

NATIONAL STEEL CO  
Form 6-K/A  
December 18, 2017

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 6-K/A

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

For the month of December, 2017  
Commission File Number 1-14732

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### COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

#### National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes  No

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1**

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:**  
**1**

**Company Information / Capital Breakdown**

<b>Number of Shares</b>	<b>Current Quarter</b>
<b>(Units)</b>	<b>06/30/2016</b>
<b>Paid-in Capital</b>	
<b>Common</b>	1,387,524,047
<b>Preferred</b>	0
<b>Total</b>	1,387,524,047
<b>Treasury Shares</b>	
<b>Common</b>	30,391,000
<b>Preferred</b>	0
<b>Total</b>	30,391,000

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Previous	
		Current Quarter 06/30/2016	Year 12/31/2015
1	Total assets	40,523,192	44,570,369
1.01	Current assets	7,745,548	8,842,440
1.01.01	Cash and cash equivalents	2,487,468	1,885,199
1.01.02	Financial investments	109,092	763,599
1.01.02.02	Financial investments measured at amortized cost	0	763,599
1.01.03	Trade receivables	2,245,449	2,467,523
1.01.04	Inventories	2,233,580	2,850,744
1.01.08	Other current assets	669,959	875,375
1.02	Non-current assets	32,777,644	35,727,929
1.02.01	Long-term receivables	1,225,883	1,281,470
1.02.01.09	Other non-current assets	1,225,883	1,281,470
1.02.02	Investments	22,246,875	25,517,369
1.02.03	Property, plant and equipment	9,245,398	8,866,348
1.02.04	Intangible assets	59,488	62,742

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Statements / Balance Sheet – Liabilities  
(R\$ thousand)**

Code	Description	Current Quarter	Previous Year
		06/30/2016	12/31/2015
2	Total liabilities	40,523,192	44,570,369
2.01	Current liabilities	3,533,932	4,272,372
2.01.01	Payroll and related taxes	142,050	141,496
2.01.02	Trade payables	748,094	742,364
2.01.03	Taxes payable	57,989	5,814
2.01.04	Borrowings and financing	2,174,927	2,879,073
2.01.05	Other payables	325,240	411,699
2.01.06	Provisions	85,632	91,926
2.01.06.01	Provision for tax, social security, labor and civil risks	85,632	91,926
2.02	Non-current liabilities	30,950,159	34,334,488
2.02.01	Borrowings and financing	27,903,434	31,109,017
2.02.02	Other payables	88,404	126,450
2.02.03	Deferred taxes	663,581	666,081
2.02.04	Provisions	2,294,740	2,432,940
2.02.04.01	Provision for tax, social security, labor and civil risks	544,323	564,372
2.02.04.02	Other provisions	1,750,417	1,868,568
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	249,486	259,115
2.02.04.02.04	Pension and healthcare plan	514,367	514,367
2.02.04.02.05	Provision for losses on investments	986,564	1,095,086
2.03	Consolidated Shareholders' equity	6,039,101	5,963,509
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04.02	Earnings reserves	238,976	238,976
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/(Losses)	-1,121,552	-367,214

2.03.08

Other comprehensive income

2,620,623 1,790,693

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Statements / Statements of income  
(R\$ thousand)**

Code	Description	Current Quarter	Year To	Same	YTD
		04/01/2016 to 06/30/2016	Date 01/01/2016 to 06/30/2016	Quarter Previous Year 04/01/2015 to 06/30/2015	Previous Year 01/01/2015 to 06/30/2015
3.01	Net revenue from sales and/or services	2,191,674	4,169,314	2,870,847	5,928,879
3.02	Cost of sales and/or services	-1,906,666	-3,545,062	-2,267,849	-4,457,281
3.03	Gross profit	285,008	624,252	602,998	1,471,598
3.04	Operating expenses/income	-636,568	-1,493,524	-760,491	253,539
3.04.01	Selling expenses	-137,596	-306,229	-148,232	-294,150
3.04.02	General and administrative expenses	-72,367	-195,627	-90,806	-175,370
3.04.04	Other operating income	1,730	4,570	8,547	12,269
3.04.05	Other operating expenses	-86,927	-189,469	-204,927	-406,687
3.04.06	Equity in income of affiliates	-341,408	-806,769	-325,073	1,117,477
3.05	Profit before finance income (costs) and taxes	-351,560	-869,272	-157,493	1,725,137
3.06	Finance income (costs)	380,363	112,485	-555,237	-2,583,592
3.06.01	Finance income	68,242	86,671	-87,637	407,056
3.06.02	Finance expenses	312,121	25,814	-467,600	-2,990,648
3.06.02.01	Net exchange difference on financial instruments	1,091,248	2,134,372	310,866	-1,349,106
3.06.02.02	Finance expenses	-779,127	-2,108,558	-778,466	-1,641,542
3.07	Profit (loss) before taxes on income	28,803	-756,787	-712,730	-858,455
3.08	Income tax and social contribution	2,050	2,449	98,462	636,243
3.09	Profit (loss) from continuing operations	30,853	-754,338	-614,268	-222,212
3.11	Profit (loss) for the year	30,853	-754,338	-614,268	-222,212

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3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.02273	-0.55583	-0.45262	-0.16373



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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Current Quarter	Year to date	Same Quarter Previous Year	YTD Previous Year
		04/1/2016 to 06/30/2016	1/1/2016 to 06/30/2016	4/1/2015 to 06/30/2015	1/1/2015 to 06/30/2015
4.01	Profit (loss) for the year	30,853	-754,338	-614,268	-222,212
4.02	Other comprehensive income	412,619	829,930	-377,048	-14,035
4.02.01	Actuarial (losses) gains on defined benefit plan from investments in subsidiaries, net of taxes	29	114	-221	-96
4.02.02	Actuarial (losses) gains on defined benefit	0	0	348	348
4.02.03	Income tax and social contribution on actuarial (losses) gains on defined benefit	0	0	-118	-118
4.02.04	Cumulative translation adjustments for the year	-278,981	-460,092	-7,815	168,956
4.02.05	Available-for-sale assets	95,500	127,853	-594,881	2,254
4.02.06	Income tax and social contribution on available-for-sale assets	0	0	202,259	-767
4.02.07	Available-for-sale assets from investments in subsidiaries, net of taxes	0	0	-89,516	-20,817
4.02.08	Impairment of available-for-sale assets	0	0	89,434	97,851
4.02.09	Income tax and social contribution on impairment of available-for-sale assets	0	0	-30,407	-33,269
4.02.10	(Loss) / gain on the percentage change in investments	584	584	-43	-43
4.02.11	(Loss) gain on cash flow hedge accounting	538,461	1,072,884	81,685	-345,960

