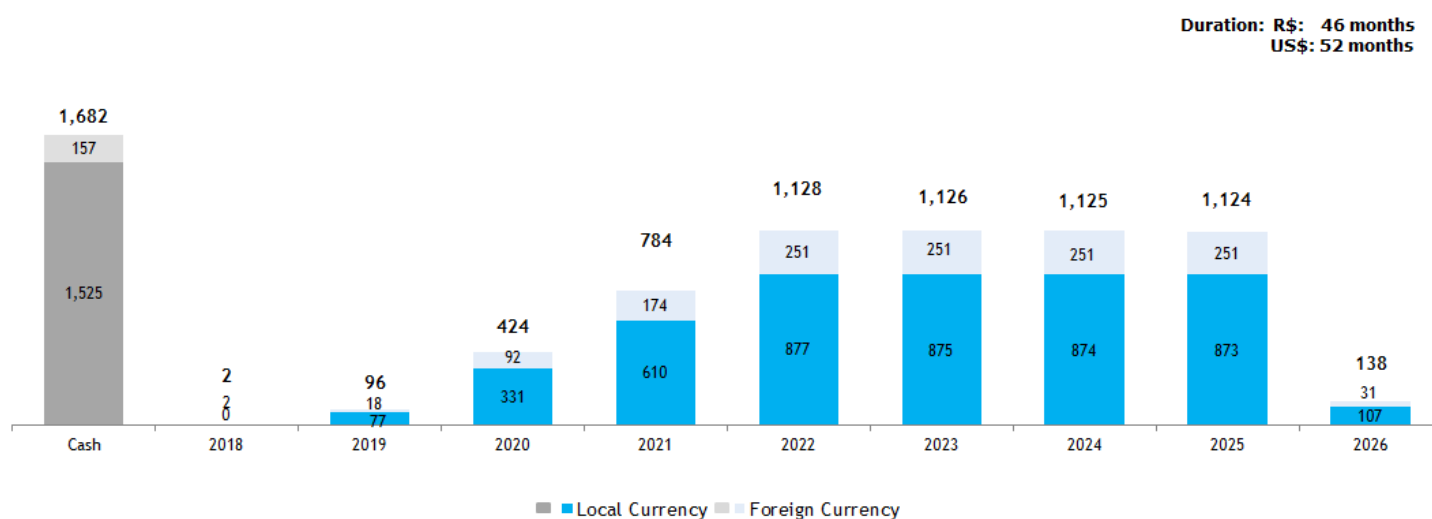
The following chart demonstrates the consolidated debt indexes:

Total Indebtedness by Index - Consolidated

R\$ thousand	30-Sep-18			%	30-Jun-18	Change Sep18/Jun18	30-Sep-17	Change Sep18/Sep17
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	21,413	4,557,066	4,578,479	78%	4,577,663	0%	5,142,153	-11%
TJLP	1,228	335,530	336,758	-	336,953	0%	377,166	-11%
CDI	12,441	4,201,275	4,213,716	-	4,214,963	0%	4,720,342	-11%
Others	7,744	20,261	28,005	-	25,747	9%	44,645	-37%
Foreign Currency*	947	1,313,364	1,314,311	22%	1,265,585	4%	1,718,242	-24%
Gross Debt	22,360	5,870,430	5,892,790	100%	5,843,248	1%	6,860,395	-14%
Cash and Cash Equivalents	-	-	1,681,875	-	1,103,612	52%	2,138,050	-21%
Net Debt	-	-	4,210,915	-	4,739,636	-11%	4,722,345	-11%

(*)100% of total foreign currency is US dollars denominated in the 3Q18

The graph below demonstrates the cash position and principal amortization profile of the debt in millions of Real on 09/30/18:



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.

Usiminas - Business Units

Mining

Steel

Steel Processing

Capital Goods

Mineração Usiminas

Ipatinga Mill
Cubatão Mill
Unigal

Soluções Usiminas

Usiminas Mecânica

Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	3Q18	2Q18	3Q18	2Q18	3Q18	2Q18	3Q18	2Q18	3Q18	2Q18	3Q18	2Q18
Net Revenue	314.8	202.1	3,440.5	2,923.6	933.4	770.6	71.0	101.6	(898.1)	(793.8)	3,861.5	3,204.1
Domestic Market	109.1	79.3	3,045.6	2,498.9	933.4	770.3	71.0	101.6	(898.1)	(793.8)	3,260.9	2,656.3
Exports	205.7	122.8	394.9	424.7	-	0.3	-	-	-	-	600.6	547.8
COGS	(209.7)	(140.2)	(2,883.2)	(2,389.8)	(875.3)	(721.1)	(83.9)	(111.0)	834.9	740.9	(3,217.2)	(2,621.3)
Gross Profit (Loss)	105.1	61.9	557.3	533.8	58.1	49.5	(12.9)	(9.5)	(63.2)	(52.9)	644.3	582.8
Operating Income (Expenses)	(53.4)	(58.4)	(202.0)	(285.5)	(25.4)	(20.0)	(11.4)	(15.2)	1.3	5.4	(291.0)	(373.7)
Selling	(23.9)	(19.1)	(36.2)	(39.0)	(10.6)	(11.2)	(2.5)	(3.2)	(1.1)	(1.1)	(74.3)	(73.7)
General and Administrative	(6.1)	(7.0)	(76.4)	(85.1)	(13.7)	(14.7)	(8.3)	(9.5)	3.4	3.4	(101.0)	(112.9)
Others, Net	(23.4)	(32.4)	(89.4)	(161.4)	(1.1)	5.9	(0.7)	(2.5)	(1.0)	3.2	(115.6)	(187.2)
EBIT	51.7	3.4	355.2	248.2	32.6	29.5	(24.3)	(24.7)	(61.9)	(47.4)	353.4	209.1
Adjusted EBITDA	82.8	33.3	577.7	470.6	40.4	37.3	(19.6)	(19.9)	21.5	(2.4)	702.8	518.8
Adj.EBITDA Margin	26.3%	16.5%	16.8%	16.1%	4.3%	4.8%	-27.6%	-19.6%	-2.4%	0.3%	18.2%	16.2%

