

USIMINAS

USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. – USIMINAS

Offer to Purchase for Cash

Up to US\$285.0 Million in Aggregate Principal Amount of Outstanding 5.875% Senior Notes due 2026 (the “Notes”)

The Tender Offer (as defined herein) will expire at 5:00 p.m., New York City time, on October 8, 2024, unless extended by us (such time and date, as it may be extended, the “Expiration Date”). Holders (as defined herein) who validly tender (and do not validly withdraw) their Notes at or prior to 5:00 p.m., New York City time, on September 23, 2024, unless extended by us (such time and date, as it may be extended, the “Early Tender Date”), in the manner described herein will be eligible to receive the Total Consideration (as defined herein), which includes the Tender Offer Consideration (as defined herein) and the Early Tender Premium (as defined herein), *plus* Accrued Interest (as defined herein). Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date in the manner described herein will not be eligible to receive the Early Tender Premium and will therefore only be eligible to receive the Tender Offer Consideration, *plus* Accrued Interest. Notes that have been validly tendered pursuant to the Tender Offer may be validly withdrawn prior to 5:00 p.m., New York City time, on September 23, 2024, unless extended by us (such time and date, as it may be extended, the “Withdrawal Date”), but not thereafter except as may be required by applicable law (as determined by us). There is no letter of transmittal in connection with this Tender Offer.

Title of Security	CUSIP / ISIN	Principal Amount Outstanding	Early Tender Premium ⁽¹⁾	Tender Offer Consideration ⁽²⁾	Total Consideration ⁽³⁾
5.875% Senior Notes due 2026	Rule 144A: 91734JAA8 / US91734JAA88 Regulation S: L95806AA0 / USL95806AA06	US\$750,000,000	US\$30.00	US\$972.50	US\$1,002.50

- (1) Per US\$1,000 principal amount of Notes validly tendered at or prior to the Early Tender Date and accepted for purchase.
- (2) The amount to be paid for each US\$1,000 principal amount of Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase. In addition, Accrued Interest will be paid.
- (3) The amount to be paid for each US\$1,000 principal amount of Notes validly tendered at or prior to the Early Tender Date and accepted for purchase. The Total Consideration includes the Tender Offer Consideration *plus* an Early Tender Premium of US\$30.00 for each US\$1,000 principal amount of Notes. In addition, Accrued Interest will be paid.

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS (“Usiminas,” “we,” “us” or “our”), a corporation (*sociedade por ações*) organized under the laws of Brazil, hereby offers to purchase for cash, upon the terms and subject to the conditions set forth in this offer to purchase (as it may be amended or supplemented, this “Offer to Purchase”), up to US\$285.0 million in aggregate principal amount (subject to increase or decrease by Usiminas, in its sole discretion, the “Maximum Tender Amount”) of outstanding Notes, issued by Usiminas International S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg (the “Issuer”), for the consideration described herein. The Notes are fully, unconditionally and irrevocably guaranteed by Usiminas.

This Offer to Purchase contains important information that should be read before any decision is made with respect to the Tender Offer. In particular, see “Risk Factors” beginning on page 9 of this Offer to Purchase for a discussion of certain factors you should consider in connection with the Tender Offer.

The Tender Offer is made on the terms and subject to the conditions set forth in this Offer to Purchase, including, among other things, the Financing Condition (as defined herein).

None of the U.S. Securities and Exchange Commission (the “SEC”), any U.S. state securities commission or any regulatory authority of any other country has approved or disapproved of the Tender Offer, passed upon the merits or fairness of the Tender Offer or passed upon the adequacy or accuracy of the disclosure in this Offer to Purchase. Any representation to the contrary is a criminal offense.

NONE OF USIMINAS, THE DEALER MANAGER (AS DEFINED HEREIN), THE TENDER AND INFORMATION AGENT (AS DEFINED HEREIN) OR THE TRUSTEE (AS DEFINED HEREIN) MAKES ANY RECOMMENDATION IN CONNECTION WITH THE TENDER OFFER, AND NEITHER USIMINAS NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO PARTICIPATE IN THE TENDER OFFER AND, IF SO, THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

The Dealer Manager for the Tender Offer is:

Itaú BBA

The date of this Offer to Purchase is September 10, 2024

Consideration

The “Total Consideration” for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offer will be the amount set forth in the table on the cover of this Offer to Purchase, which includes the early tender premium set forth in the table on the cover of this Offer to Purchase (the “Early Tender Premium”) and the Tender Offer Consideration set forth in the table on the cover of this Offer to Purchase (the “Tender Offer Consideration”). Holders who validly tender Notes after the Early Tender Date but at or prior to the Expiration Date and whose Notes are accepted for purchase will not be entitled to receive the Early Tender Premium and will therefore be entitled to receive only the Tender Offer Consideration and not the Total Consideration.

Each of the Total Consideration and the Tender Offer Consideration is referred to in this Offer to Purchase as “Consideration.” The Issuer will pay any Consideration due, together with accrued and unpaid interest on the Notes from the last interest payment date preceding, and up to, but not including, the applicable Settlement Date (“Accrued Interest”).

Conditions to the Tender Offer

Our obligation to purchase Notes in the Tender Offer is subject to the satisfaction or waiver of a number of conditions, including the pricing of Usiminas’s 10th issuance of simple, unsecured and non-convertible debentures, in up to three series, for public distribution in Brazil with restricted distribution efforts, in a total principal amount initially up to R\$1.6 billion, which principal amount may be increased by up to 25% in the event of the total or partial exercise of the additional allotment option, pursuant to the provisions of the Brazilian Securities Commission (*Comissão de Valores Mobiliários* – CVM) in accordance with the bookbuilding procedure (the “Local Financing”). In this Offer to Purchase, we refer to this condition as the “Financing Condition.”

We expect to use part or all of the proceeds from the Local Financing to pay all or a portion of the Consideration to the Holders of Notes accepted for purchase pursuant to the Tender Offer, *plus* Accrued Interest and costs and expenses incurred in connection therewith. For more information, see “Local Financing” and “The Tender Offer—Conditions to the Tender Offer.”

The offering of securities in Brazil as part of the Local Financing has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other U.S. federal or state securities laws, and such securities may not be offered or sold other than pursuant to registration under, or exemptions from the registration requirements of, the Securities Act. This Offer to Purchase is not an offer or solicitation with respect to any such securities.

The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. However, the Tender Offer is subject to the Maximum Tender Amount.

Withdrawal of Tenders

Withdrawal rights with respect to tendered Notes will terminate at the Withdrawal Date. Accordingly, following the Withdrawal Date, Notes validly tendered, including Notes tendered prior to the Withdrawal Date and Notes tendered thereafter, may no longer be validly withdrawn except in certain limited circumstances where additional withdrawal rights are required by applicable law (as determined by us).

For a withdrawal of tendered Notes to be valid, such withdrawal must comply with the procedures set forth in “The Tender Offer—How to Tender and Withdraw.”

Settlement; Proration

Assuming our acceptance of Notes tendered pursuant to the Tender Offer, holders of Notes (the “Holders”) that have validly tendered and not validly withdrawn Notes at or prior to the Early Tender Date and whose Notes are accepted for purchase will, if we so elect, receive payment for each US\$1,000 principal amount of such accepted Notes four business days following the Early Tender Date but before the Expiration Date (the “Early Settlement Date”). If we do not, in our sole discretion, elect to pay for such tendered Notes prior to the Expiration Date, then the Early Settlement Date will be the same as the Final Settlement Date (as defined herein).

