

NATIONAL STEEL CO  
Form 6-K  
August 29, 2012

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

**For the month of August, 2012**  
**Commission File Number 1-14732**

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**COMPANHIA SIDERÚRGICA NACIONAL**

(Exact name of registrant as specified in its charter)

**National Steel Company**

(Translation of Registrant's name into English)

**Av. Brigadeiro Faria Lima 3400, 20º andar**  
**São Paulo, SP, Brazil**  
**04538-132**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports  
under cover Form 20-F or Form 40-F. Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby  
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**

ITR — Quarterly Financial Information - June 30, 2012 – CIA  
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**Version: 1**

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**Company Information / Capital Breakdown**

<b>Number of Shares</b>	<b>Current Quarter</b>
<b>(Units)</b>	<b>06/30/2012</b>
<b>Paid-in Capital</b>	
<b>Common</b>	1,457,970,108
<b>Preferred</b>	0
<b>Total</b>	1,457,970,108
<b>Treasury Shares</b>	
<b>Common</b>	0
<b>Preferred</b>	0
<b>Total</b>	0

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**Company Information / Cash  
 Dividends**

<b>Event</b>	<b>Approval</b>	<b>Dividends</b>	<b>Inition Payment</b>	<b>Type of share</b>	<b>Class of share</b>	<b>Dividends per common share (R\$/ share)</b>
Annual General Meeting	04/27/2012	Dividends	05/31/2012	Ordinary		0.82306

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**Parent Company Statements / Balance Sheet - Assets**  
**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 6/30/2012</b>	<b>YTD Previous Year 12/31/2011</b>
1	Total assets	45,403,296	45,582,817
1.01	Current assets	7,665,896	8,886,953
1.01.01	Cash and cash equivalents	2,566,569	2,073,244
1.01.03	Trade receivables	1,841,469	3,516,800
1.01.04	Inventories	2,835,952	2,885,617
1.01.08	Other current assets	421,906	411,292
1.02	Non-current Assets	37,737,400	36,695,864
1.02.01	Long-term receivables	4,981,439	3,852,937
1.02.01.03	Trade receivables	10,282	10,202
1.02.01.06	Deferred taxes	2,050,765	1,300,650
1.02.01.08	Receivables from related parties	521,049	125,843
1.02.01.09	Other non- current assets	2,399,343	2,416,242
1.02.02	Investments	21,684,420	22,573,890
1.02.03	Property, plant and equipment	11,051,623	10,247,845
1.02.04	Intangible assets	19,918	21,192

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**Parent Company Statements / Balance Sheet - Liabilities  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 6/30/2012</b>	<b>YTD Previous Year 12/31/2011</b>
2	Total liabilities	45,403,296	45,582,817
2.01	Current liabilities	6,256,949	7,351,509
2.01.01	Payroll and related taxes	137,378	123,839
2.01.02	Trade payables	761,812	678,504
2.01.03	Taxes payable	34,341	122,648
2.01.04	Borrowings and financing	3,552,926	4,330,141
2.01.05	Other payables	1,533,961	1,862,247
2.01.06	Provisions	236,531	234,130
2.01.06.01	Provisions for tax, social security, labor and civil risks	228,730	225,997
2.01.06.02	Other provisions	7,801	8,133
2.01.06.02.03	Provisions for environmental liabilities and asset decommissioning	7,801	8,133
2.02	Non-current liabilities	31,692,822	30,245,487
2.02.01	Borrowings and financing	20,127,840	19,091,277
2.02.02	Other payables	9,572,860	9,633,194
2.02.04	Provisions	1,992,122	1,521,016
2.02.04.01	Provisions for tax, social security, labor and civil risks	385,147	262,432
2.02.04.01.01	Tax provisions	335,667	216,046
2.02.04.01.02	Social security and labor provisions	42,574	39,480
2.02.04.01.04	Civil provisions	6,906	6,906
2.02.04.02	Other provisions	1,606,975	1,258,584
2.02.04.02.03	Provisions for environmental liabilities and asset decommissioning	347,559	313,094
2.02.04.02.04	Pension and healthcare plan	469,027	469,027
2.02.04.02.05	Provision for losses on investments	790,389	476,463
2.03	Equity	7,453,525	7,985,821
2.03.01	Issued capital	4,540,000	1,680,947
2.03.02	Capital reserves	30	30

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2.03.04	Earnings reserves	4,539,075	7,671,620
2.03.04.01	Legal reserve	336,190	336,190
2.03.04.02	Statutory reserve	3,426,337	5,717,390
2.03.04.08	Additional dividends proposed	0	273,492
2.03.04.10	Investment reserve	776,548	1,344,548
2.03.05	Retained earnings/accumulated losses	(1,159,644)	0
2.03.08	Other comprehensive income	(465,936)	(1,366,776)

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**Parent Company Statements / Statement of Income**  
**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 4/1/2012 to 6/30/2012</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Current Quarter of Previous Year 4/1/2011 to 6/30/2011</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
3.01	Net revenue from sales and/or services	2,556,448	4,965,904	2,820,438	5,390,603
3.02	Cost of sales and/or services	(1,944,371)	(3,831,525)	(1,862,257)	(3,588,938)
3.03	Gross profit	612,077	1,134,379	958,181	1,801,665
3.04	Operating expenses/income	(1,284,355)	(1,310,015)	964,027	1,167,040
3.04.01	Selling expenses	(79,093)	(147,297)	(97,030)	(178,132)
3.04.02	General and administrative expenses	(90,182)	(167,533)	(111,874)	(185,747)
3.04.04	Other operating income	43,245	71,174	126,571	131,380
3.04.05	Other operating expenses	(1,477,880)	(1,573,480)	(81,690)	(225,273)
3.04.06	Share of profits of investees	319,555	507,121	1,128,050	1,624,812
3.05	Profit before finance income (costs) and taxes	(672,278)	(175,636)	1,922,208	2,968,705
3.06	Finance income (costs)	(1,174,465)	(1,675,694)	(532,475)	(1,003,404)
3.06.01	Finance income	76,409	123,196	49,570	110,996
3.06.02	Finance costs	(1,250,874)	(1,798,890)	(582,045)	(1,114,400)
3.06.02.01	Net exchange gains (losses) on financial instruments	(532,715)	(356,069)	302,830	462,462
3.06.02.02	Finance costs	(718,159)	(1,442,821)	(884,875)	(1,576,862)
3.07	Profit before taxes on income	(1,846,743)	(1,851,330)	1,389,733	1,965,301
3.08	Income tax and social contribution	814,383	929,664	(251,249)	(209,298)
3.09	Profit (loss) from continuing operations	(1,032,360)	(921,666)	1,138,484	1,756,003
3.11	Profit/loss for the period	(1,032,360)	(921,666)	1,138,484	1,756,003
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	(0.70808)	(0.63216)	0.78087	1.20442
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	(0.70808)	(0.63216)	0.78087	1.20442





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**Parent Company Statements / Statement of Comprehensive Income  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 4/1/2012 to 6/30/2012</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Current Quarter of Previous Year 4/1/2011 to 6/30/2011</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
4.01	Profit for the period	(1,032,360)	(921,666)	1,138,484	1,756,003
4.02	Other comprehensive income	670,653	900,840	(1,000,888)	(880,224)
4.02.01	Exchange differences arising on translating foreign operations	163,423	133,401	(47,081)	(57,933)
4.02.03	Net change in the fair value on available-for-sale financial assets	507,230	767,439	(255,643)	(124,127)
4.02.04	Sale of available-for-sale assets	0	0	(698,164)	(698,164)
4.03	Comprehensive income for the period	(361,707)	(20,826)	137,596	875,779