*Consolidated 70% of Unigal

Income Statement per Business Units - Non Audited - 9M18

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	9M18	9M17	9M18	9M17	9M18	9M17	9M18	9M17	9M18	9M17	9M18	9M17
Net Revenue	768.7	318.9	9,367.4	7,219.3	2,406.8	1,830.0	285.9	236.9	(2,519.1)	(1,947.7)	10,309.8	7,657.3
Domestic Market	265.4	283.5	8,124.8	6,306.0	2,406.4	1,829.3	285.8	236.1	(2,519.1)	(1,947.7)	8,563.3	6,707.2
Exports	503.3	35.4	1,242.6	913.3	0.4	0.7	0.1	0.7	-	-	1,746.4	950.2
COGS	(528.5)	(189.2)	(7,733.1)	(6,117.7)	(2,252.4)	(1,699.4)	(268.7)	(223.8)	2,312.2	1,793.4	(8,470.6)	(6,436.7)
Gross Profit (Loss)	240.2	129.6	1,634.4	1,101.6	154.4	130.6	17.2	13.1	(206.9)	(154.3)	1,839.2	1,220.6
Operating Income (Expenses)	(168.2)	58.7	(683.1)	(492.9)	(71.5)	(71.9)	(38.2)	(59.2)	7.8	3.1	(953.2)	(562.3)
Selling	(68.3)	(13.3)	(111.9)	(119.9)	(31.7)	(34.8)	(8.9)	(9.3)	(3.4)	(3.5)	(224.2)	(180.8)
General and Administrative	(19.3)	(16.5)	(239.3)	(225.0)	(41.7)	(39.9)	(26.5)	(24.1)	10.1	9.6	(316.7)	(295.9)
Others, Net	(80.6)	88.5	(331.9)	(148.0)	1.9	2.7	(2.9)	(25.8)	1.1	(3.0)	(412.3)	(85.6)
EBIT	72.0	188.3	951.3	608.7	82.8	58.7	(21.1)	(46.1)	(199.0)	(151.2)	886.0	658.3
Adjusted EBITDA	165.2	303.9	1,616.9	1,401.0	106.2	82.5	(6.8)	(31.2)	(18.7)	(20.9)	1,862.8	1,735.4
Adj.EBITDA Margin	21.5%	95.3%	17.3%	19.4%	4.4%	4.5%	-2.4%	-13.2%	0.7%	1.1%	18.1%	22.7%

*Consolidated 70% of Unigal

I) MINING

The average international iron ore market price (Platts 62% Fe) in the 3Q18 was US\$66.68/t, maintaining stable in the quarter in relation to the 2Q18, where the average was US\$65.38/t. In relation to the 3Q17, where the average was US\$70.90/t, the price decreased 6%.

The iron ore price began the third quarter quoted at US\$63.80/t, reaching a minimum of US\$62.50/t in July and a maximum of US\$69.80/t in September. Generally speaking, the ore price in the international market has presented relative stability since April, due to supply-demand balance, perceived for the first time in the last few years.

The price spread between 65% Fe ore and 62% Fe ore increased to approximately 34% in the 3Q18, due to preference of Chinese steel mills for better quality ores, with a view to maximizing production, complying with stricter environmental policies and maintaining the high profitability observed in the last few months. Another point is the demand increase for ore with low alumina content, which has contributed to a significant appreciation of this type of material. In this scenario, MUSA (Mineração Usiminas) is well-positioned, with supply of concentrated ore and low alumina content.

For the coming years, most market analysts do not forecast excess supply of iron ore, based on present production data, which should result in lower price volatility in relation to present levels.

Operational and Sales Performance - Mining

In the 3Q18, production volume was 1.5 million tons, a 13% increase in comparison with the previous quarter. Sales volume was 1.8 million tons in the 3Q18, against 1.4 million ton in the 2Q18, mainly due to higher volume exported, higher volume to the Ipatinga plant and to other domestic customers.

Production and sales volumes are shown in the following chart:

Iron Ore							
Thousand tons	3Q18	2Q18	3Q17	Chg. 3Q18/2Q18	9M18	9M17	Chg. 9M18/9M17
Production	1,507	1,338	1,053	13%	4,206	2,423	74%
Sales - Third Parties - Domestic Market	221	136	53	63%	524	114	358%
Sales - Exports	839	681	175	23%	2,604	175	1,391%
Sales to Usiminas	708	569	676	24%	1,832	1,887	-3%
Total Sales	1,768	1,386	904	28%	4,960	2,176	128%

Comments on the Business Unit Results - Mining

Net revenue accounted in the 3Q18 was R\$314.8 million, against R\$202.1 million in the 2Q18, a 55.8% increase, mainly due to higher sales volume by 28%, higher international market prices by 2.1%, as well as average depreciation of the Real by 9.6%.

Cash cost per ton was R\$60.2/t in the 3Q18, against R\$63.3/t in the 2Q18, a 4.8% decrease, due to higher dilution of costs in function of higher production volume.

In the 3Q18, Cost of Goods Sold (COGS) was R\$209.7 million, against R\$140.2 million in the 2Q18, a 49.5% increase due to higher sales volume. COGS per ton was R\$118.4/t, 17.2% higher than that accounted in the 2Q18, which was R\$101.0/t, mainly in function of higher freights prices associated to exports.