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4.02.12	Income tax and social contribution on cash flow hedge accounting	0	0	-27,773	117,626
4.02.13	Realization of cash flow hedge reclassified to the income statement	7,826	20,523	0	0
4.02.14	(Loss) gain on net investment hedge	49,200	68,064	0	0
4.03	Comprehensive income for the year	443,472	75,592	-991,316	-236,247

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Year To Date	YTD Previous Year
		01/01/2016 to 06/30/2016	01/01/2015 to 6/30/2015
6.01	Net cash generated by operating activities	1,096,182	330,933
6.01.01	Cash generated from operations	-871,793	1,998,343
6.01.01.01	Profit (loss) for the year	-754,338	-222,212
6.01.01.02	Charges on borrowings and financing	1,257,102	1,575,442
6.01.01.03	Charges on loans and financing granted	-17,550	-9,535
6.01.01.04	Depreciation, depletion and amortization	275,222	424,556
6.01.01.05	Equity in income (losses) of affiliates	806,769	-1,117,477
6.01.01.06	Deferred income tax and social contribution	-2,500	-642,283
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	-26,343	146,453
6.01.01.09	Inflation adjustment and exchange differences, net	-2,436,646	1,720,814
6.01.01.11	Impairment of available-for-sale assets	0	97,851
6.01.01.12	Residual value of permanent assets written off	20,729	3,907
6.01.01.14	Other provisions	5,762	20,827
6.01.02	Changes in assets and liabilities	1,967,975	-1,667,410
6.01.02.01	Trade receivables - third parties	-66,349	-172,718
6.01.02.02	Trade receivables - related parties	272,198	-158,525
6.01.02.03	Inventories	617,162	-328,120
6.01.02.04	Receivables - related parties / Dividends	-7,350	-1,550
6.01.02.05	Recoverable taxes	199,099	-59,206
6.01.02.06	Judicial deposits	32,595	-13,396
6.01.02.07	Dividends received - related parties	2,300,090	0
6.01.02.10	Trade payables	5,618	277,095
6.01.02.11	Payroll and related taxes	-135	-24,717
6.01.02.12	Taxes in installments - REFIS	55,379	-27,922
6.01.02.14	Payables to related parties	-22,840	41,557
6.01.02.16	Interest paid	-1,324,899	-1,205,227
6.01.02.17	Interest received	0	651
6.01.02.19	Other	-92,593	4,668

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6.02	Net cash used in investing activities	-82,009	-51,015
6.02.01	Investments / Advances for future capital increase	-212,939	-18,452
6.02.02	Purchase of property, plant and equipment	-608,265	-828,458
6.02.03	Cash reduction of subsidiaries and joint ventures	0	129,745
6.02.04	Capital reduction in subsidiary and joint venture	0	486,758
6.02.08	Intercompany loans granted	0	-25,143
6.02.09	Intercompany loans received	0	5,546
6.02.10	Exclusive funds	84,688	198,989
6.02.11	Financial Investments, net of redemption	654,507	0
6.03	Net cash used in financing activities	-389,838	-1,184,399
6.03.01	Borrowings and financing, net of transaction cost	-26,018	595,000
6.03.02	Borrowings and financing - related parties	40,239	0
6.03.03	Funding Forfaiting / drawee Risk	78,240	386,143
6.03.04	Payment Forfaiting / drawee Risk	-257,631	-562,948
6.03.05	Amortization of principal on borrowings and financing	-184,429	-585,436
6.03.06	Amortization of principal on borrowings and financing - related parties	-40,239	-457,936
6.03.07	Payments of dividends and interests on shareholder's equity	0	-549,832
6.03.08	Treasury shares	0	-9,390
6.04	Exchange differences on translating cash and cash equivalents	-22,066	0
6.05	Increase (decrease) in cash and cash equivalents	602,269	-904,481
6.05.01	Cash and equivalents at the beginning of the year	1,885,199	3,146,393
6.05.02	Cash and equivalents at the end of the year	2,487,468	2,241,912

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2016 to 06/30/2016  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000	30	0	-367,214	1,790,693	5,963,509
5.03	Adjusted opening balances	4,540,000	30	0	-367,214	1,790,693	5,963,509
5.05	Total comprehensive income	0	0	0	-754,338	829,930	75,592
5.05.01	Profit (loss) for the year	0	0	0	-754,338	0	-754,338
5.05.02	Other comprehensive income	0	0	0	0	829,930	829,930
5.05.02.04	Translation adjustments for the year	0	0	0	0	-460,092	-460,092
5.05.02.08	Actuarial gains(losses) on defined benefit pension plan, net of taxes	0	0	0	0	114	114
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584
5.05.02.11		0	0	0	0	1,072,884	1,072,884

	(Loss) / gain on hedge accounting, net of taxes						
	Realization of cash flow hedge						
5.05.02.12	accounting reclassified to income statement	0	0	0	0	20,523	20,523
5.05.02.13	(Loss) / gain on foreign investment hedge	0	0	0	0	68,064	68,064
5.07	Closing balance	4,540,000	30	0	-1,121,552	2,620,623	6,039,101

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2015 to 06/30/2015  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000		30 1,131,298	0	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000		30 1,131,298	0	25,140	5,696,468
5.04	Capital transactions with shareholders	0	0	-284,390	0	0	-284,390
5.04.04	Treasury Shares Acquired	0	0	-9,390	0	0	-9,390
5.04.06	Dividends	0	0	-275,000	0	0	-275,000
5.05	Total comprehensive income	0	0	0	-222,212	-14,035	-236,247
5.05.01	Profit for the year	0	0	0	-222,212	0	-222,212
5.05.02	Other comprehensive income	0	0	0	0	-14,035	-14,035
5.05.02.04	Translation adjustments for the year	0	0	0	0	168,956	168,956
5.05.02.08	Actuarial gains(losses) on defined benefit pension plan, net of taxes	0	0	0	0	134	134
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	45,252	45,252

5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	-43	-43
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	-228,334	-228,334
5.07	Closing balance	4,540,000	30	846,908	-222,212	11,105	5,175,831