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**Parent Company Statements / Statement of Cash Flows - Indirect Method  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
6.01	Net cash generated by operating activities	1,492,938	1,402,906
6.01.01	Cash flows from operating activities	1,207,145	1,286,748
6.01.01.01	Profit for the period	(921,666)	1,756,003
6.01.01.02	Accrued charges on borrowings and financing	1,269,671	1,240,027
6.01.01.03	Depreciation/ depletion / amortization	449,223	375,783
6.01.01.04	Loss on equity interests	(507,121)	(1,624,812)
6.01.01.05	Deferred income tax and social contribution	(929,664)	191,408
6.01.01.06	Allowance for losses on receivables	0	(116,335)
6.01.01.07	Provisions for tax, social security, labor and civil risks	166,427	45,976
6.01.01.08	Inflation adjustment and exchange differences, net	356,069	(613,664)
6.01.01.09	Gain on derivative transactions	5,907	10,871
6.01.01.11	Impairment of available-for-sale security	1,245,024	0
6.01.01.14	Other provisions	73,275	21,491
6.01.02	Changes in assets and liabilities	285,793	116,158
6.01.02.01	Trade receivables – third parties	141,721	(73,524)
6.01.02.02	Intercompany receivables	1,303,157	(311,048)
6.01.02.03	Inventories	16,198	94,965
6.01.02.04	Receivables from jointly controlled entities	145,121	1,223,957
6.01.02.05	Taxes available for offset	(15,728)	321
6.01.02.06	Judicial deposits	(15,308)	(5,324)
6.01.02.07	Dividends received from subsidiaries	15,728	5,437
6.01.02.10	Trade payables	104,783	(32,008)
6.01.02.11	Payroll and related taxes	(51,467)	(88,889)
6.01.02.12	Taxes	(72,856)	137,955
6.01.02.13	Taxes in installments - REFIS	(192,775)	(110,404)

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6.01.02.14	Trade payables - Subsidiaries	618	(6,174)
6.01.02.15	Tax, social security, labor and civil risks liabilities	(6,514)	135,387
6.01.02.16	Interest paid - third parties	(1,077,697)	(721,300)
6.01.02.17	Interest on swap paid	(6,764)	(10,949)
6.01.02.18	Other	(2,424)	(122,244)
6.02	Net cash used in investing activities	597,875	(1,848,790)
6.02.01	Investments/advances for future capital increase	(531,768)	(1,089,043)
6.02.02	Property, plant and equipment	(725,615)	(760,777)
6.02.03	Cash from acquisition of subsidiaries	0	1,030
6.02.04	Capital reduction in subsidiary	1,855,258	0
6.03	Net cash generated by (used in) financing activities	(1,597,488)	1,640,030
6.03.01	Borrowings and financing raised - third parties	1,065,128	3,805,272
6.03.02	Borrowings and financing raised - intercompany	0	251,209
6.03.03	Repayments of principal - third parties	(1,218,247)	(401,885)
6.03.04	Repayments of principal - intercompany	(244,701)	(158,239)
6.03.05	Dividends and interest on capital paid	(1,199,668)	(1,856,327)
6.04	Changes in cash and cash equivalents	0	(88)
6.05	Increase (decrease) in cash and securities	493,325	1,194,058
6.05.01	Cash and cash equivalents at the beginning of the period	2,073,244	108,297
6.05.02	Cash and cash equivalents (except derivative assets) at the end of the period	2,566,569	1,302,355

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Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2012 to 6/30/2012

(R\$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve earnings/accumulated	Retained losses	Other comprehensive income	Equity
5.01	Opening balances	1,680,947	30	7,671,620	0	(1,366,776)	7,985,821
5.03	Adjusted opening balances	1,680,947	30	7,671,620	0	(1,366,776)	7,985,821
5.04	Capital transactions with owners	2,859,053	0	(3,132,545)	(237,978)	0	(511,470)
5.04.01	Capital increases	2,859,053	0	(2,859,053)	0	0	0
5.04.07	Interest on Capital	0	0	0	(237,978)	0	(237,978)
5.04.08	Approval of prior year's proposed dividends	0	0	(273,492)	0	0	(273,492)
5.05	Total comprehensive income	0	0	0	(921,666)	900,840	(20,826)
5.05.01	Profit for the period	0	0	0	(921,666)	0	(921,666)
5.05.02	Other comprehensive income	0	0	0	0	900,840	900,840
5.05.02.04	Translation adjustments for the period	0	0	0	0	133,401	133,401
5.05.02.09	Net change in the fair value on available-for-sale financial assets	0	0	0	0	767,439	767,439
5.07	Closing balances	4,540,000	30	4,539,075	(1,159,644)	(465,936)	7,453,525

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**Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2011 to 6/30/2011**  
(R\$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	earnings/accumulated	Retained losses	Other comprehensive income	Equity
5.01	Opening balances	1,680,947	30	6,119,798		0	(168,015)	7,632,760
5.03	Adjusted opening balances	1,680,947	30	6,119,798		0	(168,015)	7,632,760
5.04	Capital transactions with owners	0	0	(1,227,703)		(218,681)	0	(1,446,384)
5.04.07	Interest on Capital	0	0	0		(218,681)	0	(218,681)
5.04.08	Approval of prior year's proposed dividends	0	0	(1,227,703)		0	0	(1,227,703)
5.05	Total comprehensive income	0	0	0		1,756,003	(880,224)	875,779
5.05.01	Profit for the period	0	0	0		1,756,003	0	1,756,003
5.05.02	Other comprehensive income	0	0	0		0	(880,224)	(880,224)
5.05.02.04	Translation adjustments for the period	0	0	0		0	(57,933)	(57,933)
5.05.02.08	Net change in the fair value on available-for-sale financial assets	0	0	0		0	(124,127)	(124,127)
5.05.02.09	Sale of available-for-sale assets	0	0	0		0	(698,164)	(698,164)
5.07	Closing balances	1,680,947	30	4,892,095		1,537,322	(1,048,239)	7,062,155

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**Parent Company Statements / Statement of Value Added**  
**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
7.01	Revenues	6,201,874	6,750,982
7.01.01	Sales of products and services	6,195,677	6,760,882
7.01.04	Recognition/reversal of allowance for doubtful debts	6,197	(9,900)
7.02	Inputs purchased from third parties	(5,574,552)	(3,923,904)
7.02.01	Costs of sales and services	(3,770,290)	(3,533,710)
7.02.02	Materials, electric. power, outside services and other	(542,595)	(380,953)
7.02.03	Impairment/recovery of assets	(1,261,667)	(9,241)
7.03	Gross value added	627,322	2,827,078
7.04	Retentions	(449,223)	(375,783)
7.04.01	Depreciation, amortization and depletion	(449,223)	(375,783)
7.05	Wealth created	178,099	2,451,295
7.06	Value added received as transfer	913,386	1,732,088
7.06.01	Share of profits (losses) of investees	507,121	1,624,812
7.06.02	Finance income/exchange gains	406,559	105,467
7.06.03	Other	(294)	1,809
7.07	Wealth for distribution	1,091,485	4,183,383
7.08	Wealth distributed	1,091,485	4,183,383
7.08.01	Personnel	307,780	466,459
7.08.01.01	Salaries and wages	237,791	366,526
7.08.01.02	Benefits	47,872	77,903
7.08.01.03	Severance pay fund (FGTS)	22,117	22,030
7.08.02	Taxes and contributions	(378,727)	852,288
7.08.02.01	Federal	(473,370)	703,661
7.08.02.02	State	77,723	133,846
7.08.02.03	Municipal	16,920	14,781
7.08.03	Lenders and lessors	2,084,098	1,108,633
7.08.03.01	Interest	2,081,837	1,108,019
7.08.03.02	Leases	2,261	614
7.08.04	Shareholders	(921,666)	1,756,003
7.08.04.01	Interest on capital	237,978	218,681
7.08.04.03	Retained earnings/(accumulated losses) for the year	(1,159,644)	1,537,322





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**Version: 1**

**Consolidated Company Statements / Balance Sheet - Assets**  
(R\$ thousand)

<b>Code</b>	<b>Description</b>	<b>Current Quarter 6/30/2012</b>	<b>YTD Previous Year 12/31/2011</b>
1	Total assets	47,455,273	46,869,702
1.01	Current assets	20,365,286	21,944,306
1.01.01	Cash and cash equivalents	13,690,478	15,417,393
1.01.03	Trade receivables	1,878,754	1,616,206
1.01.04	Inventories	3,693,270	3,734,984
1.01.08	Other current assets	1,102,784	1,175,723
1.02	Non-current assets	27,089,987	24,925,396
1.02.01	Long-term receivables	5,445,771	4,856,721
1.02.01.02	Financial assets measured at amortized cost	118,132	139,679
1.02.01.03	Trade receivables	1,863	10,043
1.02.01.06	Deferred taxes	2,490,751	1,840,773
1.02.01.09	Other non-current assets	2,835,025	2,866,226
1.02.02	Investments	1,218,532	2,088,225
1.02.03	Property, plant and equipment	19,611,088	17,377,076
1.02.04	Intangible assets	814,596	603,374