Net operating expenses and income were a negative R\$53.4 million in the 3Q18, against a negative R\$58.4 million in the 2Q18, an 8.6% decrease, mainly due to lower personnel expenses and general expenses, partially compensated by higher sales expenses due to higher export volume, which resulted in higher loading expenses at the terminals and port facilities, besides higher port tariffs in function of an average depreciation of the Real against the Dollar of 9.6%.

Thus, Adjusted EBITDA was R\$82.8 million in the 3Q18, against R\$33.3 million in the 2Q18, a 148.7% increase. Adjusted EBITDA margin was 26.3% in the 3Q18, against 16.5% in the 2Q18.

Investments (CAPEX)

In the 3Q18, investments were R\$13.9 million, against R\$5.8 million in the 2Q18, applied to sustaining CAPEX.

II) STEEL

According to the Brazil Steel Institute, apparent flat steel consumption in Brazil was 8.5 million tons in the period January-August 2018, which represents an 11% increase compared to the first eight months of 2017. Domestic flat steel sales were 7.2 million tons, an 11.5% increase compared to the same period of the previous year, and imports were 1.0 million tons in the period, a 6.8% increase. Export sales totaled 1.7 million tons, a 17.9% decline over the volume exported in the same period of the previous year.

Inventories of the distribution network associated to INDA maintained stable at around 920 thousand tons over the 3Q18, with turnover increasing to 3.4 months at the end of the period, due to lower sales volume recorded in September, despite the increase in sales of 13.3% in the quarter (accumulated).

Production - Ipatinga and Cubatão Plants

In the 3Q18, crude steel production at the Ipatinga plant was 845 thousand tons, against 813 thousand tons in the 2Q18. In the 3Q18, rolled steel production in the Ipatinga and Cubatão plants totaled 1.07 million tons, stable in relation to the 2Q18, which was 1.06 million tons.

Production of Crude and Rolled Steel

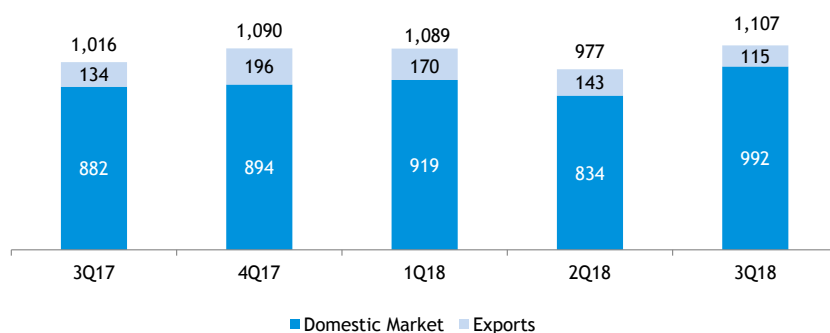
Thousand tons	3Q18	2Q18	3Q17	Chg. 3Q18/2Q18	9M18	9M17	Chg. 9M18/9M17
Total Crude Steel	845	813	760	4%	2,373	2,266	5%
Total Rolled Steel	1,066	1,058	983	1%	3,196	2,948	8%

Sales

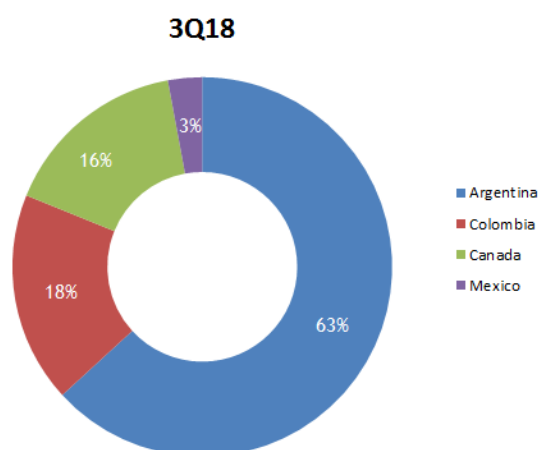
Sales totaled 1.1 million tons of steel in the 3Q18, a 13.2% increase over the 2Q18, which were 977 thousand tons. In the domestic market in the 3Q18, sales were 992 thousand tons, against 834 thousand tons in the 2Q18, an 18.9% increase. Sales to the export market were 115 thousand tons in the 3Q18, against 143 thousand tons in the 2Q18, a 19.7% decrease.

Sales volume was 90% destined to the domestic market and 10% to exports.

Sales evolution is described in the following graph:



The main export destinations and sales breakdown by product are shown below:



Sales Volume Breakdown by product

Thousand tons	3Q18		2Q18		3Q17		Chg. 3Q18/2Q18	9M18		9M17		Chg. 9M18/9M17
Total Sales	1,107	100%	977	100%	1,016	100%	13%	3,173	100%	2,935	100%	8%
Heavy Plates	149	13%	98	10%	131	13%	52%	358	11%	370	14%	-3%
Hot Rolled	320	29%	302	31%	299	29%	6%	961	30%	853	26%	13%
Cold Rolled	329	30%	320	33%	311	31%	3%	1,017	32%	915	32%	11%
Galvanized	301	27%	253	26%	264	26%	19%	815	26%	752	25%	8%
Slabs	6	1%	4	0%	11	1%	78%	20	1%	44	2%	-54%
Domestic Market	992	90%	834	85%	882	87%	19%	2,746	87%	2,547	85%	8%
Heavy Plates	117	12%	90	11%	114	13%	30%	309	11%	339	15%	-9%
Hot Rolled	298	30%	285	34%	280	29%	4%	887	32%	808	28%	10%
Cold Rolled	295	30%	230	28%	253	31%	28%	809	29%	732	30%	10%
Galvanized	275	28%	225	27%	227	26%	22%	723	26%	629	24%	15%
Slabs	6	1%	4	0%	8	1%	78%	16	1%	37	2%	-57%
Exports	115	10%	143	15%	134	13%	-20%	428	13%	388	15%	10%
Heavy Plates	32	28%	9	6%	17	13%	273%	49	11%	31	5%	59%
Hot Rolled	23	20%	17	12%	20	29%	33%	74	17%	45	20%	64%
Cold Rolled	33	29%	89	62%	59	31%	-63%	208	49%	183	40%	14%
Galvanized	27	23%	28	20%	36	26%	-5%	91	21%	123	32%	-26%
Slabs	0	0%	-	0%	3	1%	-	7	2%	7	3%	7%

Comments on the Business Unit Results - Steel

Net revenue in the Steel Unit was R\$3.4 billion in the 3Q18, 17.7% higher compared to the 2Q18, which was R\$2.9 billion, mainly due to higher sales volumes and prices in the domestic market by 18.9% and 2.3%, respectively, and better export prices by 17.0% (in Real).