We will make payment for Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date and accepted by us for purchase in an amount equal to the Tender Offer Consideration, *plus* Accrued Interest, for each US\$1,000 principal amount of such accepted Notes on the settlement date that is expected to be two business days following the Expiration Date or as promptly as practicable thereafter (the “Final Settlement Date”), in any case up to the Maximum Tender Amount. Each of the Early Settlement Date and the Final Settlement Date is referred to in this Offer to Purchase as a “Settlement Date.”

If the purchase of all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date would cause us to accept for purchase an aggregate principal amount of Notes that exceeds the Maximum Tender Amount, then the Tender Offer will be oversubscribed at the Early Tender Date and, assuming satisfaction or waiver of the conditions to the Tender Offer, we will purchase on, at our option, the Early Settlement Date or the Final Settlement Date Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase on a prorated basis according to the principal amount of such Notes, such that we purchase an aggregate principal amount of Notes that does not exceed the Maximum Tender Amount.

If the Tender Offer is not oversubscribed and the Maximum Tender Amount has not been reached at the Early Tender Date and the purchase of all Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date (when combined with all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date) would cause us to accept for purchase an aggregate principal amount of Notes that exceeds the Maximum Tender Amount, then the Tender Offer will be oversubscribed at the Expiration Date and, assuming satisfaction or waiver of the conditions to the Tender Offer, we will purchase on the Final Settlement Date Notes validly tendered at or prior to the Expiration Date and accepted for purchase, as follows:

- first, to the extent there was no Early Settlement Date, all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date; and
- second, all Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date, on a prorated basis according to the principal amount of such Notes, such that we purchase an aggregate principal amount of Notes that does not exceed the Maximum Tender Amount.

All tendered Notes not accepted will be promptly credited to the Holder’s account with DTC or otherwise returned to the Holder without cost.

We reserve the right, but are under no obligation, to increase or decrease the Maximum Tender Amount at any time, subject to compliance with applicable law.

Amendment; Waiver; Extension

Subject to applicable law, we reserve the right to (i) waive any and all conditions to the Tender Offer; (ii) extend the Tender Offer; (iii) terminate the Tender Offer; and (iv) amend the Tender Offer in any respect.

In the event that the Tender Offer is terminated or otherwise not completed, the applicable Consideration and Accrued Interest will not be paid or become payable to the Holders who have tendered their Notes and such Notes will be returned promptly to their respective Holders.

Minimum Denominations of Notes

The Notes are denominated, and accordingly may only be tendered in the Tender Offer, in minimum principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Any tender of Notes the proration of which would otherwise result in a return of Notes to a tendering Holder in a principal amount below the minimum denomination may be rejected in full or accepted in full in our sole discretion.

Business Day

For purposes of this Offer to Purchase, “business day” shall mean any day except a Saturday, a Sunday or a day on which banking institutions (including, without limitation, the members of the Federal Reserve System) are authorized or required by law, regulation or executive order to close in the City of New York.

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IMPORTANT DATES

Holders should review the following dates in connection with the Tender Offer:

Date	Calendar Date	Event
Early Tender Date	5:00 p.m., New York City time, on September 23, 2024 unless extended by us.	The last time and date for Holders to tender Notes to qualify for the payment of the Total Consideration, which includes the Tender Offer Consideration and the Early Tender Premium. Holders who validly tender Notes after the Early Tender Date, but at or prior to the Expiration Date, will be eligible to receive only the Tender Offer Consideration. Notes tendered prior to the Early Tender Date and not withdrawn prior to the Early Tender Date may not be withdrawn thereafter.
Withdrawal Date	5:00 p.m., New York City time, on September 23, 2024 unless extended by us.	The last time and date for Holders to validly withdraw tendered Notes. A valid withdrawal of tendered Notes on or prior to the Withdrawal Date will result in the Holder not being eligible to receive any Consideration, unless such Holder re-tenders Notes prior to the Early Tender Date or the Expiration Date.
Early Settlement Date.....	If we so elect, expected to be four business days following the Early Tender Date but before the Expiration Date, assuming that the Notes validly tendered (and not validly withdrawn) by the Early Tender Date are accepted for purchase by us.	The date on which we will, if we so elect, pay the Total Consideration, <i>plus</i> Accrued Interest, with respect to Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase by us. Acceptance of the Notes for purchase on the Early Settlement Date may be subject to the application of the proration procedures described herein.
Expiration Date	5:00 p.m., New York City time, on October 8, 2024, unless extended by us.	The last time and date for Holders to tender Notes pursuant to the Tender Offer unless extended by us.
Final Settlement Date	Expected to be two business days following the Expiration Date or as promptly as practicable thereafter.	The date on which we will pay (x) the Tender Offer Consideration, <i>plus</i> Accrued Interest, with respect to Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date and accepted for purchase by us and (y) in the event that we elect not to make payments of Consideration on the

Date	Calendar Date	Event
		Early Settlement Date, the date on which we will pay the Total Consideration, <i>plus</i> Accrued Interest, with respect to Notes validly tendered at or prior to the Early Tender Date and accepted for purchase by us. Acceptance of the Notes for purchase on the Final Settlement Date may be subject to the application of the proration procedures described herein.

IMPORTANT INFORMATION

Our obligation to purchase Notes in the Tender Offer is subject to the satisfaction or waiver of certain conditions, including the Financing Condition. There can be no assurance that we will complete timely, or at all, the Local Financing or that the Financing Condition will be satisfied. See “The Tender Offer—Conditions to the Tender Offer.” The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. However, the Tender Offer is subject to the Maximum Tender Amount. In the event of a termination of the Tender Offer, neither the applicable Consideration nor Accrued Interest will be paid or become payable to Holders, and the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

All Notes accepted for purchase in the Tender Offer will cease to accrue interest on the applicable Settlement Date, unless we default in the payment of amounts payable pursuant to the Tender Offer. All Notes not tendered or accepted for purchase shall continue to accrue interest. Payment for Notes validly tendered and accepted for purchase will be made by deposit of immediately available funds with, or into an account specified by, D.F. King & Co., Inc., the tender agent and information agent for the Tender Offer (the “Tender and Information Agent”), which will act as agent for the tendering Holders for the purpose of receiving payments and transmitting such payments to Holders.

From time to time after the Expiration Date or after termination or withdrawal of the Tender Offer, we or any of our affiliates may acquire Notes that are not tendered or not accepted for purchase pursuant to the Tender Offer through open-market purchases, privately-negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the indenture governing the Notes), which may be more or less than the price to be paid pursuant to the Tender Offer and could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future.

See “Risk Factors,” “Certain U.S. Federal Income Tax Considerations” and “Certain Brazilian Tax Considerations” for a discussion of certain factors that should be considered in evaluating the Tender Offer.

We have not filed this Offer to Purchase with, and it has not been reviewed by, any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of this Offer to Purchase, and it is unlawful and may be a criminal offense to make any representation to the contrary. No person has been authorized to give any information or to make any representations other than those contained in this Offer to Purchase and, if given or made, such information or representations must not be relied upon as having been authorized.

YOU SHOULD READ THIS OFFER TO PURCHASE CAREFULLY BEFORE MAKING A DECISION TO TENDER YOUR NOTES.

