

NATIONAL STEEL CO
Form 6-K
November 26, 2014

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 November 26, 2014
Commission File Number 1-14732

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

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

ITR — Quarterly Financial Information - September 30, 2014 – CIA
SIDERURGICA NACIONAL

**Version:
1**

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1

Company Information / Capital Breakdown

| Number of Shares | Current Quarter |
|-------------------------|------------------------|
| (Units) | 9/30/2014 |
| Paid-in Capital | |
| Common | 1,387,524,047 |
| Preferred | 0 |
| Total | 1,387,524,047 |
| Treasury Shares | |
| Common | 6,791,300 |
| Preferred | 0 |
| Total | 6,791,300 |

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**Company Information / Cash
distribution**

| Event | Approval | Dividends | Inition | Payment | Type of share | Class of share | Dividends per common share (R\$/share) |
|-------------------------------------|-----------------|------------------|----------------|----------------|----------------------|-----------------------|---|
| Meeting of Board of Directors | 02/28/2014 | Dividends | 03/11/2014 | | Ordinary | | 0.29150 |

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

| Code | Description | Current Quarter | Previous Year |
|-------------|-------------------------------|------------------------|----------------------|
| | | 9/30/2014 | 12/31/2013 |
| 1 | Total assets | 49,048,756 | 48,689,176 |
| 1.01 | Current assets | 5,255,094 | 5,054,174 |
| 1.01.01 | Cash and cash equivalents | 477,282 | 206,624 |
| 1.01.03 | Trade receivables | 1,189,074 | 1,992,704 |
| 1.01.04 | Inventories | 3,064,068 | 2,459,230 |
| 1.01.08 | Other current assets | 524,670 | 395,616 |
| 1.02 | Non-current assets | 43,793,662 | 43,635,002 |
| 1.02.01 | Long-term receivables | 4,318,947 | 4,134,846 |
| 1.02.01.06 | Deferred taxes | 3,186,320 | 2,612,998 |
| 1.02.01.09 | Other non-current assets | 1,132,627 | 1,521,848 |
| 1.02.02 | Investments | 26,455,426 | 27,005,592 |
| 1.02.03 | Property, plant and equipment | 12,863,307 | 12,418,095 |
| 1.02.04 | Intangible assets | 155,982 | 76,469 |

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

| Code | Description | Current Quarter 9/30/2014 | Pre Year 12/31 |
|---------------|---|--|---------------------------|
| 2 | Total liabilities | 49,048,756 | 48,688,756 |
| 2.01 | Current liabilities | 6,324,047 | 6,500,000 |
| 2.01.01 | Payroll and related taxes | 191,438 | 150,000 |
| 2.01.02 | Trade payables | 1,157,495 | 920,000 |
| 2.01.03 | Taxes payable | 100,747 | 150,000 |
| 2.01.04 | Borrowings and financing | 3,593,638 | 3,850,000 |
| 2.01.05 | Other payables | 851,132 | 1,130,000 |
| 2.01.06 | Provisions | 429,597 | 270,000 |
| 2.01.06.01 | Provision for tax, social security, labor and civil risks | 429,597 | 270,000 |
| 2.02 | Non-current liabilities | 36,841,925 | 34,088,756 |
| 2.02.01 | Borrowings and financing | 24,086,936 | 21,390,000 |
| 2.02.02 | Other payables | 10,765,066 | 10,170,000 |
| 2.02.04 | Provisions | 1,989,923 | 2,528,756 |
| 2.02.04.01 | Provision for tax, social security, labor and civil risks | 167,164 | 430,000 |
| 2.02.04.02 | Other provisions | 1,822,759 | 2,098,756 |
| 2.02.04.02.03 | Provision for environmental liabilities and asset retirement obligation - ARO | 231,019 | 360,000 |
| 2.02.04.02.04 | Pension and healthcare plan | 485,084 | 480,000 |
| 2.02.04.02.05 | Provision for losses on investments | 1,106,656 | 1,238,756 |
| 2.03 | Shareholders' equity | 5,882,784 | 8,090,000 |
| 2.03.01 | Issued capital | 4,540,000 | 4,540,000 |
| 2.03.02 | Capital reserves | 30 | |
| 2.03.04 | Earnings reserves | 1,668,280 | 2,830,000 |
| 2.03.04.01 | Legal reserve | 361,641 | 360,000 |
| 2.03.04.02 | Statutory reserve | 1,373,309 | 2,470,000 |
| 2.03.04.09 | Treasury shares | -66,670 | |
| 2.03.05 | Retained earnings/Accumulated losses | -173,056 | |
| 2.03.08 | Other comprehensive income | -152,470 | 710,000 |

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

| Code | Description | Current | Current | Same | Previous |
|------------|--|------------|------------|--------------|------------|
| | | Quarter | Year | Quarter of | Year |
| | | 7/1/2014 | 1/1/2014 | Year | 1/1/2013 |
| | | to | to | 7/1/2013 | to |
| | | 9/30/2014 | 9/30/2014 | to 9/30/2013 | 9/30/2013 |
| 3.01 | Net revenue from sales and/or services | 3,092,336 | 9,812,948 | 3,730,830 | 9,872,130 |
| 3.02 | Cost of sales and/or services | -2,290,584 | -6,661,971 | -2,626,539 | -7,248,285 |
| 3.03 | Gross profit | 801,752 | 3,150,977 | 1,104,291 | 2,623,845 |
| 3.04 | Operating expenses/income | 772,653 | -343,970 | 54,531 | 376,874 |
| 3.04.01 | Selling expenses | -113,556 | -324,964 | -126,726 | -366,150 |
| 3.04.02 | General and administrative expenses | -92,761 | -279,520 | -72,816 | -236,009 |
| 3.04.04 | Other operating income | 2,537 | 12,366 | -28,817 | -23,608 |
| 3.04.05 | Other operating expenses | -42,618 | -222,859 | -114,177 | -336,862 |
| 3.04.06 | Share of profits of investees | 1,019,051 | 471,007 | 397,067 | 1,339,503 |
| 3.05 | Profit before finance income (costs) and taxes | 1,574,405 | 2,807,007 | 1,158,822 | 3,000,719 |
| 3.06 | Finance income (costs) | -1,938,797 | -3,256,374 | -724,391 | -2,504,369 |
| 3.06.01 | Finance income | 71,393 | 97,259 | 28,275 | 98,895 |
| 3.06.02 | Finance costs | -2,010,190 | -3,353,633 | -752,666 | -2,603,264 |
| 3.06.02.01 | Net exchange gains (losses) on financial instruments | -1,153,777 | -605,862 | -36,435 | -625,692 |
| 3.06.02.02 | Finance costs | -856,413 | -2,747,771 | -716,231 | -1,977,572 |
| 3.07 | Loss (profit) before taxes on income | -364,392 | -449,367 | 434,431 | 496,350 |
| 3.08 | Income tax and social contribution | 114,287 | 276,311 | 65,251 | 525,127 |
| 3.09 | Profit from continuing operations | -250,105 | -173,056 | 499,682 | 1,021,477 |
| 3.11 | Profit for the period | -250,105 | -173,056 | 499,682 | 1,021,477 |
| 3.99 | Earnings per share - (R\$/share) | | | | |
| 3.99.01 | Basic earnings per share | | | | |
| 3.99.01.01 | Common shares | -0.18008 | -0.12105 | 0.34272 | 0.70062 |
| 3.99.02 | Diluted earnings per share | | | | |
| 3.99.02.01 | Common shares | -0.18008 | -0.12105 | 0.34272 | 0.70062 |

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

| Code | Description | Current | Current | Previo |
|---------|---|-----------|------------|---------|
| | | Quarter | Year | Year |
| | | 7/1/2014 | 1/1/2014 | 7/1/20 |
| | | to | to | 9/30/20 |
| | | 9/30/2014 | 9/30/2014 | 9/30/20 |
| 4.01 | Profit for the period | -250,105 | -173,056 | 499,6 |
| 4.02 | Other comprehensive income | -98,799 | -869,442 | 399,3 |
| 4.02.01 | Cumulative translation adjustments for the period | 60,745 | -26,602 | 47,8 |
| 4.02.02 | Actuarial (losses) gains on defined benefit pension plan from investments in subsidiaries | 0 | 1,710 | |
| 4.02.03 | Available-for-sale financial assets | -149,474 | -1,208,939 | 538,9 |
| 4.02.04 | Income tax and social contribution on available-for-sale financial assets | 50,821 | 411,039 | -183,2 |
| 4.02.05 | Available-for-sale financial assets from investments in subsidiaries | 0 | -17,470 | -4,2 |
| 4.02.06 | Impairment of available-for-sale financial assets | 18,429 | 66,476 | |
| 4.02.07 | Income tax and social contribution on available-for-sale financial assets | -6,266 | -22,602 | |
| 4.02.08 | (Loss)/gain on the percentage change of investments | -73,054 | -73,054 | |
| 4.03 | Comprehensive income for the period | -348,904 | -1,042,498 | 899,0 |

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

| Code | Description | Current Year 1/1/2014 to 9/30/2014 | Previous Year 1/1/2013 to 9/30/2013 |
|-------------|--|---|--|
| 6.01 | Net cash generated by operating activities | 806,633 | 1,091,241 |
| 6.01.01 | Cash generated from operations | 2,832,279 | 2,437,171 |
| 6.01.01.01 | Profit for the period | -173,056 | 1,021,477 |
| 6.01.01.02 | Charges on borrowings and financing | 2,394,687 | 1,828,087 |
| 6.01.01.03 | Charges on loans and financing granted | -10,446 | -34,054 |
| 6.01.01.04 | Depreciation, depletion and amortization | 747,644 | 698,973 |
| 6.01.01.05 | Share of profits of investees | -471,007 | -1,339,503 |
| 6.01.01.06 | Deferred income tax and social contribution | -306,781 | -525,127 |
| 6.01.01.08 | Provision for tax, social security, labor, civil and environmental risks | -57,122 | 77,526 |
| 6.01.01.09 | Monetary variation and exchange differences, net | 586,628 | 741,618 |
| 6.01.01.10 | Gain on derivative transactions | 943 | 3,385 |
| 6.01.01.11 | Impairment of available-for-sale financial assets | 66,476 | 3,369 |
| 6.01.01.12 | Residual value of permanent assets written off | 11,970 | 7,771 |
| 6.01.01.14 | Other provisions | 42,343 | -46,351 |
| 6.01.02 | Changes in assets and liabilities | -2,025,646 | -1,345,930 |
| 6.01.02.01 | Trade receivables - third parties | 142,114 | -1,628 |
| 6.01.02.02 | Trade receivables - related parties | -248,444 | -97,096 |
| 6.01.02.03 | Inventories | -697,314 | 53,629 |
| 6.01.02.05 | Recoverable taxes | 56,066 | -9,286 |
| 6.01.02.06 | Judicial deposits | -30,801 | -9,754 |
| 6.01.02.07 | Dividends received from related parties | 274,335 | 295,912 |
| 6.01.02.09 | Trade payables | 191,100 | -251,948 |
| 6.01.02.10 | Payroll and related taxes | 6,175 | 90,743 |
| 6.01.02.11 | Taxes in installments - REFIS | -59,898 | -20,231 |
| 6.01.02.13 | Payables to related parties | 45,133 | -3,122 |
| 6.01.02.15 | Interest paid | -1,733,891 | -1,356,808 |
| 6.01.02.16 | Interest received | 13,595 | 2,420 |
| 6.01.02.17 | Interest on swaps paid | -1,279 | -3,434 |
| 6.01.02.18 | Other | 17,463 | -35,327 |
| 6.02 | Net cash used in investing activities | -1,005,313 | -1,410,481 |
| 6.02.01 | Investments | -49,679 | -83,111 |
| 6.02.02 | Purchase of property, plant and equipment | -1,092,393 | -1,048,763 |

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| | | | |
|---------|---|------------|------------|
| 6.02.07 | Purchase of intangible assets | 0 | -11 |
| 6.02.08 | Related parties loans | -31,506 | -299,167 |
| 6.02.09 | Receipt of related parties loans | 168,265 | 20,150 |
| 6.02.10 | Cash from merger of subsidiaries | 0 | 421 |
| 6.03 | Net cash used in financing activities | 469,338 | -1,139,453 |
| 6.03.01 | Borrowings and financing raised | 1,364,400 | 557,517 |
| 6.03.02 | Borrowings and financing raised - related parties | 1,528,240 | 0 |
| 6.03.03 | Repayment of borrowings | -1,127,864 | -414,053 |
| 6.03.04 | Repayment of borrowings - related parties | -124,215 | -126,181 |
| 6.03.05 | Dividends and interest on capital paid | -424,935 | -1,156,736 |
| 6.03.06 | Treasury shares | -746,288 | 0 |
| 6.05 | Increase (decrease) in cash and cash equivalents | 270,658 | -1,458,693 |
| 6.05.01 | Cash and equivalents at the beginning of the period | 206,624 | 2,995,757 |
| 6.05.02 | Cash and equivalents at the end of the period | 477,282 | 1,537,064 |

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**Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2014 to 9/30/2014
(R\$ thousand)**

| Code | Description | Capital reserve, granted options and Raising of capital | Retained earnings/ Other reserves Equity |
|-------------|--|--|---|
| 5.01 | Opening balances | 4,540,000 | 2,839,569,570 |
| 5.03 | Adjusted opening balances | 4,540,000 | 2,839,569,570 |
| 5.04 | Capital transactions with shareholders | 00 | -1,171,281,288 |
| 5.04.04 | Treasury shares acquired | 00 | -746,286,288 |
| 5.04.06 | Dividends | 00 | -425,002,500 |
| 5.04.08 | Cancelled of treasury shares | 00 | 679,667,961.8 |
| 5.04.09 | Cancelled of treasury shares | 00 | -679,667,961.8 |
| 5.05 | Total comprehensive income | 00 | -1,809,442 |
| 5.05.01 | Profit for the period | 00 | -173,056.6 |
| 5.05.02 | Other comprehensive income | 00 | -869,442 |
| 5.05.02.04 | Cumulative translation adjustments for the period | 00 | -266.2 |
| 5.05.02.08 | Actuarial (losses) gains on defined benefit pension plan, net of taxes | 00 | 177.0 |
| 5.05.02.09 | Available-for-sale financial assets, net of taxes | 00 | -770,496 |
| 5.05.02.10 | Loss/gain on the percentage variation of investments | 00 | -733.54 |
| 5.07 | Closing balances | 4,540,000 | 1,668,282,784 |

Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2013 to 9/30/2013

(R\$ thousand)

| Code | Description | Capital reserve, granted options and | | Retained earnings/ | | Shareholders' Equity |
|------------|---|--------------------------------------|-----------------|--------------------|------------------|----------------------|
| | | Paid-in capital | Treasury shares | earnings/losses | Other components | |
| 5.01 | Opening balances | 4,540,000 | 303,690,543 | 388,324,897 | 388,324,897 | |
| 5.03 | Adjusted opening balances | 4,540,000 | 303,690,543 | 388,324,897 | 388,324,897 | |
| 5.04 | Capital transactions with shareholders | 0 | 0 | -560,000 | 400,026 | -90,026 |
| 5.04.06 | Dividends | 0 | 0 | 0 | 210,000 | -210,000 |
| 5.04.07 | Interest on equity capital | 0 | 0 | 0 | 190,026 | -190,026 |
| 5.04.11 | Approval of prior year's proposed dividends | 0 | 0 | -560,000 | 0 | -560,000 |
| 5.05 | Total comprehensive income | 0 | 0 | 1,021,477 | 1,048,429 | 2,070,429 |
| 5.05.01 | Profit for the period | 0 | 0 | 1,021,477 | 1,021,477 | 2,043,429 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 | -171,048 | 1,048,429 |
| 5.05.02.04 | Cumulative translation adjustments for the period | 0 | 0 | 0 | 128,932 | 1,28,932 |
| 5.05.02.08 | Available-for-sale financial assets, net of taxes | 0 | 0 | 0 | -299,989 | 989,980 |
| 5.07 | Closing balances | 4,540,000 | 303,130,543 | 362,451,307 | 4,513,207 | 4,513,207,300 |

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

| Code | Description | Current year | Previous year |
|-------------|---|----------------------------------|----------------------------------|
| | | 1/1/2014 to 9/30/2014 | 1/1/2013 to 9/30/2013 |
| 7.01 | Revenues | 11,922,194 | 12,096,876 |
| 7.01.01 | Sales of products and services | 11,881,880 | 12,047,163 |
| 7.01.02 | Other revenues | 49,646 | 48,006 |
| 7.01.04 | Allowance for (reversal of) doubtful debts | -9,332 | 1,707 |
| 7.02 | Raw materials acquired from third parties | -6,967,591 | -7,970,108 |
| 7.02.01 | Costs of sales and services | -6,103,603 | -6,990,593 |
| 7.02.02 | Materials, electric power, outside services and other | -794,338 | -994,376 |
| 7.02.03 | Impairment/recovery of assets | -69,650 | 14,861 |
| 7.03 | Gross value added | 4,954,603 | 4,126,768 |
| 7.04 | Retentions | -747,644 | -698,973 |
| 7.04.01 | Depreciation, amortization and depletion | -747,644 | -698,973 |
| 7.05 | Wealth created | 4,206,959 | 3,427,795 |
| 7.06 | Value added received as transfer | 581,102 | 1,635,586 |
| 7.06.01 | Share of profits of investees | 471,007 | 1,339,503 |
| 7.06.02 | Finance income | 97,259 | 98,895 |
| 7.06.03 | Other | 12,836 | 197,188 |
| 7.07 | Wealth for distribution | 4,788,061 | 5,063,381 |
| 7.08 | Wealth distributed | 4,788,061 | 5,063,381 |
| 7.08.01 | Personnel | 961,743 | 795,133 |
| 7.08.01.01 | Salaries and wages | 749,074 | 617,705 |
| 7.08.01.02 | Benefits | 160,345 | 132,127 |
| 7.08.01.03 | Severance pay fund (FGTS) | 52,324 | 45,301 |
| 7.08.02 | Taxes, fees and contributions | 640,026 | 440,244 |
| 7.08.02.01 | Federal | 510,356 | 309,068 |
| 7.08.02.02 | State | 111,656 | 114,238 |
| 7.08.02.03 | Municipal | 18,014 | 16,938 |
| 7.08.03 | Lenders and lessors | 3,359,348 | 2,806,527 |
| 7.08.03.01 | Interest | 2,747,158 | 1,977,339 |
| 7.08.03.02 | Leases | 7,326 | 7,638 |
| 7.08.03.03 | Other | 604,864 | 821,550 |
| 7.08.04 | Shareholders | -173,056 | 1,021,477 |

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| | | | |
|------------|---|----------|---------|
| 7.08.04.01 | Interest on equity capital | 0 | 190,026 |
| 7.08.04.02 | Dividends | 0 | 210,000 |
| 7.08.04.03 | Retained earnings (accumulated losses) for the period | -173,056 | 621,451 |

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

| <i>Code</i> | <i>Description</i> | Current | |
|-------------|--|------------------|-------------------|
| | | 9/30/2014 | 12/31/2013 |
| 1 | Total assets | 49,731,948 | 50,402,539 |
| 1.01 | Current assets | 15,597,390 | 16,402,042 |
| 1.01.01 | Cash and cash equivalents | 8,971,362 | 9,995,672 |
| 1.01.03 | Trade receivables | 1,487,952 | 2,522,465 |
| 1.01.04 | Inventories | 3,856,384 | 3,160,985 |
| 1.01.08 | Other current assets | 1,281,692 | 722,920 |
| 1.02 | Non-current assets | 34,134,558 | 34,000,497 |
| 1.02.01 | Long-term receivables | 4,587,176 | 4,636,608 |
| 1.02.01.02 | Investments measured at amortized cost | 32,539 | 30,756 |
| 1.02.01.06 | Deferred taxes | 3,354,960 | 2,770,527 |
| 1.02.01.09 | Other non-current assets | 1,199,677 | 1,835,325 |
| 1.02.02 | Investments | 13,204,192 | 13,487,023 |
| 1.02.03 | Property, plant and equipment | 15,341,609 | 14,911,426 |
| 1.02.04 | Intangible assets | 1,001,581 | 965,440 |

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

| Code | Description | Current Quarter 9/30/2014 | Previous Year 12/31/2013 |
|---------------|---|--|---|
| 2 | Total liabilities | 49,731,948 | 50,402,539 |
| 2.01 | Current liabilities | 7,155,426 | 5,564,230 |
| 2.01.01 | Payroll and related taxes | 253,595 | 208,921 |
| 2.01.02 | Trade payables | 1,469,748 | 1,102,037 |
| 2.01.03 | Taxes payable | 289,221 | 304,095 |
| 2.01.04 | Borrowings and financing | 3,657,719 | 2,642,807 |
| 2.01.05 | Other payables | 974,061 | 972,851 |
| 2.01.06 | Provisions | 511,082 | 333,519 |
| 2.01.06.01 | Provision for tax, social security, labor and civil risks | 511,082 | 333,519 |
| 2.02 | Non-current liabilities | 36,654,387 | 36,769,250 |
| 2.02.01 | Borrowings and financing | 25,061,112 | 25,103,623 |
| 2.02.02 | Other payables | 10,435,163 | 10,061,571 |
| 2.02.03 | Deferred taxes | 237,707 | 268,833 |
| 2.02.04 | Provisions | 920,405 | 1,335,223 |
| 2.02.04.01 | Provision for tax, social security, labor and civil risks | 199,139 | 479,664 |
| 2.02.04.02 | Other provisions | 721,266 | 855,559 |
| 2.02.04.02.03 | Provision for environmental liabilities and asset retirement obligation - ARO | 236,161 | 370,454 |
| 2.02.04.02.04 | Pension and healthcare plan | 485,105 | 485,105 |
| 2.03 | Shareholders' equity | 5,922,135 | 8,069,059 |
| 2.03.01 | Issued capital | 4,540,000 | 4,540,000 |
| 2.03.02 | Capital reserves | 30 | 30 |
| 2.03.04 | Earnings reserves | 1,668,280 | 2,839,568 |
| 2.03.04.01 | Legal reserve | 361,641 | 361,641 |
| 2.03.04.02 | Statutory reserve | 1,373,309 | 2,477,927 |
| 2.03.04.09 | Treasury shares | -66,670 | 0 |
| 2.03.05 | Retained earnings/Accumulated losses | -173,056 | 0 |
| 2.03.08 | Other comprehensive income | -152,470 | 716,972 |
| 2.03.09 | Non-controlling interests | 39,351 | -27,511 |

Consolidated Financial Statements / Statements of Income
(R\$ thousand)

| Code | Description | Same Quarter of | | | |
|------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Current Quarter | Current Year | Previous Year | Previous Year |
| | | 7/1/2014 to 9/30/2014 | 1/1/2014 to 9/30/2014 | 7/1/2013 to 9/30/2013 | 1/1/2013 to 9/30/2013 |
| 3.01 | Net revenue from sales and/or services | 3,882,986 | 2,306,271 | 4,661,416 | 2,363,601 |
| 3.02 | Cost of sales and/or services | -2,911,961 | -8,693,082 | 3,259,219 | 1,131,010 |
| 3.03 | Gross profit | 971,025 | 3,613,189 | 1,402,205 | 3,232,591 |
| 3.04 | Operating expenses/income | -244,156 | -1,216,581 | -238,753 | -869,689 |
| 3.04.01 | Selling expenses | -268,052 | -691,619 | -208,791 | -666,415 |
| 3.04.02 | General and administrative expenses | -110,470 | -338,494 | -105,862 | -338,909 |
| 3.04.04 | Other operating income | 27,471 | 44,937 | 10,083 | 35,289 |
| 3.04.05 | Other operating expenses | -90,686 | -316,094 | -142,641 | -407,392 |
| 3.04.06 | Share of profits of investees | 197,581 | 84,689 | 208,458 | 507,738 |
| 3.05 | Profit before finance income (costs) and taxes | 726,869 | 2,396,608 | 1,163,452 | 2,362,902 |
| 3.06 | Finance income (costs) | -944,459 | -2,500,593 | -597,118 | -1,582,220 |
| 3.06.01 | Finance income | 42,735 | 134,217 | 59,280 | 157,382 |
| 3.06.02 | Finance costs | -987,194 | -2,634,810 | -656,398 | -1,739,602 |
| 3.06.02.01 | Net exchange gains (losses) on financial instruments | -77,250 | -193,453 | 4,844 | 39,681 |
| 3.06.02.02 | Finance costs | -909,944 | -2,441,357 | -661,242 | -1,779,283 |
| 3.07 | Loss (profit) before taxes on income | -217,590 | -103,985 | 566,334 | 780,682 |
| 3.08 | Income tax and social contribution | -32,798 | -75,274 | -63,446 | 240,408 |
| 3.09 | Profit from continuing operations | -250,388 | -179,259 | 502,888 | 1,021,090 |
| 3.11 | Consolidated Profit and Loss | -250,388 | -179,259 | 502,888 | 1,021,090 |
| 3.11.01 | Attributed to owners of the Company | -250,105 | -173,056 | 499,682 | 1,021,477 |
| 3.11.02 | Attributed to non-controlling interests | -283 | -6,203 | 3,206 | -387 |
| 3.99 | Earnings per share - (R\$/share) | | | | |
| 3.99.01 | Basic earnings per share | | | | |
| 3.99.01.01 | Common shares | -0.18008 | -0.12105 | 0.34272 | 0.70062 |
| 3.99.02 | Diluted earnings per share | | | | |
| 3.99.02.01 | Common shares | -0.18008 | -0.12105 | 0.34272 | 0.70062 |