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**Version: 1**

**Consolidated Company Statements / Balance Sheet - Liabilities**  
(R\$ thousand)

<b>Code</b>	<b>Description</b>	<b>Current Quarter 6/30/2012</b>	<b>YTD Previous Year 12/31/2011</b>
2	Total liabilities	47,455,273	46,869,702
2.01	Current liabilities	5,674,534	6,496,947
2.01.01	Payroll and related taxes	231,295	202,469
2.01.02	Trade payables	1,517,224	1,232,075
2.01.03	Taxes payable	225,363	325,132
2.01.04	Borrowings and financing	2,431,577	2,702,083
2.01.05	Other payables	958,066	1,728,445
2.01.06	Provisions	311,009	306,743
2.01.06.01	Provisions for tax, social security, labor and civil risks	296,159	292,178
2.01.06.02	Other provisions	14,850	14,565
2.01.06.02.03	Provisions for environmental liabilities and asset decommissioning	14,850	14,565
2.02	Non-current liabilities	33,910,367	31,955,585
2.02.01	Borrowings and financing	26,863,528	25,186,505
2.02.02	Other payables	5,589,884	5,593,520
2.02.03	Deferred taxes	162,434	37,851
2.02.04	Provisions	1,294,521	1,137,709
2.02.04.01	Provisions for tax, social security, labor and civil risks	468,213	346,285
2.02.04.01.01	Tax provisions	362,166	244,295
2.02.04.01.02	Social security and labor provisions	83,095	79,941
2.02.04.01.04	Civil provisions	22,952	22,049
2.02.04.02	Other provisions	826,308	791,424
2.02.04.02.03	Provisions for environmental liabilities and asset decommissioning	357,258	322,374
2.02.04.02.04	Pension and healthcare plan	469,050	469,050
2.03	Equity	7,870,372	8,417,170
2.03.01	Issued capital	4,540,000	1,680,947
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	4,539,075	7,671,620
2.03.04.01	Legal reserve	336,190	336,190
2.03.04.02	Statutory reserve	3,426,337	5,717,390

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2.03.04.08	Additional dividends proposed	0	273,492
2.03.04.11	Investment reserve	776,548	1,344,548
2.03.05	Retained earnings/accumulated losses	(1,159,644)	0
2.03.08	Other comprehensive income	(465,936)	(1,366,776)
2.03.09	Non-controlling interests	416,847	431,349

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**Version: 1**

**Consolidated Company Statements / Statement of Income**  
**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 4/1/2012 to 6/30/2012</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Current Quarter of Previous Year 4/1/2011 to 6/30/2011</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
3.01	Net revenue from sales and/or services	4,136,827	8,032,566	4,323,192	8,112,200
3.02	Cost of sales and/or services	(2,981,047)	(5,733,653)	(2,487,472)	(4,720,300)
3.03	Gross profit	1,155,780	2,298,913	1,835,720	3,391,900
3.04	Operating expenses/income	(2,609,240)	(3,036,124)	300,211	(66,543)
3.04.01	Selling expenses	(178,504)	(359,499)	(145,767)	(265,769)
3.04.02	General and administrative expenses	(148,036)	(281,848)	(158,669)	(279,978)
3.04.04	Other operating income	44,570	57,254	720,985	736,570
3.04.05	Other operating expenses	(2,327,270)	(2,452,031)	(116,338)	(257,366)
3.05	Profit before finance income (costs) and taxes	(1,453,460)	(737,211)	2,135,931	3,325,357
3.06	Finance income (costs)	(317,938)	(946,099)	(649,664)	(1,168,100)
3.06.01	Finance income	89,721	197,306	189,828	328,910
3.06.02	Finance costs	(407,659)	(1,143,405)	(839,492)	(1,497,010)
3.06.02.01	Net exchange gains (losses) on financial instruments	269,559	216,738	(80,027)	(173,366)
3.06.02.02	Finance costs	(677,218)	(1,360,143)	(759,465)	(1,323,644)
3.07	Profit before taxes on income	(1,771,398)	(1,683,310)	1,486,267	2,157,257
3.08	Income tax and social contribution	722,957	727,504	(349,105)	(404,400)
3.09	Profit (loss) from continuing operations	(1,048,441)	(955,806)	1,137,162	1,752,857
3.11	Consolidated profit/loss for the period	(1,048,441)	(955,806)	1,137,162	1,752,857
3.11.01	Attributed to owners of the Company	(1,032,360)	(921,666)	1,138,484	1,756,003

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3.11.02	Attributed to non-controlling interests	(16,081)	(34,140)	(1,322)	(3,146)
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	(0.70808)	(0.63216)	0.78087	1.20442
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	(0.70808)	(0.63216)	0.78087	1.20442

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**Consolidated Company Statements / Statement of Comprehensive Income  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 4/1/2012 to 6/30/2012</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Current Quarter of Previous Year 4/1/2011 to 6/30/2011</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
4.01	Profit for the period	(1,048,441)	(955,806)	1,137,162	1,752,857
4.02	Other comprehensive income	670,653	900,840	(1,000,888)	(880,224)
4.02.01	Exchange differences arising on translating foreign operations	163,423	133,401	(47,081)	(57,933)
4.02.03	Net change in the fair value on available-for-sale financial assets	507,230	767,439	(255,643)	(124,127)
4.02.04	Sale of available-for-sale assets	0	0	(698,164)	(698,164)
4.03	Comprehensive income for the period	(377,788)	(54,966)	136,274	872,633
4.03.01	Attributed to owners of the Company	(361,707)	(20,826)	137,596	875,779
4.03.02	Attributed to non-controlling interests	(16,081)	(34,140)	(1,322)	(3,146)

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**Version: 1**

**Consolidated Company Statements / Statement of Cash Flows - Indirect Method  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
6.01	Net cash generated by operating activities	653,514	2,001,277
6.01.01	Cash flows from operating activities	2,038,469	2,936,294
6.01.01.01	Profit for the period	(955,806)	1,752,857
6.01.01.02	Accrued charges on borrowings and financing	1,176,418	1,126,274
6.01.01.03	Depreciation/ depletion / amortization	582,431	467,425
6.01.01.05	Deferred income tax and social contribution	(836,541)	294,153
6.01.01.07	Provisions for tax, social security, labor and civil risks	168,236	37,737
6.01.01.08	Inflation adjustment and exchange differences, net	(195,101)	(301,374)
6.01.01.09	Gain on derivative transactions	(15,730)	202,835
6.01.01.10	Impairment of available-for-sale security	2,022,793	0
6.01.01.12	Realization of available-for-sale security	0	(698,164)
6.01.01.16	Residual value of long-lived assets written off	3,400	0
6.01.01.17	Other provisions	88,369	54,551
6.01.02	Changes in assets and liabilities	(1,384,955)	(935,017)
6.01.02.01	Trade receivables	(42,852)	(97,614)
6.01.02.02	Inventories	99,451	(98,399)
6.01.02.03	Receivables from jointly controlled entities	(72,096)	473,977
6.01.02.04	Taxes available for offset	24,739	(10,279)
6.01.02.05	Judicial deposits	(24,785)	(10,505)
6.01.02.08	Trade payables	133,704	54,597
6.01.02.09	Payroll and related taxes	(49,432)	(89,092)
6.01.02.10	Taxes	(43,058)	78,235
6.01.02.11	Taxes in installments - REFIS	(193,076)	(110,948)
6.01.02.12	Tax, social security, labor and civil risks liabilities	(7,951)	79,395
6.01.02.13	Interest paid	(1,207,601)	(869,146)
6.01.02.14	Interest on swap paid	(34,490)	(208,913)
6.01.02.16	Other	32,492	(126,325)
6.02	Net cash used in investing activities	(1,958,687)	(1,694,634)
6.02.02	Investments/advances for future capital increase	(141,082)	(1,299,692)
6.02.03	Property, plant and equipment	(1,558,548)	(1,699,632)
6.02.04	Intangible assets	(562)	(395)
6.02.05	Cash from acquisition of subsidiaries	14,880	0
6.02.06	Disposal of investments	0	1,310,171
6.02.08	Acquisition of subsidiaries	(300,545)	0
6.02.09	Receipt/payment in derivative transactions	27,170	(5,086)
6.03	Net cash generated by (used in) financing activities	(1,399,409)	1,624,726

