

ANNEX I – INCOME STATEMENT

By Corporate Law (in thousands of Brazilian reais)

	2Q03	1Q04	2Q04	Variation %	
				Jan/Jun-03	Jan/Jun-04
Net sales	536,591	672,298	820,551	1,077,806	1,492,849
Cost of goods sold	(409,028)	(435,012)	(525,434)	(776,989)	(960,446)
Gross Profit	127,563	237,286	295,117	300,817	532,403
Gross margin (%)	23.8	35.3	36.0	27.9	35.7
Selling expenses	(28,977)	(25,598)	(35,867)	(55,960)	(61,465)
General and administrative expenses	(24,653)	(23,840)	(27,225)	(44,727)	(51,065)
Other operating income (expenses)	(2,719)	(7,524)	(16,072)	(4,964)	(23,596)
Operating income (EBIT)	71,214	180,324	215,953	195,166	396,277
Operating margin (%)	13.3	26.8	26.3	18.1	26.5
Financial income (expenses)	(76,787)	(44,807)	(30,152)	(182,963)	(74,959)
Monetary variation, net	68,542	(21,377)	(80,640)	38,515	(102,017)
Equity in affiliates	34,151	18,109	42,805	100,692	60,914
Non-operating income (expenses), net	(50,936)	(11,832)	(22,549)	(50,120)	(34,381)
Income before taxes and extraordinary item	46,184	120,417	125,417	101,290	245,834
Taxes	-	(20,332)	(34,436)	-	(54,768)
Deferred taxes	201	-	-	-	-
Income before extraordinary item	46,385	100,085	90,981	101,290	191,066
Extraordinary item	-	-	-	-	-
Net profit (loss)	46,385	100,085	90,981	101,290	191,066
Net margin (%)	8.6	14.9	11.1	9.4	12.8
Depreciation/amortization/depletion	28,549	30,449	34,577	55,763.0	65,026.0
EBITDA	99,763	210,773	250,530	250,929.0	461,303.0
EBITDA Margin (%)	18.6	31.4	30.5	23.3	30.9
CAPEX (R\$ million)	6.3	8.0	17.5	14.2	25.5

ANNEX II – STATEMENTS OF CASH FLOW

By Corporate Law (in thousands of Brazilian reais)

	2Q03	2Q04	1H03	1H04
Cash flows from operating activities:				
Net income (loss)	46,385	90,981	101,290	191,066
Adjustments to reconcile net cash generated from operating activities:				
Depreciation, amortization and depletion	28,550	34,577	55,763	65,026
Results from sale of permanent assets	(1,182)	2,115	(1,212)	1,955
Equity in subsidiaries	(34,151)	(42,805)	(100,692)	(60,914)
Provision for adjusting investment in CST to market value	32,698	21,403	32,698	31,386
Recognition (reversal) of provisions	(4,772)	42,990	2,130	74,486
Financial expenses, including monetary and exchange variations and interest	(43,506)	156,110	74,207	223,773
(Increase) decrease in assets:				
Accounts receivable	(3,594)	7,620	(6,423)	29,275
Inventories	451	28,913	(35,256)	(137,027)
Net change in receivables from affiliated companies	55,734	(20,149)	67,734	(24,406)
Proceeds from dividends and interest on capital	-	(11,972)	18,245	(4,315)
Taxes (short and long term)	12,090	(20,241)	1,183	(19,588)
Other	(10,359)	24,510	(5,824)	19,919
(Increase) decrease in liabilities:				
Suppliers	(41,905)	(64,394)	(42,040)	(51,967)
Payroll and related charges	5,226	4,416	3,767	(321)
Accrued taxes	110	3,405	369	4,874
Other	1,571	(767)	5,245	(5,371)
Net cash provided from operating activities	43,346	256,712	171,184	337,851
Cash flows from investing activities:				
Additions to property, plant and equipment	5,512	(19,215)	(13,938)	(27,396)
Purchase of shares/quotas	-	-	(2,560)	-
Proceeds from sale of investments and property, plant and equipment	487,721	240	487,754	838
Net cash provided from (used in) investing activities	493,233	(18,975)	471,256	(26,558)
Cash flows from financing activities:				
Loans - foreign currency				
Borrowings	299,803	231,829	660,551	493,482
Payments	(264,233)	(471,768)	(842,400)	(875,480)
Loans and debentures - local currency				
Borrowings	29,071	73,504	112,363	163,649
Payments	(564,766)	(60,108)	(607,608)	(138,810)
Net cash used in financing activities	(500,125)	(226,543)	(677,094)	(357,159)
Net cash used in the period	36,454	11,194	(34,654)	(45,866)
Increase (decrease) in cash and cash equivalents				
Balance at beginning of the period	18,502	353,060	89,610	410,120
Balance at end of the period	54,956	364,254	54,956	364,254
Change in cash and cash equivalents	36,454	11,194	(34,654)	(45,866)