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

| Code | Description | Current | | Previous |
|---------|---|--|-------------------------------------|-------------------------------------|
| | | Quarter 7/1/2014 to 9/30/2014 | Year 1/1/2014 to 9/30/2014 | Year 7/1/2013 to 9/30/2013 |
| 4.01 | Consolidated profit for the period | -250,388 | -179,259 | 502,388 |
| 4.02 | Other comprehensive income | -98,799 | -869,442 | 399,442 |
| 4.02.01 | Cumulative translation adjustments for the period | 60,745 | -26,602 | 47,143 |
| 4.02.02 | Actuarial (losses) gains on defined benefit pension plan from investments in subsidiaries | 0 | 1,710 | |
| 4.02.03 | Available-for-sale financial assets | -151,034 | -1,241,037 | 532,037 |
| 4.02.04 | Income tax and social contribution on available-for-sale financial assets | 51,351 | 421,952 | -181,952 |
| 4.02.05 | Impairment of available-for-sale financial assets | 19,989 | 72,104 | |
| 4.02.06 | Income tax and social contribution on available-for-sale financial assets | -6,796 | -24,515 | |
| 4.02.07 | (Loss)/gain on the percentage variation of investments | -73,054 | -73,054 | |
| 4.03 | Consolidated comprehensive income for the period | -349,187 | -1,048,701 | 902,388 |
| 4.03.01 | Attributed to owners of the Company | -348,904 | -1,042,498 | 899,442 |
| 4.03.02 | Attributed to non-controlling interests | -283 | -6,203 | 3,946 |

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Consolidated Financial Statements / Statement of Cash Flows – Indirect Method
(R\$ thousand)

| Code | Description | Current Year 01/01/2014 to 9/30/2014 | Previous Year 01/01/2013 to 9/30/2013 |
|-------------|--|---|--|
| 6.01 | Net cash generated by operating activities | 600,432 | 1,401,537 |
| 6.01.01 | Cash generated from operations | 2,644,889 | 3,765,285 |
| 6.01.01.01 | Profit for the period attributable to owners of the Company | -173,056 | 1,021,477 |
| 6.01.01.02 | Profit (loss) for the period attributable to non-controlling interests | -6,203 | -387 |
| 6.01.01.03 | Charges on borrowings and financing | 2,056,128 | 1,597,890 |
| 6.01.01.04 | Charges on loans and financing granted | -30,671 | -33,593 |
| 6.01.01.05 | Depreciation, depletion and amortization | 934,555 | 868,884 |
| 6.01.01.06 | Share of profits of investees | -84,689 | -507,738 |
| 6.01.01.07 | Deferred income tax and social contribution | -332,332 | -527,544 |
| 6.01.01.08 | Provision for tax, social security, labor, civil and environmental risks | -42,306 | 49,430 |
| 6.01.01.09 | Monetary variation and exchange differences, net | 185,777 | 1,272,140 |
| 6.01.01.10 | Gain (loss) on derivative transactions | 1,395 | 18,693 |
| 6.01.01.11 | Impairment of available-for-sale financial assets | 72,104 | 5,002 |
| 6.01.01.16 | Residual value of permanent assets written off | 12,935 | 26,805 |
| 6.01.01.17 | Other provisions | 51,252 | -25,774 |
| 6.01.02 | Changes in assets and liabilities | -2,044,457 | -2,363,748 |
| 6.01.02.01 | Trade receivables - third parties | 315,486 | -213,722 |
| 6.01.02.02 | Trade receivables - related parties | -145,262 | -26,814 |
| 6.01.02.03 | Inventories | -769,929 | 20,856 |
| 6.01.02.04 | Receivables from related parties | 1,963 | -29,758 |
| 6.01.02.05 | Recoverable taxes | 47,995 | 27,095 |
| 6.01.02.06 | Judicial deposits | -34,323 | 14,132 |
| 6.01.02.07 | Dividends received from related parties | 232,383 | 268,470 |
| 6.01.02.08 | Trade payables | 408,619 | -771,473 |
| 6.01.02.09 | Payroll and related taxes | 27,527 | 105,464 |
| 6.01.02.10 | Taxes in installments - REFIS | -43,397 | 38,181 |
| 6.01.02.12 | Payables to related parties | 2,600 | -3,173 |
| 6.01.02.14 | Interest paid | -2,103,382 | -1,772,921 |
| 6.01.02.15 | Interest received - related parties | 13,595 | 20,393 |
| 6.01.02.16 | Interest on swaps paid | -1,279 | -3,434 |
| 6.01.02.17 | Other | 2,947 | -37,044 |
| 6.02 | Net cash used in investing activities | -1,239,860 | -1,446,979 |

| | | | |
|---------|---|------------|------------|
| 6.02.02 | Investments | -8,376 | 0 |
| 6.02.03 | Purchase of property, plant and equipment | -1,292,180 | -1,749,615 |
| 6.02.09 | Receipt/payment in derivative transactions | -73,670 | 332,655 |
| 6.02.10 | Purchase of intangible assets | -610 | -70 |
| 6.02.11 | Related parties loans | -31,506 | -301 |
| 6.02.12 | Receipt of related parties loans | 168,265 | 0 |
| 6.02.13 | Investment, net of redeemed amount | -1,783 | -29,648 |
| 6.03 | Net cash used in financing activities | -771,732 | -411,840 |
| 6.03.01 | Borrowings and financing raised | 1,630,664 | 1,228,957 |
| 6.03.02 | Repayment of borrowings | -1,175,234 | -489,485 |
| 6.03.04 | Dividends and interest on capital paid | -424,935 | -1,156,736 |
| 6.03.05 | Capital contribution by non-controlling shareholders | 0 | 5,424 |
| 6.03.06 | Treasury shares | -746,288 | 0 |
| 6.03.07 | Repurchase of debt securities | -55,939 | 0 |
| 6.04 | Exchange differences on translating cash and cash equivalents | 386,850 | -287,664 |
| 6.05 | Increase (decrease) in cash and cash equivalents | -1,024,310 | -744,946 |
| 6.05.01 | Cash and equivalents at the beginning of the period | 9,995,672 | 11,891,821 |
| 6.05.02 | Cash and equivalents at the end of the period | 8,971,362 | 11,146,875 |

**Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - 1/1/2014 to 9/30/2014
(R\$ thousand)**

| Code | Description | Paid-in capital | Capital reserve, granted options and treasury shares | Earnings(a) reserve |
|-------------|--|------------------------|---|----------------------------|
| 5.01 | Opening balances | 4,540,000 | 30 | 2,839,568 |
| 5.03 | Adjusted opening balances | 4,540,000 | 30 | 2,839,568 |
| 5.04 | Capital transactions with shareholders | 0 | 0 | -1,171,288 |
| 5.04.04 | Treasury shares acquired | 0 | 0 | -746,288 |
| 5.04.06 | Dividends | 0 | 0 | -425,000 |
| 5.04.08 | Cancelled of treasury shares | 0 | 0 | 679,618 |
| 5.04.09 | Cancelled of treasury shares | 0 | 0 | -679,618 |
| 5.05 | Total comprehensive income | 0 | 0 | 0 |
| 5.05.01 | Profit for the period | 0 | 0 | 0 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 |
| 5.05.02.04 | Cumulative translation adjustments for the period | 0 | 0 | 0 |
| 5.05.02.08 | Actuarial (losses) gains on defined benefit pension plan, net of taxes | 0 | 0 | 0 |
| 5.05.02.09 | Available-for-sale financial assets, net of taxes | 0 | 0 | 0 |
| 5.05.02.10 | Loss/gain on the percentage variation of investments | 0 | 0 | 0 |
| 5.06 | Internal changes in shareholders' equity | 0 | 0 | 0 |
| 5.06.04 | Non-controlling interest in subsidiaries | 0 | 0 | 0 |
| 5.07 | Closing balances | 4,540,000 | 30 | 1,668,280 |

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - 1/1/2013 to 9/30/2013
(R\$ thousand)

| Code | Description | Paid-in capital | Capital reserve, granted options and treasury shares | Earnings(accumulated reserve) | Retained earnings(accumulated losses) |
|-------------|--|------------------------|---|--------------------------------------|--|
| 5.01 | Opening balances | 4,540,000 | 303,690,543 | | |
| 5.03 | Adjusted opening balances | 4,540,000 | 303,690,543 | | |
| 5.04 | Capital transactions with shareholders | 0 | 0 | -560,000 | -400,000 |
| 5.04.06 | Dividends | 0 | 0 | 0 | -210,000 |
| 5.04.07 | Interest on capital | 0 | 0 | 0 | -190,000 |
| 5.04.11 | Approval of additional dividends at Annual General Meeting | 0 | 0 | -560,000 | |
| 5.05 | Total comprehensive income | 0 | 0 | 0 | 1,021,470 |
| 5.05.01 | Profit for the period | 0 | 0 | 0 | 1,021,470 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 | |
| 5.05.02.04 | Cumulative translation adjustments for the period | 0 | 0 | 0 | |
| 5.05.02.08 | Available-for-sale financial assets, net of taxes | 0 | 0 | 0 | |
| 5.06 | Internal changes in shareholders' equity | 0 | 0 | 0 | |
| 5.06.04 | Non-controlling interests in subsidiaries | 0 | 0 | 0 | |
| 5.07 | Closing balances | 4,540,000 | 303,130,543 | | 621,470 |

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

| Code | Description | Current year 1/1/2014 to 9/30/2014 | Previous year 1/1/2013 to 9/30/2013 |
|-------------|---|---|--|
| 7.01 | Revenues | 14,684,931 | 14,859,753 |
| 7.01.01 | Sales of products and services | 14,643,220 | 14,797,947 |
| 7.01.02 | Other revenues | 52,594 | 60,159 |
| 7.01.04 | Allowance for (reversal of) doubtful debts | -10,883 | 1,647 |
| 7.02 | Raw materials acquired from third parties | -9,030,859 | -9,705,748 |
| 7.02.01 | Costs of sales and services | -7,729,543 | -8,390,767 |
| 7.02.02 | Materials, electric power, outside services and other | -1,222,881 | -1,344,612 |
| 7.02.03 | Impairment/recovery of assets | -78,435 | 29,631 |
| 7.03 | Gross value added | 5,654,072 | 5,154,005 |
| 7.04 | Retentions | -934,555 | -868,884 |
| 7.04.01 | Depreciation, amortization and depletion | -934,555 | -868,884 |
| 7.05 | Wealth created | 4,719,517 | 4,285,121 |
| 7.06 | Value added received as transfer | 970,429 | 2,659,610 |
| 7.06.01 | Share of profits of investees | 84,689 | 507,738 |
| 7.06.02 | Finance income | 134,217 | 157,382 |
| 7.06.03 | Other | 751,523 | 1,994,490 |
| 7.07 | Wealth for distribution | 5,689,946 | 6,944,731 |
| 7.08 | Wealth distributed | 5,689,946 | 6,944,731 |
| 7.08.01 | Personnel | 1,270,926 | 1,091,666 |
| 7.08.01.01 | Salaries and wages | 1,007,607 | 876,460 |
| 7.08.01.02 | Benefits | 202,041 | 162,038 |
| 7.08.01.03 | Severance pay fund (FGTS) | 61,278 | 53,168 |
| 7.08.02 | Taxes, fees and contributions | 1,220,251 | 1,087,961 |
| 7.08.02.01 | Federal | 1,012,091 | 771,974 |
| 7.08.02.02 | State | 180,115 | 290,865 |
| 7.08.02.03 | Municipal | 28,045 | 25,122 |
| 7.08.03 | Lenders and lessors | 3,378,028 | 3,744,014 |
| 7.08.03.01 | Interest | 2,391,954 | 1,779,545 |
| 7.08.03.02 | Leases | 11,397 | 11,512 |
| 7.08.03.03 | Other | 974,677 | 1,952,957 |
| 7.08.04 | Shareholders | -179,259 | 1,021,090 |
| 7.08.04.01 | Interest on equity capital | 0 | 190,026 |
| 7.08.04.02 | Dividends | 0 | 210,000 |

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| | | | |
|------------|---|----------|---------|
| 7.08.04.03 | Retained earnings (accumulated losses) for the period | -173,056 | 621,451 |
| 7.08.04.04 | Non-controlling interests in retained earnings | -6,203 | -387 |

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The recovery of global economic activity has been occurring at a moderate pace and on heterogeneous way. While among the developed countries, the United States and the United Kingdom have been recording growth, the slower-than-expected recovery in the Eurozone and the less optimistic prospects for certain emerging economies have contributed to more conservative revisions of global growth. The International Monetary Fund (IMF) reduced the global growth projections to 3.3% in 2014 and 3.8% in 2015.

USA

The latest figures from the U.S. Department of Commerce and the FED indicate an upturn in domestic economic activity. In 3Q14, the U.S. economy recorded growth of 3.5%, reflecting the good performance of exports, investments and consumption, as well as the increase in government spending. In September, industrial production increased by 1.0% over August, giving 12-month growth of 4.3%, and installed capacity use remained at 79% throughout the year.

Manufacturing PMI averaged 57.6 points in 3Q14, 2.4 points above the average in the previous quarter and continuing the expansion that began in June 2013.

In September 2014, the unemployment rate reached 5.9%, the lowest level for the last six years, giving a year-to-date decline of 1.3 p.p.

At its last meeting in October, the FED's Monetary Policy Committee (FOMC) announced the end of the securities purchase program, designed to stimulate the economy, maintaining interest rates at between 0 and 0.25%. The Committee considered it appropriate to maintain interest at this level for a considerable period of time, especially in a scenario of inflation lower than the 2% target.

As a result, the FED estimates GDP growth of between 2.0% and 2.2% in 2014.

Europe

The European recovery continues at a slower pace. After four quarters of moderate expansion, 2Q14 GDP in the Eurozone remained virtually flat. Industrial output fell by 1.8% in August over July, chiefly reflecting the 4.8% reduction in capital goods production, while the manufacturing PMI declined from 52.8 points in June to 52.0 points in September, the lowest figure in the last ten months.

Eurozone unemployment rate remained stable, but still high, recording 11.5% in September. Austria and Germany recorded the lowest rates among the countries, while Greece and Spain had the highest.

Eurozone inflation came to 0.3% in the 12 months ended September 2014, well below the long-term goal of 2% established by the European Central Bank (ECB) and the lowest figure since October 2009. Certain countries such as Spain, Greece, Hungary and Bulgaria actually recorded negative inflation in the same period. In this context, the ECB implemented new measures to stimulate the economy, including the repurchase of securities, with a minimum duration of two years. The institution expects a GDP growth of 0.9% in 2014 and 1.6% in 2015.

UK GDP expanded for the seventh consecutive quarter, moving up by 0.7% in 3Q14, fueled by the service and construction sectors, which grew by 0.7% and 0.8%, respectively. The British Chamber of Commerce estimates annual GDP growth of 3.2% in 2014.

The labor market continues to improve, with unemployment between June and August 2014 declining by 6%, the lowest level since the end of 2008 and 0.4 p.p. less than in the previous three-month period from March to May. In the year through September, inflation fell to 1.2%, below the 1.5% recorded through August.

Asia

Preliminary 3Q14 figures from the National Bureau of Statistics point to Chinese GDP growth of 7.3% over 3Q13, below the 7.5% recorded in 2Q14. In 9M14, the Chinese economy grew by 7.4% over 9M13, slightly below the 7.5% target established by the government.

In September 2014, the manufacturing PMI published by HSBC reached 50.2 points, continuing the expansion begun in June. Industrial production increased by 8.0% in September, higher than the 6.9% registered in August. In the first nine months, investments in fixed assets moved up by 16%, less than the 20% recorded in 9M13.

Manufacturing PMI also continued to expand in Japan, reaching 51.7 points in September. Unemployment rate recorded 3.5% in August, the lowest rate since July 2007. At its last monetary policy meeting, the Central Bank of Japan (BoJ) increased the ceiling of the security buyback program from between 60 and 70 trillion yen, to 80 trillion yen per year, maintaining interest at 0.1%. The BoJ's long-term inflation target is 2% p.y. and it is projecting GDP growth of 1.0% in 2014.

Brazil

In Brazil, the economic fundamentals remain unfavorable, with GDP declining by 0.6% in 2Q14, following the 0.2% slide in 1Q14 over 4Q13. The 2Q14 result was primarily due to the negative performance of the industrial (-1.5%) and service (-0.5%) sectors. September's activity indicators, notably industrial production, suggest a further slowdown in the third quarter. Industrial output fell by 0.2% in September over August, largely due to the 1.6% reduction in the production of intermediate goods, giving a year-to-date downturn of 2.9%. The Central Bank's Focus report expects GDP growth of 0.2% in 2014 and 0.8% in 2015.

According to CAGED (the employment and unemployment registry), 80,000 new registered jobs were created in September, 41% down on the same month last year and the worst result since mid-2001. In the year through September, a net total of 905 thousand formal jobs were created.

Inflation recorded by the IPCA consumer price index moved up by 0.57% in September, giving year-to-date and last-12-month growth of 4.61% and 6.75%, respectively, exceeding the 6.5% ceiling of the annual inflation target. Given this scenario, at its last meeting in October, the Monetary Policy Committee (COPOM) raised the Selic base rate once again, this time to 11.25% p.a. The Focus report expects 2014 inflation of 6.39%, with a Selic of 11.50% at year-end.

On the foreign exchange front, the real depreciated by 11.3% against the U.S. dollar in 3Q14, closing September at R\$2.451/US\$, reflecting greater risk aversion in the domestic market, coupled with international factors such as the end of the U.S. government's security repurchase program and a possible increase in interest rates by the FED.

Macroeconomic Projections

| | 2014 | 2015 |
|---------------------------------|-------|-------|
| IPCA (%) | 6.39 | 6.40 |
| Commercial dollar (final) – R\$ | 2.50 | 2.60 |
| SELIC (final - %) | 11.50 | 12.00 |
| GDP (%) | 0.20 | 0.80 |
| Industrial Production (%) | -2.21 | 1.46 |

Source: FOCUS BACEN

Base: 11/07/2014

In the third quarter, consolidated net revenue totaled R\$3,883 million, 4% down on the R\$4,052 million recorded in 2Q14, chiefly influenced by the reduction in mining revenue, due to lower iron ore prices in the international market.

COGS totaled R\$2,912 million in 3Q14, 6% up on the R\$2,747 million posted in 2Q14, basically due to a nominal increase in COGS from steel operations, given non-recurring adjustments booked in 2Q14.

Consolidated SG&A expenses totaled R\$379 million in 3Q14, 6% more than the R\$358 million reported in 2Q14, due to higher selling expenses.

Other Operating Revenue/Expenses came to R\$63 million in 3Q14, versus R\$31 million in 2Q14, basically due to the write-off of judicial deposits.

The Company uses Adjusted EBITDA to measure the segments' performance and operating cash flow capacity. It comprises net income before the net financial result, income and social contribution taxes, depreciation and amortization, results from investees and other operating revenue (expenses), plus the proportional EBITDA of the jointly-owned subsidiaries, Namisa, MRS Logística and CBSI.

Third-quarter adjusted EBITDA amounted to R\$977 million, 25% less than the R\$1,303 million posted in 2Q14, basically due to the lower contribution from steel and mining operations, accompanied by a margin of 23%, down by 7 p.p. over 2Q14.

In 3Q14, CSN's consolidated net financial result was negative by R\$944 million, mainly due to the following factors:

- Interest on loans and financing totaling R\$707 million;
- The R\$119 million effect related to the complement of interest on contingencies included in the tax repayment program REFIS (Law 11941/09);
- Monetary and foreign exchange variations amounting to R\$77 million;
- Expenses of R\$40 million with the monetary restatement of tax payment installments;
- Other financial expenses totaling R\$44 million.

These negative effects were partially offset by consolidated financial revenue of R\$43 million.

Gross debt, net debt and the net debt/EBITDA ratio presented below reflect the Company's proportional interest in Namisa, MRS Logística and CBSI, as well as the impact from the partial spin-off of Transnordestina Logística S/A.

At the close of September 30, 2014, net debt stood at R\$17.6 billion, R\$0.9 billion more than on June 30, 2014. The net debt/EBITDA ratio based on LTM adjusted EBITDA closed the third quarter at 3.2x, 0.5x more than the 2.7x recorded at the end of 2Q14. Net debt was impacted by the following factors:

- Investments of R\$0.6 billion in fixed assets;
- A R\$0.7 billion effect related to the cost of debt;

- Foreign exchange variation of R\$0.4 billion;
- Disbursements of R\$0.3 billion on the share buyback program.

These negative effects were partially offset by 3Q14 EBITDA of R\$1.0 billion and the R\$0.1 billion reduction in working capital.

Indebtedness (R\$ million) and Net Debt /Adjusted EBITDA ratio

CSN's equity result was positive by R\$198 million in 3Q14, versus a negative R\$67 million in 2Q14, chiefly due to the result of the jointly-owned subsidiary Namisa.

In the third quarter, the Company posted a consolidated net loss of R\$250 million, basically reflecting the lower operating result in the quarter.

Investments reflect the Company's proportional interest in Namisa, MRS Logística and CBSI. The Company has ceased consolidating its interest in Transnordestina Logística S/A, due to the partial spin-off on December 27, 2013 and the consequent entry into effect of the new shareholders' agreement.

CSN invested R\$613 million in 3Q14. Of this total, the main investments were R\$156 million in mining, R\$128 million in steel, R\$203 million in cement and R\$108 million in logistic.

In the third quarter, the Company reviewed the balance of the accounts composing its working capital, which includes Inventories, Suppliers, Salaries and Taxes. For comparison purposes, 2Q14 working capital was recalculated and reduced by R\$493 million.

At the close of 3Q14, working capital applied to the Company's businesses totaled R\$2,094 million, a reduction of R\$144 million compared to 2Q14, particularly due to the reduction in accounts receivable and the increase in salaries and social contributions, partially offset by higher inventories.

The average receivables period contracted by five days, the average payment period by one day, while the average inventory turnover period widened by seven days.

| WORKING CAPITAL (R\$ MM) | 2Q14 | 3Q14 | Change 3Q14 x 2Q14 |
|---|--------------|--------------|-------------------------------|
| Assets | 4,602 | 4,523 | (79) |
| Accounts Receivable | 1,716 | 1,406 | (309) |
| Inventory (*) | 2,766 | 2,997 | 231 |
| Advances to Taxes | 121 | 119 | (1) |
| Liabilities | 2,363 | 2,429 | 65 |
| Suppliers | 1,567 | 1,509 | (58) |
| Salaries and Social Contribution | 284 | 358 | 74 |
| Taxes Payable | 481 | 539 | 58 |
| Advances from Clients | 31 | 23 | (8) |
| Working Capital | 2,239 | 2,094 | (145) |

| TURNOVER RATIO Average Periods | 2Q14 | 3Q14 | Change 3Q14 x 2Q14 |
|---|-------------|-------------|-------------------------------|
| Receivables | 31 | 26 | (5) |
| Supplier Payment | 49 | 48 | (1) |
| Inventory Turnover | 87 | 94 | 7 |
| Cash Conversion Cycle | 69 | 72 | 3 |

(*) 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 | Logistics | Cement | Energy |
|---|---------------------------------------|----------------------------|--------------------------------|------------------------------|
| Usina Presidente Vargas Porto Real | Casa de Pedra Namisa (60%) | Railways: - MRS | Volta Redonda Arcos | CSN Energia Itasa |

| | | |
|----------------------------|--------------|-------------------------|
| Paraná | Tecar | - FTL |
| LLC | ERSA | - TLSA |
| Lusosider | | Port: |
| Prada (Distribution | | |
| and | | - Sepetiba Tecon |
| Packaging) | | |
| Metalic | | |
| SWT | | |

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. Results by segment reflect the Company's proportional interest in Namisa, MRS Logística and CBSI, as well as the full consolidation of FTL.

Net revenue by segment (R\$ million)

Results by segment

R\$ million

3Q14

| Consolidated Results | Steel | Mining | Logistics (Port) | Logistics (Railways) | Energy | Cement | Corporate/ Eliminations | Consolidated |
|---|--------------|------------|---------------------|-------------------------|-----------|------------|----------------------------|--------------|
| Net Revenue | 2,788 | 914 | 39 | 335 | 97 | 120 | (410) | 3,883 |
| Domestic Market | 2,138 | 71 | 39 | 335 | 97 | 120 | (316) | 2,484 |
| Foreign Market | 649 | 843 | - | - | - | - | (94) | 1,399 |
| Cost of Goods Sold | (2,173) | (796) | (33) | (219) | (49) | (86) | 445 | (2,912) |
| Gross Profit | 614 | 118 | 7 | 115 | 48 | 34 | 35 | 971 |
| Selling, General and Administrative Expenses | (161) | (13) | - | (25) | (5) | (18) | (155) | (379) |
| Depreciation | 205 | 99 | 3 | 42 | 4 | 10 | (37) | 326 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - | - | 58 | 58 |
| Adjusted EBITDA | 658 | 203 | 10 | 132 | 47 | 26 | (99) | 977 |

R\$ million

2Q14

| Consolidated Results | Steel | Mining | Logistics (Port) | Logistics (Railways) | Energy | Cement | Corporate/ Eliminations | Consolidated |
|---|--------------|--------------|---------------------|-------------------------|-----------|------------|----------------------------|--------------|
| Net Revenue | 2,843 | 1,117 | 47 | 226 | 87 | 113 | (380) | 4,052 |
| Domestic Market | 2,185 | 82 | 47 | 226 | 87 | 113 | (211) | 2,529 |
| Foreign Market | 657 | 1,035 | - | - | - | - | (169) | 1,523 |
| Cost of Goods Sold | (2,083) | (740) | (31) | (156) | (49) | (72) | 385 | (2,747) |
| Gross Profit | 759 | 377 | 16 | 70 | 38 | 42 | 5 | 1,306 |
| Selling, General and Administrative Expenses | (168) | (20) | - | (21) | (5) | (17) | (126) | (358) |
| Depreciation | 202 | 85 | 2 | 39 | 4 | 9 | (45) | 296 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - | - | 58 | 58 |
| Adjusted EBITDA | 793 | 442 | 18 | 87 | 37 | 34 | (107) | 1,303 |

Scenario

According to the World Steel Association (WSA), global crude steel production totaled 1.2 billion tonnes in the first nine months of 2014, 2% higher than in 9M13, the same percentage growth recorded in China, which was responsible for 618 million tonnes. Global capacity use reached 76% in September 2014, 2 p.p. down on June. For 2014, the WSA expects a 2%

growth in world apparent steel consumption and an increase of 1% in China.