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6.03.01	Borrowings and financing raised	1,842,696	3,977,670
6.03.02	Repayments of principal	(1,291,694)	(622,411)
6.03.03	Repayments of principal - acquisition of subsidiaries	(806,937)	0
6.03.04	Dividends and interest on capital paid	(1,199,668)	(1,856,327)
6.03.05	Capital contribution by non-controlling shareholders	56,194	125,794
6.04	Changes in cash and cash equivalents	977,667	(485,653)
6.05	Increase (decrease) in cash and securities	(1,726,915)	1,445,716
6.05.01	Cash and cash equivalents at the beginning of the period	15,417,393	10,239,278
6.05.02	Cash and cash equivalents (except derivative assets) at the end of the period	13,690,478	11,684,994



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**Version: 1**

**Consolidated Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2012 to 6/30/2012**  
(R\$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury	Earnings reserve	Retained earnings/accumulated losses	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	1,680,947	30	7,671,620	0	(1,366,776)	7,985,821	431,349	8,417,170
5.03	Adjusted opening balances	1,680,947	30	7,671,620	0	(1,366,776)	7,985,821	431,349	8,417,170
5.04	Capital transactions with owners	2,859,053	0	(3,132,545)	(237,978)	0	(511,470)	0	(511,470)
5.04.01	Capital increases	2,859,053	0	(2,859,053)	0	0	0	0	0
5.04.07	Interest on Capital	0	0	0	(237,978)	0	(237,978)	0	(237,978)
5.04.08	Approval of prior year's proposed dividends	0	0	(273,492)	0	0	(273,492)	0	(273,492)
5.05	Total comprehensive income	0	0	0	(921,666)	900,840	(20,826)	(34,140)	(54,966)
5.05.01	Profit for the period	0	0	0	(921,666)	0	(921,666)	(34,140)	(955,806)
5.05.02	Other comprehensive income	0	0	0	0	900,840	900,840	0	900,840
5.05.02.04	Translation adjustments for the period	0	0	0	0	133,401	133,401	0	133,401
5.05.02.09	Net change in the fair value on available-for-sale financial assets	0	0	0	0	767,439	767,439	0	767,439
5.06	Internal changes in equity	0	0	0	0	0	0	19,638	19,638
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0	19,638	19,638
5.07	Closing balances	4,540,000	30	4,539,075	(1,159,644)	(465,936)	7,453,525	416,847	7,870,372

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**Version: 1**

**Consolidated Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2011 to 6/30/2011  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings/accumulated losses	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	1,680,947	30	6,119,798	0	(168,015)	7,632,760	189,928	7,822,688
5.03	Adjusted opening balances	1,680,947	30	6,119,798	0	(168,015)	7,632,760	189,928	7,822,688
5.04	Capital transactions with owners	0	0	(1,227,703)	(218,681)	0	(1,446,384)	0	(1,446,384)
5.04.07	Interest on Capital	0	0	0	(218,681)	0	(218,681)	0	(218,681)
5.04.08	Approval of prior year's proposed dividends	0	0	(1,227,703)	0	0	(1,227,703)	0	(1,227,703)
5.05	Total comprehensive income	0	0	0	1,756,003	(880,224)	875,779	(3,146)	872,633
5.05.01	Profit for the period	0	0	0	1,756,003	0	1,756,003	(3,146)	1,752,857
5.05.02	Other comprehensive income	0	0	0	0	(880,224)	(880,224)	0	(880,224)
5.05.02.04	Translation adjustments for the period	0	0	0	0	(57,933)	(57,933)	0	(57,933)
5.05.02.08	Net change in the fair value on available-for-sale financial assets	0	0	0	0	(124,127)	(124,127)	0	(124,127)
5.05.02.09	Sale of available-for-sale assets	0	0	0	0	(698,164)	(698,164)	0	(698,164)
5.06	Internal changes in equity	0	0	0	0	0	0	(230)	(230)
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0	(230)	(230)
5.07	Closing balances	1,680,947	30	4,892,095	1,537,322	(1,048,239)	7,062,155	186,552	7,248,707



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**Consolidated Company Statements / Statement of Value Added  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Accumulated in the Current Year 1/1/2012 to 6/30/2012</b>	<b>Accumulated in the Previous Year 1/1/2011 to 6/30/2011</b>
7.01	Revenues	9,413,167	10,309,337
7.01.01	Sales of products and services	9,409,219	9,628,961
7.01.02	Other revenues/expenses	51	690,728
7.01.04	Recognition/reversal of allowance for doubtful debts	3,897	(10,352)
7.02	Inputs purchased from third parties	(7,973,163)	(4,814,844)
7.02.01	Costs of sales and services	(5,022,891)	(4,181,697)
7.02.02	Materials, electric. power, outside services and other	(901,283)	(621,123)
7.02.03	Impairment/recovery of assets	(2,048,989)	(12,024)
7.03	Gross value added	1,440,004	5,494,493
7.04	Retentions	(582,431)	(467,425)
7.04.01	Depreciation, amortization and depletion	(582,431)	(467,425)
7.05	Wealth created	857,573	5,027,068
7.06	Value added received as transfer	1,090,071	328,690
7.06.02	Finance income/exchange gains	1,085,160	326,014
7.06.03	Other	4,911	2,676
7.07	Wealth for distribution	1,947,644	5,355,758
7.08	Wealth distributed	1,947,644	5,355,758
7.08.01	Personnel	691,067	730,958
7.08.01.01	Salaries and wages	535,410	574,627
7.08.01.02	Benefits	116,567	119,885
7.08.01.03	Severance pay fund (FGTS)	39,090	36,446
7.08.02	Taxes and contributions	176,559	1,374,737
7.08.02.01	Federal	(53,779)	1,097,985
7.08.02.02	State	217,835	257,346
7.08.02.03	Municipal	12,503	19,406
7.08.03	Lenders and lessors	2,035,824	1,497,206
7.08.03.01	Interest	2,030,843	1,493,259
7.08.03.02	Leases	4,981	3,947
7.08.04	Shareholders	(955,806)	1,752,857
7.08.04.01	Interest on capital	237,978	218,681
7.08.04.03	Retained earnings/(accumulated losses) for the year	(1,159,644)	1,537,322
7.08.04.04	Non-controlling interests	(34,140)	(3,146)





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The outlook for the global economy remains of low growth, basically due to the prolongation of the European crisis, the economic slowdown in the emerging countries, including China, and a slower recovery in the United States. This deterioration in the economic global scenario led to a decline in commodity prices and weaker international trade, resulting in higher financial market volatility worldwide and increased risk aversion.

The International Monetary Fund (IMF) expects global economic growth of 3.5% this year, less than the 3.9% recorded in 2011.

## **USA**

U.S. GDP growth came to 1.5% in 2Q12, versus 1.9% in 1Q12, with a 1.5% increase in personal consumption expenses and a 5.3% upturn in exports.

According to the FED, industrial production climbed by 1.4% in the second quarter, led by vehicle and auto parts output, which increased by 18.2%. Manufacturing Purchasing Managers Index (PMI) reached 49.8 points in July, in line with the previous month.

The FED's Beige Book for July reported a level of activity between modest and moderate in all 12 districts. The country posted an external trade deficit of US\$48.7 billion in May, less than the US\$50.6 billion recorded in April.

FED's forecast for annual GDP has deteriorated since April and it now expects a growth ranging from 1.9% to 2.4%, versus the previous 2.4% to 2.9%, accompanied by inflation from 1.2% to 1.7% and an unemployment rate from 8.0% to 8.2%.

## Europe

The European crisis is currently the biggest challenge for the global economy, with all the uncertainties regarding the situation in Greece and fears that Spain as whole, and not just its banking sector, will require assistance. Although the leading Eurozone countries have approved a rescue package of up to €100 billion for the Spanish banks, the prevailing worries have not dissipated. In addition to Valencia, another six autonomous regions should seek help from the central government to finance their debts and the Spanish Central Bank expects a further 0.4% decline in economic activity in 2Q12.

Moody's Investors Service downgraded Germany, the Netherlands and Luxemburg from a stable to a negative rating outlook due to growing uncertainty surrounding the debt crisis and increased fears of Greek insolvency and the country's possible exit from the Eurozone. The agency also stated that the German banking system is vulnerable to any worsening of the economic scenario in the Eurozone.

The measures announced at the European Summit can contribute towards the development of an independent banking union. The creation of single supervision system for Eurozone banks, called the European Stability Mechanism, will allow banks to be recapitalized directly.

Preliminary figures point to a 0.7% retraction in UK GDP in 2Q12, the third successive quarterly decline and the biggest retraction since 2009. The construction industry was chiefly responsible for this decline, although the production and services sectors also presented fragility. The Bank of England has cut its growth forecast to close to zero in 2012.