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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Year to Date	YTD Prior Year
		01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015
7.01	Revenues	5,137,596	7,173,036
7.01.01	Sales of products and services	5,161,434	7,128,823
7.01.02	Other revenues	-14,507	62,125
7.01.04	Allowance for (reversal of) doubtful debts	-9,331	-17,912
7.02	Raw materials acquired from third parties	-4,128,170	-5,054,210
7.02.01	Cost of sales and services	-3,658,296	-3,996,450
7.02.02	Materials, electric power, outside services and other	-467,883	-954,824
7.02.03	Impairment/recovery of assets	-1,991	-5,085
7.02.04	Other	0	-97,851
7.02.04.01	Impairment of available-for-sale assets	0	-97,851
7.03	Gross value added	1,009,426	2,118,826
7.04	Retentions	-275,222	-424,556
7.04.01	Depreciation, amortization and depletion	-275,222	-424,556
7.05	Wealth created	734,204	1,694,270
7.06	Value added received as transfer	-1,038,952	2,126,557
7.06.01	Equity in income of affiliates	-806,769	1,117,477
7.06.02	Finance income	86,671	407,056
7.06.03	Other	-318,854	602,024
7.06.03.01	Other and exchange gains	-318,854	602,024
7.07	Wealth for distribution	-304,748	3,820,827
7.08	Wealth distributed	-304,748	3,820,827
7.08.01	Personnel	562,304	679,471
7.08.01.01	Salaries and wages	429,873	518,615
7.08.01.02	Benefits	99,496	127,447
7.08.01.03	Severance pay fund (FGTS)	32,935	33,409
7.08.02	Taxes, fees and contributions	227,638	-226,792
7.08.02.01	Federal	178,213	-293,008
7.08.02.02	State	49,425	62,039

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7.08.02.03	Municipal	0	4,177
7.08.03	Remuneration on third-party capital	-340,352	3,590,360
7.08.03.01	Interest	2,108,926	1,641,127
7.08.03.02	Leases	5,215	4,874
7.08.03.03	Other	-2,454,493	1,944,359
7.08.03.03.01	Other and exchange losses	-2,454,493	1,944,359
7.08.04	Remuneration on Shareholders capital	-754,338	-222,212
7.08.04.03	Retained earnings (accumulated losses)	-754,338	-222,212

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Balance Sheet - Assets  
(R\$ thousand)**

Code	Description	Current Quarter	Previous Year
		06/30/2016	12/31/2015
1	Total assets	43,145,687	47,339,409
1.01	Current assets	11,925,609	16,430,691
1.01.01	Cash and cash equivalents	5,139,041	7,861,052
1.01.02	Financial investments	322,925	763,599
1.01.02.02	Financial investments measured at amortized cost	322,925	763,599
1.01.03	Trade receivables	1,688,377	1,578,277
1.01.04	Inventories	3,834,048	4,941,314
1.01.08	Other current assets	941,218	1,286,449
1.02	Non-current assets	31,220,078	30,908,718
1.02.01	Long-term receivables	1,605,680	1,661,987
1.02.01.06	Deferred taxes	73,108	78,066
1.02.01.09	Other non-current assets	1,532,572	1,583,921
1.02.02	Investments	4,400,294	3,998,239
1.02.03	Property, plant and equipment	17,908,164	17,826,226
1.02.04	Intangible assets	7,305,940	7,422,266

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Balance Sheet – Liabilities  
(R\$ thousand)**

Code	Description	Previous	
		Current Quarter 06/30/2016	Year 12/31/2015
2	Total liabilities	43,145,687	47,339,409
2.01	Current liabilities	4,181,108	5,082,199
2.01.01	Payroll and related taxes	261,743	256,840
2.01.02	Trade payables	1,194,942	1,293,008
2.01.03	Taxes payable	397,148	457,391
2.01.04	Borrowings and financing	1,337,872	1,874,681
2.01.05	Other payables	865,285	1,073,017
2.01.06	Provisions	124,118	127,262
2.01.06.01	Provision for tax, social security, labor and civil risks	124,118	127,262
2.02	Non-current liabilities	31,774,542	35,165,992
2.02.01	Borrowings and financing	29,004,967	32,407,834
2.02.02	Other payables	137,032	131,284
2.02.03	Deferred taxes	1,103,443	1,072,033
2.02.04	Provisions	1,529,100	1,554,771
2.02.04.01	Provision for tax, social security, labor and civil risks	690,707	711,472
2.02.04.02	Other provisions	838,393	843,299
2.02.04.02.03	Provision for environmental liabilities and asset retirement obligations	324,025	328,931
2.02.04.02.04	Pension and healthcare plan	514,368	514,368
2.03	Consolidated Shareholders' equity	7,190,037	7,091,288
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04.02	Earnings reserves	238,976	238,976
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/(Losses)	-1,121,552	-367,214
2.03.08	Other comprehensive income	2,620,623	1,790,693
2.03.09	Non-controlling interests	1,150,963	1,127,779



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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statements of Income  
(R\$ thousand)**

Code	Description	Current Quarter	Year To	Same	YTD
		04/01/2016 to 06/30/2016	Date 01/01/2016 to 06/30/2016	Quarter Previous Year 04/01/2015 to 06/30/2015	Previous Year 01/01/2015 to 06/30/2015
3.01	Net revenue from sales and/or services	4,185,078	8,193,149	3,687,140	7,697,392
3.02	Cost of sales and/or services	-3,262,639	-6,344,665	-2,847,095	-5,872,628
3.03	Gross profit	922,439	1,848,484	840,045	1,824,764
3.04	Operating expenses/income	-651,166	-1,343,279	-688,079	-913,813
3.04.01	Selling expenses	-394,183	-844,604	-311,344	-612,174
3.04.02	General and administrative expenses	-104,230	-264,341	-109,897	-219,742
3.04.04	Other operating income	11,746	34,018	12,562	18,524
3.04.05	Other operating expenses	-182,927	-331,759	-235,578	-455,077
3.04.06	Equity in income of affiliates	18,428	63,407	-43,822	354,656
3.05	Profit before finance income (costs) and taxes	271,273	505,205	151,966	910,951
3.06	Finance income (costs)	-197,019	-1,093,958	-771,695	-1,641,395
3.06.01	Finance income	140,729	383,883	43,477	99,613
3.06.02	Finance Expenses	-337,748	-1,477,841	-815,172	-1,741,008
3.06.02.01	Net exchange difference on financial instruments	487,675	169,435	-7,223	-72,466
3.06.02.02	Finance Expenses	-825,423	-1,647,276	-807,949	-1,668,542
3.07	Profit (loss) before taxes on income	74,254	-588,753	-619,729	-730,444
3.08	Income tax and social contribution	-28,131	-141,821	5,136	507,653
3.09	Profit (loss) from continuing operations	46,123	-730,574	-614,593	-222,791
3.11	Consolidated profit (loss) for the year	46,123	-730,574	-614,593	-222,791
3.11.01		30,853	-754,338	-614,268	-222,212

	Attributed to controlling Shareholders				
3.11.02	Attributed to non-controlling Shareholders	15,270	23,764	-325	-579
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.02273	-0.55583	-0.45262	-0.16373