NONE OF USIMINAS, THE DEALER MANAGER, THE TRUSTEE OR THE TENDER AND INFORMATION AGENT IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER NOTES IN RESPONSE TO THE TENDER OFFER. EACH HOLDER MUST MAKE HIS, HER OR ITS OWN DECISION AS TO WHETHER TO TENDER NOTES AND, IF SO, AS TO THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

THE TENDER OFFER IS NOT BEING MADE TO, NOR WILL TENDERS OF NOTES BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR THE ACCEPTANCE OF THE TENDER OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WE MAY IN OUR DISCRETION TAKE SUCH ACTION AS WE MAY DEEM NECESSARY TO MAKE THE TENDER OFFER IN ANY SUCH JURISDICTION AND TO EXTEND THE TENDER OFFER TO HOLDERS IN SUCH JURISDICTION. THIS OFFER TO PURCHASE AND THE RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE TENDER OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE TENDER OFFER SHALL BE DEEMED TO BE MADE ON BEHALF OF USIMINAS BY THE DEALER MANAGER OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFER TO PURCHASE NOR ANY RELATED DOCUMENT NOR ANY PURCHASE OF

NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY INFERENCE THAT THERE HAS NOT BEEN ANY CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS OFFER TO PURCHASE, OR THAT THE INFORMATION INCLUDED IN THIS OFFER TO PURCHASE IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THEREOF, RESPECTIVELY.

THIS OFFER TO PURCHASE HAS NOT BEEN FILED WITH OR REVIEWED BY THE SEC, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE OR ANY RELATED DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

NEITHER THE DEALER MANAGER OR ANY OF ITS DIRECTORS, EMPLOYEES OR AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONCERNING THE TENDER OFFER, USIMINAS OR ANY OF ITS AFFILIATES CONTAINED IN THIS OFFER TO PURCHASE OR FOR ANY FAILURE BY USIMINAS TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

Any Holder desiring to tender Notes should either (i) request the Holder's custodian to effect the transaction or (ii) tender Notes through The Depository Trust Company ("DTC") pursuant to its Automated Tender Offer Program ("ATOP"). A Holder with Notes held through a custodian must contact that custodian if such Holder desires to tender those Notes and promptly instruct such custodian to tender such on its behalf. See "The Tender Offer—How to Tender and Withdraw." Please note that if Notes are held by a custodian, the custodian may have an earlier deadline for tendering Notes pursuant to the Tender Offer than the Early Tender Date or Expiration Date.

Any questions or requests for assistance or for additional copies of this Offer to Purchase should be directed to the Tender and Information Agent at the address, e-mail address and telephone number set forth on the back cover of this Offer to Purchase. You may also contact Itau BBA USA Securities, Inc., which is serving as the dealer manager (the "Dealer Manager"), at its telephone numbers set forth on the back cover of this Offer to Purchase or your custodian, broker, dealer or other similar nominee for assistance concerning the terms of the Tender Offer.

None of Usiminas, the Dealer Manager, the Tender and Information Agent, the Trustee or their respective affiliates makes any recommendation to you as to whether you should tender your Notes pursuant to the Tender Offer. None of Usiminas, the Dealer Manager, the Tender and Information Agent or the Trustee has authorized any person to give any information or to make any representation in connection with the Tender Offer other than the information and representations contained in this Offer to Purchase. You should not construe the contents of this Offer to Purchase as legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor as to the legal, business, tax and related matters concerning the Tender Offer. If anyone makes any recommendation or representation or gives any such information, you should not rely upon that recommendation, information or representation as having been authorized by Usiminas, the Dealer Manager, the Tender and Information Agent, the Trustee or any of their respective affiliates.

We are not aware of any jurisdiction where the making of the Tender Offer is not in compliance with the laws of such jurisdiction. If we become aware of any jurisdiction where the making of the Tender Offer would not be in compliance with such laws, we will make a good faith effort to comply with any such laws or may seek to have such laws declared inapplicable to the Tender Offer. If, after such good faith effort, we cannot comply with any such applicable laws, the Tender Offer will not be made to (nor will tenders be accepted from or on behalf of) Holders residing in each such jurisdiction.

WHERE YOU CAN FIND MORE INFORMATION

While any Notes remain outstanding, we will make available, upon request, to any Holder and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4)(i), during any period in which we are not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), or exempt under Rule 12g3-2(b) of the Exchange Act.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the Exchange Act. We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends. In addition, our forward-looking statements relate to our expectation to effect the Tender Offer as described in this Offer to Purchase. Although we believe these estimates and forward-looking statements are based on reasonable assumptions, these estimates and statements are subject to several risks and uncertainties and are made in light of the information currently available to us.

Our forward-looking statements may be influenced by the following factors, among others:

- our ability to comply with the terms of the instruments governing our indebtedness;
- general economic, political, social and business conditions, in Brazil and in our principal export markets;
- changes in market prices, customer preferences, global, national and regional competitive conditions, general levels of demand for our products and industry capacity;
- interest rate fluctuations, inflation and exchange rate movements of the *real* in relation to the U.S. dollar and other currencies in which we sell a significant portion of our products or in which our assets and liabilities are denominated;
- the implementation of our financing strategies, including our ability to secure financing on terms acceptable to us, and possible future capital expenditure plans;
- raw material costs and availability;
- changes in international trade;
- electric energy shortages and governmental responses to them;
- our management's expectations and estimates concerning future financial performance and financing plans;
- anticipated trends in the steel industry, including changes in capacity and industry price movements;
- the performance of the Brazilian and the global steel industries and markets;
- macroeconomic, financial, political and social conditions, including, but not limited to, military conflicts between Russia and Ukraine, Israel and Hamas, and potential outbreaks of pandemics worldwide and their impact on the global economy and consumption patterns (including, but not limited to, potential impact on unemployment rates, interest rates, monetary policies and inflation in Brazil);
- our ability to produce and deliver our products on a timely basis;
- existing and future laws and governmental regulations, including tariffs on steel imports and import tax policies in Brazil and implementation of tariffs and protectionist measures imposed by steel importing countries;
- developments relating to Brazilian tax laws;
- new environmental regulations;
- environmental and safety risks associated with our plants and other industrial facilities and related infrastructure, including tailings dams;
- interests of and actions taken by, our controlling shareholders;
- our ability to successfully undertake or complete existing or potential acquisitions or joint ventures;
- events of *force majeure*; and

- the risk factors discussed under “Risk Factors.”

We caution you that the foregoing list of significant factors may not contain all of the material factors that are important to you. The words “aim,” “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “will” and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of regulation and the effects of competition, among others.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this Offer to Purchase because of new information, events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this Offer to Purchase might not occur.

THE OFFEROR

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS is a corporation (*sociedade por ações*) organized under the laws of Brazil. Usiminas is a vertically integrated Brazilian steelmaker.

THE ISSUER

Usiminas International S.à r.l. is a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg and is a wholly owned finance subsidiary of Usiminas. The Issuer has its registered office at 412F Route d’Esch, 2086 Luxembourg, Grand Duchy of Luxembourg, and is registered with the Luxembourg Register of Commerce and Companies under number B112737.

PURPOSE OF THE TENDER OFFER

The purpose of the Tender Offer is to retire debt associated with the Notes using proceeds from, and conditioned upon, the Local Financing.