According to the Brazilian Steel Institute (IABr), domestic crude steel production came to 25.5 million tonnes in 9M14, down 1% on 9M13, while rolled flat output totaled 18.7 million tonnes, down by 5%. Flat steel apparent consumption in 9M14 reached 9.0 million tonnes, 3% less year-on-year, with domestic sales totaling 8.4 million tonnes, 8% down on 9M13. On the other hand, flat steel imports climbed by 26% to 1.8 million tonnes, while exports fell by 3% to 1.2 million tonnes.

The IABr reduced its estimates for domestic steel product sales from 23.7 to 21.7 million tonnes in 2014, with apparent consumption moving down from 27.2 to 25.3 million tonnes.

Automotive

According to ANFAVEA (the Auto Manufacturers' Association), Brazil's vehicle production totaled 2.4 million units in 9M14, 17% less than the 2.9 million vehicles produced in 9M13. It is important mentioning truck production, which fell by 24%, followed by vehicles, light commercial vehicles and buses, down by 17%, 14% and 12%, respectively.

Vehicle sales declined by 9% in 9M14 over 9M13, led by the bus and trucks segments, with respective downturn of 17% and 14%, partially offset by the 1% growth in the light commercial vehicle segment. Exports fell by 39% year-on-year in the first nine months, basically influenced by the lower sales to Argentina.

In this scenario, ANFAVEA revised its estimates for 2014, estimating reduction of 10% in production and 5% in vehicle sales over 2013.

With relation to light vehicles, FENABRAVE (the Vehicle Distributors' Association) registered reduction of 8% in the number of vehicles licensed, from 2.6 million units in 9M13 to 2.4 million units in 9M14. The association expects 2014 light vehicle sales to fall by 8% over last year.

Construction

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building material in the last twelve months ended in September 2014 fell by 4.9% over the same period in 2013. In this context, the association revised its estimates for 2014, to a reduction of 4% in sales.

Home Appliances

According to the IBGE (Brazilian Institute of Geography and Statistics), home appliance production grew by 17% in 3Q14 over 2Q14, with expansion of 3% in the first nine months of 2014 over 9M13.

Distribution

According to INDA (the Brazilian steel distributors' association), flat steel sales by domestic distributors totaled 3.3 million tonnes in 9M14, 2% down on the previous year. 9M14 purchases by the associated network came to 3.2 million tonnes, 9.7% down year-on-year, while inventories totaled 1.0 million tonnes at the close of 3Q14, declining by 1% over 2Q14. In this scenario, the association estimates sales to fall by 3% in 2014 over 2013.

Sales Volume

In 3Q14, CSN's steel sales totaled 1.27 million tonnes. Of this total, 72% went to the domestic market, 25% were sold by overseas subsidiaries and 3% went to exports.

Domestic Sales Volume

CSN's domestic steel sales came to 921 thousand tonnes in 3Q14, slightly more than the 918 thousand tonnes sold in 2Q14.

Foreign Sales Volume

Foreign sales amounted to 353 thousand tonnes in 3Q14, 3% more than in the previous quarter. Of this total, the overseas subsidiaries sold 319 thousand tonnes, 180 thousand tonnes of which by SWT. Direct exports came to 34 thousand tonnes.

Prices

Net revenue per tonne averaged R\$2,130 in 3Q14, a 3.8% reduction over 2Q14, essentially due to the sales mix.

Net Revenue

Net revenue from steel operations totaled R\$2,788 million in 3Q14, 2% down on the R\$2,843 million recorded in 2Q14.

Cost of Goods Sold (COGS)

In 3Q14, steel COGS amounted to R\$2,173 million, 4% higher than the 2Q14 figure, basically due to a nominal increase in COGS given non-recurring adjustments booked in 2Q14.

Adjusted EBITDA

Adjusted steel segment EBITDA totaled R\$658 million in 3Q14, 17% down on the R\$793 million recorded in 2Q14, due to the aforementioned reasons. The adjusted EBITDA margin came to 24% in 3Q14, 4 p.p. down on 2Q14.

Production

The Presidente Vargas Steelworks (UPV) produced 1.2 million tonnes of crude steel in 3Q14, 5% more than in 2Q14, with additional consumption of 125,000 slabs purchased from third parties. Third-quarter rolled steel output totaled 1.1 million tonnes, the same level of the previous quarter.

| Production (in thousand t) | 2Q14 | 3Q14 | First Nine months of | | Change | |
|---|--------------|--------------|----------------------|--------------|-------------|-------------|
| | | | 2013 | 2014 | 3Q14 x 2Q14 | 9M14 X 9M13 |
| Crude Steel (UPV) | 1,120 | 1,177 | 3,365 | 3,395 | 5% | 1% |
| Purchased Slabs from Third Parties | 103 | 125 | 434 | 329 | 21% | -24% |
| Total Crude Steel | 1,222 | 1,302 | 3,799 | 3,724 | 7% | -2% |
| Total Rolled Products | 1,099 | 1,097 | 3,446 | 3,250 | 0% | -6% |

Production Costs (Parent Company)

In 3Q14, total production costs at the Presidente Vargas Steelworks (UPV) came to R\$1,651 million, in line with the second-quarter figure.

At the close of 3Q14, seaborne iron ore prices recorded the lowest figure in the last five years, with the Platts Fe62% CFR China index reaching US\$77.75/dmt. Compared to the US\$134.50/dmt registered in early 2014, the price reduction came to 42%. Pressed by the capacity expansion in Australian mining companies, iron ore prices were still impacted by demand factors, such as the poor performance of the real estate sector in China, the low availability of credit for steelmakers and the high level of iron ore inventories in Chinese ports.

In this scenario, the Platts Fe62% CFR China index averaged US\$90.21/dmt in 3Q14, 12% down on the 2Q14 average. The iron ore quality premium varied between US\$1.45/dmt and US\$1.70/dmt per 1% of Fe content, while freight costs on the Tubarão/Qingdao route averaged US\$21.06/wmt, 3.7% more than the previous quarter's average.

Brazil exported 92.5 million tonnes of iron ore in the third quarter, 9% up on 2Q14.

Iron ore sales

In 3Q14, sales of finished iron ore products totaled 7.7 million tonnes, 7% up on the 7.2 million tonnes sold in 2Q14. Of this total, 2.6 million tonnes were sold by Namisa¹. Almost all iron ore sold in 3Q14 was exported. Iron ore volume for own consumption reached 1.5 million tonnes in 3Q14.

In 9M14, sales of finished iron ore products totaled a record of 21.3 million tonnes, 19% up on 9M13. Of this total, 7.1 million tonnes were sold by Namisa¹. Virtually all iron ore sold in 9M14 was exported. In addition to sales to third-parties, CSN's steel production consumed 4.5 million tonnes in 9M14.

It is important mentioning the record volume of iron ore shipments at Tecar, which totaled 24.4 million tonnes in the first nine months, climbing by 23% year-on-year.

¹ Sales volumes include 100% of the stake in NAMISA.

Net Revenue

Net revenue from mining operations totaled R\$914 million in 3Q14, 18% less than in 2Q14, primarily due to the reduction in iron ore prices.

Cost of Goods Sold (COGS)

Mining COGS came to R\$796 million in 3Q14, 8% up on 2Q14, mostly due to the increase in iron ore sales volume.

Adjusted EBITDA

Adjusted EBITDA from mining operations totaled R\$203 million in 3Q14, 54% down on the R\$442 million reported in 2Q14, for the above mentioned reasons, accompanied by an adjusted EBITDA margin of 22%.

Scenario

Railway Logistics

According to the ANTF (the National Rail Transport Association), the Brazilian railways transported 233 million tonnes in 1H14 of useful cargo. The association expects rail cargo volume to move up by 12% to 510 million tonnes between 2014 and 2016.

Port Logistics

According to ANTAQ (the National Waterway Transport Agency), Brazil's port installations handled around 463 million tonnes in 1H14, 6% up on the same period the year before.

Also in 1H14, bulk solids totaled 281 million tonnes, 6% more than in 1H13, while container handling in Brazilian ports came to 4.5 million TEUs¹, 9% up year-on-year.

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

Analysis of Results

Railway Logistics

Net revenue from railway logistics totaled R\$335 million in 3Q14. On the other hand, COGS came to R\$219 million, and adjusted EBITDA totaled R\$132 million, with an adjusted EBITDA margin of 39%.

Port Logistics

Net revenue from port logistics amounted to R\$39 million in 3Q14, COGS totaled R\$33 million and adjusted EBITDA came to R\$10 million, with an adjusted EBITDA margin of 24%.

The Portland Cement Association (PCA) expects global cement production to grow by approximately 4% in 2014, and 4.6% in South America.

Analysis of Results

Cement sales reached the record level of 589 thousand tonnes in 3Q14, 4% up on 2Q14, with record net revenue of R\$120 million, while COGS came to R\$86 million, generating EBITDA of R\$26 million, with a margin of 22%.

Cement sales reached the record level of 1.6 million tonnes in 9M14, 9% more than in 9M13, generating record net revenue of R\$331 million, while COGS came to R\$223 million, generating record EBITDA of R\$86 million, accompanied by a margin of 26%.

Scenario

According to the Energy Research Company (EPE), Brazilian electricity consumption increased by 2.5% year-on-year in the first nine months of 2014, led by the commercial and residential segments, with respective growth of 7.6% and 5.9%.

Analysis of Results

In 3Q14, net revenue from electricity reached the record amount of R\$97 million. COGS came to R\$49 million, generating record EBITDA of R\$47 million, with an EBITDA margin of 48%.

In 9M14, net revenue from electricity reached the record amount of R\$249 million. COGS came to R\$140 million, generating record EBITDA of R\$107 million, with an EBITDA margin of 43%.

CSN's shares depreciated by 7% in 3Q14, while the Company's ADRs fell by 17% on the NYSE. Daily traded volume in CSN's shares averaged R\$60 million in 3Q14, from 5.7 million shares traded. On the NYSE, daily traded volume in CSN's ADRs averaged US\$25 million, from 5.5 million ADRs traded.

Capital Markets - CSNA3 / SID / IBOVESPA / DOW JONES

3Q14

| | |
|---|-----------|
| N# of shares | 1,387,524 |
| Market Capitalization | |
| Closing price (R\$/share) | 8.70 |
| Closing price (US\$/share) | 3.55 |
| Market Capitalization (R\$ million) | 12,071 |
| Market Capitalization (US\$ million) | 4,926 |
| Total return including dividends and interest on equity | |

| | |
|---------------------------------|--------|
| CSNA3 (%) | -7% |
| SID (%) | -19% |
| Ibovespa | 7% |
| Dow Jones | 1% |
| Volume | |
| Average daily (thousand shares) | 5,678 |
| Average daily (R\$ Thousand) | 59,968 |
| Average daily (thousand ADRs) | 5,513 |
| Average daily (US\$ Thousand) | 25,279 |

Source: *Economática*

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

1. DESCRIPTION OF BUSINESS

Companhia Siderúrgica Nacional “CSN”, also referred to as the Company or Parent Company, 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 the “Group”). The Company’s registered office is located in São Paulo, SP, Brazil.

CSN has shares listed on the São Paulo Stock Exchange (BM&F 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 Group's main operating activities are divided into five (5) operating 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 containers 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:**

CSN 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 three railroad companies: MRS Logística S. A., which manages the former Southeast Railway System of Rede Ferroviária Federal S.A., Transnordestina Logística S. A. (“TLSA”) and FTL - Ferrovia Transnordestina Logística S.A. (“FTL”), which operate the Northeast Railway System of RFFSA, in the States of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas, with TLSA being responsible for the stretches of Missão Velha - Salgueiro, Salgueiro - Trindade, Trindade - Eliseu Martins, Salgueiro - Porto de Suape and Missão Velha - Porto de Pecém (Railway System II) and FTL being responsible for the stretches of São Luiz - Mucuripe, Arrojado - Recife, Itabaiana - Cabedelo, Paula Cavalcante - Macau and Propriá - Jorge Lins (Railway System I).

Ports:

In the State of Rio de Janeiro, by means of its subsidiary Sepetiba Tecon S. A., the Company operates the Container Terminal (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 assets for generation of electric power to guarantee its self-sufficiency.

For further details on the Group's segments, see Note 24 - Business Segment Reporting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated condensed interim financial statements have been prepared and are being presented in accordance with the International Accounting Standards (IAS 34 – Interim Financial Reporting) issued by the International Accounting Standards Board (IASB), which correlate in Brazil is the CPC 21 (R1) (Interim Financial Statements and Consolidated Interim Financial Statements) issued by the CPC (Accounting Pronouncements Committee) and approved by CVM (Brazilian Securities Commission).

The individual condensed interim financial statements have been prepared in accordance with the standards issued by the CPC and the CVM applicable to the preparation of the financial statements.

The significant accounting policies applied in these condensed interim financial statements are consistent with the policies described in Note 2 to the Company's financial statements for the year ended December 31, 2013, filed with the CVM.

These condensed interim financial statements do not include all requirements of annual or full financial statements and, accordingly, should be read together with the Company's financial statements for the year ended December 31, 2013.

Therefore, in these condensed interim financial statements the following notes were not repeated, either due to redundancy or to relevance in relation to those already presented in the annual financial statements:

Note 02 – Summary of significant accounting policies

Note 03 – Changes in accounting policies

Note 04 – Business combination

Note 28 – Employee benefits

The individual and consolidated condensed interim financial statements were approved by the Board of Directors on November 13, 2014.

(b) Basis of presentation

The consolidated condensed interim financial statements are presented in Brazilian reais (R\$), which is the Company's functional currency and the Group's presentation currency.

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of September 30, 2014, US\$1 is equivalent to R\$2.4510 (R\$2.3426 as of December 31, 2013), €1 is equivalent to R\$3.0954 (R\$3.2265 as of December 31, 2013), and ¥1 is equivalent to R\$0.02235 (R\$0.02233 as of December 31, 2013).

(c) Basis of consolidation

The consolidated condensed interim financial statements for the period ended September 30, 2014 and the year ended December 31, 2013 include the following direct and indirect subsidiaries and jointly controlled entities, as well as the exclusive funds as described below:

- Companies**

| Companies | Equity interests (%) | | Core business |
|--|----------------------|------------|----------------------------|
| | 09/30/2014 | 12/31/2013 | |
| Direct interest in subsidiaries: full consolidation | | | |
| 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 |
| CSN Minerals S.L.U. | 100.00 | 100.00 | Equity interests |
| CSN Export Europe, S.L.U. | 100.00 | 100.00 | Financial transactions and |
| CSN Metals S.L.U. | 100.00 | 100.00 | Equity interests and fina |
| CSN Americas S.L.U. | 100.00 | 100.00 | Equity interests and fina |
| CSN Steel S.L.U. | 100.00 | 100.00 | Equity interests and fina |
| 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 intere |
| Companhia Florestal do Brasil | 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 packagir |
| Companhia Metalúrgica Prada | 99.99 | 99.99 | Manufacture of packagir |
| CSN Cimentos S.A. | 100.00 | 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 intere |
| CSN Energia S.A. | 99.99 | 99.99 | Sale of electric power |
| FTL - Ferrovia Transnordestina Logística S.A. | 88.41 | 88.41 | Railroad logistics |
| Indirect interest in subsidiaries: full consolidation | | | |
| CSN Aceros S.A. (1) | | 100.00 | Equity interests |
| Companhia Siderúrgica Nacional LLC | 100.00 | 100.00 | Steel |
| CSN Europe Lda. | 100.00 | 100.00 | Financial transactions, p |
| CSN Ibéria Lda. | 100.00 | 100.00 | Financial transactions, p |

| | | | |
|--|--------|--------|----------------------------|
| CSN Portugal, Unipessoal Lda. | 100.00 | 100.00 | Financial transactions and |
| Lusosider Projectos Siderúrgicos S.A. | 99.99 | 99.99 | Equity interests |
| Lusosider Aços Planos, S. A. | 99.99 | 99.98 | Steel and equity interest |
| CSN Acquisitions, Ltd. | 100.00 | 100.00 | Financial transactions and |
| CSN Resources S.A. | 100.00 | 100.00 | Financial transactions and |
| CSN Holdings (UK) Ltd | 100.00 | 100.00 | Financial transactions and |
| CSN Handel GmbH | 100.00 | 100.00 | Financial transactions, p |
| Companhia Brasileira de Latas | 99.99 | 59.17 | Sale of cans and contain |
| Rimet Empreendimentos Industriais e Comerciais S. A. | 99.99 | 58.96 | Production and sale of s |
| Companhia de Embalagens Metálicas MMSA | 99.66 | 58.98 | Production and sale of c |
| Empresa de Embalagens Metálicas - LBM Ltda. (2) | | 58.98 | Sales of containers and |
| Empresa de Embalagens Metálicas - MUD Ltda. (2) | | 58.98 | Production and sale of h |
| Companhia de Embalagens Metálicas - MTM do Nordeste | 99.66 | 58.98 | Production and sale of c |
| Companhia de Embalagens Metálicas - MTM | 99.66 | 58.98 | Production and sale of c |
| CSN Steel Comercializadora, S.L.U. | 100.00 | 100.00 | Financial transactions, p |
| CSN Steel Holdings 1, S.L.U. | 100.00 | 100.00 | Financial transactions, p |
| CSN Steel Holdings 2, S.L.U. | 100.00 | 100.00 | Financial transactions, p |
| Stalwerk Thüringen GmbH | 100.00 | 100.00 | Production and sale of l |
| CSN Steel Sections UK Limited | 100.00 | 100.00 | Dormant company |
| CSN Steel Sections Czech Republic s.r.o. (3) | | 100.00 | Financial transactions, p |
| CSN Steel Sections Polska Sp.Z.o.o | 100.00 | 100.00 | Financial transactions, p |
| CSN Asia Limited (4) | 100.00 | | Commercial representat |

Direct interest in jointly controlled entities: proportionate consolidation

| | | | |
|--|-------|-------|--------------------------|
| Itá Energética S.A. | 48.75 | 48.75 | Electric power generatio |
| CGPAR - Construção Pesada S.A. | 50.00 | 50.00 | Mining support services |
| Consórcio da Usina Hidrelétrica de Igarapava | 17.92 | 17.92 | Electric power consortiu |

Direct interest in jointly controlled entities: equity method

| | | | |
|---|-------|-------|--------------------------|
| Nacional Minérios S.A. | 60.00 | 60.00 | Mining and equity intere |
| MRS Logística S.A. | 27.27 | 27.27 | Railroad transportation |
| Aceros Del Orinoco S.A. (5) | 31.82 | 22.73 | Dormant company |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 50.00 | 50.00 | Provision of services |
| Transnordestina Logística S.A. | 62.68 | 77.30 | Railroad logistics |

Indirect interest in jointly controlled entities: equity method

| | | | |
|-----------------------------------|-------|-------|---------------------------|
| Namisa International Minérios SLU | 60.00 | 60.00 | Financial transactions, p |
| Namisa Europe, Unipessoal Lda. | 60.00 | 60.00 | Equity interests and sale |
| Namisa Handel GmbH | 60.00 | 60.00 | Financial transactions, p |
| MRS Logística S.A. | 6.00 | 6.00 | Railroad transportation |
| Aceros Del Orinoco S.A. (5) | | 9.08 | Dormant company |
| Namisa Asia Limited (6) | 60.00 | | Commercial representat |

Direct interest in associates: equity method

| | | | |
|--------------------------------|-------|-------|---------------------------|
| Arvedi Metalfer do Brasil S.A. | 20.00 | 20.00 | Steel and equity interest |
|--------------------------------|-------|-------|---------------------------|

- (1) Company liquidated on August 5, 2014.
- (2) Companies merged into Companhia de Embalagens Metálicas MMSA on July 31, 2014.
- (3) Company liquidated on May 27, 2014.
- (4) Company established on June 30, 2014.
- (5) Transfer to CSN of the rights to subscribe to the shares of Aceros del Orinoco S. A. held by CSN Aceros, S.A.
- (6) Company established on July 10, 2014.

- **Exclusive funds**

| Exclusive funds | Equity interests (%) | | Core business |
|---|-----------------------------|-------------------|----------------------|
| | 09/30/2014 | 12/31/2013 | |
| Direct interest: full consolidation | | | |
| Diplic - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |
| Mugen - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |
| Caixa Vértice - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |

3. CASH AND CASH EQUIVALENTS

| | 09/30/2014 | Consolidated 12/31/2013 | 09/30/2014 | Parent Company 12/31/2013 |
|----------------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Current | | | | |
| Cash and cash equivalents | | | | |
| Cash and banks | 188,351 | 178,920 | 14,989 | 36,553 |
| Short-term investments | | | | |
| In Brazil: | | | | |
| Government securities | 191,146 | 48,206 | 139,573 | 42,575 |
| Private securities | 422,102 | 240,852 | 293,107 | 57,564 |
| | 613,248 | 289,058 | 432,680 | 100,139 |
| Abroad: | | | | |
| Time deposits | 8,169,763 | 9,527,694 | 29,613 | 69,932 |

| | | | | |
|-------------------------------------|------------------|------------------|----------------|----------------|
| Total short-term investments | 8,783,011 | 9,816,752 | 462,293 | 170,071 |
| Cash and cash equivalents | 8,971,362 | 9,995,672 | 477,282 | 206,624 |

The funds available in the Company and subsidiaries set up in Brazil are basically invested in investment funds, classified as exclusive, which were consolidated, with repurchase agreements backed by government and private bonds, with fixed rate yield and immediate liquidity.

Private securities are short-term investments in Bank Deposit Certificates (CDBs) with yields pegged to the Interbank Deposit Certificate (CDI) fluctuation, and government securities are basically repurchase agreements backed by National Treasury Notes and National Treasury Bills. The exclusive funds managed by BTG Pactual Serviços Financeiros S.A. DTVM and Caixa Econômica Federal and their assets collateralize possible losses on investments and transactions carried out. Investments in funds were consolidated.

In addition, a significant part of the funds of the Company and its foreign subsidiaries is invested in Time Deposits with leading banks, bearing fixed rates.

4. TRADE RECEIVABLES

| | 09/30/2014 | Consolidated 12/31/2013 | 09/30/2014 | Parent Company 12/31/2013 |
|--|-------------------|------------------------------------|-------------------|--------------------------------------|
| Trade receivables | | | | |
| Third parties | | | | |
| Domestic market | 786,854 | 790,225 | 430,687 | 545,927 |
| Foreign market | 639,403 | 950,145 | 57,502 | 80,434 |
| Estimated losses on doubtful debts | (125,055) | (114,172) | (97,850) | (88,518) |
| | 1,301,202 | 1,626,198 | 390,339 | 537,843 |
| Related parties (Note 17 - b) | 105,107 | 107,443 | 660,030 | 632,645 |
| | 1,406,309 | 1,733,641 | 1,050,369 | 1,170,488 |
| Other receivables | | | | |
| Dividends receivable (*) (Note 17 - b) | 31,535 | 717,595 | 104,552 | 774,147 |
| Employees liabilities | 27,093 | 35,267 | 17,953 | 22,237 |
| Other receivables | 23,015 | 35,962 | 16,200 | 25,832 |
| | 81,643 | 788,824 | 138,705 | 822,216 |
| | 1,487,952 | 2,522,465 | 1,189,074 | 1,992,704 |

(*) Reversal of dividends of the jointly controlled entity Nacional Minérios S.A., as mentioned in note 7 c.

The breakdown of gross trade receivables from third parties is as follows:

| | 09/30/2014 | Consolidated 12/31/2013 | 09/30/2014 | Parent Company 12/31/2013 |
|------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Falling due | 1,144,459 | 1,339,481 | 328,281 | 373,190 |
| Overdue until 180 days | 156,294 | 216,392 | 58,067 | 90,165 |
| Overdue above 180 days | 125,504 | 184,497 | 101,841 | 163,006 |
| | 1,426,257 | 1,740,370 | 488,189 | 626,361 |

In order to meet the needs of some customers in the domestic market, related to the extension of the payment term for billing of steel, in common agreement with CSN's internal commercial policy and maintenance of its very short-term receipts (up to 7 days), at the request of the customer, transactions are carried out for assignment of receivables without co-obligation negotiated between the customer and banks

with common relationship, where CSN assigns the trade notes/bills that it issues to the banks with common relationship.

Due to the characteristics of the transactions for assignment of receivables without co-obligation, after assignment of the customer's trade notes/bills and receipt of the funds from the closing of each transaction, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$252,010 as of September 30, 2014 (R\$386,732 as of December 31, 2013), less the trade receivables.

The changes in the Company's allowance for doubtful debts are as follows:

| | Consolidated | | Parent Company | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 09/30/2014 | 12/31/2013 | 09/30/2014 | 12/31/2013 |
| Opening balance | (114,172) | (111,532) | (88,518) | (86,391) |
| Allowance for losses on trade receivables | (15,936) | (17,988) | (13,093) | (13,902) |
| Recovery of receivables | 5,053 | 15,348 | 3,761 | 11,775 |
| Closing balance | (125,055) | (114,172) | (97,850) | (88,518) |

5. INVENTORIES

| | Consolidated | | Parent Company | |
|-----------------------|---------------------|-------------------|-----------------------|-------------------|
| | 09/30/2014 | 12/31/2013 | 09/30/2014 | 12/31/2013 |
| Finished products | 1,177,260 | 743,831 | 972,303 | 529,068 |
| Work in process | 900,382 | 650,311 | 767,061 | 550,227 |
| Raw materials | 731,583 | 714,365 | 382,034 | 436,283 |
| Storeroom supplies | 986,354 | 1,003,473 | 859,645 | 877,944 |
| Iron ore | 160,571 | 139,275 | 160,571 | 139,275 |
| Advances to suppliers | 6,669 | 11,915 | 5,627 | 9,859 |
| (-) Estimated losses | (106,435) | (102,185) | (83,173) | (83,426) |
| | 3,856,384 | 3,160,985 | 3,064,068 | 2,459,230 |

Changes in the allowance for inventory losses are as follows:

| | Consolidated | | Parent Company | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 09/30/2014 | 12/31/2013 | 09/30/2014 | 12/31/2013 |
| Opening balance | (102,185) | (108,160) | (83,426) | (90,344) |
| Allowance for/reversals of slow-moving inventories and obsolescence | (4,250) | 5,975 | 253 | 6,918 |
| Closing balance | (106,435) | (102,185) | (83,173) | (83,426) |

As of September 30, 2014, the Company has long-term iron ore inventories amounting to R\$144,483, classified in other non-current assets (R\$144,483 as of December 31, 2013), as described in note 6.