ANNEX III – BALANCE SHEET

By Corporate Law (In thousands of Brazilian reais)

Assets	06/30/03	03/31/04	06/30/04	Liabilities	06/30/03	03/31/04	06/30/04
Current Assets	589,493	1,122,352	1,105,236	Current Liabilities	1,364,423	1,187,166	1,156,067
Cash and equivalents	54,956	353,060	364,254	Suppliers	211,183	237,454	173,060
Trade accounts receivables	153,151	188,801	181,181	Loans*	991,068	625,273	649,877
Inventories	335,311	531,116	502,203	Debentures	5,637	2,557	5,158
Others	46,075	49,375	57,598	Eurobonds	4,230	211,402	220,043
				Subsidiaries	39,023	-	-
				Taxes	8,283	14,392	17,797
				Swap / margin account	17,646	26,136	8,300
				Others	87,353	69,952	81,832
Long Term Assets	883,923	891,436	931,520	Long Term Liabilities	1,111,700	1,558,730	1,516,834
Restricted Legal Deposits	116,891	122,915	124,440	Loans*	475,430	1,104,334	1,015,895
Subsidiaries	219,957	205,822	226,367	Debentures	32,830	35,330	35,330
Recoverable taxes	58,145	75,757	93,719	Eurobonds	198,692	-	-
Income and social contribution taxes	228,515	216,320	212,288	Deferred and social contribution taxes	236,248	224,043	220,011
Investments to be disposable	188,274	173,546	173,276	Income and social contribution taxes	93,144	118,083	153,594
Others	72,141	97,076	101,430	Subsidiaries	5,718	5,791	6,187
				Swap / margin account	5,572	-	-
				Others	64,066	71,149	85,817
Fixed Assets	1,941,818	1,864,649	1,859,667	Shareholders' Equity	939,111	1,132,541	1,223,522
Investments	136,160	137,270	146,770	Capital	901,921	901,921	901,921
Property, plant and equipment	1,805,658	1,727,379	1,712,897	Reserves	501,366	434,919	427,092
				Retained earnings (losses)	(464,176)	(204,299)	(105,491)
Total Assets	3,415,234	3,878,437	3,896,423	Total Liabilities	3,415,234	3,878,437	3,896,423
Number of shares (in thousand)					745,483,780	745,483,780	745,483,780
Shareholders' equity per 1,000 shares					1.26	1.52	1.64

* Debt figures do not include swap operations results (swap / margin account)