LOCAL FINANCING

We have commenced the process for obtaining the Local Financing, all or a portion of the net proceeds of which will be used to pay all or a portion of the Consideration to all Holders of Notes accepted for purchase pursuant to the Tender Offer, *plus* Accrued Interest and costs and expenses incurred in connection therewith. The Local Financing is expected to close prior to the Early Settlement Date, but the timing of the consummation, if any, and the total amount of the Local Financing will depend on market conditions and other factors. There can be no assurance that we will complete timely, or at all, the Local Financing, and we make no assurance that the total amount of the Local Financing will permit any increase in the Maximum Tender Amount, as any such increase in the Maximum Tender Amount will depend entirely on an increase in the total amount of the Local Financing. Our obligation to accept for purchase and pay for the Notes validly tendered pursuant to the Tender Offer is subject to and conditioned upon satisfaction or, where applicable, our waiver of the Financing Condition and the other conditions set forth in “The Tender Offer—Conditions to the Tender Offer.”

This Offer to Purchase does not constitute an offer to sell or a solicitation of an offer to buy any securities or other financial instruments that may be issued or otherwise incurred in connection with the Local Financing.

SOURCES AND AMOUNTS OF FUNDS

We intend to use all or a portion of the net proceeds from the Local Financing to pay the Consideration, Accrued Interest and costs and expenses in connection with the Tender Offer to all Holders of Notes accepted for purchase pursuant to the Tender Offer.

We or our affiliates reserve the absolute right, in our sole discretion, from time to time to redeem or purchase any Notes that remain outstanding after the Expiration Date through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine, which may be more or less than the price to be paid pursuant to the Tender Offer.

RISK FACTORS

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the other information contained in this Offer to Purchase, the following risk factors:

Risks Relating to the Tender Offer

There may be a more limited trading market for the Notes following the consummation of the Tender Offer.

Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed only as approximations. Holders are urged to contact their brokers with respect to current information regarding the Notes. To the extent that Notes are tendered and accepted in the Tender Offer, any existing trading market for the remaining Notes may become more limited. We currently intend to retire and cancel the Notes purchased in the Tender Offer. Consequently, the liquidity, market value and price volatility of Notes that remain outstanding following the consummation of the Tender Offer may be adversely affected. While Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers, there can be no assurance that any trading market will exist for the Notes following consummation of the Tender Offer. The extent of the market for the Notes following consummation of the Tender Offer will depend on the number of Holders remaining at such time, the interest in maintaining a market in such Notes on the part of securities firms and other factors.

No recommendation is being made with respect to the Tender Offer.

None of Usiminas, the Dealer Manager, the Tender and Information Agent or the Trustee, or any of their respective affiliates, makes any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder's Notes or how much they should tender, and none of them has authorized any person to make any such recommendation. Holders are urged to carefully evaluate all information in this Offer to Purchase, consult their own investment and tax advisors and make their own decisions with respect to the Tender Offer.

The Consideration offered for the Notes does not reflect any independent valuation of the Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Tender Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the Consideration offered for the Notes. If you tender your Notes, you may or may not receive as much or more value than if you choose to keep them.

Notes not purchased in the Tender Offer will remain outstanding.

Notes not tendered or purchased in the Tender Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the instruments governing the Notes, will remain unchanged. No amendments to these documents are being sought.

We or our affiliates may, from time to time, after completion of the Tender Offer, redeem or purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers, redemptions or otherwise. Any future redemption or purchases may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Tender Offer. Any future redemption or purchases by us or our affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we or our affiliates may choose to pursue in the future.

There are limits on your ability to withdraw validly tendered Notes.

Validly tendered Notes may be validly withdrawn prior to the Withdrawal Date, but not thereafter, unless extended at our sole discretion.

Holders should consult their own tax, accounting, financial and legal advisers before participating in the Tender Offer.

Holders are liable for their own taxes (other than certain transfer taxes) and have no recourse to us, any of our affiliates, the Dealer Manager, the Tender and Information Agent or the Trustee with respect to taxes (other than certain transfer taxes) arising in connection with the Tender Offer. Holders should consult their own tax, accounting, financial and legal advisers as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Tender Offer. In

particular, due to the number of different jurisdictions where tax laws may apply to a Holder, this Offer to Purchase does not discuss all tax consequences for Holders arising from the purchase by Usiminas of the Notes. Holders are urged to consult their own professional advisers regarding the possible tax consequences under the laws of the jurisdictions that apply to them.

The amount of Notes that may be purchased in the Tender Offer is subject to the total amount of the Local Financing and the Maximum Tender Amount and therefore some, or even all, of the Notes you tender may not be purchased.

The amount of Notes that may be purchased in the Tender Offer is subject to the total amount of the Local Financing and the Maximum Tender Amount. Therefore, Notes that are validly tendered may be subject to proration or may not be purchased at all. For more information regarding possible proration of the Notes, see “The Tender Offer—Proration.”

The Tender Offer may be cancelled, delayed or amended.

We have the right to terminate or withdraw in our sole discretion the Tender Offer if a condition to our obligation to purchase the Notes is not satisfied or waived at or prior to any applicable date. See “The Tender Offer—Conditions to the Tender Offer.” Even if the Tender Offer is consummated, it may not be consummated on the schedule described in this Offer to Purchase. See “Important Dates.” Accordingly, Holders participating in the Tender Offer may have to wait longer than expected to receive the applicable Consideration (or to have their Notes returned to them in the event we terminate the Tender Offer), during which time such Holders will not be able to effect transfers or sales of their Notes (except in the limited circumstances described in this Offer to Purchase). In addition, subject to certain restrictions, we have the right to amend the terms of the Tender Offer.

The Tender Offer is subject to the satisfaction or waiver of certain conditions.

Our obligation to purchase Notes pursuant to the Tender Offer is subject to the satisfaction or waiver of certain conditions, including the Financing Condition. These conditions are described in more detail in this Offer to Purchase under “The Tender Offer—Conditions to the Tender Offer.” We cannot assure you that such conditions will be satisfied or waived, that the Tender Offer will be consummated or that any failure to consummate the Tender Offer will not have an adverse effect on the market price and liquidity of the Notes.

THE NOTES

The Notes were issued by the Issuer under an indenture, dated July 18, 2019, between the Issuer, Usiminas, The Bank of New York Mellon, as trustee (the “Trustee”), paying agent, registrar and transfer agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent. As of the date of this Offer to Purchase, there is US\$750,000,000 in aggregate principal amount of Notes outstanding.

MARKET AND TRADING INFORMATION

The Notes are listed on the Official List of the Luxembourg Stock Exchange and are traded on the Luxembourg Stock Exchange’s Euro MTF Market. To the extent that Notes are traded, prices of such Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders are urged to obtain current information with respect to market prices for the Notes. For more information, see “Risk Factors—Risks Relating to the Tender Offer—There may be a more limited trading market for the Notes following the consummation of the Tender Offer.”

THE TENDER OFFER

We hereby offer to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase, outstanding Notes in an aggregate principal amount of up to the Maximum Tender Amount for the consideration described below.

The Tender Offer is not conditioned upon the tender of any minimum principal amount of Notes. However, the Tender Offer is subject to the Maximum Tender Amount. In the event the Tender Offer is terminated or otherwise not completed, neither the applicable Consideration nor Accrued Interest will be paid or become payable to Holders, and the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

Consideration

Holders of Notes that are validly tendered prior to or on the Early Tender Date and that are accepted for purchase will receive the Total Consideration, which includes the Tender Offer Consideration and the Early Tender Premium. Holders of Notes that are validly tendered after the Early Tender Date but prior to or on the Expiration Date and that are accepted for purchase will receive only the Tender Offer Consideration and not the Early Tender Premium.