6. OTHER CURRENT AND NON-CURRENT ASSETS

The group of other current and non-current assets is comprised as follows:

| | Current | | Consolidated Non-current | | Current |
|--|------------------|----------------|--------------------------|------------------|----------------|
| | 09/30/2014 | 12/31/2013 | 09/30/2014 | 12/31/2013 | |
| Judicial deposits (Note 15) | | | 546,071 | 693,714 | |
| Credits with the PGFN (*) | | | 79,394 | 88,921 | |
| Recoverable taxes (**) | 518,717 | 480,495 | 162,825 | 112,788 | 361,400 |
| Prepaid expenses | 27,436 | 37,369 | 34,495 | 38,117 | 15,076 |
| Actuarial asset - related party (Note 17 b) | | | 97,051 | 97,051 | |
| Derivative financial instruments (Note 11 I) | 147,075 | 9,681 | | 3,879 | |
| Securities held for trading (Note 11 I) | 20,390 | 9,906 | | | 13,976 |
| Ore inventory (Note 5) | | | 144,483 | 144,483 | |
| Northeast Investment Fund (FINOR) | | | 8,452 | 8,452 | |
| Other receivables (Note 11 I) | | | 893 | 9,970 | |
| Loans with related parties (Note 17 b) | 533,182 | 147,273 | 99,522 | 603,862 | 112,643 |
| Other receivables from related parties (Note 17 b) | 14,982 | 15,658 | 11,655 | 18,129 | 21,575 |
| Other | 19,910 | 22,538 | 14,836 | 15,959 | |
| | 1,281,692 | 722,920 | 1,199,677 | 1,835,325 | 524,670 |

(*) Refers to the excess judicial deposit originated by the 2009 REFIS (Tax Debt Refinancing Program).

(**) Refers mainly to taxes on revenue (PIS/COFINS) and State VAT (ICMS) on the acquisition of fixed assets which will be recovered over a 48-month period, and income tax and social contribution for offset.

7. INVESTMENTS

The information related to the description of activities of subsidiaries, jointly controlled entities, associates and other investments did not have changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of September 30, 2014.

a) Direct equity interests in subsidiaries, jointly controlled entities, joint operations and associates

| Companies | Number of shares held by CSN in units) | | % Direct equity interest | Assets | Liabilities | Shareholders' equity | 09/30/2014 |
|-------------------------------|--|-----------|--------------------------|-----------|-------------|----------------------|------------------------------|
| | Common | Preferred | | | | | Profit (loss) for the period |
| Subsidiaries | | | | | | | |
| CSN Islands VII Corp. | 20,001,000 | | 100.00 | 7,158,114 | 7,608,217 | (450,103) | 245,117 |
| CSN Islands VIII Corp. | 2,501,000 | | 100.00 | | | | (183) |
| CSN Islands IX Corp. | 3,000,000 | | 100.00 | 1,002,577 | 1,000,741 | 1,836 | (133) |
| CSN Islands X Corp. | 1,000 | | 100.00 | 20 | 56,471 | (56,451) | (3,659) |
| CSN Islands XI Corp. | 50,000 | | 100.00 | 1,848,018 | 1,839,933 | 8,085 | 145 |
| CSN Islands XII Corp. | 1,540 | | 100.00 | 1,865,675 | 2,452,931 | (587,256) | (111,941) |
| International Investment Fund | | | | | | | |

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| | | | | | | | |
|---|---------------|------------|--------|-----------|-----------|-----------|-----------|
| CSN Minerals S.L.U. | 131,649,926 | | 100.00 | 4,349,141 | 264 | 4,348,877 | (208,053) |
| CSN Export Europe, S.L.U. | 35,924,748 | | 100.00 | 962,759 | 65 | 962,694 | 20,850 |
| CSN Metals S.L.U. | 256,951,582 | | 100.00 | 1,508,789 | 885 | 1,507,904 | 58,579 |
| CSN Americas S.L.U. | 151,877,946 | | 100.00 | 1,965,792 | 1,545 | 1,964,247 | (36,237) |
| CSN Steel S.L.U. | 454,072,527 | | 100.00 | 2,634,551 | 424,651 | 2,209,900 | (23,320) |
| Sepetiba Tecon S.A. | 254,015,052 | | 99.99 | 369,608 | 133,942 | 235,666 | 16,524 |
| Mineração Nacional S.A. Florestal Nacional S.A. | 999,999 | | 99.99 | 1,090 | 18 | 1,072 | 59 |
| Estanho de Rondônia S.A. | 34,236,306 | | 99.99 | 33,528 | 18,573 | 14,955 | (9,537) |
| Cia Metalic Nordeste Companhia Metalúrgica Prada | 92,459,582 | | 99.99 | 183,717 | 42,405 | 141,312 | 196 |
| CSN Cimentos S.A. | 675,317 | | 99.99 | 640,778 | 451,811 | 188,967 | (74,332) |
| Congonhas Minérios S.A. | 3,734,582,665 | | 100.00 | 1,066,198 | 89,330 | 976,868 | 66,619 |
| CSN Energia S.A. | 64,610,862 | | 99.99 | 2,058,113 | 2,070,958 | (12,845) | (4,662) |
| FTL - Ferrovia Transnordestina Logística S.A. | 43,149 | | 99.99 | 101,261 | 19,785 | 81,476 | 61,909 |
| Companhia Florestal do Brasil | 306,241,571 | | 88.41 | 560,400 | 260,217 | 300,183 | (2,397) |
| Jointly controlled entities | | | | | | | |
| Nacional Minérios S.A. | 285,040,443 | | 60.00 | 9,890,522 | 626,543 | 9,263,979 | 432,646 |
| Itá Energética S.A. | 253,606,842 | | 48.75 | 316,841 | 14,113 | 302,728 | 2,609 |
| MRS Logística S.A. | 52,414,152 | 40,301,916 | 27.27 | 1,908,129 | 1,128,347 | 779,782 | 82,396 |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 1,876,146 | | 50.00 | 22,642 | 19,546 | 3,096 | (84) |
| CGPAR - Construção | 50,000 | | 50.00 | 66,850 | 57,675 | 9,175 | 9,115 |

| | | | | | | | | |
|--------------------------------|------------|-----------|-------|-----------|-----------|-----------|----------|--|
| Pesada S.A. | | | | | | | | |
| Transnordestina Logística S.A. | 22,714,245 | 1,397,545 | 62.68 | 4,073,546 | 2,767,640 | 1,305,906 | (19,209) | |
| Associates | | | | | | | | |
| Arvedi Metalfer do Brasil | 27,239,971 | | 20.00 | 58,810 | 39,659 | 19,151 | (1,624) | |

The number of shares, the balances of assets, liabilities and shareholders' equity, and the amounts of profit or loss for the year refer to the equity interests held by CSN in those companies.

b) Events in 2013 and in the third quarter of 2014

- Transnordestina Logística S.A. ("TLSA")

On September 20, 2013, the Company signed (i) An Addendum to the Concession Agreement of the Northeast Railway System, which encompasses the stretches between the cities of São Luís to Mucuripe, Arrojado to Recife, Itabaiana to Cabedelo, Paula Cavalcante to Macau, and Propriá to Jorge Lins ("Railway System I") and the stretches between the cities of Missão Velha to Salgueiro, Salgueiro to Trindade, Trindade to Eliseu Martins, Salgueiro to Porto de Suape, and Missão Velha to Porto de Pecém ("Railway System II"), to include therein obligations assumed by TLSA related to the implementation of the Railway System II, as well as the adaptation of the stretches that comprise it and (ii) Conduct Adjustment Agreement between ANTT and TLSA, with the purpose of resolving pending items existing between the parties.

On that date the following agreements were also signed (i) a new Shareholders' Agreement of TLISA between CSN, Valec Engenharia, Construções e Ferrovias S.A. ("Valec"), Fundo de Desenvolvimento do Nordeste – FDNE ("FDNE") and BNDES Participações S.A. – BNDESPAR ("BNDESPAR"), with the intervenience of TLISA, whose effectiveness was conditioned to the disproportionate spin-off of TLISA, to be implemented under the terms of ANTT Resolution 4,042/2013; and (ii) Investment Agreement between CSN, Valec and FDNE, with the intervenience of TLISA, which besides other matters, deals with the new budget and the sources of funds that will have to be contributed to TLISA or financed for implementation of the Railway System II.

At the Extraordinary Shareholders' Meeting held on December 27, 2013, as part of the reorganization process described above, the shareholders approved the disproportionate spin-off of TLISA, completing the segregation of Railway System I and Railway System II.

The purpose of this restructuring was to rebalance economically and financially the Northeast Railway System concession, leading to the extension of the Railway System II operation concession, which could reach 2057, and the segregation of the assets related to Railway System I, which were merged into subsidiary FTL - Ferrovia Transnordestina Logística S.A. ("FTL"), . ("FTL"), with the maintenance of the assets related to Railway System II in TLISA.

As a result of the spin-off, CSN became the holder of an 88.41% stake in FTL and a 77.30% stake in TLISA.

In April 2014, the shareholders of Transnordestina approved a capital increase in the amount of R\$400,000, through the issuance of 7,278,020 class A preferred shares, which were fully subscribed by the shareholder Valec and paid up through the capitalization of credits from Advances for Future Capital Increase held by such shareholder against Transnordestina. As a result of such increase CSN no longer holds a 77.30% interest, it currently holds 62.68% of the total capital of Transnordestina.

With the completion of the spin-off, the new Shareholders' Agreement became effective and control is now jointly held with the shareholders part of the public block, which became the holders of substantive rights to

make certain material company decisions and influence the ordinary course of business, as well as CSN, by influencing budgeting, internal policies, capital expenditures, debt, etc., thus typifying the loss of control by CSN, pursuant to specific IFRS criteria.

Accordingly, as of December 31, 2013, in accordance with IFRS 10, corresponding to CPC 36(R3), CSN reversed all TLSA assets and liabilities and non-controlling interests and started to recognize the remaining stake in this investment at fair value on the date control was lost. After this initial recognition, the investment starts to be measured under the equity method.

The gain generated by the loss of control over the investment recognized in the income statement, in other operating income in 2013, is broken down as follows:

| | Consolidated | Parent Company |
|---|---------------------|-----------------------|
| | 12/31/2013 | 12/31/2013 |
| (+) Fair value of the remaining investment | 1,984,204 | 1,984,204 |
| (-) Carrying amount of net assets | 1,714,232 | 1,325,099 |
| (+) Carrying amount of non-controlling interests | 389,133 | |
| Gain on loss of control over Transnordestina | 659,105 | 659,105 |
| (-) Capitalized interest written off | 185,206 | 185,206 |
| Gain on loss of control over Transnordestina | 473,899 | 473,899 |
| (-) Income tax and social contribution | 161,126 | 161,126 |
| Gain on loss of control, net of income tax and social contribution | 312,773 | 312,773 |

(*) the goodwill will be amortized monthly, from the completion of the construction work to the final concession date.

- Companhia Metalúrgica Prada (“Prada”)

On August 1, 2014, Prada subscribed 10,820,723,155 common shares in its subsidiary Companhia Brasileira de Latas (“CBL”), which were paid up through capitalization of receivables from Advances for Future Capital Increase held against CBL in the amount of R\$108,207. Due to this increase, Prada's interest increased from 59.17% to 95.55% of CBL's total capital.

On August 28, 2014, Prada acquired all of the shares issued by CBL held by the minority shareholders representing 4.45% of the capital for R\$5, becoming the holder of a 100% interest in CBL's capital.

c) Changes in investments in subsidiaries, jointly controlled entities, joint ventures, associates, and other investments

| | Consolidated | | Parent Company | |
|---|-------------------|-------------------|--------------------|--------------------|
| | 09/30/2014 | 12/31/2013 | 09/30/2014 | 12/31/2013 |
| Opening balance of investments | 13,487,023 | 10,839,787 | 27,005,592 | 23,356,506 |
| Opening balance of impairment loss allowance | | | (1,231,511) | (851,298) |
| Transnordestina Investment balance at 12.31.2012 | | 1,452,074 | | |
| Capital increase/acquisition of shares | 10,147 | 164,941 | 41,874 | 654,692 |
| Capital reduction | | (153,305) | | |
| Merger and partial spin-off of subsidiaries | | | | 132,725 |
| Dividends (1) | 453,611 | (85,998) | 386,163 | (139,887) |
| Comprehensive income (2) | (1,239,304) | 73,213 | (1,324,355) | 456,978 |
| Share of profits of investees (3) | 492,718 | 542,711 | 471,007 | 1,502,450 |
| Gain on loss of control over Transnordestina | | 659,106 | | 659,106 |
| Other | (3) | (5,506) | | 2,809 |
| Closing balance of investments | 13,204,192 | 13,487,023 | 26,455,426 | 27,005,592 |
| Closing balance of impairment loss allowance | | | (1,106,656) | (1,231,511) |

1. On March 28, 2014, the Annual General Meeting of the jointly controlled entity Nacional Minérios S.A. decided to allocate fully the profit (loss) for 2012 to the Investment Reserve and Contingencies Reserve accounts. In view of this decision of the general meeting, the company reversed the dividends receivable in the amount of R\$484,946 that had been recorded according to NAMISA's management proposal and that were not approved by such meeting.

2. Refers to the mark-to-market of investments classified as available for sale and translation to the reporting currency of the foreign investments, the functional currency of which is not the Brazilian reais.

3. Below is the reconciliation of the share of profit of jointly controlled entities with the share of profit of investees recognized in the balance sheet after the reclassifications:

| | 09/30/2014 | Consolidated 12/31/2013 |
|---|-------------------|------------------------------------|
| Share of profit of jointly controlled entities | 492,718 | 542,711 |
| Reclassifications | | |
| To cost of sales | (124,944) | (137,418) |
| To finance costs | (493,282) | (624,096) |
| To taxes | 210,197 | 258,914 |
| Other | | |
| Elimination of Transnordestina's profit | | 120,102 |
| Other | | (2,075) |
| Adjusted share of profit of investees | 84,689 | 158,138 |

d) Investments in joint ventures and joint operations

The balances of the balance sheets and income statements of the companies under shared control are stated below:

| | 09/30/2014 | | | | | | Nacional | Itá |
|---|-------------------|----------------|------------------|---------------|----------------|------------------|-------------------|----------------|
| | Minérios | Itá | MRS | CBSI | CGPAR | Transnordestina | Minérios | Itá |
| | (*) | Energética | Logística | | | Logística | (*) | Energética |
| Equity interest (%) | 60.00% | 48.75% | 27.27% | 50.00% | 50.00% | 62.68% | 60.00% | 48.75% |
| Balance sheet | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 5,089,351 | 25,009 | 345,058 | 1,844 | 30,124 | 687,648 | 4,815,211 | 45,000 |
| Other current assets | 925,789 | 15,044 | 603,513 | 36,996 | 32,903 | 50,862 | 1,135,192 | 16,000 |
| Total current assets | 6,015,140 | 40,053 | 948,571 | 38,840 | 63,027 | 738,510 | 5,950,403 | 62,000 |
| Non-current assets | | | | | | | | |
| Long-term assets | 9,052,009 | 32,883 | 448,238 | 83 | 35 | 247,264 | 8,391,119 | 34,000 |
| Investments, PP&E and intangible assets | 1,410,426 | 576,994 | 5,600,516 | 6,360 | 70,637 | 5,513,602 | 1,356,909 | 603,000 |
| Total non-current assets | 10,462,435 | 609,877 | 6,048,754 | 6,443 | 70,672 | 5,760,866 | 9,748,028 | 637,000 |
| Total assets | 16,477,575 | 649,930 | 6,997,325 | 45,283 | 133,699 | 6,499,376 | 15,698,431 | 699,000 |

Current liabilities

| | | | | | | | | |
|---|-------------------|----------------|------------------|---------------|----------------|------------------|-------------------|-------------|
| Borrowings and financing | 383,497 | | 363,272 | | 27,601 | 164,841 | 42,247 | |
| Other current liabilities | 297,602 | 28,949 | 787,715 | 34,657 | 46,699 | 90,946 | 1,318,884 | 35, |
| Total current liabilities | 681,099 | 28,949 | 1,150,987 | 34,657 | 74,300 | 255,787 | 1,361,131 | 35, |
| Non-current liabilities | | | | | | | | |
| Borrowings and financing | 30,695 | | 2,556,288 | | 41,050 | 4,156,777 | 339,961 | |
| Other non-current liabilities | 325,816 | | 430,501 | 4,434 | | 3,229 | 86,694 | 1, |
| Total non-current liabilities | 356,511 | | 2,986,789 | 4,434 | 41,050 | 4,160,006 | 426,655 | 1, |
| Shareholders' equity | 15,439,965 | 620,981 | 2,859,549 | 6,192 | 18,349 | 2,083,583 | 13,910,645 | 662, |
| Total liabilities and shareholders' equity | 16,477,575 | 649,930 | 6,997,325 | 45,283 | 133,699 | 6,499,376 | 15,698,431 | 699, |

| | 01/01/2014 to 09/30/2014 | | | | | | | |
|--|--------------------------|----------------|---------------|---------------|---------------------------------|-----------------------|----------------|---------------|
| | Nacional Minérios (*) | Itá Energética | MRS Logística | CBSI | CGPAR Transnordestina Logística | Nacional Minérios (*) | Itá Energética | |
| Equity interest (%) | 60.00% | 48.75% | 27.27% | 50.00% | 50.00% | 62.68% | 60.00% | 48.75% |
| Statements of Income | | | | | | | | |
| Net revenue | 1,218,791 | 104,222 | 2,320,733 | 111,898 | 204,572 | 14 | 1,873,759 | 111, |
| Cost of sales and services | (970,154) | (64,304) | (1,563,603) | (105,780) | (171,723) | | (1,026,348) | (58,2 |
| Gross profit | 248,637 | 39,918 | 757,130 | 6,118 | 32,849 | 14 | 847,411 | 53, |
| Operating (expenses) income | (169,508) | (34,295) | (187,972) | (6,397) | (3,192) | (19,345) | (178,363) | (33,0 |
| Finance income (costs), net | 1,058,652 | 2,562 | (109,858) | 170 | (899) | (11,318) | 1,150,359 | |
| Income before income tax and social contribution | 1,137,781 | 8,185 | 459,300 | (109) | 28,758 | (30,649) | 1,819,407 | 20, |

| | | | | | | | | |
|---|----------------|--------------|----------------|--------------|---------------|-----------------|------------------|------------|
| Current and deferred income tax and social contribution | (416,704) | (2,832) | (157,146) | (59) | (10,529) | | (488,297) | (7,0 |
| Profit for the period | 721,077 | 5,353 | 302,154 | (168) | 18,229 | (30,649) | 1,331,110 | 13, |

(*) Refer to the consolidated balances and profit or loss of Nacional Minérios S. A.

The balance sheet and income statement amounts refer to 100% of the companies' results.

8. PROPERTY, PLANT AND EQUIPMENT

The information related to property, plant and equipment did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013.

| | | | | | | Consolidated | |
|--|----------------|------------------------------------|---|------------------------------|--------------------------------|-------------------|-------------|
| | Land | Buildings and infrastructure | Machinery equipment and facilities | Furniture and fixtures | Construction in progress | Other (*) | Total |
| Balance at December 31, 2013 | 213,301 | 1,826,519 | 7,782,833 | 34,127 | 1,625,011 | 14,911,426 | |
| Cost | 213,301 | 2,196,994 | 12,968,200 | 51,477 | 1,637,845 | 20,929,454 | |
| Accumulated depreciation | | (370,475) | (5,185,367) | (17,352) | (344,834) | (6,018,028) | |
| Balance at December 31, 2013 | 213,301 | 1,826,519 | 7,782,833 | 34,127 | 1,625,011 | 14,911,426 | |
| Effect of foreign exchange differences | (2,085) | (5,911) | (19,896) | (142) | (625) | 379 | (28,280) |
| Acquisitions | 52 | 986 | 223,744 | 4,839 | 27,208 | 359 | 1,292,180 |
| Capitalized interest (Notes 23 and 29) | | | | | 123,755 | | 123,755 |
| Write-offs | (49) | (109) | (6,936) | (12) | (5,701) | (128) | (12,935) |
| Depreciation | | (57,532) | (814,183) | (4,926) | (25,929) | | (902,570) |
| Transfers to other asset categories | 3,127 | 532,670 | 2,977,328 | 1,052 | 4,127 | 9,983 | |
| Transfers to intangible assets | | | | | (86,381) | (922) | (87,303) |
| Other | | | 89,960 | (30,284) | (14,343) | | 45,336 |
| Balance at September 30, 2014 | 214,346 | 2,296,623 | 10,232,850 | 34,908 | 1,477,410 | 15,341,609 | |
| Cost | 214,346 | 2,725,507 | 16,186,651 | 55,208 | 1,472,413 | | 22,210,094 |
| Accumulated depreciation | | (428,884) | (5,953,801) | (20,797) | (365,003) | | (6,868,485) |
| Balance at September 30, 2014 | 214,346 | 2,296,623 | 10,232,850 | 34,908 | 1,477,410 | 15,341,609 | |

(*) In consolidated, refer basically to railway assets, such as yards, tracks and railway sleepers.

| | Buildings Land and infrastructure | Machinery, equipment and facilities | Furniture and fixtures | Construction in progress | Other (*) | Parent Con Total |
|--|---|--|------------------------------|-----------------------------|----------------|---------------------|
| Balance at December 31, 2013 | 107,425,222 | 6,355,738 | 26,409 | 4,345,142 | 358,109 | 12,4 |
| Cost | 107,425,013 | 10,423,838 | 129,930 | 4,345,142 | 467,481 | 16,8 |
| Accumulated depreciation | (164,791) | (4,068,100) | (103,521) | | (109,372) | (4,44 |
| Balance at December 31, 2013 | 107,425,222 | 6,355,738 | 26,409 | 4,345,142 | 358,109 | 12,4 |
| Acquisitions | 280 | 179,017 | 4,275 | 880,553 | 28,268 | 1,0 |
| Capitalized interest (Notes 23 and 29) | | | | 123,755 | | 12 |
| Write-offs | | (6,263) | (6) | (5,700) | (1) | (1 |
| Depreciation | (35,700) | (692,907) | (3,535) | | (9,200) | (74 |
| Transfers to other asset categories | 2,526,490 | 2,725,854 | 918 | (3,081,981) | (173,987) | |
| Transfers to intangible assets | | | | (85,701) | | (8 |
| Other | | 110,351 | 2 | (27,080) | (15,196) | 6 |
| Balance at September 30, 2014 | 110,786,292 | 8,671,790 | 28,063 | 2,148,988 | 187,993 | 12,8 |
| Cost | 110,988,856 | 13,411,310 | 133,985 | 2,148,988 | 304,345 | 18,0 |
| Accumulated depreciation | (202,564) | (4,739,520) | (105,922) | | (116,352) | (5,16 |
| Balance at September 30, 2014 | 110,786,292 | 8,671,790 | 28,063 | 2,148,988 | 187,993 | 12,8 |

(*) includes leasehold improvements, vehicles, hardware, mines and ore bodies and replacement storeroom supplies.

The breakdown of the projects comprising construction in progress is as follows:

| | Project objective | Start date | Completion date | 9/30/2014 | Consolidated 12/31/2013 |
|------------------|---|-------------------|------------------------|------------------|------------------------------------|
| Logistics | Equalization of Berth 301. | 2012 | 2014 | | 151,932 |
| | Current investments for maintenance of current operations. | | | 70,531 | 231,832 |
| | | | | 70,531 | 383,764 |
| Mining | Expansion of Casa de Pedra Mine capacity production. | 2007 | 2015/2016 (1) | 524,515 | 1,090,568 |
| | Expansion of TECAR's export capacity. | 2009 | 2017 (2) | 419,264 | 404,374 |
| | Current investments for maintenance of current operations. | | | 65,941 | 42,866 |
| | | | | 1,009,720 | 1,537,808 |
| Steel | Construction of a long steel plant to produce rebar and machine wire. | 2008 | 2014 (3) | 149,855 | 1,592,016 |
| | Implementation of the AF#3's gas pressure recovery. | 2006 | 2014 | 336 | 74,337 |
| | Expansion of the service center/Mogi. | 2013 | 2015 (4) | 32,058 | 11,000 |
| | Current investments for maintenance of current | | | 119,061 | 668,495 |

| | | | | | | |
|---------------------------------------|--|------|------|-----|------------------|------------------|
| | operations. | | | | 301,310 | 2,345,848 |
| Cement | | | | | | |
| | Construction of cement plants. | 2011 | 2016 | (5) | 886,413 | 476,076 |
| | Current investments for maintenance of current operations. | | | | 7,498 | 28,139 |
| | | | | | 893,911 | 504,215 |
| Total Construction in Progress | | | | | 2,275,472 | 4,771,635 |

- (1) Expected date for completion of the Central Plant Stage 1 and Magnetic Separators;
- (2) Expected date for completion of the 60 Mtpa stage;
- (3) Operations started in the first half of 2014, in progress disbursements with commitment balances and gradual increase of the operation ramp-up.
- (4) Expected date for completion of Service Center/Mogi;
- (5) Expected date for completion of Minas Gerais unit.

a) Additions to depreciation, amortization and depletion for the year were distributed as follows:

| | Nine-month period ended | | Three-month period ended |
|-------------------------------------|-------------------------|----------------|--------------------------|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 |
| Production cost | 889,896 | 804,255 | 320,077 |
| Selling expenses | 6,755 | 6,208 | 2,308 |
| General and administrative expenses | 10,688 | 12,257 | 3,360 |
| | 907,339 | 822,720 | 325,745 |
| Other operating expenses (*) | 27,216 | 46,164 | 8,657 |
| | 934,555 | 868,884 | 334,402 |

| | Nine-month period ended | | Three-month period ended |
|-------------------------------------|-------------------------|----------------|--------------------------|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 |
| Production cost | 734,750 | 666,414 | 266,327 |
| Selling expenses | 5,162 | 4,818 | 1,773 |
| General and administrative expenses | 7,018 | 6,421 | 2,152 |
| | 746,930 | 677,653 | 270,252 |
| Other operating expenses (*) | 714 | 21,320 | |
| | 747,644 | 698,973 | 270,252 |

(*) Refers to the depreciation of unused equipment (see note 22).