In the 3Q18, cash cost per ton was R\$2,109/t, against R\$2,015/t in the 2Q18, a 4.7% increase, mainly due to higher iron ore cost by 13.6% and with coal cost by 8.9%, partially compensated by lower slab costs by 2.8%. In the 3Q18, 306 thousand tons of acquired slabs were processed, against 357 thousand tons in the 2Q18.

Cost of Goods Sold – COGS – was R\$2.9 billion in the 3Q18, against R\$2.4 billion in the 2Q18. COGS per ton was R\$2,606/t in the 3Q18, a 6.5% increase compared to those in the 2Q18, which was R\$2,447/t mainly due to the consumption of inventories of products produced in previous period, impacted by higher costs of acquired slab, coal and iron ore.

Sales expenses were R\$36.2 million in the 3Q18, 7.2% lower to those in the 2Q18, which were R\$39.0 million, mainly due to lower distribution costs associated to lower exports.

In the 3Q18, general and administrative expenses totaled R\$76.4 million, against R\$85.1 million in the 2Q18, a 10.2% decrease, mainly due to lower expenses with third party services.

Other operational expenses and income totaled a negative R\$89.4 million in the 3Q18, against a negative R\$161.4 million in the 2Q18, a 44.6% decrease, mainly due to:

- Lower provisions for legal liabilities, which totaled R\$37.2 million in the 3Q18, against R\$105.7 million in the 2Q18, mainly related to the effect of the process referring to fines by the State of Rio Grande do Sul, regarding the appropriation of presumed ICMS credits in the amount of R\$62.4 million occurred in the 2Q18;
- Higher positive result in the sale of surplus electrical energy, which was R\$18.8 million in the 3Q18, against a positive result of R\$6.7 million in the 2Q18;

These effects were partially offset by:

- Lower result of the Reintegra Program which was R\$0.4 million in the 3Q18, against R\$5.1 million in the 2Q18;
- Lower tax credits, which were R\$7.0 million in the 3Q18, against R\$9.7 million in the 2Q18.

In this manner, net operating expenses and income totaled a negative R\$202.0 million in the 3Q18, against a negative R\$285.5 million in the 2Q18.

Thus, Adjusted EBITDA reached R\$557.7 million in the 3Q18, against R\$470.6 million in the 2Q18, an R\$87.1 million increase. Adjusted EBITDA margin was 16.8% in the 3Q18, against 16.1% in the 2Q18, an increase of 0.7 percentage points.

Investments (CAPEX)

In the 3Q18, investments totaled R\$71.5 million, against R\$56.9 million in the 2Q18, applied to sustaining CAPEX.

III) STEEL PROCESSING

Soluções Usiminas – SU

Soluções Usiminas operates in the distribution and steel processing, in addition to services and small-diameter tubes fabrication markets nationwide, offering to its customers high-value added products. Present processing capacity is around 1.7 million tons of steel annually in its industrial facilities 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.

Sales of the Distribution, Services/JIT and Tubes units were responsible for 36.8%, 56.0% and 7.2% of volume sold, respectively in the 3Q18.

Comments on the Business Unit Results – Steel Processing

Net revenue in the 3Q18 was R\$933.4 million, 21.1% higher than in the 2Q18, which was R\$770.6 million, due to higher average prices in the period by 2.9%, as well as higher sales and services volume by 17,7%.

In the 3Q18, cost of goods sold was R\$875.3 million, against R\$721.1 million in the 2Q18, a 21.4% increase, in function of higher sales of products produced and/or purchased at higher costs and higher sales and services volume. COGS/t was R\$2,883/t in the 3Q18, against R\$2,796/t, a 3.1% increase.

Net operating expense and income was a negative R\$25.4 million in the 3Q18, a 27.2% increase in relation to those in the 2Q18, which were a negative R\$20.0 million, mainly due to a reversal of legal liabilities provision in the amount of R\$5.9 million occurred in the 2Q18.

Thus, Adjusted EBITDA in the 3Q18 was R\$40.4 million, against R\$37.3 million in the 2Q18, an 8.4% increase. Best Adjusted EBITDA in 8 years. Adjusted EBITDA margin was 4.3% in the 3Q18, against 4.8% in the 2Q18.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is one of the largest custom-made capital goods company in Brazil, operating in the segments of metallic structures, shipbuilding and offshore platforms, oil and gas, industrial assembly and equipment fabrication, foundry and railcar manufacture.

Main Contracts

In the 3Q18, the main contracts were assembly services for the steel and mining segments.

Comments on the Business Unit Results – Capital Goods

In the 3Q18, net revenue was R\$71.0 million, 30% lower than in the 2Q18, which was R\$101.6 million, in function of stagnation in the demand of projects in the oil and gas and infrastructure sectors in the country.

Usiminas Mecânica accounted a gross loss of R\$12.9 million in the 3Q18, against a loss of R\$9.5 million in the 2Q18, still as a result of the loss in the railcar fabrication project.