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Current Quarter	Year to date	Same Quarter Previous Year	YTD Previous Year
		04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
4.01	Consolidated profit (loss) for the year	46,123	-730,574	-614,593	-222,791
4.02	Other comprehensive income	412,619	829,930	-377,048	-14,035
4.02.01	Actuarial gains on defined benefit plan from investments in subsidiaries	29	114	0	0
4.02.02	Actuarial gains (losses) on defined benefit pension plan	0	0	0	202
4.02.03	Income tax and social contribution on actuarial (losses) gains on defined benefit pension plan	0	0	9	-68
4.02.04	Cumulative translation adjustments for the year	-278,981	-460,092	-7,815	168,956
4.02.05	Available-for-sale assets	95,500	127,853	-677,690	-29,287
4.02.06	Income tax and social contribution on available-for-sale assets	0	0	195,552	9,957
4.02.07	Impairment of available-for-sale assets	0	0	89,434	97,851
4.02.08	Income tax and social contribution on impairment of available-for-sale assets	0	0	-30,407	-33,269
4.02.09	(Loss) / gain on the percentage change in investments	584	584	-43	-43
4.02.10	Gain (loss) on cash flow hedge accounting	538,461	1,072,884	81,685	-345,960
4.02.11		0	0	-27,773	117,626



	Income tax and social contribution on cash flow hedge accounting				
4.02.12	Realization of cash flow hedge accounting reclassified to income statement	7,826	20,523	0	0
4.02.13	(Loss) / gain on foreign investment hedge	49,200	68,064	0	0
4.03	Consolidated comprehensive income for the year	458,742	99,356	-991,641	-236,826
4.03.01	Attributed to controlling Shareholders	443,472	75,592	-991,316	-236,247
4.03.02	Attributed to non-controlling Shareholders	15,270	23,764	-325	-579

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Year to Date	YTD Previous Year
		01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015
6.01	Net cash generated by operating activities	-730,946	1,178,068
6.01.01	Cash generated from operations	-118,710	2,958,173
6.01.01.01	Profit (loss) for the year attributable to owners of the Company	-754,338	-222,212
6.01.01.02	Profit (loss) for the year attributable to non-controlling interests	23,764	-579
6.01.01.03	Charges on borrowings and financing	1,485,733	1,583,962
6.01.01.04	Charges on loans and financing granted	-26,838	-8,659
6.01.01.05	Depreciation, depletion and amortization	637,392	561,655
6.01.01.06	Equity in income (losses) of affiliates	-63,407	-354,656
6.01.01.07	Deferred income tax and social contribution	87,731	-599,697
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	-23,909	183,442
6.01.01.09	Inflation adjustment and exchange differences, net	-1,359,310	1,633,246
6.01.01.10	Gain on derivative transactions	362	2,658
6.01.01.11	Impairment of available-for-sale assets	0	97,851
6.01.01.16	Residual value of permanent assets written off	26,988	4,553
6.01.01.17	Gain on repurchase of debt securities	-146,214	0
6.01.01.20	Other provisions	-6,664	76,609
6.01.02	Changes in assets and liabilities	-612,236	-1,780,105
6.01.02.01	Receivables - related parties	-112,548	-262,503
6.01.02.02	Receivables - related parties	-8,526	-29,283
6.01.02.03	Inventories	1,107,265	-253,368
6.01.02.05	Recoverable taxes	235,524	19,757
6.01.02.06	Judicial deposits	24,624	-23,068
6.01.02.08	Trade payables	-96,459	267,110
6.01.02.09	Payroll and related taxes	4,580	-17,311
6.01.02.10	Taxes in installments - REFIS	-45,162	-128,492
6.01.02.12	Payables to related parties	4,212	13,657

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6.01.02.14	Interest paid	-1,583,668	-1,362,278
6.01.02.15	Interest received	0	651
6.01.02.17	Other	-142,078	-4,977
6.02	Net cash used in investing activities	-1,287,504	185,918
6.02.02	Investments	-190,435	0
6.02.03	Purchase of property, plant and equipment	-797,054	-900,637
6.02.07	Capital reduction on joint venture	0	466,758
6.02.09	Receipt/payment in derivative transactions	-715,547	551,882
6.02.10	Purchase of intangible assets	-6	-201
6.02.11	Intercompany loans granted	0	-25,143
6.02.12	Intercompany loans received	0	58,385
6.02.13	Financial Investments, net of redemption	415,538	34,874
6.03	Net cash used in financing activities	-671,439	-2,199,780
6.03.01	Capitalization net of transactions cost	-26,950	599,071
6.03.03	Funding Forfeiting / Drawee Risk	78,240	386,143
6.03.04	Payment Forfeiting / Drawee Risk	-257,631	-562,948
6.03.05	Amortization of principal on borrowings and financing	-307,395	-1,969,314
6.03.06	Amortization of principal on borrowings and financing - related parties	0	-52,839
6.03.07	Payments of dividends and interests on shareholder's equity	0	-549,832
6.03.08	Treasury shares	0	-9,390
6.03.09	Buyback of debt securities	-157,703	-40,671
6.04	Exchange differences on translating cash and cash equivalents	-32,122	-5,799
6.05	Increase (decrease) in cash and cash equivalents	-2,722,011	-841,593
6.05.01	Cash and equivalents at the beginning of the year	7,861,052	8,686,021
6.05.02	Cash and equivalents at the end of the year	5,139,041	7,844,428

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 06/30/2016  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-con	inter
5.01	Opening balances	4,540,000	30	0	-367,214	1,790,693	5,963,509		1,
5.03	Adjusted opening balances	4,540,000	30	0	-367,214	1,790,693	5,963,509		1,
5.05	Total comprehensive income	0	0	0	-754,338	829,930	75,592		
5.05.01	Profit (loss) for the year	0	0	0	-754,338	0	-754,338		
5.05.02	Other comprehensive income	0	0	0	0	829,930	829,930		
5.05.02.04	Translation adjustments for the year	0	0	0	0	-460,092	-460,092		
5.05.02.08	Actuarial gains(losses) on defined benefit pension plan, net of taxes	0	0	0	0	114	114		
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853		
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584		

5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	1,072,884	1,072,884	
5.05.02.12	Realization of cash flow hedge accounting reclassified to income statement	0	0	0	0	20,523	20,523	
5.05.02.13	(Loss) / gain on foreign investment hedge	0	0	0	0	68,064	68,064	
5.06	Internal changes in shareholders' equity	0	0	0	0	0	0	
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0	
5.07	Closing balance	4,540,000	30	0	-1,121,552	2,620,623	6,039,101	1,