9. INTANGIBLE ASSETS

The information related to intangible assets did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

| | | | | | | | Consolidated | |
|--|----------------|--------------------|---------------|---------------------------|----------------|------------------|---------------|--|
| | Goodwill | Customer relations | Software | Rights and permits (*) | Other | Total | Goodwill | |
| Balance at December 31, 2013 | 407,434 | 381,480 | 67,354 | | 109,172 | 965,440 | 13,091 | |
| Cost | 666,768 | 415,899 | 107,416 | | 109,172 | 1,299,255 | 14,135 | |
| Accumulated amortization | (150,004) | (34,419) | (40,062) | | | (224,485) | (1,044) | |
| Adjustment for accumulated recoverable value | (109,330) | | | | | (109,330) | | |
| Balance at December 31, 2013 | 407,434 | 381,480 | 67,354 | | 109,172 | 965,440 | 13,091 | |
| Effect of foreign exchange differences | | (15,437) | (29) | | (4,435) | (19,901) | | |
| Acquisitions and expenditures | | | 610 | | | 610 | | |
| Transfer of property, plant and equipment | | | 17,608 | 69,695 | | 87,303 | | |
| Amortization | | (24,830) | (7,155) | | | (31,985) | | |
| Other transactions | | | 114 | | | 114 | | |
| Balance at September 30, 2014 | 407,434 | 341,213 | 78,502 | 69,695 | 104,737 | 1,001,581 | 13,091 | |
| Cost | 666,768 | 398,999 | 147,615 | 69,695 | 104,737 | 1,387,814 | 14,135 | |
| Accumulated amortization | (150,004) | (57,786) | (69,113) | | | (276,903) | (1,044) | |
| Adjustment for accumulated recoverable value | (109,330) | | | | | (109,330) | | |
| Balance at September 30, 2014 | 407,434 | 341,213 | 78,502 | 69,695 | 104,737 | 1,001,581 | 13,091 | |

(*) Refers to investments in the acquisition of the right to expand the Casa de Pedra mine to 40Mpta.

10. BORROWINGS, FINANCING AND DEBENTURES

The information related to borrowings, financing and debentures did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013.

The balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

| | Rates p.a. (%) | Consolidated | | | | |
|---|--|---------------------|------------------|-------------------------|-------------------|---------------------|
| | | Current liabilities | | Non-current liabilities | | Current liabilities |
| | | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 | 9/30/2014 |
| FOREIGN CURRENCY | | | | | | |
| Prepayment | 1% to 3.50% | 55,587 | 105,874 | 1,933,009 | 1,166,615 | 52,711 |
| Prepayment | 3.51% to 7.50% | 268,551 | 207,331 | 1,580,895 | 1,276,717 | 139,039 |
| Perpetual bonds | 7.00% | 3,336 | 3,189 | 2,451,000 | 2,342,600 | |
| Fixed rate notes | 4.14 to 10% | 1,039,521 | 156,868 | 4,719,437 | 5,505,110 | 1,129,411 |
| BNDES/FINAME | | | 12,356 | | | |
| Intercompany | 6M Libor + 2.25 and 3% | | | | | 62,801 |
| Other | 1.2% up to 8% | 136,574 | 49,306 | 371,448 | 442,843 | 49,484 |
| | | 1,503,569 | 534,924 | 11,055,789 | 10,733,885 | 1,433,446 |
| LOCAL CURRENCY | | | | | | |
| | | 80,584 | 97,044 | 969,406 | 962,684 | 41,856 |
| BNDES/FINAME | TJLP + 1.5% to 3.2% and 2.5% to 10% fixed rate | 811,199 | 846,387 | 1,550,000 | 1,932,500 | 811,199 |
| Debentures | 105.8% to 111.20% CDI | 179,998 | 101,330 | 5,345,000 | 5,345,000 | 94,444 |
| Prepayment | 106.5% to 110.79% CDI and 8% fixed rate | 1,099,393 | 1,085,436 | 6,200,218 | 6,200,000 | 1,099,393 |
| CCB | 112.5% CDI | | | | | 130,288 |
| Intercompany | 110.79% CDI | 7,656 | 8,527 | 13,990 | 15,505 | 2,178 |
| Other | | 2,178,830 | 2,138,724 | 14,078,614 | 14,455,689 | 2,179,358 |
| Total borrowings and financing | | 3,682,399 | 2,673,648 | 25,134,403 | 25,189,574 | 3,612,804 |
| Transaction costs and issue premiums | | (24,680) | (30,841) | (73,291) | (85,951) | (19,166) |
| Total borrowings and financing + transaction costs | | 3,657,719 | 2,642,807 | 25,061,112 | 25,103,623 | 3,593,638 |

The balances of prepaid related parties borrowings total R\$4,641,837 as of September 30, 2014 (R\$2,943,964 as of December 31, 2013) and the balances of Fixed Rate Notes and related parties Bonds total R\$2,600,011 (R\$2,452,956 as of December 31, 2013), see note 17.

- **Maturities of borrowings, financing and debentures presented in non-current liabilities**

As of September 30, 2014, the inflation-adjusted principal of long-term borrowings, financing and debentures by maturity year is as follows:

| | | Consolidated | | Parent Company |
|-----------------|-------------------|---------------------|-------------------|-----------------------|
| 2015 | 1,317,537 | 5% | 1,362,970 | 6% |
| 2016 | 2,549,840 | 10% | 3,856,694 | 16% |
| 2017 | 3,857,024 | 15% | 3,670,987 | 15% |
| 2018 | 4,214,239 | 17% | 3,872,641 | 16% |
| 2019 | 5,336,259 | 21% | 3,954,622 | 16% |
| After 2019 | 5,408,504 | 22% | 7,431,842 | 31% |
| Perpetual bonds | 2,451,000 | 10% | | |
| | 25,134,403 | 100% | 24,149,756 | 100% |

- **Amortizations and new borrowings, financing and debentures**

The table below shows the amortizations and new funding in the current period:

| | | Consolidated | | Parent Company | |
|--------------------------------------|-------------------|---------------------|-------------------|-----------------------|--|
| | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 | |
| Opening balance | 27,746,430 | 29,304,704 | 25,249,354 | 24,139,992 | |
| Funding | 1,630,664 | 1,697,363 | 2,892,640 | 1,363,253 | |
| Amortization | (3,278,616) | (4,300,240) | (2,985,970) | (3,991,884) | |
| Loss of control over Transnordestina | | (3,180,821) | | | |
| Other (*) | 2,620,353 | 4,225,424 | 2,524,550 | 3,737,993 | |
| Closing balance | 28,718,831 | 27,746,430 | 27,680,574 | 25,249,354 | |

(*) Includes unrealized foreign exchange and monetary variations.

Borrowing and financing contracts with certain financial institutions contain some covenants that are usual in financial agreements in general and the Company is compliant with them as of September 30, 2014.

- **Debentures**

7th issue

In March 2014 the Company issued 40,000 nonconvertible, unsecured debentures, in single series, with a unit face value of R\$10 totaling R\$400,000 that pay interest equivalent to 111.20% of the CDI Cetip rate per year, maturing in March 2021, with early redemption option.

- **Guarantees provided**

Guarantees provided for the borrowings comprise property, plant and equipment items and sureties and do not include guarantees provided for subsidiaries and jointly controlled entities. As of September 30, 2014, the amount is R\$3,266 (R\$4,234 as of December 31, 2013).

11. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

I - Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, marketable securities, trade receivables, trade payables, and borrowings and financing. Additionally, it also carries out transactions involving derivative financial instruments, especially exchange and interest rate *swaps*.

- **Classification of financial instruments**

| Consolidated | Notes | Available for sale | Fair value through profit or loss | Loans and receivables - effective interest rate | Other liabilities - amortized cost method | 9/30/2014 | |
|----------------------------------|-------|-----------------------|---|--|---|-------------------|-----------------------|
| | | | | | | Balances | Available for sale |
| Assets | | | | | | | |
| Current assets | | | | | | | |
| Cash and cash equivalents | 3 | | | 8,971,362 | | 8,971,362 | |
| Trade receivables, net | 4 | | | 1,406,309 | | 1,406,309 | |
| Derivative financial instruments | 6 | | 147,075 | | | 147,075 | |
| Trading securities | 6 | | 20,390 | | | 20,390 | |
| Total | | | 167,465 | 10,377,671 | | 10,545,136 | |
| Non-current assets | | | | | | | |
| Other trade receivables | 6 | | | 893 | | 893 | |
| Investments | | 1,171,667 | | | | 1,171,667 | 2,405,174 |

| | | | | | | |
|----------------------------------|----|------------------|----------------|-------------------|-------------------|------------------|
| Derivative financial instruments | 6 | | | | | |
| Short-term investments | | | | 32,539 | 32,539 | |
| Total | | 1,171,667 | | 33,432 | 1,205,099 | 2,405,174 |
| Total assets | | 1,171,667 | 167,465 | 10,411,103 | 11,750,235 | 2,405,174 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Borrowings and financing | 10 | | | 3,682,399 | 3,682,399 | |
| Derivative financial instruments | 12 | | 17,088 | | 17,088 | |
| Trade payables | | | | 1,469,748 | 1,469,748 | |
| Total | | | 17,088 | 5,152,147 | 5,169,235 | |
| Non-current liabilities | | | | | | |
| Borrowings and financing | 10 | | | 25,134,403 | 25,134,403 | |
| Derivative financial instruments | 12 | | 17,827 | | 17,827 | |
| Total | | | 17,827 | 25,134,403 | 25,152,230 | |
| Total liabilities | | | 34,915 | 30,286,550 | 30,321,465 | |

- Fair value measurement**

The following table shows the financial instruments recognized at fair value through profit or loss using a valuation method:

| Consolidated | 9/30/2014 | | | 12/31/2013 | | |
|---|------------------|----------------|---------|------------------|---------------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Assets | | | | | | |
| Current assets | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Derivative financial instruments | | 147,075 | | | 9,681 | |
| Trading securities | 20,390 | | | 9,906 | | |
| Non-current assets | | | | | | |
| Available-for-sale financial assets | | | | | | |
| Investments | 1,171,667 | | | 2,405,174 | | |
| Financial assets at fair value through profit or loss | | | | | | |
| Derivative financial instruments | | | | | 3,879 | |
| Total assets | 1,192,057 | 147,075 | | 2,415,080 | 13,560 | |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Derivative financial instruments | | 17,088 | | | 6,822 | |
| Non-current liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Derivative financial instruments | | 17,827 | | | 17,375 | |
| Total liabilities | | 34,915 | | | 24,197 | |

II – Investments in financial instruments classified as available for sale and measured at fair value through OCI

These consist mainly of investments in shares acquired in Brazil involving top ranked companies, which are recognized in non-current assets, and any gains or losses are recognized in shareholders' equity, where they will remain until actual realization of the securities or when any loss is considered unrecoverable.

Impairment of financial assets classified as available for sale

The Company has investments in common (USIM3) and preferred (USIM5) shares (“Usiminas Shares”), designated as available-for-sale financial assets as they do not meet the criteria to be classified within any of the other categories of financial instruments (loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss). The asset is classified as a non-current asset under line item “investments” and is carried at fair value based on the quoted price on the stock exchange (BM&FBOVESPA).

Considering the volatility of the quotations of Usiminas shares, the Company evaluated whether, at the end of the reporting period, there was objective evidence of impairment of these financial assets, i.e., the Company’s management evaluated if the decline in the market value of Usiminas shares should be considered either significant or prolonged. In turn, this valuation requires judgment based on CSN’s policy, prepared according to practices used in the domestic and international markets, and consists of an instrument by instrument analysis based on quantitative and qualitative information available in the market, from the time an instrument shows a drop of 20% or more in its market value or from the time there is a significant drop in its market value as compared to its acquisition price during more than twelve months.

On June 30, 2014 and 2013, there was a decline in the quotation of the common shares (USIM3) which, according to the Company’s accounting policy, generated a loss of R\$34,396 and R\$3,302, net of income tax and social contribution, and R\$52,115 and R\$5,002 were recorded in other operating expenses and R\$17,719 and R\$1,701 in deferred taxes, respectively.

On September 30, 2014, after a new decline in the quotation of the common shares (USIM3) in relation to the quotation of June 30, 2014, the Company reclassified the accumulated losses for the quarter recognized in other comprehensive income, in the amount of R\$13,193, net of income tax and social contribution, to profit or loss for the period, in the amount of R\$19,989 in other operating expenses and R\$6,796 in deferred taxes, totaling in 2014 R\$72,104 in other operating expenses and R\$24,515 in deferred taxes.

Beginning this date, pursuant to a Company's policy, gains and losses arising from the variation of the quotation of shares were recognized in other comprehensive income.

On April 9, 2014, the Administrative Council for Economic Defense (CADE - Conselho Administrativo de Defesa Econômica) issued its decision on the matter and a commitment agreement (Performance Commitment Agreement), or TCD, was signed between CADE and CSN. Under the terms of the decision of CADE and TCD, CSN must reduce its interest in Usiminas within a specified term. The term and percentage of reduction are confidential. Moreover, the political rights at Usiminas will continue suspended until the Company reaches the limits established in the TCD.

The Company's interest in Usiminas has not changed as compared with the percentage disclosed in the financial statements as of December 31, 2013.

The Company will continue to evaluate strategic alternatives with respect to its investment in Usiminas.

III – Fair values of assets and liabilities as compared to their carrying amounts

The estimated fair values of consolidated long-term borrowings and financing were calculated at prevailing market rates, taking into consideration the nature, terms and risks similar to those of the recorded contracts, as compared below:

| | | 9/30/2014 | | 12/31/2013 | |
|------------------|-----------------|------------|-----------------|------------|--|
| | Carrying amount | Fair value | Carrying amount | Fair value | |
| Perpetual bonds | 2,454,336 | 2,225,003 | 2,345,789 | 1,938,780 | |
| Fixed Rate Notes | 5,758,958 | 6,024,515 | 5,661,978 | 6,032,207 | |

IV Financial risk management policy

As of September 30, 2014, there were no changes in the financial risk management policies in relation to those disclosed in the Company's financial statements for the year ended December 31, 2013.

- **Foreign exchange exposure**

The consolidated net exposure as of September 30, 2014 is as follows:

| Foreign Exchange Exposure | (Amounts in US\$'000) | 9/30/2014 (Amounts in €'000) |
|---|----------------------------------|---|
| Cash and cash equivalents overseas | 3,358,639 | 2,466 |
| Trade receivables - foreign market | 184,734 | 9,135 |
| Related parties borrowings | 154,549 | 79,778 |
| Other assets | 128 | 9,154 |
| Total assets | 3,698,050 | 100,533 |
| Borrowings and financing | (4,928,517) | (119,968) |
| Trade payables | (216,184) | (5,931) |
| Other liabilities | (15,578) | (23,700) |
| Related parties borrowings | (34,537) | |
| Total liabilities | (5,194,816) | (149,599) |
| Gross exposure | (1,496,766) | (49,066) |
| Notional amount of derivatives contracted (*) | 1,508,000 | (90,000) |
| Net exposure | 11,234 | (139,066) |

- Exchange swap transactions

| Counterparties | Transaction maturity | Functional currency | Notional amount | Appreciation (R\$) | | 9/30/2014 | Notional amount | Appreciation | |
|--|---------------------------|---------------------|------------------|--------------------|--------------------|----------------------------------|-----------------|----------------|--------------------|
| | | | | Asset position | Liability position | Fair value (market) | | Asset position | Liability position |
| | | | | | | Amounts receivable/ (payable) | | | |
| <i>Santander</i> | 02/01/15 | US dollar | 10,000 | 27,911 | (24,405) | 3,506 | 10,000 | 26,512 | |
| <i>Deutsche</i> | 11/10/14 | US dollar | 20,000 | 49,389 | (50,812) | (1,423) | | | |
| <i>Goldman Sachs</i> | | US dollar | | | | | 10,000 | 23,697 | |
| <i>HSBC</i> | | US dollar | | | | | 90,000 | 213,306 | (|
| Total dollar-to-CDI swap | | | 30,000 | 77,300 | (75,217) | 2,083 | 110,000 | 263,515 | (|
| <i>Itaú BBA</i> | 10/1/2014 to 1/6/2015 | US dollar | 518,000 | 1,264,679 | (1,213,179) | 51,500 | 85,000 | 199,753 | (|
| <i>Itaú BBA</i> | 2/12/2014 to 1/30/2015 | US dollar | 80,000 | 195,127 | (198,119) | (2,992) | | | |
| <i>HSBC</i> | 10/1/2014 to 1/6/2015 | US dollar | 490,000 | 1,196,224 | (1,143,365) | 52,859 | 208,000 | 488,843 | (|
| <i>HSBC</i> | 12/2/2014 to 1/30/2015 | US dollar | 160,000 | 390,010 | (400,689) | (10,679) | | | |
| <i>Deutsche Bank</i> | 10/1/2014 to 12/4/2014 | US dollar | 130,000 | 317,746 | (304,775) | 12,971 | | | |
| <i>Deutsche Bank</i> | 1/30/2015 | US dollar | 20,000 | 48,692 | (50,436) | (1,744) | | | |
| <i>Goldman Sachs</i> | 01/08/15 | US dollar | 30,000 | 73,100 | (68,842) | 4,258 | | | |
| <i>BTG Pactual</i> | 12/02/14 | US dollar | 50,000 | 122,030 | (122,280) | (250) | | | |
| Total dollar-to-real swap (NDF) | | | 1,478,000 | 3,607,608 | (3,501,685) | 105,923 | 293,000 | 688,596 | (|
| <i>Itaú BBA</i> | 11/21/2014 | Euro | 30,000 | 97,703 | (92,868) | 4,835 | 30,000 | 94,858 | |
| <i>HSBC</i> | 11/21/2014 | Euro | 60,000 | 195,413 | (185,736) | 9,677 | 30,000 | 94,900 | |
| <i>Goldman Sachs</i> | | Euro | | | | | 30,000 | 94,880 | |
| | | | 90,000 | 293,116 | (278,604) | 14,512 | 90,000 | 284,638 | (|

**Total dollar-to-euro swap
(NDF)**

| | | | | | | | | |
|----------------------------------|------------------------|-----------|---------------|----------------|------------------|--------------|---------------|---------------|
| <i>BES</i> | 11/17/14 to 1/30/15 | US dollar | 37,544 | 92,357 | (87,278) | 5,079 | 11,801 | 27,878 |
| <i>BNPP</i> | 10/7/2014 | US dollar | 12,536 | 30,839 | (28,449) | 2,390 | | |
| Total dollar-to-euro swap | | | 50,080 | 123,196 | (115,727) | 7,469 | 11,801 | 27,878 |

| | | | | | | | | |
|--|--|--|--|--|--|--|---------------|---------------|
| <i>CSFB</i> | | | | | | | 21,500 | 36,526 |
| Total LIBOR-to-CDI interest rate swap | | | | | | | 21,500 | 36,526 |

| | | | | | | | | |
|---|---------------------|------|----------------|----------------|------------------|-----------------|----------------|----------------|
| <i>Itaú BBA</i> | 03/01/16 | Real | 150,000 | 165,245 | (172,503) | (7,258) | 150,000 | 152,610 |
| <i>HSBC</i> | 2/5/16 to 3/1/16 | Real | 185,000 | 202,827 | (212,891) | (10,064) | 185,000 | 187,395 |
| <i>Deutsche Bank</i> | 03/01/16 | Real | 10,000 | 10,952 | (11,457) | (505) | 10,000 | 10,114 |
| Total fixed rate-to-CDI interest rate swap | | | 345,000 | 379,024 | (396,851) | (17,827) | 345,000 | 350,119 |

4,480,244 (4,368,084) 112,160 1,651,272 (1,000,000)

- Classification of the derivatives in the balance sheet and statement of income**

| Instruments | Assets | | | Liabilities | | | 9/30/2014 Finance income (costs), net (Note 23) |
|----------------------------------|----------------|-------------|----------------|---------------|---------------|---------------|--|
| | Current | Non-current | Total | Current | Non-current | Total | |
| <i>Dollar-to-CDI swap</i> | 3,506 | | 3,506 | 1,423 | | 1,423 | (16,607) |
| <i>Dollar-to-real swap (NDF)</i> | 121,588 | | 121,588 | 15,665 | | 15,665 | 34,602 |
| <i>Dollar-to-euro swap (NDF)</i> | 14,512 | | 14,512 | | | | 23,570 |
| <i>Dollar-to-real swap</i> | 7,469 | | 7,469 | | | | 7,225 |
| <i>Libor-to-CDI swap(*)</i> | | | | | | | (943) |
| <i>Fixed rate-to-CDI swap</i> | | | | | 17,827 | 17,827 | (452) |
| | 147,075 | | 147,075 | 17,088 | 17,827 | 34,915 | 47,395 |

| Instruments | Assets | | | Liabilities | | | 12/31/2013 | 9/30/2013 |
|----------------------------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------------------------------|-----------|
| | Current | Non-current | Total | Current | Non-current | Total | Finance income (costs), net (Note 23) | |
| <i>Dollar-to-CDI swap</i> | 9,033 | 3,879 | 12,912 | | | | 232 | |
| <i>Dollar-to-real swap (NDF)</i> | 631 | | 631 | 1,228 | | 1,228 | | |
| <i>Dollar-to-euro swap (NDF)</i> | | | | 5,258 | | 5,258 | (5,031) | |
| <i>Yen-to-dollar swap (**)</i> | | | | | | | (58) | |
| <i>Dollar-to-euro swap</i> | 17 | | 17 | | | | 3,851 | |
| <i>Libor-to-CDI swap</i> | | | | 336 | | 336 | (3,385) | |
| <i>Fixed rate-to-CDI swap</i> | | | | | 17,375 | 17,375 | (15,308) | |
| | 9,681 | 3,879 | 13,560 | 6,822 | 17,375 | 24,197 | (19,699) | |

(*) The positions of the swap transactions were settled in May 2014, together with their prepayment.

(**) The positions of the swap transactions were settled in December 2013, together with their guarantee deposit.

- Sensitivity analysis of exchange rate swaps**

The Company considered scenarios 1 and 2 as 25% and 50% of appreciation for volatility of the currency, using as reference the closing exchange rate as of September 30, 2014 for dollar-to-real exchange swap R\$2.4510, and for dollar-to-euro exchange swap R\$1.2629.

| Instruments | Notional amount | Risk | Probable scenario (*) | 9/30/2014 | |
|------------------------------------|-----------------|-------|-----------------------|------------|-------------|
| | | | | Scenario 1 | Scenario 2 |
| Dollar-to-CDI exchange swap | 30,000 | Dólar | 2,083 | (19,325) | (38,650) |
| Dollar-to-real exchange swap (NDF) | 1,478,000 | Dólar | 105,923 | (785,527) | (1,571,053) |
| Dollar-to-euro exchange swap (NDF) | (90,000) | Euro | 14,512 | 69,678 | 138,731 |
| Dollar-to-euro exchange swap (NDF) | 50,080 | Dólar | 7,469 | 40,708 | 122,125 |

(*) The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the market values as of September 30, 2014 recognized in the company's assets and liabilities.

- **Sensitivity analysis of interest rate swaps**

The Company considered scenarios 1, 2, 3 and 4 as 25% and 50% of appreciation and devaluation for volatility of the interest as of September 30, 2014.

| Instruments | Notional amount | Risk | 9/30/2014 | | | |
|--------------------------------------|-----------------|------|------------|------------|------------|------------|
| | | | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 |
| Fixed rate-to-CDI interest rate swap | 345,000 | CDI | (15,128) | (30,400) | 14,981 | 29,812 |

- **Sensitivity analysis of changes in interest rates**

The Company considers the effects of a 5% increase or decrease in interest rates on its outstanding borrowings, financing and debentures as of September 30, 2014 in the condensed interim financial statements.

| Changes in interest rates | % p.a | Impact on profit or loss | |
|---------------------------|-------|--------------------------|------------|
| | | 9/30/2014 | 12/31/2013 |
| TJLP | 5.00 | 2,479 | 2,521 |
| Libor | 0.33 | 7,594 | 5,725 |
| CDI | 10.81 | 76,823 | 71,507 |

- **Share market price risks**

The Company is exposed to the risk of changes in equity prices due to the investments made and classified as available-for-sale. Equity investments refer to blue chips traded on BM&F BOVESPA.

The following table shows the impact of the net changes in the market value of financial instruments classified as available-for-sale on shareholders' equity, in other comprehensive income (note 30).

| | 9/30/2014 | Other comprehensive income 12/31/2013 | Consolidated |
|---|-----------|--|--------------|
| | | | Net change |
| Net change in available-for-sale financial assets | 8,030 | 779,526 | (771,496) |

The Company considers as probable scenario the amounts recognized at market prices as of September 30, 2014, net of tax. Sensitivity analysis is based on the assumption of maintaining as probable scenario the market values as of September 30, 2014. Therefore, there is no impact on the financial instruments classified as available for sale already presented above. The Company considered scenarios 1 and 2 as 25% and 50% of appreciation for volatility of the shares.

| Companies | Probable | Impact on equity | |
|------------------|-----------------|-------------------------|-------------------|
| | | Scenario 1 | Scenario 2 |
| Usiminas | 3,953 | 187,814 | 375,628 |
| Panatlântica | 4,077 | 3,504 | 7,007 |
| | 8,030 | 191,318 | 382,635 |

Pursuant to the Company's accounting policies, the negative variations in Usiminas investment, when considered significant (impairment), are recognized in profit or loss for the period.