Accrued Interest

Any payment of Consideration will be paid together with Accrued Interest. All Notes accepted for purchase in the Tender Offer will cease to accrue interest on the applicable Settlement Date, unless we default in the payment of amounts payable pursuant to the Tender Offer. All Notes not tendered or accepted for purchase shall continue to accrue interest.

Withdrawal of Tenders

Withdrawal rights with respect to tendered Notes will terminate at the Withdrawal Date. Accordingly, following the Withdrawal Date, Notes validly tendered, including Notes tendered prior to the Withdrawal Date and Notes tendered thereafter, may no longer be validly withdrawn except in certain limited circumstances where additional withdrawal rights are required by applicable law (as determined by us).

For a withdrawal of tendered Notes to be valid, such withdrawal must comply with the procedures set forth in “—How to Tender and Withdraw.”

No Appraisal Rights

The Notes are debt obligations of the Issuer, guaranteed by Usiminas, and are governed by the indenture. There are no appraisal or other similar statutory rights available to Holders in connection with the Tender Offer.

Settlement

Assuming our acceptance of Notes tendered pursuant to the Tender Offer up to the Maximum Tender Amount, Holders that have validly tendered and not validly withdrawn Notes at or prior to the Early Tender Date and whose Notes are accepted for purchase shall, if we so elect, receive the Consideration *plus* Accrued Interest for each US\$1,000 principal amount of such accepted Notes on the Early Settlement Date. If we do not, in our sole discretion, elect to pay for such tendered Notes prior to the Expiration Date, then the Early Settlement Date will be the same as the Final Settlement Date.

We will make payment for Notes validly tendered up to the Maximum Tender Amount after the Early Tender Date but at or prior to the Expiration Date and accepted by us for purchase in an amount equal to the Tender Offer Consideration *plus* Accrued Interest, for each US\$1,000 principal amount of such accepted Notes on the Final Settlement Date.

Holders who validly tender their Notes may be subject to proration if the aggregate principal amount of Notes validly tendered (and not validly withdrawn) as of the Early Tender Date or the Expiration Date, as the case may be, exceeds the Maximum Tender Amount. See “—Proration.” In the event that the amount of Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date exceeds the Maximum Tender Amount, then, subject to the terms and conditions of the Tender Offer, Notes tendered after the Early Tender Date will not be eligible for purchase, unless the Maximum Tender Amount is increased.

Proration

General

We are offering to purchase Notes in an aggregate principal amount up to the Maximum Tender Amount. If the aggregate principal amount of Notes validly tendered (and not validly withdrawn) as of the Early Tender Date or the Expiration Date, as the case may be, exceeds the Maximum Tender Amount, we will accept an amount of Notes representing an aggregate principal amount up to the Maximum Tender Amount for purchase, as described below.

Any tender of Notes the proration of which would otherwise result in a return of Notes to a tendering Holder in a principal amount below the minimum denomination may be rejected in full or accepted in full in our sole discretion.

If the purchase of all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date would cause us to accept for purchase an aggregate principal amount of Notes that exceeds the Maximum Tender Amount, then the Tender Offer will be oversubscribed at the Early Tender Date and, assuming satisfaction or waiver of the conditions to the Tender Offer, we will purchase on, at our option, the Early Settlement Date or the Final Settlement Date Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date and accepted for purchase on a prorated basis according to the principal amount of such Notes, such that we purchase an aggregate principal amount of Notes that does not exceed the Maximum Tender Amount.

If the Tender Offer is not oversubscribed and the Maximum Tender Amount has not been reached at the Early Tender Date and the purchase of all Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date (when combined with all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date) would cause us to accept for purchase an aggregate principal amount of Notes that exceeds the Maximum Tender Amount, then the Tender Offer will be oversubscribed at the Expiration Date and, assuming satisfaction or waiver of the conditions to the Tender Offer, we will purchase on the Final Settlement Date Notes validly tendered at or prior to the Expiration Date and accepted for purchase, as follows:

- first, to the extent there was no Early Settlement Date, all Notes validly tendered (and not validly withdrawn) at or prior to the Early Tender Date; and
- second, all Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date, on a prorated basis according to the principal amount of such Notes, such that we purchase an aggregate principal amount of Notes that does not exceed the Maximum Tender Amount.

All tendered Notes not accepted will be promptly credited to the Holder's account with DTC or otherwise returned to the Holder without cost.

The Tender Offer is not conditioned upon any minimum level of participation. We will not be able to definitely determine whether the Tender Offer is oversubscribed or what the effects of proration may be until after the Early Tender Date or the Expiration Date, as the case may be, has passed. If proration of the tendered Notes is required, we will determine the final proration factor as soon as practicable after the Early Tender Date or the Expiration Date, as the case may be. **We reserve the right, but are under no obligation, to increase or decrease the Maximum Tender Amount at any time, subject to compliance with applicable law, which could result in us purchasing a greater or lesser principal amount of Notes in the Tender Offer. There can be no assurance that we will exercise our right to increase or decrease the Maximum Tender Amount.**

How to Tender and Withdraw

Procedures. For a Holder to validly tender Notes pursuant to the Tender Offer, in the case of a book-entry transfer, an Agent's Message (as defined herein), and any other required documents, must be received by the Tender and Information Agent at its address or e-mail address set forth on the back cover of this Offer to Purchase prior to the Early Tender Date or the Expiration Date, as the case may be. In addition, to validly tender Notes prior to the Early Tender Date or the Expiration Date, as the case may be, either (i) certificates for such tendered Notes must be received by the Tender and Information Agent at such address or e-mail address or (ii) such Notes must be transferred pursuant to the procedures for book-entry transfer described below. The term "Agent's Message" means a message, transmitted by DTC to and received by the Tender and Information Agent and forming a part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant.

If certificates for unpurchased Notes are to be issued to a person other than the record holder, the certificates must be endorsed or accompanied by appropriate bond powers, in either case signed exactly as the name of the record holder appears on the certificates, with the signature on the certificates or bond powers guaranteed as described below.

Valid tenders of Notes pursuant to the Tender Offer will be accepted only in principal amounts of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

A separate tender instruction must be submitted on behalf of each beneficial holder of the Notes, given the possible proration.

There is no letter of transmittal in connection with this Tender Offer.

Book-Entry Delivery of the Notes; Tender through ATOP. Promptly after the date of this Offer to Purchase, the Tender and Information Agent will establish one or more accounts with respect to the Notes at DTC for purposes of the Tender Offer. Any financial institution that is a participant in DTC may make book-entry tender of Notes by causing DTC to transfer such Notes into the appropriate account of the Tender and Information Agent in accordance with DTC's procedures for such transfer. Although delivery of the Notes may be effected through book-entry at DTC, in the case of a book-entry transfer, an Agent's Message, and any other required documents, must be transmitted to and received by the Tender and Information Agent at its address or e-mail address set forth on the back cover of this Offer to Purchase prior to the Early Tender Date or Expiration Date, as the case may be, in order for the Holder of such Notes to be eligible to receive the applicable Consideration. **Delivery of such documents to DTC does not constitute delivery to the Tender and Information Agent.**

Holders who are tendering Notes by book-entry transfer to the Tender and Information Agent's account(s) at DTC may execute their tender and delivery through DTC's ATOP system by transmitting their acceptance to DTC in accordance with DTC's ATOP procedures; DTC will then verify the acceptance, execute a book-entry delivery to the Tender and Information Agent's account(s) at DTC and send an Agent's Message to the Tender and Information Agent. Delivery of the Agent's Message by DTC will satisfy the terms of the Tender Offer.