ANNEX IV – SALES PERFORMANCE

Sales Volume

Steel Products	Tons			Chg.%		Tons		Chg.%
	2Q03 (a)	1Q04 (b)	2Q04 (c)	(c/b)	(c/a)	Jan/Jun-03	Jan/Jun-04	
Flat Steels	152,989	162,242	183,232	12.9	19.8	298,811	345,474	15.6
Stainless	90,606	99,550	98,873	(0.7)	9.1	180,229	198,423	10.1
Silicon O.G.	5,017	7,302	9,119	24.9	81.8	10,639	16,421	54.3
Silicon N.O.G.	27,104	30,125	35,538	18.0	31.1	54,263	65,663	21.0
Carbon / Alloys	30,262	25,265	39,702	57.1	31.2	53,680	64,967	21.0
Others (*)	19,103	11,635	23,262	99.9	21.8	30,225	34,897	15.5
Total	172,092	173,877	206,494	18.8	20.0	329,036	380,371	15.6
Domestic Market	118,988	112,642	141,595	25.7	19.0	226,979	254,237	12.0
Exports	53,104	61,235	64,899	6.0	22.2	102,057	126,134	23.6
Stainless	51,114	55,886	52,669	(5.8)	3.0	97,896	108,555	10.9
Silicon O.G. and N.O.G.	1,825	4,977	6,543	31.5	258.5	3,808	11,520	202.5
Carbon (flat / long)	165	372	5,687	1,428.8	3,346.7	353	6,059	1,616.4

(*)Others = Ingots + cast steel + Subproducts + Solid pig iron + Third party products for resale

Products as a Percentage of Total Sales

Product	Net Revenue		Volume	
	Jan/Jun-03	Jan/Jun-04	Jan/Jun-03	Jan/Jun-04
Stainless	75.3	76.5	54.8	52.2
Silicon O.G.	4.4	4.3	3.2	4.3
Silicon N.O.G.	9.3	8.8	16.5	17.3
Carbon / Alloyed	6.3	6.6	16.3	17.1
Others (*)	4.7	3.8	9.2	9.1

(*) Includes services

Stainless Export Shipments per Market (%)

Region	Jan/Jun-03	Jan/Jun-04
Asia	56.6	44.1
Europe	16.6	26.4
North/Central America	10.0	7.0
South America	12.5	17.3
Others	4.3	5.2

ANNEX V – FINANCIAL DATA

Foreign Currency Exposure (in US\$ million)

	03/31/04	06/30/04
Assets	197.5	171.3
U.S dollar-indexed cash investments	8.7	15.4
Other U.S. dollar-indexed assets	188.8	155.9
Liabilities	664.8	578.7
U.S dollar-indexed loans	615.7	543.9
Other U.S. dollar-indexed liabilities	49.1	34.8
Net Liabilities	467.3	407.4
(-) U.S. dollar swaps vs. CDI	151.7	140.3
Net exposure	315.6	267.1
Coverage	32.5%	34.4%

Net Indebtedness

By Corporate Law (in millions of Brazilian reais)

	06/30/03	03/31/04	06/30/04
Acesita S/A	1,708	1,979	1,926
Acesita International Ltd.	36	-	-
Total	1,744	1,979	1,926
(-) Cash and Equivalents	196	493	533
(-) Swap/Margin account	(23)	(26)	(8)
Net Debt	1,571	1,512	1,401

Debt Profile by Index

Index	06/30/03	06/30/04
Foreign Currencies*	85.3%	87.2%
IGP-M	3.8%	2.1%
CDI	7.3%	1.6%
TJLP	3.6%	9.1%

(*) Mainly US Dollar

obs.: Does not consider dollar / CDI swap

ANNEX VI – FINANCIAL DATA (CONT.)

Debt Profile - Acesita S/A

By Corporate Law (in thousands of Brazilian reais)

	Short Term			Long Term		
	06/30/03	03/31/04	06/30/04	06/30/03	03/31/04	06/30/04
Advances on exchange contracts and pre payment	552,318	305,317	291,668	234,773	878,383	815,133
BNDES / FINAME / FINEP	17,267	50,796	126,477	70,038	104,529	49,032
Eurobonds	4,231	211,402	220,043	198,692	-	-
Debentures	5,637	2,557	5,158	32,830	35,330	35,330
Import financing	89,949	179,611	164,160	97,784	110,066	109,683
Others	331,533	89,549	67,572	72,835	11,356	42,047
Total*	1,000,935	839,232	875,078	706,952	1,139,664	1,051,225
Ratio ST/LT	58.6%	42.4%	45.4%	41.4%	57.6%	54.6%

* Figures do not include swap operations results (swap / margin account)

Equity in Affiliates

(Net of goodwill/negative goodwill)