- **Liquidity risk**

| | Consolidated | | | | |
|--------------------------------------|-------------------------------|--------------------------------------|---------------------------------------|----------------------------|--------------|
| | Less than one year | From one to two years | From two to five years | Over five years | Total |
| At September 30, 2014 | | | | | |
| Borrowings, financing and debentures | 3,682,399 | 3,867,377 | 13,407,522 | 7,859,504 | 28,816,802 |
| Derivative financial instruments | 17,088 | 17,827 | | | 34,915 |
| Trade payables | 1,469,748 | | | | 1,469,748 |
| At December 31, 2013 | | | | | |
| Borrowings, financing and debentures | 2,673,648 | 6,391,523 | 11,439,993 | 7,358,058 | 27,863,222 |
| Derivative financial instruments | 6,822 | 17,375 | | | 24,197 |
| Trade payables | 1,102,037 | | | | 1,102,037 |

12. OTHER PAYABLES

The group of other payables classified in current and non-current liabilities is comprised as follows:

| | Consolidated | | | | Parent Company | |
|--|---------------------|-------------------|--------------------|-------------------|---------------------------|--------------------|
| | Current | | Non-current | | Current | Non-current |
| | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 |
| Payables to related parties (Note 17 b) | 450,120 | 22,150 | 8,911,410 | 8,522,685 | 494,307 | 35,890 |
| Derivative financial instruments (Note 11 I) | 17,088 | 6,822 | 17,827 | 17,375 | 336 | |
| Dividends and interest on capital payable non-controlling shareholders | 2,099 | 2,036 | | | 2,099 | 2,036 |
| | 22,942 | 28,213 | | | 17,504 | 17,501 |

| | | | | | | | |
|---------------------------------|----------------|---------------|-------------------|-------------------|----------------|---------------|-------------------|
| Advances from customers | | | | | | | |
| Taxes in installments (Note 14) | 259,802 | 247,387 | 1,455,931 | 1,454,838 | 226,792 | 218,667 | 279,711 |
| Profit sharing - employees | 104,129 | 21,631 | | | 87,668 | 13,039 | |
| Other payables | 117,870 | 44,612 | 49,995 | 66,673 | 22,761 | 151,497 | 6,109 |
| | 974,069 | 72,851 | 10,435,163 | 10,061,571 | 851,132 | 38,957 | 65,066 |
| | | | | | | | 10,173,732 |

13. INCOME TAX AND SOCIAL CONTRIBUTION

The information related to income tax and social contribution did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

(a) Income tax and social contribution recognized in profit or loss:

The income tax and social contribution recognized in profit or loss for the period are as follows:

| | Consolidated | | | |
|---|--------------------------------|------------------|---------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Income tax and social contribution (expenses) income | | | | |
| Current | (407,606) | (287,136) | (187,241) | (123,290) |
| Deferred | 332,332 | 527,544 | 154,443 | 59,844 |
| | (75,274) | 240,408 | (32,798) | (63,446) |

| | Parent Company | | | |
|---|--------------------------------|------------------|---------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Income (expenses) tax and social contribution income | | | | |
| Current | (30,470) | | (30,470) | |
| Deferred | 306,781 | 525,127 | 144,757 | 65,251 |
| | 276,311 | 525,127 | 114,287 | 65,251 |

The reconciliation of Company and consolidated income tax and social contribution expenses and income and the result from applying the effective rate on profit before income tax (IRPJ) and social contribution (CSLL) are as follows:

| | Consolidated | | | |
|--|--------------------------------|------------------|---------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Profit before income tax and social contribution | (103,985) | 780,682 | (217,590) | 566,330 |
| Tax rate | 34% | 34% | 34% | 34% |
| Income tax and social contribution at combined statutory rate | 35,355 | (265,432) | 73,981 | (192,554) |
| Adjustment to reflect effective rate: | | | | |
| Interest on capital benefit | | 255,009 | | 64,600 |
| Share of profits of investees | 28,794 | 172,631 | 67,178 | 70,870 |
| Income subject to special tax rates or untaxed | (75,555) | 125,121 | (145,882) | (195,000) |
| Transfer pricing adjustment | (21,164) | | (9,655) | |
| Tax loss carryforwards without recognizing deferred taxes | (24,822) | (33,504) | (3,541) | (26,137) |

| | | | | |
|--|-----------------|----------------|-----------------|-----------------|
| Other permanent deductions (add-backs) | (17,882) | (13,417) | (14,879) | 19,953 |
| Income tax and social contribution in profit for the period | (75,274) | 240,408 | (32,798) | (63,446) |
| Effective tax rate | -72% | -31% | -15% | 11% |

| | Nine-month period ended | | Parent Company Three-month period ended |
|--|-------------------------|-----------|--|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 |
| Loss (profit) before income tax and social contribution | (449,367) | 496,392 | 434,431 |
| Tax rate | 34% | 34% | 34% |
| Income tax and social contribution at combined statutory rate | 152,785 | (168,729) | (147,707) |
| Adjustment to reflect effective rate: | | | |
| Interest on capital benefit | | 255,009 | 64,609 |
| Share of profits of investees | 160,142 | 455,434 | 135,003 |
| Transfer pricing adjustment | (21,164) | (9,655) | |
| Other permanent deductions (add-backs) | (15,452) | (16,554) | 13,346 |
| Income tax and social contribution in profit for the period | 276,311 | 525,127 | 65,251 |
| Effective tax rate | 61% | -106% | -15% |

(b) Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on income tax and social contribution loss carryforwards and related temporary differences between the tax bases of assets and liabilities and the accounting balances of the condensed interim financial statements. They are presented at net amounts when related to a sole jurisdiction.

| | Opening balance 12/31/2013 | Movement Comprehensive income |
|--|-------------------------------|----------------------------------|
| Deferred tax assets | | |
| Income tax loss carryforwards | 1,132,296 | (8,230) |
| Social contribution loss carryforwards | 389,306 | |
| Temporary differences | 1,248,925 | 402,900 |
| - Provision for tax, social security, labor, civil and environmental risks | 207,507 | |
| - Provision for environmental liabilities | 117,795 | |
| - Asset impairment losses | 53,450 | |
| - Inventory impairment losses | 28,556 | |
| - (Gains) losses on financial instruments | (4,722) | 4 |
| - (Gains) losses on available-for-sale financial assets | 287,876 | 397,400 |
| - Actuarial liability (pension and healthcare plan) | 131,938 | |

| | | |
|--|------------------|---------------|
| - Accrued supplies and services | 91,807 | |
| - Estimated losses on doubtful debts | 27,749 | |
| - Goodwill on merger | (123,172) | 5,0 |
| - Unrealized exchange differences (*) | 546,041 | |
| - (Gain) on loss of control over Transnordestina | (224,096) | |
| - Other | 108,196 | |
| Non-current assets | 2,770,527 | 394,6 |
| Deferred tax liabilities | | |
| - Business combination | 252,109 | (9,77 |
| - Other | 16,724 | (67 |
| Non-current liabilities | 268,833 | (10,44 |

| | Opening balance 12/31/2013 | Movemen Comprehensive incom |
|--|-------------------------------|--------------------------------|
| Deferred tax assets | | |
| Income tax loss carryforwards | 919,910 | |
| Social contribution loss carryforwards | 389,306 | |
| Temporary differences | 1,303,782 | 388,43 |
| - Provision for tax, social security, labor, civil and environmental risks | 199,445 | |
| - Provision for environmental liabilities | 117,795 | |
| - Asset impairment losses | 47,087 | |
| - Inventory impairment losses | 28,365 | |
| - (Gains) losses on financial instruments | (3,875) | |
| - (Gains) losses on available-for-sale financial assets | 264,172 | 388,43 |
| - Actuarial liability (pension and healthcare plan) | 132,063 | |
| - Accrued supplies and services | 89,767 | |
| - Estimated losses on doubtful debts | 26,179 | |
| - Unrealized exchange differences (*) | 546,041 | |
| - (Gain) on loss of control over Transnordestina | (224,096) | |
| - Other | 80,839 | |
| Non-current assets | 2,612,998 | 388,43 |

(*) The Company taxes foreign exchange differences on a cash basis to calculate income tax and social contribution.

Some Group companies recognized tax credits on income tax and social contribution loss carryforwards not subject to statute of limitations and based on the history of profitability and expected future taxable profits determined in technical studies approved by Management.

Since they are subject to significant factors that may change the projections for realization, the carrying amounts of deferred tax assets and projections are reviewed annually. These studies indicate the realization of these tax assets within the term stipulated by CVM Instruction 371/02 and the limit of 30% of the taxable profit.

Certain group companies have income tax and social contribution loss carryforwards in the amounts of R\$2,872,260 and R\$309,805, respectively, for which no deferred taxes were set up, of which R\$141,466 expire in 2015, R\$42,144 in 2018, R\$139,555 in 2015, R\$42,567 in 2027, R\$64,994 in 2029, and R\$80,082 in 2030.

The Company's corporate structure includes foreign subsidiaries whose profits are subject to income tax levied by the related countries, recognized at tax rates lower than in Brazil.

For the years from 2010 to 2014 these subsidiaries generated profits amounting to R\$3,567,806, which tax authorities may understand that have already been distributed, hence, it would be subject to additional taxation in Brazil, in the approximate amount of R\$1,213,054. The Company, based on its legal counsel's opinion, assessed the likelihood of loss in a potential challenge by tax authorities as possible and, therefore, no provision was recognized in the condensed interim financial statements.

- **Law 12,973/14**

Provisional Act 627, converted into Law 12,973 in May 2014, which revokes the Transition Tax Regime (RTT) and introduces other measures, such as: (i) amendments to Decree-Law 1,598/77, which addresses the corporate income tax and social contribution on net income law; (ii) definition that any change in or adoption of accounting methods and criteria through administrative acts issued based on a competence attributed by the commercial law shall not have any impact on the calculation of federal taxes; (iii) inclusion of a specific treatment on the taxation of profits or dividends; (iv) inclusion of provisions on the calculation of interest on capital; and (v) new considerations about investments accounted for under the equity method of accounting. The provisions established in the law are effective starting 2015, however, companies may opt for their early adoption, on an irreversible basis, in 2014.

The Company prepared studies on the possible effects that could arise from the application of the provisions of Law 12,973 and concluded that they do not result in material adjustments to its financial statements as of September 30, 2014 and December 31, 2013.

The Brazilian Tax Authority, through Normative Ruling 1,499/14, regulated the form of declaration of the option for the adoption or not of the legislation still in 2014, which will be made through the DCTF (Declaration of Federal Tax Debits and Credits) of December 2014, to be filed in February 2015, when the Company will disclose its definitive option.

(c) Income tax and social contribution recognized in shareholders' equity:

The income tax and social contribution recognized directly in shareholders' equity are as follows:

| | Consolidated | | Parent Company | |
|--|------------------|------------------|------------------|------------------|
| | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 |
| Income tax and social contribution | | | | |
| Actuarial gains on defined benefit pension plan | 33,012 | 33,012 | 32,876 | 32,876 |
| Changes in the fair value on available-for-sale financial assets | (4,137) | (401,574) | (4,137) | (392,437) |
| Exchange differences on translating foreign operations | (425,510) | (425,510) | (425,510) | (425,510) |
| | (396,635) | (794,072) | (396,771) | (785,071) |

14. TAXES IN INSTALLMENTS

The information related to taxes in installments did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2014.

The position of the Refis debts and other tax installment plans, recorded in taxes in installments in current and non-current liabilities, as mentioned in note 12, is as follows:

| | Consolidated | | | | | | | |
|---------------------------------|---------------------|-------------------|--------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | Current | | Non-current | | Current | | | |
| | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 |
| Federal REFIS Law 11,941/09 (a) | 158,578 | 140,446 | 1,016,967 | 1,001,630 | 134,686 | 121,399 | 852,5 | |
| Federal REFIS Law 12,865/13 (a) | 29,541 | 27,124 | 390,523 | 384,872 | 29,849 | 27,167 | 390,5 | |
| Other taxes in installments (b) | 71,685 | 79,817 | 48,441 | 68,336 | 62,257 | 70,101 | 36,6 | |
| | 259,804 | 247,387 | 1,455,931 | 1,454,838 | 226,792 | 218,667 | 1,279,7 | |

a) Tax Recovery Program (Federal Refis) – Law 11,941/09 and Law 12,865/13

- New deadline – Law 11,941/09**

On November 26, 2009, the Group companies joined the Tax Recovery Programs established by Law 11,941/09 and Provisional Act 470/2009, aimed at settling tax liabilities through a special payment system and installment plan for the settlement of tax and social security obligations.

With the new deadline to join the Law 11,941/09 tax installment program established by the RFB/PGFN, pursuant to Laws 12,865/13, 12,973/14 and 12,996/14(*), the Company analyzed with its legal counsel the lawsuits that could have changed or been subject to new jurisprudence. After the analysis, the Company concluded that there were debts that could be included in the program and applied for the Law 11,941/09 tax installment payment on December 27, 2013 and August 22, 2014, respectively.

(*) Law 12,996/14

Law 12,996/2014 introduced the new deadline to join the "Crisis Refis", originally governed by Law 11,941, of 2009.

The Company analyzed with its legal counsel the lawsuits that could have changed or been subject to new jurisprudence. After the analysis, the Company concluded that there were debts that could be included in the program and applied for the tax installment payment.

Both programs establish reductions of fines and interest. The Company joined the program in the modality "In cash" with payment in credit from tax loss carryforwards of R\$95,000 and the other lawsuits were included in the modality "180 installments" with utilization of credits from tax loss carryforwards of R\$27,000. The program is subject to approval by the tax authorities.

The joining of the program above generated an impact on profit or loss as shown below:

| | Consolidated | Parent Company |
|---|---------------------|-----------------------|
| Taxes | (50,364) | (43,736) |
| Fines | (37,399) | (20,823) |
| Interest/Legal charges | (210,254) | (205,592) |
| Total | (298,017) | (270,151) |
| Discounts | | |
| Fines | 25,864 | 20,611 |
| Interest/Legal charges | 85,098 | 83,910 |
| Total | 110,962 | 104,521 |
| Provision reversal | 28,776 | 28,776 |
| Effect before tax | (158,279) | (136,854) |
| Income tax and social contribution credit | 72,660 | 67,591 |

| | | |
|---------------------------------------|-----------------|-----------------|
| Statement of income net effect | (85,619) | (69,263) |
|---------------------------------------|-----------------|-----------------|

- **Overseas profits – Law 12,865/13**

Under Article 40 of Law 12,865/13, the federal government allowed the payment in installments of income tax and social contribution arising from the application of Article 74 of Provisional Act 2158-35/2001, the so-called overseas profits, which requires that profits earned by foreign subsidiaries or associates be taxed at yearend.

The Company elected to join the amounts corresponding to the assessed period (2004-2009), on November 29, 2013.

Both programs provide for reductions in fines and interest, however, only income tax and social contribution debt arising from the application of Law 12,865/12 could be settled with tax credits claimed on tax loss carryforwards of subsidiaries and the parent company. The tax credit utilized by the subsidiaries total R\$565,273, of which R\$550,270 did not have a recognized tax credit.

The remaining balance was divided into 179 monthly installments adjusted by the SELIC and the amount determined pursuant to Laws 11,941/09 and 1,2865/13 is subject to approval by the tax authorities.

b) Other tax installments (regular and other)

The Group companies also joined the Regular social security tax (INSS) installment plan and other plans.

15. PROVISION FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS

As of September 30, 2014, the information related to judicial deposits and proceedings did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013.

Details of the accrued amounts and related judicial deposits are as follows:

| | 9/30/2014 | | Consolidated 12/31/2013 | | 9/30/2014 | | Parent 12/31/2013 | |
|---------------------------|------------------------|----------------------|----------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits |
| Tax | 137,103 | 320,002 | 428,141 | 469,692 | 105,908 | 307,648 | 387,315 | |
| Social security and labor | 481,096 | 192,829 | 298,637 | 185,104 | 415,545 | 166,689 | 254,116 | |
| Civil | 89,817 | 23,611 | 82,143 | 29,022 | 73,103 | 19,339 | 65,667 | |
| Environmental | 2,205 | 961 | 4,262 | 961 | 2,205 | 892 | 4,262 | |
| Escrow deposits | | 8,668 | | 8,935 | | 5,281 | | |
| | 710,221 | 546,071 | 813,183 | 693,714 | 596,761 | 499,849 | 711,360 | |

| | 9/30/2014 | | Consolidated 12/31/2013 | | 9/30/2014 | | Parent 12/31/2013 | |
|---------------------------|------------------------|----------------------|----------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits | Accrued liabilities | Judicial deposits |
| Tax | 137,103 | 320,002 | 428,141 | 469,692 | 105,908 | 307,648 | 387,315 | |
| Social security and labor | 481,096 | 192,829 | 298,637 | 185,104 | 415,545 | 166,689 | 254,116 | |
| Civil | 89,817 | 23,611 | 82,143 | 29,022 | 73,103 | 19,339 | 65,667 | |
| Environmental | 2,205 | 961 | 4,262 | 961 | 2,205 | 892 | 4,262 | |
| Escrow deposits | | 8,668 | | 8,935 | | 5,281 | | |
| | 710,221 | 546,071 | 813,183 | 693,714 | 596,761 | 499,849 | 711,360 | |

The changes in the provisions for tax, social security, labor, civil and environmental risks in the period ended September 30, 2014 were as follows:

Consolidated

| Nature | 12/31/2013 | Additions | Net adjustment | Net utilization of reversal | Current + Non-current |
|-----------------|-------------------|------------------|---------------------------|--|------------------------------|
| | | | | | 9/30/2014 |
| Tax | 428,141 | 46,294 | 37,561 | (374,893) | 137,103 |
| Social security | 47,261 | 12,977 | 2,833 | (3,240) | 59,831 |
| Labor | 251,376 | 297,596 | 45,620 | (173,327) | 421,265 |
| Civil | 82,143 | 5,944 | 28,289 | (26,559) | 89,817 |
| Environmental | 4,262 | 443 | 294 | (2,794) | 2,205 |
| | 813,183 | 363,254 | 114,597 | (580,813) | 710,221 |

Parent Company

| Nature | 12/31/2013 | Additions | Net adjustment | Net utilization of reversal | Current + Non-current |
|-----------------|-------------------|------------------|---------------------------|--|------------------------------|
| | | | | | 9/30/2014 |
| Tax | 387,315 | 44,635 | 36,036 | (362,078) | 105,908 |
| Social security | 46,537 | 12,197 | 3,557 | (3,240) | 59,051 |
| Labor | 207,579 | 271,829 | 30,251 | (153,165) | 356,494 |
| Civil | 65,667 | 4,936 | 27,002 | (24,502) | 73,103 |
| Environmental | 4,262 | 443 | 294 | (2,794) | 2,205 |
| | 711,360 | 334,040 | 97,140 | (545,779) | 596,761 |

The provision for tax, social security, labor, civil and environmental liabilities was estimated by management and is mainly based on the legal counsel's assessment. Only proceedings for which the risk is classified as probable loss are accrued. Moreover, this provision includes tax liabilities resulting from contingencies filed by the Company, subject to SELIC (Central Bank's policy rate).

The Company has tax assessment notices related to transfer of imported raw material for an amount lower than the import document, and the Rio de Janeiro state tax authorities are requiring the following: (i) difference of the ICMS levied on the operation, (ii) disallowance of the alleged ICMS credit recorded in duplicate in the tax books, and (iii) fine for non-recording of invoices. On December 31, 2013, CSN had a provision for contingencies recorded since Management, together with the internal and external legal counsel, understood that the likelihood of loss on this cause was probable.

During the third quarter of 2014, in line with the Company's accounting policy of continuous review of the likelihood of losses on lawsuits in progress, Management, supported by its internal and external legal counsel, reviewed the assumptions involving these tax assessment notices and, in view of the favorable previous court decision of the Superior Court of Justice and the evolution of the lawsuits, as well as the existence of new and consistent arguments to cancel the assessment notices, considered that the chances of success in these lawsuits are good and that it is no longer probable that an outflow of resources that incorporate future economic benefits will be required to settle an eventual obligation derived from an outcome unfavorable to the Company. Accordingly, Management reversed the provision for contingencies recognized through June 30, 2014, in the net amount of R\$162,651.

Starting September 30, 2014, the updated amount of these assessments is disclosed in the notes to the interim financial statements as contingent liability with likelihood of loss classified as possible.

§ Other administrative and judicial proceedings

The Group is a defendant in other administrative and judicial proceedings (tax, social security, labor, civil, and environmental), in the approximate amount of R\$15,970,944, of which

(a) R\$6,912,278 refers to the tax assessment notice issued against the Company for an alleged sale of 40% of the shares of its subsidiary NAMISA to a Japanese-Korean consortium, thus failing to determine and pay taxes on the capital gain resulting from this transaction, and in May 2013, the São Paulo (SP) Regional Judgment Office (lower administrative court) issued a decision favorable to the Company and cancelled the tax assessment notice. In light of this decision, an ex-officio appeal was filed that will be judged by the Administrative Board of Tax Appeals (CARF). In a trial the appeal was partially granted and the Company awaits the publication of the decision for the analysis of the filing of an appeal to the Superior Board of Tax Appeals.

(b) R\$1,585,174 refer to the notification received on October 20, 2014, in which the Company had its request for installment payment of IRPJ and CSLL debts, regulated by Law 12,865/14, also known as installment payment of Profits Abroad, denied. The basis of the decision, in summary, is that there would be inconsistency in the amounts of interest declared. An hierarchical appeal was filed against this decision, stating that such interest had been paid in the installment payment program of Law 11,941/09, with a new deadline introduced by Law 12,996/14. Of the total amount informed above, the amounts provided for in the specific account of taxes in installments were excluded. The opinion of our lawyers is that the chances of success as regards the continuity of the Company in the program of installment payment of Profits Abroad, both at the administrative and judicial levels, is very good.

(c) R\$716,227 refers to tax foreclosures filed to require the Company to pay the ICMS, as liable party, allegedly due on the electricity purchased from a Generating Plant and fully consumed in the manufacturing of steel products. The tax auditors believe that the use of electricity in the production process does not exclude the Company responsibility for withholding ICMS levied on delivery of this input in the plant.

(d) R\$512,546 refers to the decision issued by the Federal Revenue Service that partially approved the request to pay debts in installments governed by Provisional Act 470/09, due to the insufficiency of tax loss carryforwards. When it consolidated the tax installment plan, the Federal Revenue Service considered the existing outstanding balance in the Inflationary Profit Tax Return (SAPLI) as the correct amount: however, this balance already included the adjustments to tax loss carryforwards as a result of the Overseas Profits tax assessment notice issued against the Company.

(e) R\$499,482 refers to the offset of taxes that were not approved by the Federal Revenue Service for different reasons. The taxes involved are CSLL, IRPJ, IPI, PIS and COFINS. The analysis of the entire documentation evidences the right to claim credits and the right to file the offset requests, processed at the time.

(f) R\$459,321 refers to the assessment notice issued against the Company for an alleged nonpayment of income tax (IRPJ) and social contribution on net income (CSLL) on profits recognized in the balance sheets of its foreign subsidiaries in 2010.

(g) R\$427,791 refers to the disallowance of the ICMS credits claimed by the Company in the period 04/1999-07/2002 on the transfer of iron ore between the Casa de Pedra mine and the Presidente Vargas Plant. According to the tax auditors, the tax base used on the transfer under the Minas Gerais State Law is not accepted under the Rio de Janeiro State Law, reason why the difference was disallowed.

(h) R\$248,347 refers to the disallowance of the ICMS credits on the acquisition of subsidiary INAL's units located in the State of Rio de Janeiro. According to the tax auditors, the acquisition of a unit does not entitle an entity to claim ICMS credits. In light of these tax assessments, the Company filed for an injunction at the time and its right to change its State taxpayer master file was recognized, to state that the units acquired belong to CSN. This decision was favorable to the Company and can be applied in the judgment of our appeals by the Rio de Janeiro State Taxpayers Board.

(i) R\$222,567 refers to transfer of imported raw material for an amount lower than the import document, and the state tax authorities are requiring the following: (i) difference of the ICMS levied on the operation, (ii) disallowance of the alleged ICMS credit recorded in duplicate in the tax books, and (iii) fine for non-recording of invoices.

(j) R\$2,525,000 refers to other tax (federal, state, and municipal) lawsuits.

(k) R\$1,273,358 refers to labor and social security lawsuits; R\$478,803 refers to civil lawsuits, and R\$110,050 refers to environmental lawsuits.

The assessments made by the legal counsel define these administrative and judicial proceedings as entailing risk of possible loss and, therefore, no provision was recorded in conformity with Management's judgment and accounting practices adopted in Brazil.

16. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATION - ARO

The balance of the provision for environmental liabilities and asset retirement obligation - ARO is as follows:

| | Consolidated | | Parent Company | |
|-----------------------------------|---------------------|-------------------|-----------------------|-------------------|
| | 9/30/2014 | 12/31/2013 | 9/30/2014 | 12/31/2013 |
| Environmental liabilities | 209,915 | 346,455 | 209,915 | 346,455 |
| Asset retirement obligation - ARO | 26,246 | 23,999 | 21,104 | 19,261 |
| | 236,161 | 370,454 | 231,019 | 365,716 |

In the second quarter of 2014, the Company reassessed the costs with the remediation of environmental liabilities and concluded a new study of remediation alternatives for some areas in Volta Redonda (RJ) that were used as landfill by the Company in the past. The study comprised the change of the remediation technology, replacing the material removal by the on-site geotechnical confinement, as permitted by the Brazilian environmental legislation, resulting in a reversal of R\$120,582. For the other liabilities, there were no significant changes as compared with the balance as of December 31, 2013.