Adjusted EBITDA in the 3Q18 was a negative R\$19.6 million, against a negative R\$19.9 million in the 2Q18. Adjusted EBITDA margin in the 3Q18 was a negative 27.6%, against a negative 19.6% in the 2Q18.

Notice: Ipatinga's Plant Accident

On 08/10/2018, occurred an explosion in one of the four gas tanks of the Ipatinga Plant. Seeking to guarantee the safety of the people (employees and community of Ipatinga) the Plant was immediately evacuated and its operations paralyzed. There was no record of people in serious condition and the complete return of operations occurred 5 days later, on 08/15/2018, after strict safety inspections, made by internal professionals, specialists and representatives of the competent public bodies. The preliminary report of investigation concluded that the cause of the explosion was the undue entry of atmospheric air in the gasholder.

This gasometer has a capacity of 150,000 m³ and is used to store and distribute gases generated in steelmaking processes for reuse as a source of energy in several areas of the plant.

The effects of the accident with the gasometer, estimated from the date of its occurrence, were recorded in the 3Q18 and are presented below:

- i. write-off of the net book value of the gasometer in the amount of R\$3.6 million of property, plant and equipment, with a corresponding entry in other operating expenses;
- ii. emergency repair expenses, in the amount of R\$1.8 million, recorded in other operational expenses; and
- iii. additional production costs due to the higher consumption of natural gas, fuel oil and electricity. Up to September 30, 2018, these additional costs totaled R\$47.0 million, and the related impact on the Company's results will occur according to the regular allocation of the costs of sales.

As a result of this accident, the Company immediately contacted the insurance companies involved for the coverage contracted for the mentioned equipment.

The additional production costs mentioned in item (iii) are covered by a loss of profits insurance policy according to the contracted insurance. The gasometer insurance deductible amount for the beginning of the coverage for loss of profits (loss of revenues) of the equipment is twenty-one days (waiting time). In this manner until the replacement of the equipment with its consequent return in operation, the Company will monthly record the estimated additional costs, which are covered by the loss of profits insurance policy, as other operational income. The amounts calculated by the Company related to these additional production costs will be assessed by its own experts and by the insurance companies.

Post-Closing Event

The Company's Board of Directors approved, on 10/12/18, the Usiminas' Integrity Program which comprises the following Policies: (i) Code of Ethics and Conduct; (ii) Anticorruption Policy; (iii) Competition Policy; (iv) Policy of Conflict of Interests and Transactions with Related Parties; (v) Policy of Rewards, Gifts and Hospitalities; (vi) Policy of Sponsorship and Donations; (vii) Policy of Relationship with Third Intermediary Parties.

The Board of Directors also approved the following policies of the Brazilian Corporate Governance Code: (i) Policy of Destination of Results; (ii) Policy of on the Remuneration of the Members of the Board of Officers; (iii) Policy of Contracting of Extra-audit Services; (iv) Policy of Disclosure of Information and Negotiation with Securities. In order to allow the adjustments in the Company structure, as well as the duly training of its employees, the Boars determinate that such documents will be effective as of 01/15/19.

On 10/17/18 the Company's controlling shareholders signed the document designated as "First Amendment to the Shareholders Agreement" which amends and restates Usiminas Shareholders Agreement executed by the Parties on April 10th, 2018 ("Shareholders Agreement"). The main modifications implemented were the clarification of related party transactions, the contemplation of the mechanisms for the communication to Usiminas of nomination of executives made by the Parties and the clarification of the rules on the nomination and indication of executives.

This is another important step to improve the Usiminas' Corporate Governance.

Highlights in the Quarter

Melhores e Maiores Exame magazine: Usiminas was awarded by Best and Biggest awards of Exame magazine as winner in the Metallurgy and Steel Making category. The trophy was presented on 08/13/18. The annual publication is one of the most respected in the country.

In total companies in 20 production sectors are awarded. To elect the winners, the magazine staff conducts a careful analysis of the financial statement sent by the public and private companies. Diverse indicators, such as, for example, profitability, liquidity, sale growth and market leadership are analyzed. The work was done in partnership with FIPECAFI – Foundation Institute for Accounting, Actuarial and Financial Research.

Ford Award: Usiminas was the only steel company in the market to receive the Top Supplier Award 2018 from Ford. The car manufacturer held its traditional award ceremony with focus on corporate performance in 14 categories. The event, which recognizes the best suppliers in South America, was held for the first time in the São Bernardo do Campo (SP) plant in the presence of the 150 best suppliers in the region.

With its long-time partnership – more than 40 years of relationship with Ford – Usiminas was the winner in the Raw Material and Stamping category. Conducted annually, the award ceremony has a rigorous evaluation based on criteria such as, quality, delivery, competitive costs, commercial relationship, work conditions, product development, customer service, logistics and manufacturing.

Toyota Approval: Toyota approved a new hot-rolled product from Usiminas, with special characteristics of bore expansion. The new high strength steel will be used by the Japanese car maker on new models and is in line with Toyota's requirements that seek excellence in vehicle safety and fuel consumption savings.

For approval, samples of the product were sent to the Toyota laboratory for testing in bore expansion and mechanical traction testing. Usiminas also presented to the car maker the entire historic of steel development and the complete set of technical information.

Annual Occupational Safety and Health Meeting of the World Steel Association: From September 10-14, Usiminas received representatives from 26 steel plants and mining companies from several countries for the Annual Occupational Safety and Health Meetings of the World Steel Association (Worldsteel). The event is a global reference whose objective is to provide its participants greater interaction and knowledge about safety and health actions for its workers practiced by industries currently.

During the meeting, 70 professionals gathered to share best practices to care for personnel in the industrial area. The programming was held in Ipatinga and included meetings, visits and debates about several themes related to Occupational Safety and Health. The programming was extended to Mineração Usiminas in Itatiaiuçu, where the group made a visit to the facilities.