The Eurozone manufacturing PMI reached 44.0 points in July, less than the 45.1 recorded in June and the lowest figure for 37 months. The only country to record a modest upturn was Ireland, with 53.9 points. Nevertheless, industrial production fell by 0.6% in June over May.

Average unemployment in June remained at 11%, the same level recorded in May and equivalent to 17.8 million people out of work. Germany had one of the lowest rates (5.4%), while Spain was the most affected country in the region, with 24.8%. In June, annualized inflation reached 2.4%, flat when compared to May.





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According to Eurostat, Eurozone GDP in 2Q12 fell by 0.2% over the previous quarter. For 2012, the European Central Bank forecasts a variation of Eurozone GDP between -0.5% to 0.3%.

## **Asia**

The Chinese economy continues to present important expansion, although at lower rates. GDP growth was 7.6% in the second quarter, versus 8.1% in 1Q12, closing the first half at 7.8%. The Chinese Central Bank expects annual GDP growth of 7.5% in 2012, versus actual growth of 9.2% in 2011.

Manufacturing PMI in China reached 49.3 points in July, higher than the 48.2 recorded in June. Even though industrial production posted annualized growth of 10.5% in the first half of the year, there was a slowdown in 2Q12, whose 9.5% upturn was below the 11.4% recorded in 1Q12. Retail sales increased by 14.4% in the first six months of 2012.

Annualized inflation fell to 2.2% in June from 3.0% in May, giving a first-half average of 3.3%.

In Japan, the Central Bank's Regional Economic Report, published in July, pointed to an upturn in economic activity. For 2012, the IMF estimates Japanese GDP growth of 2.4%.

## **Brazil**

The outlook for Brazil's economy is less positive than previously expected due to the deterioration of the global economy, which had a negative impact on business expectations, investments and credit. According to the Central Bank's latest FOCUS report, GDP should record growth of 1.81% in 2012, below the 3.3% expected at the beginning of the year, although the IMF is more optimistic, estimating a 2.5% growth.

According to the IBGE (Brazilian Institute of Geography and Statistics), 1Q12 GDP edged up by only 0.2% over 4Q11, chiefly due to weaker industrial activity and lower household consumption growth.

Industrial production fell by 3.8% year-on-year in the first half of the year, with all use categories recording negative performance. Following three successive months of decline, industrial production in June increased by 0.2% over May.

June's consumer confidence index (ICC) of 123.5 points, measured by the Getulio Vargas Foundation (FGV), fell by 2.8% in relation to the 127.1 points recorded in May.

On the other hand, first-half exports posted the second-best result for the period, reaching US\$117 billion, while imports also set a new record of US\$110 billion, 4.6% up year-on-year, giving a period trade surplus of US\$7.1 billion.

In June, inflation measured by the IPCA consumer price index edged up by 0.08%, impacted by the reduction in IPI (federal VAT) on vehicle prices as of May. In the first half, the index stood at 2.32%, below the 3.87% posted in the same period of 2011.

The Selic base rate, defined by the Monetary Policy Committee (COPOM), began 2012 at 11.00%, gradually being reduced until reaching 8.00% in mid-July, the lowest figure since 1997.

The banking system's stock of credit totaled R\$2.1 trillion in May, 1.7% up on the previous month and equivalent to 50.1% of GDP. Consumer default in the first semester of the year moved up by 19.1% year-on-year.

Also in the first half of 2012, the real depreciated by 7.2% against the U.S. dollar, reaching an exchange rate of R\$2.02 on June 29, while foreign reserves closed June at US\$373 billion.

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ITR — Quarterly Financial Information - June 30, 2012 – CIA **Version: 1**  
SIDERURGICA NACIONAL**Macroeconomic Projections**

	<b>2012</b>	<b>2013</b>
<b>IPCA (%)</b>	5.11	5.50
<b>Commercial dollar (final) – R\$</b>	2.00	2.00
<b>SELIC (final - %)</b>	7.25	8.50
<b>GDP (%)</b>	1.81	4.00
<b>Industrial Production (%)</b>	-1.00	4.30

Source: FOCUS BACEN

Base: August 10, 2012

CSN recorded consolidated net revenue of R\$4,137 million in 2Q12, 6% up on 1Q12, chiefly due to the increase in revenue from the steel business through its German subsidiary, SWT, whose results were fully consolidated in the second quarter, therefore increasing sales volume.

In 2Q12, consolidated COGS reached R\$2,981 million, 8% up on the previous quarter, chiefly due to higher steel sales, partially offset by the lower volume sold in mining segment.

SG&A expenses totaled R\$327 million in the second quarter, 4% more than in 1Q12, chiefly due to higher administrative provisions.

The “Other Operating Expenses” line was negative by R\$2,283 million in 2Q12, versus a negative R\$112 million in 1Q12, essentially due to the reclassification of CSN’s accumulated losses from its investments in Usiminas’ common (USIM3) and preferred (USIM5) shares, which were previously booked under other comprehensive income line in Shareholders’ Equity, in the total of R\$1,599 million net of taxes, to the income statement, with the amount of R\$2,023 million being booked under other operating expenses and R\$423 million under deferred taxes.

Based on the prevailing legal and accounting rules, as well as on the Company’s investment policy, management perceived evidence of significant reduction in its investment in Usiminas' shares on June 30, 2012 and consequently decided on its accounting reclassification.

This reclassification had no impact on the Company’s cash flow.

Adjusted EBITDA comprises net income before the financial result, income and social contribution taxes, depreciation and amortization and other operating revenue (expenses), the latter item being excluded due to its non-recurring nature.

Adjusted EBITDA totaled R\$1,120 million in 2Q12, 1% up on the R\$1,113 million recorded in 1Q12, while the adjusted EBITDA margin reached 27%, down by 2 p.p. over 1Q12.



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The 2Q12 net financial result was negative by R\$318 million, chiefly due to the following factors:

- § Interest on loans and financing totaling R\$581 million;
- § Expenses of R\$43 million with monetary restatement of tax installments;
- § Other financial expenses totaling R\$28 million.

These negative effects were partially offset by:

- § Monetary and exchange variations totaling R\$269 million;
- § Returns on financial investments of R\$65 million.

On June 30, 2012, consolidated net debt stood at R\$15.6 billion, R\$1.3 billion more than the R\$14.3 billion recorded on March 31, 2012, essentially due to the following factors:

- § Payment of R\$1.2 billion in dividends;
- § Investments of R\$0.7 billion in fixed assets;
- § A R\$0.6 billion effect from disbursements related to debt charges;
- § Other effects which increased net debt by R\$0.1 billion.

These effects were partially offset by 2Q12 adjusted EBITDA of R\$1.1 billion and the R\$0.2 billion reduction in working capital.

The net debt/EBITDA ratio closed the second quarter at 2.89x, based on LTM adjusted EBITDA.

CSN posted a consolidated net loss of R\$1.0 billion in 2Q12, basically due to the accounting reclassification described under "Other Operating Expenses". Excluding these effects, which had no cash impact, the Company would have recorded net income of R\$551 million.

CSN invested R\$775 million in 2Q12, R\$365 million of which in subsidiaries or joint subsidiaries, allocated as follows:

- ü Transnordestina Logística: R\$259 million;
- ü MRS Logística: R\$65 million.



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The remaining R\$410 million went to the parent company, mostly in the following projects:

- ü Expansion of the Casa de Pedra mine and Itaguaí Port: R\$97 million;
- ü Construction of the long steel plant: R\$137 million;
- ü Current investments: R\$53 million.

Working capital closed 2Q12 at R\$2,301 million, R\$195 million down on the end-of-March balance, chiefly reflecting the improved management of the Company's receivables and payables. Comparing to the close of 1Q12, the average receivables period narrowed by three days, while the average supplier payment period increased by four days and the average inventory turnover period fell by three days, improving the cash conversion cycle by 10 days.