17. RELATED-PARTY BALANCES AND TRANSACTIONS

The information related to related-party transactions did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2013.

a) Transactions with Holding Company

- **Liabilities**

| Companies | Dividends | Paid | Interest on Capital |
|----------------------------|------------------|-------------|----------------------------|
| Vicunha Siderurgia | 203,386 | | |
| Rio Iaco | 16,963 | | |
| Total at 9/30/2014 | 220,349 | | |
| Total at 12/31/2013 | 471,801 | | 388,855 |

b) Transactions with subsidiaries, jointly controlled entities, associates, exclusive funds and other related parties

- **By transaction**

| Assets | Current | Non-current | Total | Liabilities | Current | Non-current |
|----------------------------|----------------|--------------------|------------------|----------------------------|----------------|--------------------|
| Trade receivables | 105,107 | | 105,107 | Other payables | | |
| Loans | 533,182 | 99,522 | 632,704 | Accounts payable | 3,201 | 54 |
| Dividends receivable | 31,535 | | 31,535 | Advances from customers | 446,928 | 8,910,86 |
| Actuarial asset | | 97,051 | 97,051 | Trade payables | 38,975 | |
| Short-term investments | | | | | | 11,13 |
| Other receivables (note 6) | 14,982 | 11,655 | 26,637 | Actuarial liability | | |
| Total at 9/30/2014 | 684,806 | 208,228 | 893,034 | Total at 9/30/2014 | 489,104 | 8,922,54 |
| Total at 12/31/2013 | 987,969 | 719,042 | 1,707,011 | Total at 12/31/2013 | 475,099 | 8,533,82 |

Statement of Income

| | |
|---------------------------|------------------|
| Revenues | |
| Sales | 882,721 |
| Interest | 36,442 |
| Expenses | |
| Purchases | (650,330) |
| Interest | (332,035) |
| Total at 9/30/2014 | (63,202) |
| Total at 9/30/2013 | (235,346) |

- **By company**

| | Assets | | | Liabilities | | | Statement of Income | |
|--|----------------|--------------------|----------------|--------------------|--------------------|------------------|----------------------------|------------------|
| | Current | Non-current | Total | Current | Non-current | Total | Sales | Purchases |
| Subsidiaries | | | | | | | | |
| Ferrovia Transnordestina Logística S.A. ⁽¹⁾ | 47,082 | 99,522 | 146,604 | | | | | |
| | 47,082 | 99,522 | 146,604 | | | | | |
| Jointly controlled entities | | | | | | | | |
| Nacional Minérios S.A. ⁽²⁾ | 444,626 | | 444,626 | 448,618 | 8,911,410 | 9,360,028 | 236,314 | (4,911,410) |
| MRS Logística S.A. | 30,369 | | 30,369 | 7,319 | | 7,319 | | (279,940) |
| Transnordestina Logística S.A. ⁽³⁾ | 92,722 | 3,229 | 95,951 | 11,227 | | 11,227 | | |
| CBSI - Companhia Brasileira de Serviços e Infraestrutura | 6,151 | 3,808 | 9,959 | 9,948 | | 9,948 | | (115,810) |
| CGPAR Construção Pesada S.A. | 4,804 | 4,618 | 9,422 | | | | | (225,290) |
| | 578,672 | 11,655 | 590,327 | 477,112 | 8,911,410 | 9,388,522 | 236,314 | (625,960) |
| Other related parties | | | | | | | | |
| CBS Previdência | | 97,051 | 97,051 | | 11,139 | 11,139 | | |
| Fundação CSN | 319 | | 319 | 16 | | 16 | | (1,610) |
| Banco Fibra | | | | | | | | |
| Usiminas | 46 | | 46 | 11,976 | | 11,976 | 58,845 | (15,340) |
| Panatlântica | 44,426 | | 44,426 | | | | 587,562 | |
| Ibis Participações e Serviços | | | | | | | | (5,860) |
| Companhia de Gás do Ceará | | | | | | | | (1,410) |
| Taquari Participações S.A. | | | | | | | | (130) |
| | 44,791 | 97,051 | 141,842 | 11,992 | 11,139 | 23,131 | 646,407 | (24,360) |
| Associates | | | | | | | | |
| | 14,261 | | 14,261 | | | | | |

Arvedi Metalfer do Brasil
S.A.

| | | | | | | | | |
|----------------------------|----------------|----------------|------------------|----------------|------------------|------------------|----------------|------------------|
| Total at 9/30/2014 | 684,806 | 208,228 | 893,034 | 489,104 | 8,922,549 | 9,411,653 | 882,721 | (650,330) |
| Total at 12/31/2013 | 987,969 | 719,042 | 1,707,011 | 475,099 | 8,533,824 | 9,008,923 | | |
| Total at 9/30/2014 | | | | | | | 639,855 | (566,215) |

1. Refers to loans of the subsidiary FTL - Ferrovia Transnordestina Logística S.A to the jointly controlled entity Transnordestina Logística S.A.

2. Nacional Minérios S.A: Asset: Refers mainly to prepayment transactions with the indirect subsidiaries CSN Europe, CSN Export and CSN Ibéria. Contracts in US\$: interest equivalent to 5.37% to 6.80% p.a. with final maturity in June 2015. As of September 30, 2014, borrowings total R\$378,804 (R\$360,990 as of December 31, 2013) classified in short term.

Liability: The advance from customer received from jointly controlled entity Nacional Minérios S.A. refers to the contractual obligation of supply of iron ore and port services. The contract is subject to interest rate of 12.5% p.a. and expires in September 2042.

3. Transnordestina Logística S.A: Contracts in R\$: interest equivalent to 102.00% of the CDI with final maturity in March 2016. As of September 30, 2014, borrowings total R\$92,722 (R\$270,693 as of December 31, 2013) classified in short term.

- **By transaction**

| Assets | Current | Non-current | Total | Liabilities | Parent Company | |
|--------------------------------------|------------------|----------------|------------------|---|------------------|------------------|
| | | | | | Current | Non-current |
| Trade receivables (1) | 660,030 | | 660,030 | Borrowings and financing | | |
| Loans | 112,643 | 32,427 | 145,070 | Prepayment | 146,525 | 28,837 |
| Dividends receivable | 104,552 | | 104,552 | Fixed rate notes and intercompany bonds | 1,129,470 | 600,011 |
| Actuarial asset | | 96,665 | 96,665 | Related parties borrowings | 123,682 | 572,631 |
| Short-term and other investments (2) | 288,688 | 65,746 | 354,434 | Other payables | | |
| Other receivables (note 6) | 21,575 | 141,871 | 163,446 | Accounts payable | 475,388 | 382,762 |
| | | | | Advances from customers (3) | 46,990 | 357,792 |
| | | | | Trade payables | 91,073 | 91,073 |
| | | | | Actuarial liability | | 11,118 |
| Total at 9/30/2014 | 1,187,488 | 336,709 | 1,524,197 | Total at 9/30/2014 | 2,024,403 | 1,324,224 |
| Total at 12/31/2013 | 1,570,254 | 624,850 | 2,195,104 | Total at 12/31/2013 | 2,305,570 | 1,352,249 |

Statement of Income

| | |
|-----------------|-----------|
| Revenues | |
| Sales | 4,345,410 |
| Interest | 10,033 |
| Exclusive Funds | 56,341 |
| Expenses | |
| Purchases | (982,443) |

| | |
|---------------------------|------------------|
| Interest | (1,279,220) |
| Exchange differences | (395,695) |
| Total at 9/30/2014 | 1,754,426 |
| Total at 9/30/2014 | 1,113,205 |

1. Related parties receivables arise from product sales and service transactions between the parent and its subsidiaries and jointly controlled entities.

2. Short-term investments total R\$288,688 as of September 30, 2014 (R\$100,560 as of December 31, 2013) and investments in Usiminas shares classified as available-for-sale total R\$65,746 (R\$134,543 as of December 31, 2013).

3. Nacional Minérios S.A.: The advance from customer received from jointly controlled entity Nacional Minérios S.A. refers to the contractual obligation of supply of iron ore and port services. The contract is subject to interest rate of 12.5% p.a. and expires in September 2042.

- **By company**

| | Assets | | | Liabilities | | |
|--|----------------|----------------|----------------|------------------|------------------|-------------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| Subsidiaries | | | | | | |
| Companhia Siderúrgica Nacional, LLC | 37,044 | | 37,044 | | | |
| CSN Portugal, Unipessoal Lda. | | | | | | |
| CSN Europe Lda. | | | | 5,742 | 75,294 | 81,036 |
| CSN Resources S.A. ⁽¹⁾ | | | | 1,202,276 | 5,461,187 | 6,663,463 |
| CSN Export Europe, S.L. | | | | 78,829 | | 78,829 |
| Lusosider Aços Planos, S.A. | 36,038 | | 36,038 | | | |
| CSN Handel GmbH ⁽²⁾ | 237,192 | | 237,192 | | | |
| CSN Islands XII Corp. ⁽³⁾ | | | | 21,920 | 1,236,530 | 1,258,450 |
| CSN Ibéria Lda. | | | | | 63,088 | 63,088 |
| Companhia Metalúrgica Prada ⁽⁴⁾ | 198,302 | 2,800 | 201,102 | 24,539 | 196 | 24,735 |
| CSN Cimentos S.A. ⁽⁵⁾ | 17,271 | | 17,271 | 302 | 378,297 | 378,599 |
| Companhia Metalic Nordeste | 357 | | 357 | 32 | | 32 |
| Estanho de Rondônia S.A. | 2,852 | 7,115 | 9,967 | | | |
| Florestal Brasil S.A. | | 8,017 | 8,017 | | | |
| Sepetiba Tecon S.A. | 77,476 | | 77,476 | 3,620 | | 3,620 |
| Congonhas Minérios S.A. ⁽⁶⁾ | | | | 130,288 | 1,860,632 | 1,990,920 |
| Ferrovias Transnordestina Logística S.A. | | 29,473 | 29,473 | | 171,036 | 171,036 |
| CSN Energia S.A. | | | | 45,689 | | 45,689 |
| Companhia Brasileira de Latas | 28,486 | 78,193 | 106,679 | 26,745 | | 26,745 |
| Stahlwerk Thüringen GmbH | | | | | | |
| | 635,018 | 125,598 | 760,616 | 1,539,982 | 9,246,260 | 10,786,242 |
| Jointly controlled entities | | | | | | |
| Nacional Minérios S.A. | 65,880 | | 65,880 | 448,566 | 8,911,410 | 9,359,976 |
| Transnordestina Logística S.A. | 92,722 | 35,433 | 128,155 | | | |
| MRS Logística S.A. | 30,369 | | 30,369 | 14,302 | | 14,302 |
| CBSI - Companhia Brasileira de Serviços e Infraestrutura | 6,151 | 3,808 | 9,959 | 9,594 | | 9,594 |

| | | | | | | | |
|---|------------------|----------------|------------------|------------------|-------------------|-------------------|----------|
| CGPAR Construção Pesada S.A. | 9,608 | 9,236 | 18,844 | | | | |
| | 204,730 | 48,477 | 253,207 | 472,462 | 8,911,410 | 9,383,872 | |
| Other related parties | | | | | | | |
| CBS Previdência | | 96,665 | 96,665 | | 11,118 | 11,118 | |
| Fundação CSN | 319 | 223 | 542 | 16 | | 16 | |
| Usiminas | 46 | | 46 | 11,976 | | 11,976 | |
| Panatlântica | 44,426 | | 44,426 | | | | |
| Ibis Participações e Serviços Companhia de Gás do Ceará Taquari Participações S.A | | | | | | | |
| | 44,791 | 96,888 | 141,679 | 11,992 | 11,118 | 23,110 | |
| Associates | | | | | | | |
| Arvedi Metalfer do Brasil S.A. | 14,261 | | 14,261 | | | | |
| Exclusive funds | | | | | | | |
| Diplic, Mugen e Vértice | 288,688 | 65,746 | 354,434 | | | | |
| Total at 9/30/2014 | 1,187,488 | 336,709 | 1,524,197 | 2,024,436 | 18,168,788 | 20,193,224 | 4 |
| Total at 12/31/2013 | 1,570,254 | 624,850 | 2,195,104 | 2,302,367 | 15,574,882 | 17,877,249 | 3 |
| Total at 9/30/2013 | | | | | | | |

1. CSN Resources S.A.: Contracts in dollars of Prepayment, Fixed Rate Notes and Intercompany Bonds, interest of 9.13% with final maturity in June 2047. As of September 30, 2014, borrowings total R\$6,663,463 (R\$5,605,934 as of December 31, 2013) of which R\$1,202,276 is classified in short term and R\$5,461,187 is classified in long term.

2. CSN Handel GMBH: Receivables of R\$237,192 as of September 30, 2014 (R\$303,073 as of December 31, 2013), classified in short term. Refer to sales transactions on mining products.

3. CSN Islands XII Corp: Contracts in US\$: interest of 7.64% with final maturity in February 2025. As of September 30, 2014, borrowings total R\$1,258,450 (R\$353,569 as of December 31, 2013) of which R\$21,920 is classified in short term and R\$1,236,530 is classified in long term.

4. Companhia Metalúrgica Prada: Receivables of R\$198,302 as of September 30, 2014 (R\$201,726 as of December 31, 2013), classified in short term. Refers to the purchase of steel.

5. CSN Cimentos S.A.: Payables of R\$378,297 as of September 30, 2014 (R\$350,943 as of December 31, 2013), classified in long term related to the purchase of the clinker plant.

6. Congonhas Minérios S.A.: Contracts in R\$: interest of 101.50% of the CDI with final maturity in March 2018. As of September 30, 2014, borrowings total R\$1,972,613 (R\$1,930,194 as of December 31, 2013) of which R\$130,288 is classified in short term and R\$1,842,325 is classified in long term.

c) Key management personnel

The key management personnel, who have authority and responsibility for planning, directing and controlling the Company's activities, include the members of the Board of Directors and statutory directors. The following is information on the compensation of such personnel and the related balances as of September 30, 2014.

| | 9/30/2014 | 9/30/2013 |
|--|----------------------------|------------------|
| | Statement of Income | |
| Short-term benefits for employees and officers | 31,867 | 26,705 |
| Post-employment benefits | 52 | 94 |
| Other long-term benefits | n/a | n/a |
| Severance benefits | n/a | n/a |
| Share-based compensation | n/a | n/a |
| | 31,919 | 26,799 |

n/a – Not applicable

18. SHAREHOLDERS' EQUITY

i. Paid-in capital

Fully subscribed and paid-in capital as of September 30, 2014 and December 31, 2013 is R\$4,540,000 represented by 1,387,524,047 book-entry common shares (1,457,970,108 as of December 31, 2013), without par value. Each common share entitles its holder to one vote in Shareholders' Meetings.

ii. Authorized capital

The Company's bylaws in effect as of September 30, 2014 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

iii Legal reserve

This reserve is recognized at the rate of 5% of the profit for each period, as provided for by Article 193 of Law 6,404/76, up to the ceiling of 20% of share capital.

iv Ownership structure

As of September 30, 2014, the Company's ownership structure was as follows:

| | | | 9/30/2014 | | 12/31/2013 | |
|---|-------------------------------|-------------------------|---------------------|-------------------------------|----------------------|--|
| | Number of common shares | % of total shares | % voting capital | Number of common shares | % of total shares | |
| Vicunha Siderurgia S.A. | 697,719,990 | 50.29% | 50.53% | 697,719,990 | 47.86% | |
| Rio Iaco Participações S.A. (*) | 58,193,503 | 4.19% | 4.21% | 58,193,503 | 3.99% | |
| Caixa Beneficente dos Empregados da CSN - CBS | 12,788,231 | 0.92% | 0.93% | 12,788,231 | 0.88% | |
| BNDES Participações S.A. - BNDESPAR | 8,794,890 | 0.63% | 0.64% | 8,794,890 | 0.60% | |
| NYSE (ADRs) | 349,973,683 | 25.22% | 25.35% | 356,019,691 | 24.42% | |
| BM&FBovespa | 253,262,450 | 18.25% | 18.34% | 324,453,803 | 22.25% | |
| | 1,380,732,747 | 99.51% | 100.00% | 1,457,970,108 | 100.00% | |
| Treasury shares | 6,791,300 | 0.49% | | | | |
| Total shares | 1,387,524,047 | 100.00% | | 1,457,970,108 | 100.00% | |

(*) Rio Iaco Participação S. A. is a company part of the control group.

v. Treasury shares

The Board of Directors authorized several programs for repurchase of shares issued by the Company, to be held in treasury for subsequent sale or cancelation in order to maximize the generation of value to the shareholder through an efficient capital structure management, as shown in the table below:

| Program | Board Authorization | Quantity authorized | Term of the program | Average purchase price | Minimum and maximum purchase price | Quantity acquired |
|---------|------------------------|------------------------|-----------------------------|---------------------------|--|----------------------|
| 1º | 3/13/2014 | 70,205,661 | From 3/14/2014 to 4/14/2014 | R\$ 9.34 | R\$ 9.22 e R\$ 9.45 | 2,350,000 |
| 2º | 4/15/2014 | 67,855,661 | From 4/16/2014 to 5/23/2014 | R\$ 8.97 | R\$ 8.70 e R\$ 9.48 | 9,529,500 |
| 3º | 5/23/14 | 58,326,161 | From 5/26/2014 to 6/25/2014 | R\$ 9.21 | R\$ 8.61 e R\$ 9.72 | 31,544,500 |
| 4º | 6/26/14 | 26,781,661 | From 6/26/2014 to 7/17/2014 | R\$ 10.42 | R\$ 9.33 e R\$ 11.54 | 26,781,661 |
| | 7/18/14 | | | Non applicable | Non applicable | |
| 5º | 7/18/14 | 64,205,661 | From 7/18/2014 to 8/18/2014 | R\$ 11.40 | \$11.40 | 240,400 |
| | 8/19/14 | | | Non applicable | Non applicable | |

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| | | | | | | |
|--------|---------|------------|------------------------------|----------|----------------------|---------|
| 6º | 8/19/14 | 63,161,055 | From 8/19/2014 to 9/25/2014 | R\$ 9.82 | R\$ 9.47 e R\$ 10.07 | 6,791,3 |
| 7º (*) | 9/29/14 | 56,369,755 | From 9/29/2014 to 12/29/2014 | | | |

(*) Until September 30, 2014 there was no repurchase of shares under this program.

1. On July 18, 2014 and August 19, 2014, the Board of Directors approved the cancelation of 60,000,000 and 10,446,061 shares held in treasury, respectively, without any change in the amount of the Company's capital.

As of September 30, 2014, the position of the treasury shares was as follows:

| Quantity acquired (in units) | Total amount paid/payable for the shares | Minimum | Share price Maximum | Average | Share market price at 9/30/2014 (*) |
|------------------------------------|--|---------|------------------------|---------|---|
| 6,791,300 | R\$ 66,670 | R\$9.47 | R\$10.07 | R\$9.82 | R\$ 59,220 |

(*) The quotation of the shares on the BM&FBovespa as of September 30, 2014, of R\$8.72 per share, was used.

19. DIVIDENDS AND INTEREST ON CAPITAL

On February 28, 2014, the Board of Directors approved the proposal for payment, as advance of mandatory minimum dividend, from the retained earnings reserve (statutory reserve of working capital), the amount of R\$425,000 in dividends, corresponding to R\$ 0.29150 per share.

20. NET SALES REVENUE

Net sales revenue is comprised as follows:

| | Nine-month period ended | | Consolidated Three-month period ended | |
|----------------------|-------------------------|------------|--|-----------|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Gross revenue | | | | |
| Domestic market | 10,083,008 | 10,728,602 | 3,256,166 | 3,699,436 |
| Foreign market | 4,659,461 | 4,210,529 | 1,420,550 | 1,846,759 |

| | | | | |
|-------------------------------|--------------------|--------------------|------------------|------------------|
| | 14,742,469 | 14,939,131 | 4,676,716 | 5,546,195 |
| Deductions | | | | |
| Cancelled sales and discounts | (99,249) | (141,184) | (45,016) | (48,858) |
| Taxes levied on sales | (2,336,949) | (2,434,346) | (748,714) | (835,921) |
| | (2,436,198) | (2,575,530) | (793,730) | (884,779) |
| Net revenue | 12,306,271 | 12,363,601 | 3,882,986 | 4,661,416 |

| | Nine-month period ended | | Parent Company Three-month period ended | |
|-------------------------------|--------------------------------|--------------------|--|------------------|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Gross revenue | | | | |
| Domestic market | 9,209,018 | 9,901,371 | 2,918,104 | 3,393,243 |
| Foreign market | 2,760,901 | 2,287,710 | 874,509 | 1,123,363 |
| | 11,969,919 | 12,189,081 | 3,792,613 | 4,516,606 |
| Deductions | | | | |
| Cancelled sales and discounts | (88,039) | (141,918) | (40,874) | (51,687) |
| Taxes levied on sales | (2,068,932) | (2,175,033) | (659,403) | (734,089) |
| | (2,156,971) | (2,316,951) | (700,277) | (785,776) |
| Net revenue | 9,812,948 | 9,872,130 | 3,092,336 | 3,730,830 |

21. EXPENSES BY NATURE

| | Nine-month period | | Consolidated Three-month period | |
|---|--------------------|---------------------|------------------------------------|--------------------|
| | ended | | ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Raw materials and inputs | (4,019,809) | (4,370,900) | (1,302,431) | (1,533,895) |
| Labor cost | (1,253,600) | (1,170,721) | (442,531) | (415,768) |
| Supplies | (778,729) | (833,407) | (267,854) | (291,798) |
| Maintenance cost (services and materials) | (798,535) | (954,140) | (271,004) | (355,144) |
| Outsourcing services | (1,747,501) | (1,580,926) | (670,504) | (556,985) |
| Depreciation, amortization and depletion (Note 8 a) | (907,339) | (822,720) | (325,745) | (272,176) |
| Other | (217,682) | (403,520) | (10,414) | (148,098) |
| | (9,723,195) | (10,136,334) | (3,290,483) | (3,573,864) |

Classified as:

| | | | | |
|---|--------------------|---------------------|--------------------|--------------------|
| Cost of sales (Note 24) | (8,693,082) | (9,131,010) | (2,911,961) | (3,259,211) |
| Selling expenses (Note 24) | (691,619) | (666,415) | (268,052) | (208,791) |
| General and administrative expenses (Note 24) | (338,494) | (338,909) | (110,470) | (105,862) |
| | (9,723,195) | (10,136,334) | (3,290,483) | (3,573,864) |

| | Nine-month period | | Parent Company Three-month period ended | |
|---|--------------------|--------------------|--|--------------------|
| | ended | | ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Raw materials and inputs | (2,673,781) | (3,030,604) | (912,698) | (1,082,040) |
| Labor cost | (1,027,677) | (933,033) | (373,550) | (326,036) |
| Supplies | (746,274) | (797,730) | (257,831) | (277,844) |
| Maintenance cost (services and materials) | (777,208) | (919,819) | (264,074) | (344,084) |
| Outsourcing services | (1,123,789) | (1,081,322) | (401,225) | (413,456) |
| Depreciation, amortization and depletion (Note 8 a) | (746,930) | (677,653) | (270,252) | (224,970) |
| Other | (170,796) | (410,283) | (17,271) | (157,651) |
| | (7,266,455) | (7,850,444) | (2,496,901) | (2,826,081) |

Classified as:

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Cost of sales (Note 24) | (6,661,971) | (7,248,285) | (2,290,584) | (2,626,539) |
| Selling expenses (Note 24) | (324,964) | (366,150) | (113,556) | (126,726) |
| General and administrative expenses (Note 24) | (279,520) | (236,009) | (92,761) | (72,816) |
| | (7,266,455) | (7,850,444) | (2,496,901) | (2,826,081) |

22. OTHER OPERATING INCOME (EXPENSES)

| | Consolidated | | | |
|--|------------------------------------|------------------|-------------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Other operating income | | | | |
| Lawsuit indemnities/wins | 4,106 | 5,732 | 868 | 1,081 |
| Rentals and leases | 804 | 602 | 276 | 200 |
| Reversal of provisions | 20,790 | | 17,654 | (2,072) |
| Other revenues | 19,237 | 28,955 | 8,673 | 10,874 |
| | 44,937 | 35,289 | 27,471 | 10,083 |
| Other operating expenses | | | | |
| Taxes and fees | (20,112) | (32,572) | (1,420) | (16,153) |
| Provision for tax, social security, labor, civil and environmental risks, net of reversals | (15,180) | (155,101) | 28,322 | (44,516) |
| Contractual, nondeductible fines | (7,080) | (3,845) | (19) | 13,293 |
| Depreciation of unused equipment (Note 8 a) | (27,216) | (46,164) | (8,657) | (17,219) |
| Residual value of permanent assets written off (Note 8) | (12,935) | (26,805) | (7,114) | (970) |
| Inventory impairment losses/reversals (Note 5) | (4,250) | 16,262 | 5,317 | (431) |
| Spare losses | (20,651) | | (20,651) | |
| Expenses on studies and project engineering | (38,829) | (45,466) | (16,550) | (20,576) |
| Pension plan expenses | (43,074) | (35,051) | (16,522) | (13,325) |
| Impairment of available-for-sale financial assets | (72,104) | (5,002) | (19,989) | |
| REFIS effect Law n° 11.941/09 and Law n° 12.996/14, net | (37,308) | | (37,308) | |
| Other expenses | (17,355) | (73,648) | 3,905 | (42,744) |
| | (316,094) | (407,392) | (90,686) | (142,641) |
| Other operating income (expenses), net | (271,157) | (372,103) | (63,215) | (132,558) |

| | Parent Company | | | |
|-------------------------------|------------------------------------|------------------|-------------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Other operating income | | | | |
| Lawsuit indemnities/wins | 3,492 | 2,823 | 13 | 1,081 |
| Rentals and leases | 804 | 602 | 276 | 200 |
| Reversal of provisions | 3,136 | (34,862) | | (35,755) |

| | | | |
|--|------------------|----------------------|------------------|
| Other revenues | 4,934 | 7,829,448 | 5,657 |
| | 12,366 | (23,608,537) | (28,817) |
| Other operating expenses | | | |
| Taxes and fees | (16,313) | (20,552,482) | (3,364) |
| Provision for tax, social security, labor, civil and environmental risks, net of reversals | 10,818 | (155,368,443) | (45,157) |
| Contractual, nondeductible fines | (6,744) | 207 | 13,412 |
| Depreciation of unused equipment (Note 8 a) | (714) | (21,320) | (7,171) |
| Residual value of permanent assets written off (Note 8) | (11,970) | (7,761,880) | (509) |
| Inventory impairment losses/reversals (Note 5) | 253 | 16,188,431 | 1,361 |
| Spare losses | (20,651) | (20,651) | |
| Expenses on studies and project engineering | (38,409) | (44,708,134) | (20,287) |
| Pension plan expenses | (43,074) | (35,065,222) | (13,329) |
| Impairment of available-for-sale financial assets | (66,476) | (3,369,229) | |
| REFIS effect Law n° 11.941/09 and Law n° 12.996/14, net | (19,853) | (19,853) | |
| Other expenses | (9,726) | (64,888,552) | (39,133) |
| | (222,859) | (336,962,518) | (114,177) |
| Other operating income (expenses), net | (210,493) | (360,470,81) | (142,994) |