The event promoted by Worldsteel, organized and headquartered in Belgium, gathers the most important companies in steel and mining in the world. This is the 11th edition of the meeting that happens in an itinerant manner and is the first time in Latin America.

Capital Markets

Usiminas Performance Summary - B3 (USIM5)

	3Q18	2Q18	Chg. 3Q18/2Q18	3Q17	Chg. 3Q18/3Q17
Number of Deals	925,111	906,438	2%	854,327	8%
Daily Average	14,684	14,388	2%	13,349	10%
Traded - thousand shares	982,344	742,380	32%	1,132,820	-13%
Daily Average	15,593	11,784	32%	17,700	-12%
Financial Volume - R\$ million	8,106	7,020	15%	7,892	3%
Daily Average	129	111	15%	123	4%
Maximum	9.34	11.66	-20%	9.63	-3%
Minimum	6.88	7.02	-2%	4.61	49%
Closing	8.32	7.32	14%	7.78	7%
Market Capitalization - R\$ million	10,426	9,173	14%	9,749	7%

Performance on the B3

Usiminas' common shares (USIM3) closed the 3Q18 quoted at R\$11.37 and its preferred shares (USIM5) at R\$8.32. In the 3Q18, USIM3 and USIM5 appreciated 1.3% and 13.7%, respectively. In the same period the Ibovespa presented an appreciation of 6.4%.

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 9/30/18, USNZY ADRs, which have higher liquidity, were quoted at US\$2.07, presenting an appreciation of 13.7% 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 €1.82, appreciating 11.0% in the quarter. XUSIO shares closed quoted at €2.64, not registering variation in the period.

For further information:

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or access on your mobile phone: m.usiminas.com/ri**

3Q18 Conference Call Results - Date 10/26/2018	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 12:00 p.m. Dial-in Numbers: Brazil: (+55 11) 3193-1001 / 2820-4001	New York time: at 11:00 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	
See the slide presentation on our website: www.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-18	30-Jun-18	30-Sep-17
Current Assets	7,697,689	6,888,151	6,800,072
Cash and Cash Equivalents	1,681,875	1,103,612	2,138,050
Trade Accounts Receivable	1,947,482	1,747,824	1,339,336
Taxes Recoverable	303,376	375,174	334,517
Inventories	3,603,792	3,495,179	2,766,155
Advances to suppliers	4,625	5,455	4,140
Financial Instruments	300	272	71,280
Other Securities Receivables	156,239	160,635	146,594
Non-Current Assets	18,400,686	18,431,217	19,005,745
Long-Term Receivable	4,234,920	4,167,622	4,059,756
Deferred Income Tax & Social Contribution	3,133,393	3,062,537	3,030,450
Deposits at Law	697,546	697,205	683,542
Accounts Receiv. Affiliated Companies	2,626	2,814	3,328
Taxes Recoverable	58,745	53,439	48,517
Financial Instruments	1,636	1,421	1,470
Others	340,974	350,206	292,449
Investments	1,183,569	1,110,529	1,205,496
Property, Plant and Equipment	12,314,039	12,484,296	13,048,632
Intangible	668,158	668,770	691,861
Total Assets	26,098,375	25,319,368	25,805,817

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

Liabilities and Shareholders' Equity	30-Sep-18	30-Jun-18	30-Sep-17
Current Liabilities	2,554,236	2,125,224	2,387,267
Loans and Financing and Taxes Payable in Installments	22,360	23,156	875,662
Suppliers, Subcontractors and Freight	1,483,277	1,086,263	738,257
Wages and Social Charges	242,639	221,247	240,574
Taxes and Taxes Payables	93,841	97,426	85,533
Accounts Payable Forfeiting	506,555	468,171	201,334
Financial Instruments	-	-	72,535
Dividends Payable	182	185	138
Customers Advances	76,017	105,405	39,607
Others	129,365	123,371	133,627
Long-Term Liabilities	8,029,694	7,939,018	8,091,901
Loans and Financing and Taxes Payable in Installments	5,870,430	5,820,092	5,984,733
Actuarial Liability	1,002,144	1,008,164	1,050,848
Provision for Legal Liabilities	759,968	719,473	674,806
Environmental Protection Provision	169,985	166,009	154,364
Others	227,167	225,280	227,150
Shareholders' Equity	15,514,445	15,255,126	15,326,649
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	899,616	665,507	702,836
Non-controlling shareholders participation	1,414,534	1,389,324	1,423,518
Total Liabilities and Shareholders' Equity	26,098,375	25,319,368	25,805,817