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 06/30/2015  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-con
5.01	Opening balances	4,540,000		301,131,298	0	25,140	5,696,468	
5.03	Adjusted opening balances	4,540,000		301,131,298	0	25,140	5,696,468	
5.04	Capital transactions with shareholders	0	0	-284,390	0	0	-284,390	
5.04.04	Treasury shares acquired	0	0	-9,390	0	0	-9,390	
5.04.06	Dividend	0	0	-275,000	0	0	-275,000	
5.05	Total comprehensive income	0	0	0	-222,212	-14,035	-236,247	
5.05.01	Profit (loss) for the period	0	0	0	-222,212	0	-222,212	
5.05.02	Other comprehensive income	0	0	0	0	-14,035	-14,035	
5.05.02.04	Translation adjustments for the period	0	0	0	0	168,956	168,956	
5.05.02.08	Actuarial (losses) gains on defined benefit pension plan, net of taxes	0	0	0	0	134	134	

5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	45,252	45,252
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	-43	-43
5.05.02.11	(Loss) gain on hedge accounting, net of taxes	0	0	0	0	-228,334	-228,334
5.06	Internal changes in shareholders' equity	0	0	0	0	0	0
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0
5.07	Closing balances	4,540,000	30	846,908	-222,212	11,105	5,175,831

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ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

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

Code	Description	Year to Date	Previous
		1/1/2016 to 6/30/2016	01/01/2015 to 6/30/2015
7.01	Revenues	9,298,317	9,068,252
7.01.01	Sales of products and services	9,322,360	9,025,572
7.01.02	Other revenues	-14,552	62,929
7.01.04	Allowance for (reversal of) doubtful debts	-9,491	-20,249
7.02	Raw materials acquired from third parties	-6,694,416	-6,401,935
7.02.01	Cost of sales and services	-5,434,217	-5,019,457
7.02.02	Materials, electric power, outside services and other	-1,259,658	-1,278,681
7.02.03	Impairment/recovery of assets	-541	-5,946
7.02.04	Other	0	-97,851
7.02.04.01	Impairment of available-for-sale assets	0	-97,851
7.03	Gross value added	2,603,901	2,666,317
7.04	Retentions	-637,392	-561,655
7.04.01	Depreciation, amortization and depletion	-637,392	-561,655
7.05	Wealth created	1,966,509	2,104,662
7.06	Value added received as transfer	-748,600	5,022,318
7.06.01	Equity in income of affiliates	63,407	354,656
7.06.02	Finance income	383,883	99,613
7.06.03	Other	-1,195,890	4,568,049
7.06.03.01	Other and exchange gains	-1,195,890	4,568,049
7.07	Wealth for distribution	1,217,909	7,126,980
7.08	Wealth distributed	1,217,909	7,126,980
7.08.01	Personnel	1,024,077	958,691
7.08.01.01	Salaries and wages	818,711	752,281
7.08.01.02	Benefits	155,793	163,045
7.08.01.03	Severance pay fund (FGTS)	49,573	43,365
7.08.02	Taxes, fees and contributions	633,323	81,827
7.08.02.01	Federal	522,161	-64,711



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7.08.02.02	State	101,022	136,130
7.08.02.03	Municipal	10,140	10,408
7.08.03	Remuneration on third-party capital	291,083	6,309,253
7.08.03.01	Interest	1,647,644	1,314,562
7.08.03.02	Leases	10,041	7,373
7.08.03.03	Other	-1,366,602	4,987,318
7.08.03.03.01	Other and exchange losses	-1,366,602	4,987,318
7.08.04	Remuneration on Shareholders capital	-730,574	-222,791
7.08.04.03	Retained earnings (accumulated losses)	-754,338	-222,212
7.08.04.04	Non-controlling interests in retained earnings	23,764	-579

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

ITR — Quarterly Financial Information - June 30, 2016 – CIA SIDERURGICA NACIONAL

**Version:  
1****Comments on the Company's Consolidated Statement****Restatements of Results for the Second Quarter of 2016**

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its consolidated results for the second quarter of 2016 (2Q16), which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting norms, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's 2Q16 consolidated results and comparisons refer to the first quarter of 2016 (1Q16) and the second quarter of 2015 (2Q15), unless otherwise stated. The Real/U.S. Dollar exchange rate was R\$3.2092 on June 30, 2016 and R\$3.5583 on March 31, 2016.

<b>Steel Sales (thousand t)</b>	<b>1,261</b>	<b>1,246</b>	<b>1,253</b>	<b>1%</b>	<b>(1%)</b>
- Domestic Market	60%	52%	53%	1%	(7%)
- Overseas Subsidiaries	36%	42%	40%	(3%)	2%
- Exports	4%	6%	7%	2%	5%
<b>Iron Ore Sales (thousand t)<sup>1</sup></b>	<b>5,987</b>	<b>8,295</b>	<b>9,267</b>	<b>12%</b>	<b>55%</b>
- Domestic Market	1%	13%	7%	(5%)	6%

- Exports	99%	87%	93%	5%	(6%)
<b>Consolidated Results (R\$ million)</b>					
Net Revenue	3,687	4,008	4,185	4%	14%
COGS	(2,847)	(3,082)	(3,263)	5%	15%
Gross Profit	840	926	922	-	10%
SG&A Expenses	(421)	(611)	(498)	(18%)	18%
Adjusted EBITDA <sup>2</sup>	801	733	855	17%	7%
Adjusted Net Debt <sup>3</sup>	20,769	26,654	25,873	(3%)	25%
Adjusted Cash Position	11,102	6,472	5,678	(12%)	(49%)
Net Debt / Adjusted EBITDA	5.6x	8.7x	8.3x	(0.4x)	2.7x

<sup>1</sup> Iron ore sales volumes include 100% of the stake in NAMISA until November 2015 and 100% of the stake in Congonhas Minérios as of December 2015.

<sup>2</sup> Adjusted EBITDA is calculated based on net income/loss, before depreciation and amortization, income taxes, the net financial result, results from investees, and other operating income (expenses) and includes the proportional share of the EBITDA of the jointly-owned investees MRS Logística and CBSI, as well as the Company's 60% interest in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

<sup>3</sup> Adjusted Net Debt and Adjusted Cash and Cash Equivalents included 33.27% of the stake in MRS, 60% of the interest in Namisa and 50% of the stake in CBSI until November 2015. As of December 2015, they included 100% of Congonhas Minérios, 32.27% of MRS and 50% of CBSI, excluding Forfeiting and drawee risk operations.