Holders desiring to tender Notes must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC prior to the Early Tender Date or Expiration Date, as the case may be.

Mutilated, Lost, Stolen or Destroyed Certificates. If a Holder desires to tender Notes, but the certificates evidencing such Notes have been mutilated, lost, stolen or destroyed, such Holder should contact the Trustee for further instructions.

Backup Withholding. To prevent U.S. federal income tax backup withholding (currently at a rate of 24%), each tendering U.S. Holder (as defined below under "Certain U.S. Federal Income Tax Considerations") must (i) provide such Holder's correct taxpayer identification number ("TIN") and certify that such Holder is not subject to U.S. federal income tax backup withholding by completing an Internal Revenue Service ("IRS") Form W-9, or (ii) otherwise establish a basis for exemption from backup withholding. See "Certain U.S. Federal Income Tax Considerations." Each tendering beneficial owner of Notes that is not a U.S. Holder (a "Non-U.S. Holder") must generally submit an appropriate, properly executed applicable IRS Form W-8 (generally Form W-8BEN or W-8BEN-E) (together with appropriate attachments) to avoid backup withholding.

General. The tender of Notes pursuant to the Tender Offer by one of the procedures set forth above will constitute an agreement between the tendering Holder and us in accordance with the terms and subject to the conditions of the Tender Offer.

The method of delivery of the certificates for Notes and all other required documents is at the election and risk of the tendering Holder. If a Holder chooses to deliver by mail, the recommended method is by registered mail with return receipt requested, properly insured. In all cases, sufficient time should be allowed to ensure timely delivery.

Please note that if Notes are held by a custodian, the custodian may have an earlier deadline for tendering Notes pursuant to the Tender Offer than the Early Tender Date or Expiration Date.

By tendering Notes through book-entry transfer as described in this Offer to Purchase, and subject to and effective upon acceptance for purchase of, and payment for, the Notes tendered, a tendering Holder acknowledges receipt of this Offer to Purchase and (i) sells, assigns and transfers to or upon the order of Usiminas all right, title and interest in and to all the Notes tendered thereby, (ii) waives any and all other rights with respect to the Notes,

(iii) releases and discharges Usiminas and its affiliates, including the Issuer, from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, the Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption or defeasance of the Notes, and (iv) irrevocably constitutes and appoints the Tender and Information Agent as the true and lawful agent and attorney-in-fact of such Holder with respect to any such tendered Notes, with full power of substitution and re-substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) transfer ownership of such Notes on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity, to us, (b) present such Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Tender and Information Agent will have no rights to, or control over, funds from us, except as agent for the tendering Holders for the applicable Consideration and Accrued Interest for any tendered Notes that are purchased by us).

The Holder, by tendering its Notes, represents and warrants that the Holder has received this Offer to Purchase, agrees to the terms and conditions contained herein and has full power and authority to tender, sell, assign and transfer the Notes tendered, and that if and when such Notes are accepted for purchase by Usiminas, Usiminas will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right. The Holder will, upon request, execute and deliver any additional documents deemed by the Tender and Information Agent or Usiminas to be necessary or desirable to complete the sale, assignment and transfer of any Notes tendered. All authority conferred or agreed to be conferred by tendering Notes through book-entry transfer shall survive the death or incapacity of the tendering Holder, and every obligation of such Holder incurred in connection with its tender of Notes shall be binding upon such Holder's heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives.

A defective tender of Notes (which defect is not waived by us) will not constitute valid delivery of the Notes and will not entitle the Holder thereof to be eligible to receive the applicable Consideration pursuant to the terms and conditions of the Tender Offer.

All questions as to the form of documents and validity, eligibility (including time of receipt) and acceptance for purchase of tendered Notes will be determined by Usiminas in its sole discretion, and Usiminas's determination will be final and binding. Usiminas reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or for which the acceptance for purchase may, in its opinion or the opinion of Usiminas's counsel, be unlawful. Usiminas also reserves the absolute right in its sole discretion to waive or modify any of the conditions of the Tender Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders. Usiminas's interpretation of the terms and conditions of the Tender Offer will be final and binding. None of Usiminas, the Issuer, the Trustee, the Dealer Manager, the Tender and Information Agent or any other person shall be under any duty to give notice of any defects, irregularities or waivers with respect to tenders of Notes, nor shall any of them incur any liability for failure to give any such notice.

Conditions to the Tender Offer

Notwithstanding any other provision of the Tender Offer, and in addition to (and not in limitation of) our rights to terminate, extend and/or amend the Tender Offer, we shall not be required to accept for purchase or pay for, and may delay the acceptance for purchase of, any tendered Notes, in each event subject to Rule 14e-1(c) under the Exchange Act (which requires that an offeror pay the consideration offered or return the Notes deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of a tender offer), and may terminate the Tender Offer, if any of the conditions described below have not been satisfied or waived or if any of the events described below occurs.

Financing Condition

The Financing Condition must be satisfied. This means that our obligation to accept for purchase and to pay for Notes validly tendered pursuant to the Tender Offer is subject to the pricing of the Local Financing, on terms reasonably satisfactory to us, in our sole discretion, and subject to applicable law. In our sole discretion, the pricing of the Local Financing must be in an amount that is sufficient to effect the repurchase of the Notes validly tendered and accepted for purchase pursuant to the Tender Offer up to the Maximum Tender Amount.

General Conditions

None of the following shall have occurred on or after the date of this Offer to Purchase and on or before the applicable Settlement Date:

- there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal), or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending, before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Tender Offer that, in our reasonable judgment, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Usiminas and its subsidiaries, taken as a whole, or (b) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer;
- an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (a) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer or (b) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Usiminas and its subsidiaries, taken as a whole;
- the Trustee with respect to the indenture governing the Notes shall not have objected in any respect to, or taken any action that could, in our reasonable judgment, adversely affect, nor shall the Trustee have taken any action that challenges the validity or effectiveness of the procedures used by us in making the Tender Offer or the delivery of any cash amounts;
- there shall have occurred or be likely to occur any event affecting the business or financial affairs of Usiminas and its subsidiaries, taken as a whole, that, in our reasonable judgment, would or might prohibit, prevent, restrict or delay consummation of the Tender Offer; and
- there has occurred (a) any general suspension of, or limitation on, trading in securities on the São Paulo Stock Exchange (B3 S.A. – *Brasil, Bolsa, Balcão*) whether or not mandatory, (b) any significant adverse change in the price of the Notes in the securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States, Brazil or Europe, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions, (f) a material change in United States, Brazilian or European currency exchange rate or a general suspension of, or material limitation on, the markets therefor, (g) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States, Brazil or Europe or, (h) in the case of any of the foregoing existing on the date of this Offer to Purchase, a material acceleration or worsening thereof.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition (including any action or inaction by us) and may be waived by us, in whole or in part, at any time and from time to time. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Notwithstanding any other provision of the Tender Offer, we have the right, in our sole discretion, to terminate the Tender Offer at any time.