	1Q12	2Q12	Change 2Q12 x 1Q12
<b>Assets</b>	<b>4,424</b>	<b>4,372</b>	<b>(52)</b>
<b>Accounts Receivable</b>	<b>1,787</b>	<b>1,657</b>	<b>(130)</b>
<b>Inventory (*)</b>	<b>2,627</b>	<b>2,648</b>	<b>21</b>
<b>Advances to Taxes</b>	<b>10</b>	<b>67</b>	<b>57</b>
<b>Liabilities</b>	<b>1,928</b>	<b>2,071</b>	<b>143</b>
<b>Suppliers</b>	<b>1,335</b>	<b>1,517</b>	<b>182</b>
<b>Salaries and Social Contribution</b>	<b>202</b>	<b>231</b>	<b>29</b>
<b>Taxes Payable</b>	<b>357</b>	<b>294</b>	<b>(63)</b>
<b>Advances from Clients</b>	<b>34</b>	<b>29</b>	<b>(5)</b>
<b>Working Capital</b>	<b>2,496</b>	<b>2,301</b>	<b>(195)</b>
<b>TURNOVER RATIO</b>			
<b>Average Periods</b>	1Q12	2Q12	Change 2Q12 x 1Q12
<b>Receivables</b>	<b>34</b>	<b>31</b>	<b>(3)</b>
<b>Supplier Payment</b>	<b>44</b>	<b>48</b>	<b>4</b>
<b>Inventory Turnover</b>	<b>87</b>	<b>84</b>	<b>(3)</b>

**Cash Conversion Cycle** 77 67 (10)  
 (\*) Inventory - includes "Advances to Suppliers" and does not include "Supplies".

The Company maintains integrated operations in five business segments: steel, mining, logistics, cement and energy. The main assets and/or companies comprising each segment are presented below:

Steel	Mining		Cement	Energy
Pres. Vargas Steel Mill	Casa de Pedra	Railways:	Volta Redonda	CSN Energia
Porto Real	Namisa (60%)	- MRS	Arcos	Itasa
Paraná LLC	Tecar	- Transnordestina		
Lusosider	ERSA	Port:		
Prada (Distribution and Packaging)		- Sepetiba Tecon		
Metalic				
SWT				

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The information on CSN's five business segments is derived from the accounting data, together with allocations and the apportionment of costs among the segments. CSN's management uses adjusted EBITDA as an indicator to measure recurring net operating cash flow.

The charts below show the various segments' contribution to CSN's overall net revenue and adjusted EBITDA:

**Net revenue by segment (R\$ million)**

**Adjusted EBITDA by segment (R\$ million)**



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The Company's consolidated results by business segment are presented below:

<b>R\$ million</b>								<b>2Q12</b>
<b>Consolidated Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Logistics (Port)</b>	<b>Logistics (Railways)</b>	<b>Energy</b>	<b>Cement</b>	<b>Eliminations /Corporate</b>	<b>Consolidated</b>
<b>Net Revenue</b>	<b>2,652</b>	<b>1,143</b>	<b>35</b>	<b>263</b>	<b>57</b>	<b>94</b>	<b>(107)</b>	<b>4,137</b>
Domestic Market	1,968	187	35	263	57	94	(107)	2,497
Foreign Market	684	956	-	-	-	-	-	1,640
Cost of Goods Sold	(2,234)	(535)	(20)	(183)	(33)	(79)	104	(2,981)
<b>Gross Profit</b>	<b>418</b>	<b>608</b>	<b>15</b>	<b>80</b>	<b>24</b>	<b>15</b>	<b>(4)</b>	<b>1,156</b>
Selling, General and Administrative Exp	(136)	(48)	(5)	(24)	(5)	(18)	(90)	(327)
Depreciation	190	47	2	33	4	8	8	291
<b>Adjusted EBITDA</b>	<b>471</b>	<b>607</b>	<b>12</b>	<b>88</b>	<b>23</b>	<b>6</b>	<b>(86)</b>	<b>1,120</b>
<b>Adjusted EBITDA Margin</b>	<b>18%</b>	<b>53%</b>	<b>33%</b>	<b>34%</b>	<b>40%</b>	<b>6%</b>		<b>27%</b>

<b>R\$ million</b>								<b>1Q12</b>
<b>Consolidated Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Logistics (Port)</b>	<b>Logistics (Railways)</b>	<b>Energy</b>	<b>Cement</b>	<b>Eliminations /Corporate</b>	<b>Consolidated</b>
<b>Net Revenue</b>	<b>2,399</b>	<b>1,194</b>	<b>33</b>	<b>248</b>	<b>55</b>	<b>87</b>	<b>(120)</b>	<b>3,896</b>
Domestic Market	1,935	144	33	248	55	87	(120)	2,382
Foreign Market	464	1,050	-	-	-	-	-	1,514
	(2,006)	(574)	(20)	(175)	(32)	(65)	120	(2,753)

Cost of Goods Sold								
<b>Gross Profit</b>	<b>393</b>	<b>620</b>	<b>13</b>	<b>73</b>	<b>22</b>	<b>21</b>	<b>0</b>	<b>1,143</b>
Selling, General and Administrative Exp	(116)	(76)	(5)	(22)	(6)	(19)	(72)	(315)
Depreciation	188	46	2	36	4	5	3	285
<b>Adjusted EBITDA</b>	<b>466</b>	<b>590</b>	<b>9</b>	<b>88</b>	<b>21</b>	<b>8</b>	<b>(68)</b>	<b>1,113</b>
<b>Adjusted EBITDA Margin</b>	<b>19%</b>	<b>49%</b>	<b>28%</b>	<b>35%</b>	<b>39%</b>	<b>9%</b>		<b>29%</b>

## Scenario

According to the World Steel Association (WSA), global crude steel production totaled 767 million tonnes in the first half, 1% up on the same period last year, with China, responsible for 356 million tonnes, recording a similar growth rate. Existing global capacity use also increased slightly, inching up from 79.7% in May to 80.4% in June.

The WSA expects apparent steel consumption to increase by 3.6% in 2012, to 1.4 billion tonnes. For China, it expects growth of 4%, with apparent consumption of 649 million tonnes.

According to the Brazilian Steel Institute (IABr), domestic production in 2Q12 totaled 8.7 million tonnes of crude steel, stable over the previous quarter, and 3.9 million tonnes of rolled flat steel, up by 18% in the same period. Crude steel output reached 17.4 million tonnes in the first half, a reduction of 2.5% year-on-year.

The institute has lowered its annual forecast for 2012 and now expects crude steel output of around 36 million tonnes, versus its end-of-2011 estimate of 37.5 million, equivalent to annual growth of 2.2%.

Second-quarter domestic flat steel sales totaled 2.9 million tonnes, 4% more than in 1Q12, while exports totaled 0.5 million tonnes, up by 68%. First-half domestic sales of flat steel amounted to 5.7 million tonnes, with exports of 0.8 million tonnes, 3% and 36% down, respectively, on 1H11.

Apparent consumption of flat steel totaled 3.3 million tonnes in the second quarter, virtually flat over the 1Q12 figure, and 6.8 million tonnes in the first half, 1% down year-on-year.

Second-quarter flat steel imports came to 0.5 million tonnes, 19% less than in 1Q12, while first-half imports totaled 1.1 million tonnes.

**Automotive**

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 815,000 units in 2Q12, 10% up on 1Q12, and 1.55 million in the first half of the year, 9.4% less than in 1H11.

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Vehicle sales totaled 898 thousand units in 2Q12, 10% more than in the previous quarter, and 1.72 million units in the first half, 1.2% down year-on-year. Exports fell by 9% in 2Q12 over 1Q12, to 111 thousand units, leading to a reduction of 12.2% in 1H12 over 1H11.

Given prospects of reduced GDP growth in 2012, FENABRAVE (the Vehicle Distributors' Association) has revised its auto market estimates and now expects annual sales of around 3.6 million units, including cars, light commercial vehicles, trucks and buses, a slight 0.5% reduction over 2011.

ANFAVEA, on the other hand, is maintaining its annual vehicle licensing growth estimate at between 4% and 5%, based on increased sales in June, influenced by the IPI tax reduction.

### **Construction**

According to ABRAMAT (the Construction Material Manufacturers' Association), domestic sales of construction materials increased by 2.6% year-on-year in the first half of the year.

The annual real construction material revenue growth forecast was revised downwards in June, from 4.5% to 3.4%, while sales of materials such as cement and rebars are expected to grow by 3.0%, less than the previous 4.0% estimate, due to weaker retail sales and the construction segment slowdown in 1Q12. Retail sales were impacted by the postponement of purchases by final consumers in the expectation of lower interest rates. Despite the reduced forecasts, however, revenue should still exceed the R\$112 billion recorded in 2011.

### **Home Appliances**

The federal government has extended the reduction in IPI (federal VAT) on white goods (refrigerators, washing machines and stoves) announced in December until the end of August, in order to encourage the national industry.