BM&FBovespa (CSNA3): R\$7.82/share  
 NYSE (SID): US\$2.45/ADR (1 ADR = 1 share)  
 Total no. of shares = 1,387,524,047

Market Cap: R\$10.850 billion (US\$4.429 billion)



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### **CSN's Consolidated Results**

- **Net revenue** totaled R\$4,185 million in 2Q16, 4% up on 1Q16 and 14% more than in the same period last year. In relation to the previous quarter, the upturn was primarily due to increased sales volume in the mining segment and higher steel prices. Concerning 2Q15, the improvement was also due to the increase in mining sales volume.
- **COGS** amounted to R\$3,263 million, 6% up on the previous three months and 15% more than in 2Q15, chiefly due to higher iron ore output and increased costs as a result of the blast furnace #3 stoppage.
- Second-quarter **gross profit** came to R\$922 million, in line with 1Q16, with a gross margin of 22%, 1p.p. down on the first quarter. In relation to 2Q15, gross profit climbed by 10% and the gross margin narrowed by 1p.p., from 23% to 21%.
- **Selling, general and administrative expenses** totaled R\$498 million, 18% less than in 1Q16, but 18% higher year-on-year. These variations were largely due to distribution costs, which were 11% lower than in 1Q16, but 32% more than in the same quarter last year.
- **Other operating income (expenses)** was a net expense of R\$171 million in 2Q16, 35% up on the quarter before, due to the payment of provisioned taxes, and 23% down on 2Q15.

- **Working capital** came to R\$2,867 million, R\$525 million less than in 1Q16, while the financial cycle closed the second quarter at 82 days, 13 days less than in the previous quarter.
- **Adjusted net debt** fell by 3% over 2Q16, totaling R\$25,873 million, while leverage ended the quarter at 8.3x, versus 8.7x in the previous three months.
- **The proportional net financial result** was negative by R\$220 million in 2Q16, due to: i) financial expenses (excluding the exchange variation) of R\$848 million; ii) the positive exchange variation result of R\$478 million. The result was partially offset by the financial revenue of R\$150 million.

<b>Financial Result - IFRS</b>	(772)	(897)	(197)
<b>(+) Financial Result of Joint-Venture</b>	(114)	(25)	(24)
(+) Namisa	(92)	-	-
(+) MRS	(22)	(25)	(24)
<b>(=) Proporcional Financial Result</b>	<b>(886)</b>	<b>(922)</b>	<b>(220)</b>
<b>Financial Revenues</b>	58	252	150
<b>Financial Expenses</b>	(944)	(1,173)	(370)
<b>Financial Expenses (ex-exchange rates variation)</b>	(830)	(844)	(848)
<b>Result with Exchange Rate Variation</b>	(114)	(329)	478
Monetary and Exchange Rate Variation	82	950	1,220
Hedge Accounting	(82)	(566)	(595)
Notional Amount of Derivatives Contracted	(114)	(713)	(146)

- CSN's **equity result** was a positive R\$18 million in 2Q16, versus a positive R\$45 million in 1Q16 and a negative R\$44 million in 2Q15, chiefly due to MRS's equity result, which fell from R\$61 million, in 1Q16, to R\$32 million, as shown below:



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Namisa	(49)	-	-
MRS Logística	24	61	32
CBSI	-	1	-
TLSA	(7)	(7)	(4)
Arvedi Metalfer BR	(3)	-	-
Eliminations	(9)	(11)	(10)
<b>Share of profits (losses) of investees</b>	<b>(44)</b>	<b>45</b>	<b>18</b>

- CSN recorded a second-quarter **net profit** of R\$46 million, versus net losses of R\$777 million and R\$615 million in 1Q16 and 2Q15, respectively. The improvement was primarily due to the recovery of the financial result, which was negative by R\$197 million in 2Q16, versus R\$897 million negative in 1Q16 and R\$772 million negative in 2Q15.

<b>Profit (loss) for the Period</b>	<b>(615)</b>	<b>(777)</b>	<b>46</b>	<b>(97%)</b>	<b>(96%)</b>
Depreciation	279	310	304	(2%)	9%
Income Tax and Social Contribution	(5)	114	28	(25%)	-
Finance Income	772	897	197	(78%)	(74%)
<b>EBITDA (ICVM 527)</b>	<b>431</b>	<b>544</b>	<b>576</b>	<b>6%</b>	<b>34%</b>
Other Operating Income (Expenses)	223	127	171	35%	(23%)
Share of Profit (Loss) of Investees	44	(45)	(18)	(59%)	-
Proportionate EBITDA of Joint Ventures	104	107	126	18%	22%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>801</b>	<b>733</b>	<b>855</b>	<b>17%</b>	<b>7%</b>

<sup>1</sup> The Company discloses adjusted EBITDA excluding interests in investments and other operating revenue (expenses) in the belief that these items should not be considered when calculating recurring operating cash flow.



- **Adjusted EBITDA** amounted to R\$855 million in 2Q16, 17% up on the quarter before and 7% more than in 2Q15, accompanied by an adjusted EBITDA margin of 19.4%, 2.1p.p. higher than in 1Q16, but 1.1p.p. down on 2Q15.

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## **Debt**

The adjusted amounts of EBITDA, Debt and Cash included the stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and the stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015, as well as financial investments used as collateral for exchange operations on the BM&FBovespa. On June 30, 2016, consolidated net debt totaled R\$25,873 million, while the net debt/EBITDA ratio stood at 8.28x, based on LTM adjusted EBITDA.

## **Foreign Exchange Exposure**

In 2Q16, CSN began reviewing its FX hedge strategy, which led the company to completely unwind its FX derivatives position. As a result, the FX exposure of our consolidated balance sheet on June 30, 2016 was US\$1,791 million, as shown in the table below. It is important to mention that the net FX exposure includes a liability totaling US\$1.0 billion in the Loans and Financing line related to the Perpetual Bonds, which, due to its nature, will not require disbursements for the settlement of the principal amount in the foreseeable future. The

company's hedge strategy began to focus on preserving its cash flow, replacing the exposure generated by the settlement of the derivatives for new Hedge Accounting designations, capturing the existing natural relations, as well as possibly using other financial instruments to protect CSN's future cash flow.

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The hedge accounting adopted by CSN correlates the projected export inflows in dollars with part of the scheduled debt payments in the same currency. Therefore, the exchange variation of the dollar-denominated debt is temporarily booked in shareholders' equity, flowing through P&L when revenues in USD from exports occur.

Cash and cash equivalents overseas	1,288	802
Accounts Receivables	315	307
Others	7	10
<b>Total Assets</b>	<b>1,610</b>	<b>1,119</b>
Borrowings and Financing	(4,466)	(4,437)
Accounts Payable	(7)	(6)
Other Liabilities	(6)	(7)
<b>Total Liabilities</b>	<b>(4,479)</b>	<b>(4,450)</b>
<b>Foreign Exchange Exposure</b>	<b>(2,870)</b>	<b>(3,332)</b>
Notional Amount of Derivatives Contracted, Net	1,435	-
Cash Flow Hedge Accounting	1,549	1,541
<b>Net Foreign Exchange Exposure</b>	<b>114</b>	<b>(1,791)</b>
Perpetual Bonds	1,000	1,000
<b>Net Foreign Exchange Exposure ex. Perpetual Bonds</b>	<b>1,114</b>	<b>(791)</b>

**Capex**

CSN invested R\$473 million in 2Q16, led by:

- Investments in the new clinker kiln in Arcos-MG, which will start its operation in the 2H16, allowing the cement segment to generate competitive margins and scale gains in the Southeast region due to self-sufficiency in clinker production;
- Projects designed to improve the operational and environmental performance of the Presidente Vargas Plant.