Extensions; Amendments; Termination

We expressly reserve the right, at any time or from time to time, regardless of whether or not any of the events set forth in “—Conditions to the Tender Offer” shall have occurred, or shall have been determined by us to have occurred, subject to applicable law, to (i) extend the period during which the Tender Offer is open by giving written notice of the extension to the Tender and Information Agent and the Dealer Manager, (ii) amend the Tender Offer in any respect by giving written notice of the amendment to the Tender and Information Agent and the Dealer Manager, (iii) terminate the Tender Offer and not accept for purchase the tendered Notes and return all tendered

Notes to tendering Holders, (iv) waive any and all of the conditions and accept for purchase Notes that have been validly tendered prior to the Early Tender Date or the Expiration Date, as the case may be, and (v) assign any or all of our rights and obligations under the Tender Offer to an affiliate or designee. We may extend the Tender Offer from time to time in our sole discretion. If we extend the Tender Offer, or if, for any reason, the acceptance for purchase of, or the payment for, Notes is delayed, or if we are unable to accept Notes for purchase pursuant to the Tender Offer, then the Tender and Information Agent may retain, on our behalf, Notes that have been tendered, subject to Rule 14e-1 under the Exchange Act (“Rule 14e-1”) (which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of holders of securities promptly after the termination or withdrawal of a tender offer). The rights reserved by us in this paragraph are in addition to our rights to terminate the Tender Offer as a result of a failure to satisfy any of the conditions described under “—Conditions to the Tender Offer.”

Any extension, amendment or termination of the Tender Offer will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension of the Tender Offer to be issued no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Early Tender Date or Expiration Date, as the case may be. Without limiting the manner in which any public announcement may be made, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release or utilizing such other means of announcement as we deem appropriate.

The minimum period during which the Tender Offer will remain open following material changes in the terms or in the information concerning the Tender Offer will depend upon applicable law, and in particular Rule 14e-1, and the facts and circumstances of such change, including the relative materiality of the change. If any of the terms of the Tender Offer are amended in a manner determined by us to constitute a material change adversely affecting any Holder, we will promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, and we will extend the Tender Offer for a time period that we deem appropriate, depending upon the significance of the amendment and the manner of disclosure to Holders.

Subject to applicable law, we expressly reserve the right, in our sole discretion, to amend, extend or terminate the Tender Offer. If the Tender Offer is terminated at any time, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

Other Purchases of Notes

From time to time after the Expiration Date or after termination or withdrawal of the Tender Offer, we or any of our affiliates may acquire Notes that are not tendered or not accepted for purchase pursuant to the Tender Offer through open-market purchases, privately-negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the indenture governing the Notes), which may be more or less than the price to be paid pursuant to the Tender Offer and could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future.

Governing Law

This Offer to Purchase, the Tender Offer, each Agent’s Message and any purchase of Notes pursuant to the Tender Offer will be governed by and construed in accordance with the laws of the state of New York.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations related to the Tender Offer for U.S. Holders (as defined herein). This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, administrative rulings and pronouncements and judicial decisions, all as in effect on the date of this Offer to Purchase and all subject to change, possibly with retroactive effect, or to differing interpretations. We have not obtained, and do not intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of a sale of Notes pursuant to the Tender Offer. No assurance can be given that the IRS will agree with the tax consequences described in this summary, or that a court will not sustain any challenge by the IRS.

This summary does not address all of the potential U.S. federal income tax considerations that may be applicable to a particular U.S. Holder in light of its particular circumstances, or to certain categories of U.S. Holders that may be subject to special tax rules, such as financial institutions, banks, thrift institutions, insurance companies, regulated investment companies, real estate investment trusts, personal holding companies, tax-exempt organizations, dealers in securities or currencies, taxpayers that utilize the mark-to-market method of tax accounting, U.S. Holders whose functional currency for tax purposes is not the U.S. dollar, U.S. Holders who purchase notes in entities or arrangements classified as partnerships or other pass through entities for U.S. federal income tax purposes and investors therein, individual retirement and other tax-deferred accounts, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, and persons that hold the Notes as part of a hedge, conversion, straddle, constructive sale, wash sale or integrated transaction, or as part of a “synthetic security.” Additionally, this summary does not address any state, local or non-U.S. taxes, federal taxes other than income taxes (including estate and gift taxes), the application of Section 451(b) of the Code to certain taxpayers who file applicable financial statements, any alternative minimum tax or the Medicare tax on net investment income and is limited to U.S. Holders that have held the Notes as capital assets within the meaning of Section 1221 of the Code (generally, for investment purposes).

For purposes of this summary, a “U.S. Holder” is a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if (i) a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (ii) it has a valid election in place to be treated as a U.S. person.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Entities or arrangements treated as partnerships holding Notes (and partners in such partnerships) are urged to consult their own tax advisors about the U.S. federal income tax considerations relating to the Tender Offer.

EACH HOLDER AND BENEFICIAL OWNER OF NOTES IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE TENDER OFFER.

Considerations for Tendering U.S. Holders

Sale of a Note Pursuant to the Tender Offer. The sale of a Note by a U.S. Holder pursuant to the Tender Offer will be a taxable transaction for such U.S. Holder for U.S. federal income tax purposes. Subject to the discussion of the “market discount” rules and the possible treatment of the Early Tender Premium as a separate fee, in each case set forth below, a U.S. Holder will generally recognize capital gain or loss in an amount equal to the difference between (i) the amount of cash received in exchange for such Note (including the Early Tender Premium, if any, but not including any portion of the cash received that is attributable to Accrued Interest, which will be taxable as ordinary income from foreign sources if such interest has not been previously included in income) and (ii) the U.S. Holder’s adjusted tax basis in the tendered Note. Generally, a U.S. Holder’s adjusted tax basis for a Note will

equal the amount paid for the Note, increased by any market discount previously included in the U.S. Holder's gross income, and decreased (but not below zero) by any amortized bond premium. Except to the extent that gain is recharacterized as ordinary income pursuant to the market discount rules discussed below, any gain or loss will be from U.S. sources and will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of sale. Certain noncorporate U.S. Holders may be eligible for preferential rates of taxation in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

Market Discount. Gain recognized by a tendering U.S. Holder with respect to a Note acquired with market discount will generally be subject to U.S. federal income tax as ordinary income (which should be treated as income from foreign sources) to the extent of any market discount accrued during the period the Note was held by such U.S. Holder and not previously included in income under an election to include the market discount in income as it accrues. A Note generally will be considered to have been acquired with market discount if its stated principal amount exceeded its tax basis in the hands of a U.S. Holder immediately after its acquisition by the U.S. Holder by an amount equal to or greater than a statutory *de minimis* amount. Market discount will be considered to accrue ratably during the period from the date of the U.S. Holder's acquisition of the Note to the maturity date of the Note, unless the U.S. Holder has made an election to accrue market discount on a constant yield basis. If a U.S. Holder has elected to include accrued market discount in income currently, no additional market discount needs to be taken into account with respect to the sale of a Note pursuant to the Tender Offer. U.S. Holders are urged to consult their own tax advisors as to the portion of their gain, if any, that would be taxable as ordinary income under these provisions.

Early Tender Premium. To the extent we are required to take a position for U.S. federal income tax purposes, we intend to treat the Early Tender Premium as part of the cash consideration for the Notes and this disclosure assumes such treatment. Under such treatment, the Early Tender Premium would therefore be treated as sales proceeds, as discussed above under "—Sale of a Note Pursuant to the Tender Offer." The IRS may take the position, however, that the Early Tender Premium may be treated as a separate fee that would be subject to tax as ordinary income rather than additional consideration for the Notes.

U.S. Holders should consult their tax advisors as to the U.S. federal income tax treatment of the Early Tender Premium.