Income Statement - Consolidated | IFRS



R\$ thousand	3Q18	2Q18	3Q17	Chg. 3Q18/2Q18
Net Revenues	3,861,513	3,204,060	2,737,025	21%
Domestic Market	3,260,915	2,656,268	2,385,844	23%
Exports	600,598	547,792	351,181	10%
COGS	(3,217,184)	(2,621,270)	(2,379,358)	23%
Gross Profit	644,329	582,790	357,667	11%
Gross Margin	16.7%	18.2%	13.1%	- 1.5 p.p.
Operating Income (Expenses)	(290,954)	(373,735)	(250,646)	-22%
Selling Expenses	(74,339)	(73,674)	(62,992)	1%
Provision for Doubtful Accounts	(342)	(1,436)	(7,321)	-76%
Other Selling Expenses	(73,997)	(72,238)	(55,671)	2%
General and Administrative	(101,012)	(112,907)	(106,088)	-11%
Other Operating Income (expenses)	(115,603)	(187,154)	(81,566)	-38%
Reintegra Program	379	5,142	5,863	-93%
Provision for Contingencies	(39,392)	(98,250)	(45,526)	-60%
Result of the Non Operating Asset Sale/Write-Off	5,304	(326)	660	-
Result of the Sale of the Surplus Electric Energy	20,898	6,705	10,931	212%
Temporary Equipments Shutdown (includes depreciation)	(89,590)	(93,469)	(104,046)	-4%
Tax credit on imports PIS/COFINS	7,097	9,645	70,112	-26%
Other Operating Income (Expenses), Net	(20,299)	(16,601)	(19,560)	22%
EBIT	353,375	209,055	107,021	69%
EBIT Margin	9.2%	6.6%	3.9%	+ 2.6 p.p.
Financial Result	(134,391)	(276,578)	(64,961)	-51%
Financial Income	70,429	58,376	140,358	21%
Financial Expenses	(185,702)	(185,176)	(261,361)	0%
Net foreign exchange gain and losses	(19,118)	(149,778)	56,042	-87%
Equity in the Results of Associate and Subsidiary Companies	74,734	31,341	50,556	138%
Operating Profit (Loss)	293,718	(36,182)	92,616	-
Income Tax / Social Contribution	(4,587)	17,132	(16,713)	-
Net Income (Loss)	289,131	(19,050)	75,903	-1618%
Net Margin	7.4%	-0.5%	2.7%	+ 7.9 p.p.
Attributable:				
Shareholders	263,924	(32,179)	76,959	-
Minority Shareholders	25,207	13,129	(1,056)	92%
EBITDA (Instruction CVM 527)	685,623	496,728	444,149	38%
EBITDA Margin (Instruction CVM 527)	17.8%	15.5%	16.2%	+ 2.3 p.p.
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	702,762	518,813	452,784	35%
Adjusted EBITDA Margin	18.2%	16.2%	16.5%	+ 2.0 p.p.
Depreciation and Amortization	257,514	256,332	286,572	0%

Income Statement - Consolidated | IFRS

R\$ thousand	9M18	9M17	Chg. 9M18/9M17
Net Revenues	10,309,780	7,657,348	35%
Domestic Market	8,563,336	6,707,189	28%
Exports	1,746,444	950,159	84%
COGS	(8,470,563)	(6,436,716)	32%
Gross Profit	1,839,217	1,220,632	51%
Gross Margin	17.8%	15.9%	+ 1.9 p.p.
Operating Income (Expenses)	(953,179)	(562,289)	70%
Selling Expenses	(224,151)	(180,787)	24%
Provision for Doubtful Accounts	(3,446)	(27,574)	-88%
Other Selling Expenses	(220,705)	(153,213)	44%
General and Administrative	(316,701)	(295,873)	7%
Other Operating Income (Expenses)	(412,327)	(85,629)	382%
Reintegra Program	12,706	16,984	-25%
Provision for Legal Liabilities	(152,669)	(109,276)	40%
Result of the Non Operating Asset Sale/Write-Off	(1,819)	1,482	-
Result of the Sale of the Surplus Electric Energy	14,007	6,946	102%
Temporary Equipments Shutdown (includes depreciation)	(274,464)	(312,594)	-12%
Porto Sudeste Agreement	-	201,106	-
Tax credit on imports PIS/COFINS	36,063	190,025	-81%
Other Operating Income (Expenses), Net	(46,151)	(80,302)	-43%
EBIT	886,038	658,343	35%
EBIT Margin	8.6%	8.5%	+ 0.1 p.p.
Financial Result	(544,743)	(290,836)	87%
Financial Income	205,699	455,941	-55%
Financial Expenses	(556,065)	(781,267)	-29%
Net foreign exchange gain and losses	(194,377)	34,490	-
Equity in the Results of Associate and Subsidiary Companies	147,229	102,914	43%
Operating Profit (Loss)	488,524	470,421	4%
Income Tax / Social Contribution	(61,258)	(110,490)	-45%
Net Income (Loss)	427,266	359,931	19%
Net Margin	4.1%	4.6%	- 0.5 p.p.
Attributable:			
Shareholders	371,859	282,933	31%
Minority Shareholders	55,407	76,998	-28%
EBITDA (Instruction CVM 527)	1,804,217	1,682,771	7%
EBITDA Margin (Instruction CVM 527)	17.5%	22.0%	- 4.5 p.p.
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	1,862,777	1,735,405	7%
Adjusted EBITDA Margin	18.1%	22.7%	- 4.6 p.p.
Depreciation and Amortization	770,950	921,514	-16%