By Corporate Law (In thousands of Brazilian reais)

	2Q03	1Q04	2Q04	Jan/Jun-03	Jan/Jun-04
Aços Planos do Sul S.A. / CST	19,920	13,035	34,325	76,004	47,360
Acesita Centros de Serviços Ltda.	(667)	52	(37)	(1,264)	15
Acesita Serviços Com. Ind. e Participações	5,401	4,948	10,066	10,347	15,014
Acesita Export Ltd.	-	29	(33)	-	(4)
Acesita International Ltd.	9,497	45	(1,516)	15,605	(1,471)
Total	34,151	18,109	42,805	100,692	60,914

Financial Income (Expenses)

By Corporate Law (In thousands of Brazilian reais)

	2Q03	1Q04	2Q04	Jan/Jun-03	Jan/Jun-04
Financial expenses	(85,759)	(59,644)	(50,415)	(205,299)	(110,059)
Financial income	8,974	14,837	20,263	22,338	35,100
Monetary variation on assets	(59,861)	2,200	32,794	(76,394)	34,994
Monetary variation on liabilities	128,403	(23,577)	(113,434)	114,909	(137,011)
Total	(8,243)	(66,184)	(110,792)	(144,446)	(176,976)

ACESITA S.A. ASSOCIADA A ARCELOR

ANNEX VII – SHAREHOLDING STRUCTURE

Stockholding Composition as of 06/30/04

Shareholders	Ordinary	%	Preferred	%	TOTAL	%
Usinor Empreend. e Particip. Ltda	96,959,687,924	38.94	109,420,760,164	22.04	206,380,448,088	27.68
Cx. Prev. Func. Banco Brasil – PREVI	47,161,659,737	18.94	51,781,457,271	10.43	98,943,117,008	13.27
Fund. Sistel de Seguridade Social - SISTEL	30,212,366,327	12.13	-	-	30,212,366,327	4.05
Fund. Petrobras Seg. Social – PETROS	14,280,132,639	5.73	4,486,450,529	0.90	18,766,583,168	2.52
Cx. Prev. Func. Sist. Banerj – PREVI BANERJ	2,685,438,182	1.08	1,621,467,224	0.33	4,306,905,406	0.58
Real Grandeza - Fund. Prev. Assist. Social	930,883,205	0.37	-	-	930,883,205	0.12
Inst. Seg. Social Correios e Teleg. – POSTALIS	1,471,891,652	0.59	-	-	1,471,891,652	0.20
Clube de Invest. dos Empreg. Grupo Acesita – CIGA	1,125,400,000	0.45	25,000,000	0.01	1,150,400,000	0.15
Total of Controlling Group	194,827,459,666	78.24	167,335,135,188	33.70	362,162,594,854	48.58
Treasury Shares	1,489,015,625	0.60	1,054,900,000	0.21	2,543,915,625	0.34
BNDESPAR	-	-	130,169,553,686	26.22	130,169,553,686	17.46
Others	52,692,175,188	21.16	197,915,540,367	39.86	250,607,715,555	33.62
Total	249,008,650,479	100.00	496,475,129,241	100.00	745,483,779,720	100.00

The statements contained herein with regard to the Company's business prospects, operating and financial result projections, and references to its potential growth are merely forecasts based on the expectations of Company Management in relation to its future performance. Such estimates are highly dependent on market behavior and on Brazilian economic, industry and international market conditions, and therefore subject to change.

ACESITA S.A. is an integrated steel mill with a net revenue of R\$ 2,280.7 million in 2003. With head offices in Belo Horizonte and a plant located in Timóteo, in the region of Vale do Aço, State of Minas Gerais, the Company has an output capacity of up to 900,000 tons of liquid steel per year. It is the only integrated producer of flat stainless and silicon steels in Latin America.

PRICE PER 1,000 SHARES:

ACES3=R\$2.98

ACES4=R\$3.02

Date: August 3, 2004

NUMBER OF SHARES:

745,483,779,720

MARKET CAPITALIZATION:

R\$ 2,241,400,668.74

US\$ 740,518,259.79

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