According to Eletros (the Home Appliance and Consumer Electronics Manufacturers' Association), appliance sales recorded a year-on-year upturn in 1H12, with refrigerator, washing machine and stove sales climbing by 12%, 10% and 13%, respectively.

Also according to Eletros, the sector should post annual growth of between 10% and 15%.



## **Distribution**

According to INDA (the Brazilian Steel Distributors' Association), domestic flat steel sales by distributors totaled approximately 2.2 million tonnes in 1H12, 2.8% more than in 1H11, while purchases by the associated network totaled 2.13 million tonnes, 1.1% more than in 1H11. As a result, inventories at the end of 1H12 were 19.7% lower than in 1H11, while inventory turnover was 2.8 months of sales, within normal historical parameters.

For 2012, INDA estimates annual growth of around 6% in distributors' sales over the 4.3 million tonnes sold in 2011.

## **Consolidated Sales Volume**

CSN sold 1.4 million tonnes of steel products in 2Q12, 7% more than in 1Q12. Of this total, 74% was sold in the domestic market, 23% by overseas subsidiaries and 3% went to direct exports.

## **Domestic Sales Volume**

Domestic sales totaled 1.0 million tonnes, in line with the 1Q12 figure.

## **Foreign Sales Volume**

Foreign steel product sales totaled 372 thousand tonnes in 2Q12, 30% up on the previous quarter. Of this total, the Company's overseas subsidiaries sold 327 thousand tonnes, with SWT alone accounting for 210 thousand tonnes. On the other hand, direct exports totaled 45 thousand tonnes.

## **Prices**

Net revenue per tonne averaged R\$1,814 in 2Q12, stable when compared to the R\$1,806 recorded in 1Q12.

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### **Consolidated Net Revenue**

Net revenue from steel operations totaled R\$2,652 million in the second quarter, an 11% improvement over 1Q12, chiefly due to SWT, whose results were fully consolidated in 2Q12, pushing up sales volume.

### **Consolidated cost of goods sold (COGS)**

Steel segment COGS was R\$2,234 million in 2Q12, 11% up on the 1Q12 figure, mainly because of the upturn in sales volume.

### **Consolidated Adjusted EBITDA**

Adjusted steel segment EBITDA totaled R\$471 million in 2Q12, 1% up on the R\$466 million recorded in 1Q12, basically due to the effects described above, accompanied by an adjusted EBITDA margin of 18%.

### **Production**

The Presidente Vargas Steelworks (UPV) produced 1.2 million tonnes of crude steel in 2Q12, the same volume produced in 1Q12, while rolled flat steel production totaled 1.2 million tonnes, up by 4%.

Production (in thousand t)	2Q11	1Q12	2Q12	Change	
				2Q12 x 2Q11	2Q12 x 1Q12

Crude Steel	1,243	1,200	1,213	-2%	1%
Total Rolled Products	1,212	1,114	1,164	-4%	4%

### **Production Costs (Parent Company)**

In 2Q12, the Presidente Vargas Steelworks' total production costs came to R\$1,559 million, 2% less than the R\$1,597 million reported in 1Q12, due to:

**Raw Materials:** reduction of R\$60 million, primarily related to the following inputs:

- **Coal:** decline of R\$55 million due to lower acquisition costs.
- **Other raw materials:** reduction of R\$5 million.

**Labor:** increase of R\$7 million.

**Other production costs:** upturn of R\$11 million.

**Depreciation:** increase of R\$4 million.

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## **Scenario**

Global industrial production increased at a reduced pace throughout 2Q12, with emphasis on Chinese GDP growth slowdown which reached 7.6%. Global steel output began to decline as of March, but remained at high levels.

First-half Chinese iron ore imports increased by 10% over 1H11 to 367 million tonnes, since high-cost Chinese producers were keeping output low.

As a result, iron ore prices and the product quality premium have been declining gradually. The 62% CFR China iron ore price has fallen by 22% since March, closing July at US\$117.50/dmt. The 1% Fe quality premium ended the same month at US\$2.60/t, down from high levels of US\$5.50/6.00/t in 2011.

Current prices should be tested as minimum levels, given that they make most Chinese production impractical.

The Chinese authorities have been introducing various measures to stimulate the economy, especially in regard to credit, and the first positive results are becoming apparent in the infrastructure and low-cost housing sectors.

## **Iron ore sales**

In 2Q12, sales of finished iron ore products totaled 6.1 million tonnes<sup>1</sup>, 9% less than in 1Q12. Of total sales, exports accounted for 5.9 million tonnes, with 3.8 million tonnes sold by Namisa. The Company's own consumption totaled 1.5 million tonnes.

Considering CSN's 60% interest in Namisa, sales reached 4.5 million tonnes in 2Q12, 13% down on 1Q12.

<sup>1</sup> Sales volumes include 100% of the stake in NAMISA.

## **Net Revenue**

Net revenue from mining operations totaled R\$1,143 million in 2Q12, 4% less than in 1Q12, due to the reduction in sales volume.

## **Cost of goods sold (COGS)**

Mining COGS came to R\$535 million in 2Q12, 7% down on 1Q12, also chiefly due to the reduction in sales volume.

**Adjusted EBITDA**

In 2Q12, adjusted EBITDA from mining operations totaled R\$607 million, 3% more than in 1Q12, accompanied by an adjusted EBITDA margin of 53%, up by 4 p.p. on 1Q12.

**Scenario**

**Railway logistics**

Cargo transport by rail continues to consolidate itself in Brazil, having grown by around 88% in the last 15 years, according to the ANTF (National Rail Transport Association), from 253 million tonnes in 1997 to 475 million tonnes in 2011. Iron ore and coal had the best performances, with period growth of 88% each, followed by general cargo, which increased by 76%. Container transported by rail totaled 287 TEUs<sup>1</sup> in 2011, 24% up on the previous year, with further growth of 15% expected in 2012.

The rail concessionaires invested R\$4.6 billion in 2011, 56% more than in 2010.

<sup>1</sup>TEU (Twenty-Foot Equivalent Unit) – transportation unit equivalent to a standard 20-foot intermodal container

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### **Port Logistics**

According to ANTAQ (National Waterway Transport Agency), Brazil's port installations (considering organized ports and private terminals) handled around 205 million gross tonnes in the first quarter of 2012, 2.2% up year-on-year, with organized ports accounting for 34% of the total handled.

Bulk solids handling totaled 116 million tonnes in 1Q12, 2.6% down on 1Q11, while bulk liquids totaled 55 million tonnes, up by 8.5%. Container handling amounted to 1.9 million TEUs, 8.0% more than in the same period last year.

The private terminals are expected to increase their handling leadership in Brazil's port sector, given that they will be responsible for R\$21 billion of total sector investments of R\$30 billion scheduled for the coming years.

The Brazilian ports are expected to be handling 2.2 billion tonnes of cargo per year by 2030.

### **Analysis of Results**

#### **Railway logistics**

MRS and Transnordestina's individual second-quarter results had not yet been announced up to the publication of this release.

In 2Q12, net revenue from railway logistics totaled R\$263 million, COGS stood at R\$183 million and adjusted EBITDA amounted to R\$88 million, accompanied by an EBITDA margin of 34%.

#### **Port logistics**

In 2Q12, net revenue from port logistics amounted to R\$35 million, COGS totaled R\$20 million and adjusted EBITDA stood at R\$12 million, with an adjusted EBITDA margin of 33%.

## **Scenario**

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 33 million tonnes in the first half of 2012, 9.3% more than in the same period last year. LTM sales through June totaled 66.7 million tonnes, 8.4% up on the previous 12-month period.

Even though Brazilian economic growth has slowed, the outlook for the construction sector remains positive. The FGV is forecasting a 5.0% upturn in 2012, versus 3.6% in 2011, mainly due to the reduction in interest rates and the extension of mortgage payment periods to 35 years.

## **Analysis of Results**

Cement sales totaled 465 thousand tonnes in 2Q12, net revenue reached R\$94 million, COGS amounted to R\$79 million and adjusted EBITDA was R\$6 million, with an adjusted EBITDA margin of 6%.

## **Scenario**

Brazilian electricity consumption increased by 4.2% year-on-year in the first half of 2012, led by the commercial and residential segments which recorded respective growth of 7.4% and 5.0%. The slowdown in industrial activity resulted in industrial energy consumption moving up by a modest 1.4% in the semester, while in the second quarter consumption only edged up 0.4% over 1Q12.

Given the current economic scenario and the high level of hydro plant reservoirs, an energy surplus is expected in the coming months, which could reduce contract renewal prices and



result in the postponement of new generation projects.