Cash Flow - Consolidated | IFRS

Cash Flow - Consolidated IFRS	3Q18	2Q18	3Q17
Operating Activities Cash Flow			
Net Income (Loss) in the Period	289,131	(19,050)	75,903
Financial Expenses and Monetary Var. / Net Exchge Var.	94,262	226,088	(26,094)
Interest Expenses	91,974	102,794	168,381
Depreciation and Amortization	257,514	256,332	286,572
Losses/(gains) on Sale of Property, Plant and Equipment	(5,304)	326	(660)
Equity in the Results of Subsidiaries/Associated Companies	(74,734)	(31,341)	(50,556)
Difered Income Tax and Social Contribution	(55,354)	(22,870)	33,954
Constitution (reversal) of Provisions	112,768	99,077	87,737
Actuarial Gains and losses	977	(2,889)	7,274
Stock Option Plan	-	-	(1,101)
Total	711,234	608,467	581,410
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(200,477)	(8,337)	(61,653)
Inventories	(115,693)	(516,601)	9,021
Recovery of Taxes	142,206	(55,064)	(13,890)
Judicial Deposits	67,071	(11,758)	(9,392)
Accounts Receiv. Affiliated Companies	188	138	(26)
Others	15,268	(8,917)	191,388
Total	(91,437)	(600,539)	115,448
Increase/(Decrease) of Liabilities			
Suppliers, Contractors and Freights	397,014	(21,032)	34,819
Amounts Owed to Affiliated Companies	-	-	4,558
Customers Advances	(29,388)	5,290	(13,751)
Tax Payable	(93,923)	20,541	(35,432)
Securities Payable Forfaiting	38,384	(59,182)	(126,108)
Actuarial Liability Payments	(52,525)	(50,744)	(49,107)
Others	(49,990)	(29,428)	(31,376)
Total	209,572	(134,555)	(216,397)
Cash Generated from Operating Activities	829,369	(126,627)	480,461
Interest Paid	(131,169)	(129,948)	(199,331)
Income Tax and Social Contribution	(39,217)	(12,714)	(2,100)
Net Cash Generated from Operating Activities	658,983	(269,289)	279,030
Investments activities cash flow			
Marketable Securities	(60,481)	(103,553)	(67,174)
Fixed Asset Acquisition	(85,200)	(62,683)	(50,168)
Fixed Asset Sale Receipt	10,354	335	818
Dividends Received	(2,485)	1,039	(10,578)
Purchase of Software	(5,120)	(4,092)	(1,534)
Net Cash Employed on Investments Activities	(142,932)	(168,954)	(128,636)
Financial Activities Cash Flow			
Payment of Loans, Financ. & Debent.	(2,298)	(7,220)	(3,327)
Payment of Taxes Installments	-	-	(345)
Swap Operations Liquidations	-	14	(1,366)
Dividends and Interest on Capital	(4)	(123,287)	(21,862)
Net Cash Generated from (Employed on) Financial Activities	(2,302)	(130,493)	(26,900)
Exchange Variation on Cash and Cash Equivalents	4,033	6,246	(3,904)
Net Increase (Decrease) of Cash and Cash Equivalents	517,782	(562,490)	119,590
Cash and Cash Equivalents at the Beginning of the Period	578,562	1,141,052	1,045,292
Cash and Cash Equivalents at the End of The Period	1,096,344	578,562	1,164,882
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	578,562	1,141,052	1,045,292
Marketable Securities at the Beginning of the Period	525,050	421,497	905,994
Cash and Cash Equivalents at the Beginning of the Period	1,103,612	1,562,549	1,951,286
Net Increase (Decrease) of Cash and Cash Equivalentes	517,782	(562,490)	119,590
Net Increase (Decrease) of Marketable Securities	60,481	103,553	67,174
Cash and Cash Equivalents at the End of the Period	1,096,344	578,562	1,164,882
Marketable Securities at the End of the Period	585,531	525,050	973,168
Cash and Cash Equivalents at the End of the Period	1,681,875	1,103,612	2,138,050

Cash Flow - Consolidated | IFRS

R\$ thousand	9M18	9M17
Operating Activities Cash Flow		
Net Income (Loss) in the Period	427,266	359,931
Financial Expenses and Monetary Var. / Net Exchge Var.	370,131	81,515
Interest Expenses	293,868	511,832
Depreciation and Amortization	770,950	921,514
Losses/(gains) on sale of property, plant and equipment	1,819	(1,482)
Equity in the Results of Subsidiaries/Associated Companies	(147,229)	(102,914)
Difered Income Tax and Social Contribution	(71,901)	46,998
Constitution (reversal) of Provisions	322,875	197,324
Actuarial Gains and losses	6,782	21,823
Stock Option Plan	-	(1,247)
Total	1,974,561	2,035,294
Increase/Decrease of Assets		
Accounts Receivables Customer	(396,867)	(314,337)
Inventories	(874,052)	(296,971)
Recovery of Taxes	127,312	37,764
Judicial Deposits	(20,680)	(39,557)
Accounts Receiv. Affiliated Companies	521	514
Others	(20,503)	8,759
Total	(1,184,269)	(603,828)
Increase / (Decrease) of Liabilities		
Suppliers, contractors and freights	506,360	(108,120)
Amounts Owed to Affiliated Companies	(8,917)	(14,119)
Customers Advances	(5,377)	3,801
Tax Payable	(138,031)	24,089
Securities Payable Derived from Suppliers	31,304	(155,636)
Actuarial Liability payments	(137,612)	(174,413)
Others	(56,152)	(36,736)
Total	191,575	(461,134)
Cash Generated from Operating Activities		
	981,867	970,332
Interest Paid	(409,436)	(617,080)
Income Tax and Social Contribution	(69,603)	(22,497)
Net Cash Generated from Operating Activities		
	502,828	330,755
Investments activities cash flow		
Marketable Securities	(41,816)	564,416
Fixed asset acquisition	(209,512)	(105,204)
Fixed asset sale receipt	30,341	2,512
Dividends Received	126,567	3,239
Software Purchase	(12,450)	(3,906)
Net Cash Employed on Investments Activities		
	(106,870)	461,057
Financial Activities Cash Flow		
Payment of Loans, Financ. & Debent.	(948,973)	(16,284)
Payment of Taxes Installments	(132)	(1,021)
Swap Operations Liquidations	14	(4,090)
Dividends and Interest on Capital	(123,291)	(25,505)
Capital Gain / Reduction	-	(300,000)
Net Cash Generated from (Employed on) Financial Activities		
	(1,072,382)	(346,900)
Exchange Variation on Cash and Cash Equivalents		
	2,195	100
Net Increase (Decrease) of Cash and Cash Equivalents		
	(674,229)	445,012
Cash and Cash Equivalents at the Beginning of the Period	1,770,573	719,870
Cash and Cash Equivalents at the End of The Period	1,096,344	1,164,882
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	1,770,573	719,870
Marketable securities at the beginning of the period	543,715	1,537,584
Cash and cash equivalents at the beginning of the period	2,314,288	2,257,454
Net increase (decrease) of cash and cash equivalents	(674,229)	445,012
Net increase (decrease) of marketable securities	41,816	(564,416)
Cash and cash equivalents at the end of the period	1,096,344	1,164,882
Marketable securities at the end of the period	585,531	973,168
Cash and cash equivalents at the end of the period	1,681,875	2,138,050