Information Reporting and Backup Withholding

A U.S. Holder whose Notes are tendered and accepted for payment in the Tender Offer may be subject to certain information reporting requirements with respect to the gross proceeds from the sale of such Notes, unless the U.S. Holder is an exempt recipient and, when required, establishes this fact. In addition, a U.S. Holder may be subject to backup withholding (at the rate of 24%) with respect to such proceeds unless such U.S. Holder (i) is within certain exempt categories and, when required, demonstrates this fact, or (ii) otherwise provides a correct TIN, certifies that it is not currently subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. A U.S. Holder can satisfy these requirements by completing and submitting an IRS Form W-9. A U.S. Holder that does not so provide its correct TIN may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules will be creditable against a U.S. Holder's U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, provided that the requisite information is properly and timely provided to the IRS. U.S. Holders are encouraged to consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption.

Considerations for Non-Tendering U.S. Holders

A U.S. Holder that does not tender its Notes will not incur any U.S. federal income tax liability as a result of the consummation of the Tender Offer.

CERTAIN BRAZILIAN TAX CONSIDERATIONS

The following discussion is a summary of the Brazilian tax considerations relating to the sale of the Notes by an investor resident or domiciled outside Brazil (“Non-Brazilian Holder”). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in Brazilian law that may come into effect after such date, as well as to the possibility that the effect of any such change in Brazilian law may be retroactive and apply to rights created on or prior to the date hereof.

THE INFORMATION SET FORTH BELOW IS INTENDED TO BE A GENERAL DISCUSSION ONLY AND DOES NOT ADDRESS ALL POSSIBLE TAX CONSEQUENCES RELATING TO THE NOTES. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE, REDEMPTION OR REPAYMENT OF THE NOTES.

Interest or Principal Payments

Generally, a Non-Brazilian Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. Therefore, as the issuer of the Notes should not be considered resident of or domiciled in Brazil for tax purposes, any income (including Accrued Interest, fees, commissions, expenses and any other income payable in respect of the Notes in favor of Non-Brazilian Holders) should not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil; *provided* that such payments are made with funds held by Usiminas outside Brazil.

Gains Realized from Sale or Disposition of the Notes

Generally, capital gains generated outside Brazil as a result of a transfer of assets located outside Brazil between non-Brazilian residents are not subject to taxation in Brazil. On the other hand, capital gains realized on the disposition of assets located in Brazil by a Non-Brazilian Holder to another non-resident are subject to taxation in Brazil, according to Section 26 of Law No. 10,833, enacted December 29, 2003. Based on the fact that the Notes are issued and registered abroad, and that the Issuer is not an entity incorporated under the laws of Brazil and is not a Brazilian tax resident, the Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833. Hence, gains arising from the sale or disposition of the Notes made outside Brazil by a Non-Brazilian Holder in the context of the Tender Offer should not be subject to Brazilian taxes.

In case the Notes are deemed to be assets located in Brazil, gains recognized by a Non-Resident Holder from the sale or disposition of the Notes to Usiminas should be subject to withholding income tax in Brazil, as a general rule, at progressive rates of 15% to 22.5% or at a flat rate of 25% if the Non-Resident Holder is located in a country that does not impose any income tax or which imposes it at a maximum rate lower than 17% or in a country or location where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents (“Favorable Tax Jurisdiction”), unless an applicable tax treaty between Brazil and the country where the Non-Resident Holder has its domicile provides for a lower withholding income tax rate.

Taxation of Foreign Exchange Transactions

As long as interest, premium (if any), principal payments, sale or redemption under the Notes are made by the Issuer with its own funds maintained outside Brazil, no taxation of foreign exchange transactions (“IOF/Exchange”) should be due in Brazil. As a general rule, exchange transactions carried out under remittances from Brazil to foreign countries are subject to IOF/Exchange assessment at a rate of 0.38%. However, the Brazilian government is allowed to reduce the IOF/Exchange rate at any time down to 0% or increase the IOF/Exchange rate at any time up to 25%, but only with respect to future foreign exchange transactions.

Other Brazilian Taxes

Generally, there are no inheritance, gift, succession, stamp or other similar taxes in Brazil with respect to the ownership, transfer, assignment or any other disposition of the Notes by a Non-Resident Holder.

DEALER MANAGER AND TENDER AND INFORMATION AGENT

Usiminas has engaged Itau BBA USA Securities, Inc. to act as Dealer Manager in connection with the Tender Offer. In such capacity, the Dealer Manager may contact Holders regarding the Tender Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

Usiminas has appointed D.F. King & Co., Inc. as Tender and Information Agent for the Tender Offer. The Tender and Information Agent will also handle requests for assistance in connection with the Tender Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

Usiminas has agreed to pay the Dealer Manager and the Tender and Information Agent customary fees for their respective services in connection with the Tender Offer. Usiminas has also agreed to reimburse the Dealer Manager and the Tender and Information Agent for certain of their out-of-pocket expenses and to indemnify them against certain liabilities arising in connection with the Tender Offer, including liabilities under the federal or state securities laws.

In the ordinary course of business, the Dealer Manager or its affiliates have performed and may from time to time in the future perform certain investment banking, commercial banking and financial advisory services, including the provision of credit facilities, for Usiminas.

In addition, in the ordinary course of their business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Dealer Manager or its affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealer Manager and its affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including the Notes. Any such short positions could adversely affect trading prices of the Notes. The Dealer Manager and its affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments. Also, the Dealer Manager at any time may own certain of our debt securities, including the Notes. At any given time and in compliance with applicable laws and regulations, the Dealer Manager or its affiliates may trade the Notes or our other securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. In addition, the Dealer Manager and its affiliates may or may not tender Notes in the Tender Offer for their own accounts or for the accounts of their customers.

None of the Dealer Manager, the Tender and Information Agent or the Trustee assumes any responsibility for the accuracy or completeness of the information concerning Usiminas contained in this Offer to Purchase or any amendments or supplements to the foregoing or for any failure by us to disclose events that may have occurred after the date of this Offer to Purchase and may affect the significance or accuracy of such information.

None of Usiminas, the Dealer Manager, the Tender and Information Agent or the Trustee, or any of their respective affiliates, is making any recommendation as to whether Holders should or should not tender any Notes in response to the Tender Offer or expressing any opinion as to whether the terms of the Tender Offer are fair to any Holder. Holders must make their own decision as to whether to tender any Notes and, if so, the principal amount of Notes to tender.

Any questions or requests for assistance or for additional copies of this Offer to Purchase may be directed to D.F. King & Co., Inc. in its role as the Tender and Information Agent at its address, e-mail address and telephone numbers set forth below. You may also contact the Dealer Manager at its address and telephone numbers set forth below or your broker, dealer, commercial bank, trust company, custodian or other nominee, if applicable, for assistance concerning the terms of the Tender Offer.

The Tender and Information Agent for the Tender Offer is:

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, NY 10005
E-mail: usiminas@dfking.com
Toll-free: +1 (800) 669-5550
Collect: (212) 269-5550
Facsimile Transmission (for Eligible Institutions only): +1 (212) 709-3328
For Confirmation: +1 (212) 232-3233
Attention: Michael Horthman

The Dealer Manager for the Tender Offer is:

Itau BBA USA Securities, Inc.
540 Madison Avenue, 24th Floor
New York, NY 10022
Toll-free: +1 (888) 770-4828
Collect: +1 (212) 710-6749
Attention: Debt Capital Markets