23. FINANCE INCOME (COSTS)

| | Consolidated | | |
|--|--------------------------|--------------------|---------------------|
| | Nine-month period | | Three-month |
| | ended | | period ended |
| | 9/30/2014 | 9/30/2013 | 9/30/2013 |
| Finance income | | | |
| Related parties (Note 17 b) | 36,442 | 772,047 | 362 |
| Income from short-term investments | 59,898 | 100,110 | 19,338 |
| Gains on derivatives (*) | | (3,183) | |
| Other income | 37,877 | 56,500 | 12,533 |
| | 134,217 | 157,382 | 24,735 |
| Finance costs | | | |
| Borrowings and financing - foreign currency | (512,832) | (545,944) | (184,154) |
| Borrowings and financing - local currency | (1,335,016) | (1,117,067) | (60,091) |
| Related parties (Note 17 b) | (332,035) | (309,760) | (12,422) |
| Capitalized interest (Notes 8 and 29) | 123,755 | 374,902 | 249,985 |
| Losses on derivatives (*) | (1,395) | (18,693) | (452) |
| Interest, fines and late payment charges | (120,514) | (53,403) | (39,812) |
| REFIS reopening effect Law 11.941/09, net | (118,657) | (118,657) | |
| Other finance costs | (144,663) | (109,299) | (44,341) |
| | (2,441,357) | (1,779,280) | (609,944) |
| Monetary variations and exchange differences, net | | | |
| Monetary variations, net | 6,877 | (29,627) | 2,160 |
| Exchange differences, net | (249,120) | 70,330 | (7,945) |
| Exchange losses on derivatives (*) | 48,790 | (1,002) | (28,535) |
| | (193,453) | 39,687 | (77,250) |
| Finance costs, net | (2,500,593) | (1,582,204) | (1,459) |
| (*) Statement of gains and losses on derivative transactions | | | |
| Dollar-to-CDI swap | (16,607) | 232 | 5,480 |
| Dollar-to-euro swap (NDF) | 34,602 | 193,398 | |
| Dollar-to-euro swap (NDF) | 23,570 | (5,031) | 22,895 |
| Dollar-to-euro swap | 7,225 | 3,851 | 6,762 |
| Yen-to-dollar swap | | (58) | 2 |
| | 48,790 | (1,002) | (28,535) |
| Libor-to-CDI swap | (943) | (3,385) | (1,091) |
| Fixed rate-to-CDI swap | (452) | (15,308) | (3,635) |
| | (1,395) | (18,693) | (3,635) |
| | 47,395 | (19,692) | (24,900) |
| | | | (10,767) |

| | Nine-month period ended | | Parent Company Three-month period ended |
|--|-------------------------|--------------------|--|
| | 9/30/2014 | 9/30/2013 | 9/30/2013 |
| Finance income | | | |
| Related parties (Note 17 b) | 66,374 | 35,602 | 10,284 |
| Income from short-term investments | 2,535 | 13,455 | 8,523 |
| Other income | 28,350 | 50,400 | 9,468 |
| | 97,259 | 98,893 | 28,275 |
| Finance costs | | | |
| Borrowings and financing - foreign currency | (81,639) | (53,021) | (18,335) |
| Borrowings and financing - local currency | (1,157,583) | (858,965) | (327,434) |
| Related parties (Note 17 b) | (1,279,220) | (1,142,705) | (395,948) |
| Capitalized interest (Notes 8 and 29) | 123,755 | 232,000 | 86,228 |
| Losses on derivatives (*) | (943) | (3,385) | (1,091) |
| Interest, fines and late payment charges | (109,451) | (64,953) | (24,066) |
| REFIS reopening effect Law 11.941/09, net | (115,309) | (115,309) | |
| Other finance costs | (127,381) | (81,362) | (35,585) |
| | (2,747,771) | (1,978,562) | (716,231) |
| Monetary variations and exchange differences, net | | | |
| Monetary variations, net | (16,740) | (26,603) | 4,979 |
| Exchange differences, net | (589,122) | (599,024) | (41,414) |
| | (605,862) | (625,627) | (36,435) |
| Finance costs, net | (3,256,374) | (2,510,389) | (724,391) |
| (*) Statement of gains and losses on derivative transactions | | | |
| Libor-to-CDI swap | (943) | (3,385) | (1,091) |
| | (943) | (3,385) | (1,091) |

24. SEGMENT INFORMATION

The information related to segment information did not have changes in relation to that disclosed in the Company's financial statements as of December 31, 2013 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of September 30, 2014.

According to the Group's structure, its businesses are distributed into five (5) operating segments.

| Profit or loss | Steel | Mining | Logistics Port | Railroads | Energy | Cem |
|---|------------------|------------------|---------------------------|------------------|----------------|------------|
| Metric tons (thou.) - (not reviewed) (*) | 3,924,689 | 18,484,709 | | | | 1,640 |
| Net revenues | | | | | | |
| Domestic market | 6,679,245 | 252,828 | 146,292 | 837,882 | 248,669 | 331 |
| Foreign market | 2,077,929 | 3,025,359 | | | | |
| Total net revenue (Note 20) | 8,757,174 | 3,278,187 | 146,292 | 837,882 | 248,669 | 331 |
| Cost of sales and services (Note 21) | (6,651,195) | (2,252,299) | (97,710) | (580,892) | (140,100) | (222) |
| Gross profit | 2,105,979 | 1,025,888 | 48,582 | 256,990 | 108,569 | 108 |
| General and administrative expenses (Note 21) | (495,232) | (49,445) | (1,143) | (75,093) | (14,742) | (50) |
| Depreciation (Note 8 a) | 601,073 | 253,517 | 7,361 | 119,937 | 12,818 | 27 |
| Proportionate EBITDA of jointly controlled entities | | | | | | |
| Adjusted EBITDA | 2,211,820 | 1,229,960 | 54,800 | 301,834 | 106,645 | 85 |
| Sales by geographic area | | | | | | |
| Asia | 21,553 | 2,930,527 | | | | |
| North America | 510,809 | | | | | |
| Latin America | 115,093 | | | | | |
| Europe | 1,414,530 | 94,832 | | | | |
| Other | 15,944 | | | | | |
| Foreign market | 2,077,929 | 3,025,359 | | | | |

| | | | | | | |
|------------------------|------------------|------------------|----------------|----------------|----------------|----------------|
| Domestic market | 6,679,245 | 252,828 | 146,292 | 837,882 | 248,669 | 331,119 |
| TOTAL | 8,757,174 | 3,278,187 | 146,292 | 837,882 | 248,669 | 331,119 |

| Profit or loss | Steel | Mining | Logistics Port | Railroads | Energy | Cem |
|---|------------------|----------------|---------------------------|------------------|---------------|----------------|
| Metric tons (thou.) - (not reviewed) (*) | 1,273,924 | 6,682,099 | | | | 588,000 |
| Net revenues | | | | | | |
| Domestic market | 2,138,428 | 70,903 | 39,308 | 334,640 | 96,948 | 119,119 |
| Foreign market | 649,297 | 843,078 | | | | |
| Total net revenue (Note 20) | 2,787,725 | 913,981 | 39,308 | 334,640 | 96,948 | 119,119 |
| Cost of sales and services (Note 21) | (2,173,391) | (795,965) | (32,728) | (219,481) | (48,986) | (85,000) |
| Gross profit | 614,334 | 118,016 | 6,580 | 115,159 | 47,962 | 33,119 |
| General and administrative expenses (Note 21) | (161,094) | (13,474) | (341) | (25,364) | (5,284) | (18,000) |
| Depreciation (Note 8 a) | 204,563 | 98,630 | 3,368 | 42,177 | 4,273 | 10,000 |
| Proportionate EBITDA of jointly controlled entities | | | | | | |
| Adjusted EBITDA | 657,803 | 203,172 | 9,607 | 131,972 | 46,951 | 25,119 |

Sales by geographic area

| | | | | | | |
|------------------------|------------------|----------------|---------------|----------------|---------------|----------------|
| Asia | 5,154 | 810,486 | | | | |
| North America | 178,882 | | | | | |
| Latin America | 47,706 | | | | | |
| Europe | 407,343 | 32,592 | | | | |
| Other | 10,212 | | | | | |
| Foreign market | 649,297 | 843,078 | | | | |
| Domestic market | 2,138,428 | 70,903 | 39,308 | 334,640 | 96,948 | 119,119 |
| TOTAL | 2,787,725 | 913,981 | 39,308 | 334,640 | 96,948 | 119,119 |

| Profit or loss | Steel | Mining | Logistics Port | Railroads | Energy | Cem |
|---|------------------|------------------|---------------------------|------------------|----------------|------------|
| Metric tons (thou.) - (not reviewed) (*) | 4,668,491 | 14,655,337 | | | | 1,502 |
| Net revenues | | | | | | |
| Domestic market | 7,324,839 | 236,511 | 132,598 | 776,337 | 155,096 | 307 |
| Foreign market | 1,967,717 | 3,140,340 | | | | |
| Total net revenue (Note 20) | 9,292,556 | 3,376,851 | 132,598 | 776,337 | 155,096 | 307 |
| Cost of sales and services (Note 21) | (7,514,714) | (1,883,276) | (66,324) | (525,072) | (118,741) | (207) |
| Gross profit | 1,777,842 | 1,493,575 | 66,274 | 251,265 | 36,355 | 100 |
| General and administrative expenses (Note 21) | (532,249) | (56,024) | (14,954) | (72,826) | (15,273) | (51) |
| Depreciation (Note 8 a) | 572,641 | 159,016 | 5,394 | 101,396 | 12,795 | 22 |
| Proportionate EBITDA of jointly controlled entities | | | | | | |
| Adjusted EBITDA | 1,818,234 | 1,596,567 | 56,714 | 279,835 | 33,877 | 71 |

Sales by geographic area

| | | | | | | |
|------------------------|------------------|------------------|----------------|----------------|----------------|------------|
| Asia | 19,479 | 2,468,611 | | | | |
| North America | 471,237 | | | | | |
| Latin America | 113,007 | | | | | |
| Europe | 1,342,435 | 671,729 | | | | |
| Other | 21,559 | | | | | |
| Foreign market | 1,967,717 | 3,140,340 | | | | |
| Domestic market | 7,324,839 | 236,511 | 132,598 | 776,337 | 155,096 | 307 |
| TOTAL | 9,292,556 | 3,376,851 | 132,598 | 776,337 | 155,096 | 307 |

| | Steel | Mining | Logistics Port | Railroads | Energy | Cem |
|---|------------------|------------------|---------------------------|------------------|---------------|------------|
| Metric tons (thou.) - (not reviewed) (*) | 1,531,044 | 6,534,083 | | | | 523 |
| Net revenues | | | | | | |
| Domestic market | 2,523,072 | 81,312 | 50,103 | 288,001 | 55,162 | 104 |
| Foreign market | 675,204 | 1,565,024 | | | | |
| Total net revenue (Note 20) | 3,198,276 | 1,646,336 | 50,103 | 288,001 | 55,162 | 104 |
| Cost of sales and services (Note 21) | (2,531,714) | (828,176) | (23,567) | (176,584) | (44,220) | (70) |
| Gross profit | 666,562 | 818,160 | 26,536 | 111,417 | 10,942 | 34 |
| General and administrative expenses (Note 21) | (194,590) | (1,708) | (4,721) | (26,333) | (5,307) | (18) |
| Depreciation (Note 8 a) | 200,067 | 55,317 | 1,846 | 34,539 | 4,272 | 7 |

Proportionate EBITDA of jointly controlled entities

| | | | | | | |
|---------------------------------|------------------|------------------|---------------|----------------|---------------|------------|
| Adjusted EBITDA | 672,039 | 871,769 | 23,661 | 119,623 | 9,907 | 23 |
| Sales by geographic area | | | | | | |
| Asia | 7,277 | 1,214,175 | | | | |
| North America | 161,054 | | | | | |
| Latin America | 39,163 | | | | | |
| Europe | 460,056 | 350,849 | | | | |
| Other | 7,654 | | | | | |
| Foreign market | 675,204 | 1,565,024 | | | | |
| Domestic market | 2,523,072 | 81,312 | 50,103 | 288,001 | 55,162 | 104 |
| TOTAL | 3,198,276 | 1,646,336 | 50,103 | 288,001 | 55,162 | 104 |

(*) The ore sales volumes presented in this note take into consideration Company sales and the interest in its subsidiaries and jointly controlled entities (Namisa 60%).

Adjusted EBITDA is the tool based on which the chief operating decision maker measures segment performance and the capacity to generate recurring operating cash, and consists of profit for the year less net finance income (costs), income tax and social contribution, depreciation and amortization, share of profits of investments, and other operating income (expenses), plus the proportional EBITDA of jointly controlled entities.

Even though it is an indicator used in segment performance measurements, EBITDA is not a measurement recognized by accounting practices adopted in Brazil or IFRS, does not have a standard definition, and may not be comparable with measurements using similar names provided by other entities.

As required by IFRS 8, the table below shows the reconciliation of the measurement used by the chief operating decision maker with the results determined using the accounting practices.

| | Consolidated | | | |
|---|--------------------------------|------------------|---------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Profit (Loss) for the period | (179,259) | 1,021,090 | (250,388) | 502,888 |
| Depreciation (Note 8 a) | 907,339 | 822,720 | 325,745 | 272,176 |
| Income tax and social contribution (Note 13) | 75,274 | (240,408) | 32,798 | 63,446 |
| Finance income (Note 23) | 2,500,593 | 1,582,220 | 944,459 | 597,118 |
| EBITDA | 3,303,947 | 3,185,622 | 1,052,614 | 1,435,628 |
| Other operating income (expenses) (Note 22) | 271,157 | 372,103 | 63,215 | 132,558 |
| Share of profits of investees | (84,689) | (507,738) | (197,581) | (208,458) |
| Proportionate EBITDA of jointly controlled entities | 228,482 | 598,444 | 58,259 | 292,024 |
| Adjusted EBITDA (*) | 3,718,897 | 3,648,431 | 976,507 | 1,651,752 |

(*) The Company discloses its adjusted EBITDA net of its share of profits of investments and other operating income (expenses) because it understands that these should not be included in the calculation of recurring operating cash generation.

25. EARNINGS PER SHARE (EPS)

| | Consolidated | | | |
|-------------------------------------|--------------------------------|------------------|---------------------------------|------------------|
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| | Common shares | | Common shares | |
| (Loss)Profit for the period | | | | |
| Attributed to owners of the Company | (173,056) | 1,021,477 | (250,105) | 499,682 |
| Weighted average number of shares | 1,429,584 | 1,457,970 | 1,388,837 | 1,457,970 |
| Basic and diluted EPS | (0.12105) | 0.70062 | (0.18008) | 0.34272 |
| | Nine-month period ended | | Three-month period ended | |
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| | Parent Company | | | |

| | Common shares | | Common shares | |
|-------------------------------------|---------------|-----------|---------------|-----------|
| (Loss)Profit for the period | | | | |
| Attributed to owners of the Company | (173,056) | 1,021,477 | (250,105) | 499,682 |
| Weighted average number of shares | 1,429,584 | 1,457,970 | 1,388,837 | 1,457,970 |
| Basic and diluted EPS | (0.12105) | 0.70062 | (0.18008) | 0.34272 |

26. GUARANTEES

The Company is liable for guarantees for its subsidiaries and jointly controlled entities, as follows:

| | Currency | Maturities | Loans | | Tax foreclo |
|--------------------------------|----------|---------------------------------|------------------|------------------|----------------------|
| | | | 9/30/2014 | 12/31/2013 | 9/30/2014 12/31/2013 |
| Transnordestina Logística | R\$ | Up to 9/19/2056 and indefinite | 2,485,181 | 1,875,360 | 38,766 |
| FTL - Ferrovia Transnordestina | R\$ | 11/15/2020 | 140,550 | 125,250 | |
| CSN Cimentos | R\$ | Up to 10/25/2015 and indefinite | | | 26,423 |
| Prada | R\$ | Up to 2/10/2016 and indefinite | | | 10,133 |
| CSN Energia | R\$ | Indefinite | | | 2,829 |
| Congonhas Minérios | R\$ | 5/21/2019 | 2,000,000 | 2,000,000 | |
| Fundação CSN | R\$ | Indefinite | 1,003 | 1,003 | |
| Estanho de Rondônia | R\$ | 12/31/2014 | | | |
| Others (*) | R\$ | 12/31/2014 | 12,000 | | |
| Total in R\$ | | | 4,638,734 | 4,001,613 | 78,151 |
| CSN Islands IX | US\$ | 1/15/2015 | 400,000 | 400,000 | |
| CSN Islands XI | US\$ | 9/21/2019 | 750,000 | 750,000 | |
| CSN Islands XII | US\$ | Perpetual | 1,000,000 | 1,000,000 | |
| CSN Resources | US\$ | 7/21/2020 | 1,200,000 | 1,200,000 | |
| Sepetiba Tecon | US\$ | | | 15,708 | |

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| | | | | | |
|-----------------------|------|------------|-------------------|-------------------|---------------|
| CSN Handel | US\$ | 6/27/2015 | 100,000 | 100,000 | |
| Total in US\$ | | | 3,450,000 | 3,465,708 | |
| CSN Steel S.L. | EUR | 1/31/2020 | 120,000 | 120,000 | |
| Lusosider Aços Planos | EUR | Indefinite | 25,000 | | |
| Total in EUR | | | 145,000 | 120,000 | |
| Total in R\$ | | | 8,904,783 | 8,505,948 | |
| | | | 13,543,517 | 12,507,561 | 78,151 |

(*) CSN Corporate Guarantee with the subsidiaries CSN Cimentos, Nacional Minérios, Companhia Metalúrgica Prada, Cia Metalic Nordeste, Sepetiba Tecon and CSN Energia.

27. COMMITMENTS**a. Take-or-pay contracts**

As of September 30, 2014, the Company was a party to take-or-pay contracts as shown in the following table:

| Type of service | Payments in the period | | | | | | | Total |
|---|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------------|------------------|
| | 2013 | 2014 | 2014 | 2015 | 2016 | 2017 | After 2017 | |
| Transportation of iron ore, coal, coke, steel products, cement and mining products. | 219,147 | 216,766 | 358,032 | 584,537 | 544,767 | 516,974 | 4,430,280 | 6,434,590 |
| Unloading, storage, movement, loading and railroad transportation services. | | 4,915 | 3,339 | 9,046 | 3,769 | | | 16,154 |
| Supply of power, natural gas, oxygen, nitrogen, argon and iron ore pellets. | 635,875 | 727,928 | 7,214 | 127,935 | 127,935 | 26,396 | 157,492 | 446,972 |
| Processing of slag generated during pig iron and steel production | 36,157 | 38,601 | 359 | 9,731 | 7,074 | 7,074 | 44,212 | 68,450 |
| Manufacturing, repair, recovery | 30,823 | 33,060 | | | | | | |

and production
of ingot casting
machine units.

922,002 1,021,270 368,944 731,249 683,545 550,444 4,631,984 6,966,166

b. Concession agreements

Minimum future payments related to government concessions as of September 30, 2014 fall due according to the schedule set out in the following table:

| Company Concession | Type of service | 2014 | 2015 | 2016 | 2017 | After 2017 | Total |
|--|---|-------------|-------------|-------------|-------------|-------------------|------------------|
| MRS | 30-year concession, renewable for another 30 years, to provide iron ore railway transportation services from the Casa de Pedra mines, in Minas Gerais, coke and coal from the Itaguaí Port, in Rio de Janeiro, to Volta Redonda, transportation of export goods to the Itaguaí and Rio de Janeiro Ports, and shipping of finished goods to the domestic market. | 23,344 | 90,697 | 90,697 | 90,697 | 748,248 | 1,043,683 |
| FTL (Ferrovia Transnordestina Logística) | 30-year concession granted on December 31, 1997, renewable for another 30 years for the development of public utility to operate the Northeastern railway system. The railway system covers 4,238 kilometers of railroads in | 1,908 | 7,281 | 7,281 | 7,281 | 68,559 | 92,310 |

the states of Maranhão,
Piauí, Ceará, Paraíba,
Pernambuco, Alagoas
and Rio Grande do Norte.

| | | | | | | | |
|-------|---|----------------|----------------|----------------|----------------|------------------|------------------|
| Tecar | Concession to operate TECAR, a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, in Rio de Janeiro, for a period ending 2022 and renew able for another 25 years. | 126,989 | 263,858 | 263,858 | 263,858 | 1,319,290 | 2,237,853 |
| Tecon | 25-year concession granted in July 2001, renewable for another 25 years, to operate the container terminal at the Itaguaí Port. | 6,491 | 25,965 | 25,965 | 25,965 | 207,724 | 292,110 |
| | | 158,732 | 387,801 | 387,801 | 387,801 | 2,343,821 | 3,665,956 |

28. INSURANCE

In 2014, after negotiation with insurers and reinsurers in Brazil and abroad, an Insurance Issue Certificate was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from September 30, 2014 to September 30, 2015. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US\$600,000,000 and covers the following units and subsidiaries of the Company:

Usina Presidente Vargas, Mineração Casa de Pedra, CSN Paraná, Terminal de Cargas Tecar, Terminal Tecon, Namisa, CSN Handel and Namisa Handel. CSN takes responsibility for a range of retention of US\$375,000,000 in excess of the deductibles for property damages and loss of profits.

In view of their nature, the risk assumptions adopted are not part of the scope of an audit of condensed interim financial statements and, accordingly, were not reviewed by our independent auditors.

29. ADDITIONAL INFORMATION TO CASH FLOWS

| | Consolidated | | Parent Company | |
|---|---------------------|------------------|-----------------------|------------------|
| | 9/30/2014 | 9/30/2013 | 9/30/2014 | 9/30/2013 |
| Income tax and social contribution paid | 81,618 | 26,493 | 20,470 | |
| Increase of PP&E with interest capitalization | 123,755 | 374,902 | 123,755 | 232,064 |
| | 205,373 | 401,395 | 144,225 | 232,064 |

30. STATEMENT OF COMPREHENSIVE INCOME

| | Nine-month period ended | | |
|--|--------------------------------|------------------|------------------|
| | 9/30/2014 | 9/30/2013 | 9/30/2012 |
| Profit for the period | (179,259) | 1,021,090 | (25,000) |
| Other comprehensive income | | | |
| Items that will not be subsequently reclassified to the statement of income | | | |
| Actuarial gains on defined benefit pension plan from investments in subsidiaries | 1,710 | | |
| | 1,710 | | |
| Items that could be subsequently reclassified to the statement of income | | | |

| | | | |
|---|--------------------|------------------|-------------|
| Cumulative translation adjustments for the period | (26,602) | 128,932 | |
| Available-for-sale financial assets | (1,241,037) | (459,517) | (15) |
| Income tax and social contribution on available-for-sale financial assets | 421,952 | 156,236 | |
| Available-for-sale financial assets from investments in subsidiaries | | | |
| Impairment of available-for-sale financial assets | 72,104 | 5,002 | |
| Income tax and social contribution on impairment of available-for-sale financial assets | (24,515) | (1,701) | |
| (Loss)/gain on the percentage change of investments | (73,054) | | (7) |
| | (871,152) | (171,048) | (9) |
| | (869,442) | (171,048) | (9) |
| Total comprehensive income for the period | (1,048,701) | 850,042 | (34) |
| Attributable to: | | | |
| Owners of the Company | (1,042,498) | 850,429 | (34) |
| Non-controlling interests | (6,203) | (387) | |
| | (1,048,701) | 850,042 | (34) |

| | Nine-month period ended | | Par |
|---|-------------------------|------------------|------------------|
| | 9/30/2014 | 9/30/2013 | Thre 9/30/201 |
| Profit for the period | (173,056) | 1,021,477 | (250,10 |
| Other comprehensive income | | | |
| Items that will not be subsequently reclassified to the statement of income | | | |
| Actuarial gains on defined benefit pension plan from investments in subsidiaries | 1,710 | | |
| | 1,710 | | |
| Items that could be subsequently reclassified to the statement of income | | | |
| Cumulative translation adjustments for the period | (26,602) | 128,932 | 60,74 |
| Available-for-sale financial assets | (1,208,939) | (203,457) | (149,47 |
| Income tax and social contribution on available-for-sale financial assets | 411,039 | 69,175 | 50,82 |
| Available-for-sale financial assets from investments in subsidiaries | (17,470) | (167,922) | |
| Impairment of available-for-sale financial assets | 66,476 | 3,369 | 18,42 |
| Income tax and social contribution on impairment of available-for-sale financial assets | (22,602) | (1,145) | (6,26 |
| (Loss)/gain on the percentage change of investments | (73,054) | | (73,05 |
| | (871,152) | (171,048) | (98,79 |
| | (869,442) | (171,048) | (98,79 |
| Total comprehensive income for the period | (1,042,498) | 850,429 | (348,90 |
| Attributable to: | | | |
| Owners of the Company | (1,042,498) | 850,429 | (348,90 |
| | (1,042,498) | 850,429 | (348,90 |

Companhia Siderúrgica Nacional

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of

Companhia Siderúrgica Nacional

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Siderúrgica Nacional (“the Company”), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the nine-month period ended September 30, 2014, which comprises the balance sheet as of September 30, 2014 and the related statements of income, and of comprehensive income, for the nine-months periods then ended and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Company’s management is responsible for the preparation of the individual interim financial information in accordance with technical pronouncement CPC 21 (R1) – Interim Financial Information and of the consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1), applicable to the preparation of the Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added (DVA), for the nine-month period ended September 30, 2014, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR), and considered as supplemental information for International Financial Reporting Standards – IFRS, which do not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 13, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Roberto Wagner Promenzio
Engagement Partner

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 26, 2014

COMPANHIA SIDERÚRGICA NACIONAL

By: _____ /s/ Benjamin Steinbruch

Benjamin Steinbruch
Chief Executive Officer

By: _____ /s/ David Moise Salama

David Moise Salama
Investor Relations Executive Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