Steel	162	119	136
Mining	296	62	61
Cement	92	139	261
Logistics	13	10	13
Others	0	0	3
<b>Total Investment IFRS</b>	<b>563</b>	<b>330</b>	<b>473</b>

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1****Working Capital**

As a result, working capital applied to the Company's business totaled R\$2,867 million in 2Q16, R\$525 million less than in 1Q16, chiefly due to the R\$481 million reduction in inventories. On a same comparison basis, the average receivable period fell by 5 days, while payment periods and inventory turnover fell by 9 and 23 days, respectively.

<b>Assets</b>	<b>5,698</b>	<b>5,664</b>	<b>4,948</b>	<b>(716)</b>	<b>(750)</b>
Accounts Receivable	1,936	1,746	1,622	(123)	(314)
Inventories Turnover	3,583	3,621	3,140	(481)	(443)
Advances to Taxes	178	298	186	(112)	8
<b>Liabilities</b>	<b>2,445</b>	<b>2,272</b>	<b>2,081</b>	<b>(191)</b>	<b>(364)</b>
Suppliers	1,807	1,542	1,347	(195)	(460)
Salaries and Social Contribution	322	245	262	17	(60)
Taxes Payable	286	418	422	4	136
Advances from Clients	30	67	50	(17)	20
<b>Working Capital</b>	<b>3,253</b>	<b>3,392</b>	<b>2,867</b>	<b>(525)</b>	<b>(386)</b>
Receivables	38	36	31	(5)	(7)
Supplier Payment	54	48	39	(9)	(15)
Inventory Turnover	110	107	90	(17)	(20)
<b>Cash Conversion Cycle</b>	<b>94</b>	<b>95</b>	<b>82</b>	<b>(13)</b>	<b>(12)</b>

## Results by Segment

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:

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Notes: For the purpose of preparing and presenting the information by business segment, Management opted to maintain the proportional consolidation of its jointly-owned subsidiaries, as historically presented, For the reconciliation of CSN's consolidated results, these companies' results are eliminated in the "corporate/elimination expenses" column.

In order to report the Company's 2015 results, after the combination of CSN's mining assets (Casa de Pedra, Namisa and Tecar), the consolidated result includes all this new company's information.



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<b>Net Revenue</b>	<b>2,878</b>	<b>1,016</b>	<b>45</b>	<b>337</b>	<b>109</b>	<b>66</b>	<b>(266)</b>	<b>4,185</b>
Domestic Market	1,607	77	45	337	109	66	(451)	1,790
Foreign Market	1,271	939	-	-	-	-	185	2,395
Cost of Goods Sold	(2,459)	(743)	(34)	(227)	(102)	(48)	350	(3,263)
<b>Gross Profit</b>	<b>419</b>	<b>273</b>	<b>11</b>	<b>111</b>	<b>7</b>	<b>18</b>	<b>84</b>	<b>922</b>
Selling, General and Administrative Expenses	(214)	(13)	(3)	(27)	(17)	(6)	(219)	(498)
Depreciation	164	105	3	56	17	4	(47)	304
Proportional EBITDA of Jointly Controlled Companies	-	-	-	-	-	-	126	126
<b>Adjusted EBITDA</b>	<b>369</b>	<b>365</b>	<b>11</b>	<b>141</b>	<b>7</b>	<b>16</b>	<b>(55)</b>	<b>855</b>

<b>Net Revenue</b>	<b>2,809</b>	<b>941</b>	<b>50</b>	<b>303</b>	<b>114</b>	<b>68</b>	<b>(279)</b>	<b>4,008</b>
Domestic Market	1,500	151	50	303	114	68	(475)	1,712
Foreign Market	1,309	790	-	-	-	-	197	2,296
Cost of Goods Sold	(2,300)	(749)	(36)	(214)	(101)	(51)	370	(3,082)
<b>Gross Profit</b>	<b>509</b>	<b>192</b>	<b>14</b>	<b>89</b>	<b>13</b>	<b>17</b>	<b>91</b>	<b>926</b>
Selling, General and Administrative Expenses	(255)	(24)	(8)	(24)	(18)	(6)	(276)	(611)
Depreciation	166	114	3	56	13	4	(47)	310
	-	-	-	-	-	-	107	107

Proportional  
EBITDA of Jointly  
Controlled  
Companies

<b>Adjusted EBITDA</b>	<b>420</b>	<b>283</b>	<b>9</b>	<b>121</b>	<b>8</b>	<b>15</b>	<b>(124)</b>	<b>733</b>
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## Steel

According to preliminary figures from the World Steel Association (WSA), global crude steel production totaled 795 million tonnes in the first half, 2% down on the same period last year.

According to the Brazilian Steel Institute – IABr (also preliminary figures), domestic production came to 7.4 million tonnes in 2Q16, in line with the previous three months, giving a first-half total of 14.9 million tonnes, 13% down year-on-year, Domestic production of rolled products stood at 5.1 million tonnes in the second quarter, also in line with 1Q16, and 10.2 million tonnes in the first six months, 14.7% less than in 1H15, Apparent consumption through June totaled 9.0 million tonnes, 23.7% less than in 1H15, with domestic sales of 8.2 million tonnes, down by 15.5%, In the same period, imports dropped by 64.2% to 741,300 tonnes, while exports climbed by 16.6% to 6.7 million tonnes.

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According to INDA (the Brazilian Steel Distributors' Association), 2Q16 steel purchases and sales by distributors fell by 11.3% and 7.7% over 2Q15 to 1,503,000 and 1,559,000 tonnes, respectively, Inventories closed the quarter at 866,000 tonnes, 1.4% down on the previous month, representing 3.3 months of sales.

#### Automotive

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 1 million units in the first half, 21% down on 1H15, In the same period, new car, light commercial vehicle, truck and bus licensing fell by 25% to 983,000 units, The association estimates a reduction in vehicle sales of up to 19% in 2016 over 2015, to 2.1 million units, while FENABRAVE (the Vehicle Distributors' Association) expects a 15% reduction in vehicle sales.

#### Construction

According to SECOVI-SP (the São Paulo Residential Builders' Association), residential real estate launches in the city of São Paulo totaled 5,731 units in the 1H16, 42.8% down on the 10,027 units launched in the same period last year.