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In 2Q12, net revenue from the energy segment amounted to R\$57 million, COGS totaled R\$33 million and adjusted EBITDA reached R\$23 million, with an adjusted EBITDA margin of 40%.

In 1H12, CSN's shares presented a devaluation of 20%, versus the 4% downturn recorded by the IBOVESPA in the same period. On the NYSE, CSN's ADRs fell by 27%, versus the Dow Jones' 5% appreciation in the semester.

Daily traded volume of CSN's shares on the BM&FBovespa averaged R\$62.6 million in 1H12. On the NYSE, daily traded volume of CSN's ADRs averaged US\$46.2 million.

<b>Capital Markets - CSNA3 / SID / IBOVESPA / DOW JONES</b>			
	<b>1Q12</b>	<b>2Q12</b>	<b>1H12</b>
<b>N# of shares</b>	<b>1,457,970,108</b>	<b>1,457,970,108</b>	<b>1,457,970,108</b>
<b>Market Capitalization</b>			
Closing price (R\$/share)	17.22	11.38	11.38
Closing price (US\$/share)	9.46	5.67	5.67
Market Capitalization (R\$ million)	25,106	16,592	16,592
Market Capitalization (US\$ million)	13,792	8,267	8,267
<b>Total return including dividends and interest on equity</b>			
CSNA3 (%)	15%	-31%	-20%
SID (%)	16%	-37%	-27%
Ibovespa	14%	-16%	-4%
Dow Jones	8%	-3%	5%
<b>Volume</b>			
Average daily (thousand shares)	3,958	3,914	3,936
Average daily (R\$ Thousand)	70,391	54,893	62,642
Average daily (thousand ADRs)	5,486	5,078	5,280

Average daily (US\$ Thousand)	55,710	36,782	46,170
<i>Source: Economática</i>			

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**(Expressed In thousands of reais – R\$, unless otherwise stated)**

## **1. DESCRIPTION OF BUSINESS**

Companhia Siderúrgica Nacional is a publicly-held company incorporated on April 9, 1941, under the laws of the Federative Republic of Brazil (Companhia Siderúrgica Nacional, its subsidiaries, associates and jointly controlled entities collectively referred to herein as "CSN" or the "Company"). The Company's registered office social is located at Avenida Brigadeiro Faria Lima, 3400 – São Paulo, SP.

CSN has shares listed on the São Paulo Stock Exchange (BOVESPA) and the New York Stock Exchange (NYSE). Accordingly, it reports its information to the Brazilian Securities Commission (CVM) and the U.S. Securities and Exchange Commission (SEC).

The Company's main operating activities are divided into 5 (five) segments as follows:

- **Steel:**

The Company's main industrial facility is the Presidente Vargas Steel Mill ("UPV"), located in the city of Volta Redonda, State of Rio de Janeiro. This segment consolidates the operations related to the production, distribution and sale of flat steel, long steel, metallic packaging and galvanized steel. In addition to the facilities in Brazil, CSN has operations in the United States, Portugal and Germany aimed at gaining markets and performing excellent services for final consumers. Its steels are used in the home appliances, civil construction and automobile industries.

- **Mining:**

The production of iron ore is developed in the city of Congonhas, in the State of Minas Gerais. It further mines tin in the State of Rondônia to supply the needs of UPV, with the excess of these raw materials being sold to subsidiaries and third parties. CSN holds the concession to operate TECAR, a solid bulk terminal, one of the 4 (four) terminals that comprise the Itaguaí Port, in Rio de Janeiro. Importations of coal and coke are carried out through this terminal.

- **Cement:**

The Company entered the cement market boosted by the synergy between this new activity and its already existing businesses. Next to the Presidente Vargas Steel Mill in Volta Redonda (RJ), it installed a new business unit: CSN Cimentos, which produces CP-III type cement by using slag produced by the UPV blast furnaces in Volta Redonda. It also explores limestone and dolomite at the Arches drive in the State of Minas Gerais, to supply the needs of UPV and of the cement plant.

- **Logistics**

*Railroads:*

CSN has equity interests in two railroad companies: MRS Logística, which manages the former Southeast Network of Rede Ferroviária Federal S.A. (RFFSA), and Transnordestina Logística, which operates the former Northeast Network of the RFFSA in the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas.

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*Ports:*

In the State of Rio de Janeiro, the Company operates the Container Terminal known as Sepetiba Tecon at the Itaguaí Port. Located in the Bay of Sepetiba, this port has privileged highway, railroad and maritime access.

Tecon handles the shipments of CSN steel products, movement of containers, as well as storage, consolidation and deconsolidation of cargo.

- **Energy:**

As energy is fundamental in its production process, the Company has invested in assets for generation of electric power to guarantee its self-sufficiency.

For further details on the Company's strategic investments and segments, see Note 26 - Business Segment Reporting.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis of preparation**

The consolidated interim financial statements have been prepared and are being presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards

Board (IASB) and the corresponding standards issued by the CPC (Accounting Pronouncements Committee) and the CVM (Brazilian Securities Commission) applicable to the preparation of the financial statements.

The individual interim financial statements have been prepared in accordance with the standards issued by the CPC (Accounting Pronouncements Committee) and the CVM (Brazilian Securities Commission) applicable to the preparation of the financial statements.

The preparation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements, are disclosed in the notes to this report and refer to the allowance for doubtful debts, provision for inventory losses, provision for labor, civil, tax, environmental and social security risks, depreciation, amortization, depletion, provision for impairment, deferred taxes, financial instruments and employee benefits. Actual results may differ from these estimates.

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SIDERURGICA NACIONAL

The interim financial statements are presented in thousands of reais (R\$). Depending on the applicable IFRS standard, the measurement criterion used in preparing the interim financial statements considers the historical cost, net realizable value, fair value or recoverable amount. When both IFRSs and CPCs include the option between acquisition cost and any other measurement criterion (for example, systematic remeasurement), we used the cost criterion.

The individual and consolidated interim financial statements were approved by the Board of Directors and authorized for issue on August 14, 2012.

**(b) Consolidated interim financial statements**

The accounting policies have been consistently applied to all consolidated companies.

The consolidated interim financial statements for the period ended June 30, 2012 and the year ended December 31, 2011 include the following direct and indirect subsidiaries and jointly controlled entities, as well as the exclusive funds Diplic and Mugen:



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Companies	Equity interests (%)		Main activities
	6/30/2012	12/31/2011	
<b>Direct interest: full consolidation</b>			
CSN Islands VII Corp.	100.00	100.00	Financial transactions
CSN Islands VIII Corp.	100.00	100.00	Financial transactions
CSN Islands IX Corp.	100.00	100.00	Financial transactions
CSN Islands X Corp.	100.00	100.00	Financial transactions
CSN Islands XI Corp.	100.00	100.00	Financial transactions
CSN Islands XII Corp.	100.00	100.00	Financial transactions
Tangua Inc. (1)		100.00	Financial transactions
International Investment Fund	100.00	100.00	Equity interests and financial transactions
CSN Minerals S.L.U.	100.00	100.00	Equity interests
CSN Export Europe, S.L.U. (2)	100.00	100.00	Financial transactions and equity interests
CSN Metals S.L.U.	100.00	100.00	Equity interests and financial transactions
CSN Americas S.L.U.	100.00	100.00	Equity interests and financial transactions
CSN Steel S.L.U.	100.00	100.00	Equity interests and financial transactions
TdBB S.A	100.00	100.00	Dormant company
Sepetiba Tecon S.A.	99.99	99.99	Port services
Mineração Nacional S.A.	99.99	99.99	Mining and equity interests
Florestal Nacional S.A.	99.99	99.99	Reforestation
Estanho de Rondônia S.A.	99.99	99.99	Tin mining
Cia Metalic Nordeste	99.99	99.99	Manufacture of packaging and distribution of steel products
Companhia Metalúrgica Prada	99.99	99.99	Manufacture of packaging and distribution of steel products
CSN Cimentos S.A.	99.99	99.99	Cement manufacturing
CSN Gestão de Recursos Financeiros Ltda.	99.99	99.99	Dormant company
Congonhas Minérios S.A.	99.99	99.99	Mining and equity interests
CSN Energia S.A.	99.99	99.99	Sale of electric power
Transnordestina Logística S.A.	73.70	70.91	Railroad logistics

**Indirect interest: full consolidation**

CSN Aceros S.A.

100.00