

USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. - USIMINAS

*Presidência*

Belo Horizonte, January 29<sup>th</sup>, 2007

*Pre-040*

Mr. BAN KI-MOON  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Ki-moon,

The year of 2005 was a special one for Usiminas.

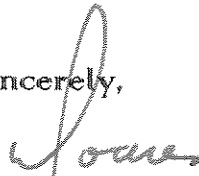
The Company's R\$3,9 billion net income in the year, highest profit among the Brazilian steel producers, was in part a reflection of the strict corporate principles on which Usiminas value creation strategies are based.

Our 2005 Social Statement ([www.usiminas.com.br](http://www.usiminas.com.br)) was prepared in line with the Global Reporting Initiative 2002 Guide, reporting our organization's economic, environmental and social performance. It sheds light on the comprehensive corporate vision we proclaim, so as to validate and make public the Usiminas System's investments in these fields.

I am proud to reaffirm our commitment to the ten Principles of the Global Compact.

You will find attached our Social Balance Statement, where we point out all practical actions Usiminas has taken throughout 2005 in order to progress in the implementation of the Global Compact principles.

Sincerely,



Rinaldo Campos Soares  
President & CEO

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PROGRESS ON THE TEN PRINCIPLES OF GLOBAL COMPACT

HUMAN RIGHTS:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights (pages 8, 13, 14, 30 and 106); and
- Principle 2: Make sure that they are not complicit in human rights abuses (pages 14, 25, 29 and 30).

LABOUR STANDARDS:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining (pages 36 and 37);
- Principle 4: The elimination of all forms of forced and compulsory labour (pages 13, 25, 29, 35 to 47);
- Principle 5: The effective abolition of child labour (pages 8, 13, 14, 25, 29, 30 35 to 47, 51 to 77 and 106), and
- Principle 6: The elimination of discrimination in respect of employment and occupation (pages 8, 13, 14, 25, 29, 30, 35 to 47 and 106).

ENVIRONMENT:

- Principle 7: Businesses should support a precautionary approach to environmental challenges (pages 8, 14, 81 to 99);
- Principle 8: Undertake initiatives to promote greater environmental responsibility (pages 8, 14, 81 to 99), and
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies (pages 81 to 99).

ANTI-CORRUPTION:

- Principle 10: Businesses should work against all forms of corruption, including extortion and bribery (pages 12 and 107).