According to ABRAMAT (the Construction Material Manufacturers' Association), first-half sales of building materials fell by 14.3% over 1H15, The association also revised its 2016 estimate a decline of 8%.

## Home Appliances

According to the Brazilian Institute of Geography and Statistics (IBGE), home appliance production in the first five months fell by 11% over the same period last year and by 17% in the last 12 months, respectively, reflecting the low level of business and consumer confidence.

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Results from CSN's Steel Operations

- **Total steel product sales volume** came to 1,253,000 tonnes in 2Q16, 1% up on 1Q16. Of this total, 53% went to the domestic market, 40% were sold by our subsidiaries abroad and 7% went to exports.
- Second-quarter **domestic steel sales** totaled 669,000 tonnes, 3% up on 1Q16, 626,000 tonnes of which flat steel and 43,000 tonnes long steel.
- Second-quarter **foreign sales** amounted to 584,000 tonnes, 2% down on 1Q16. Of this total, the overseas subsidiaries sold 499,000 tonnes, 178,000 of which by LLC, 219,000 by SWT and 103,000 by Lusosider, while direct exports came to 85,000 tonnes.
- In 2Q16, CSN increased its **share of coated products** as a percentage of total sales volume, in line with its strategy of adding more value to the product mix. **Total sales** of coated products such as galvanized

items and tin plate accounted for 57% of flat steel sales, versus 58% in the previous quarter. In the **foreign market**, the share of coated products moved up from 77% to 85% in the same period.

- **Net revenue** totaled R\$2,878 million in 2Q16, 2% up on 1Q16, primarily due to the upturn in sales volume and higher prices in the domestic market. Average net revenue per tonnes stood at R\$2,224.

The **parent company's slab** production totaled 500,000 tonnes in 2Q16, 40% and 55% down on 1Q16 and 2Q15, respectively, while flat rolled steel output came to 668,000 tonnes, 11% and 35% less than in 1Q16 and 2Q15, respectively. These results can be explained chiefly by the BF3 stoppage, which was inoperable by 22 days.

<b>Total Slabs (UPV + Third Parties)</b>	<b>1,188</b>	<b>835</b>	<b>510</b>	(39%)	(57%)
Crude Steel Production	1,119	835	500	(40%)	(55%)
Third Parties Slabs	69	0	10	-	(85%)
<b>Total Rolled Products</b>	<b>1,032</b>	<b>746</b>	<b>668</b>	(11%)	(35%)

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- **COGS** came to R\$2,459 million in 2Q16, 7% more than in the previous three months, as a result of the reduction in fixed production cost dilution. The parent company's **production cost** reached R\$1,085 million in 2Q16, 19% down on 1Q16, due to the reduction in period output, due to the maintenance of BF3.
- **Slab production costs** increased by 26%, from US\$274/t, in 1Q16, to U\$345/t.
- **Adjusted EBITDA** amounted to R\$369 million in 2Q16, 12% down on the R\$420 million recorded in the quarter before, accompanied by a 2p,p, reduction in the adjusted EBITDA margin from 15% to 13%.

## Mining

In 2Q16, the seaborne iron ore market was influenced by the recovery in demand for steel in China. Policies to stimulate the economy ensured ample available credit, encouraging a recovery in the real estate market and construction activities; on the tax side, we noticed an increase in investments in infrastructure. In addition, low steel inventories throughout the production chain limited immediate delivery availability and positively pressured prices. In response to encouraged demand and fueled by the higher margins, steelmakers increased output by 9%, the highest quarter-on-quarter increase in more than three years. As a result, iron ore demand grew and the commodity's price averaged US\$55.66/dmt (Platts, Fe62%, N. China) in 2Q16, 15% up on 1Q16.

Maritime freight costs on Route CI-C3 (Tubarão-Qingdao) averaged US\$8.43/t in 2Q16, 48% up on 1Q16. The route was positively impacted by a seasonal increase in transported volume by of capesize vessel and higher fuel prices.

#### Results from CSN's Mining Operations

- In 2Q16, **iron ore production** totaled 8,5 million tonnes, 17% and 26% up on 1Q16 and 2Q15, respectively.
- Second-quarter **iron ore purchases** came to 1,4 million tonnes, 123% up on the previous quarter and 39% more than in 2Q15, as the Company took advantage of market opportunities.
- **Iron ore sales** came to 9,3 million tonnes in 2Q16, 12% and 26% up on 1Q16 and 2Q15, respectively, thanks to sales volume to third parties. Around 695,000 tonnes from Congonhas Minérios were sold to CSN's the Presidente Vargas Plant.

Iron Ore Production <sup>1</sup>	6,767	7,326	8,537	17%	26%
Third Parties Purchase	993	617	1,376	123%	39%
<b>Total Production + Purchase</b>	<b>7,760</b>	<b>7,943</b>	<b>9,913</b>	<b>25%</b>	<b>28%</b>
UPV Sale	1,380	1,047	695	(34%)	(50%)
Third Parties Sales Volume	5,987	7,248	8,572	18%	43%
<b>Total Sales</b>	<b>7,367</b>	<b>8,295</b>	<b>9,267</b>	<b>12%</b>	<b>26%</b>

<sup>1</sup> Production and sales volumes include 100% of the stake in NAMISA until November 2015 and 100% of the interest in Congonhas in December 2015.



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- **Net revenue** from mining operations totaled R\$1,0 billion in 2Q16, 8% up on 1Q16 and 49% more than in 2Q15 1Q15. The upturns in both periods were due to higher total iron ore sales volume, which came to 9,3 million tonnes this quarter.
- Mining segment **COGS** came to R\$743 million, in line to 1Q16 and 39% up on 2Q15, due to the higher volume of iron ore sold and higher purchases from third parties. In 2Q16, Congonhas Minérios recorded a Chinese delivery cost excluding depreciation of US\$28.2/wmt, 10% down on the previous quarter, mainly due to a reduction in the mine's production costs and in seaborne freight charges.
- **Adjusted EBITDA** stood at R\$365 million in 2Q16, 29% and 61% up on 1Q16 and 2Q15, respectively, with an adjusted EBITDA margin of 36%, 10 p.p. higher than 1T16, chiefly due to the increase in FOB export prices and reductions in production cost and seaborne freight.

## Logistics

### Results from CSN's Logistics Operations

**Railway Logistics:** In 2Q16, **net revenue** came to R\$337 million, generating **EBITDA** of R\$141 million and an **EBITDA margin** of 42%.

**Port Logistics:** In the second quarter, Sepetiba Tecon handled 32,000 containers, in addition to 197,000 tonnes of steel products and 1,000 tonnes of general cargo. **Net revenue** totaled R\$45 million, generating **EBITDA** of R\$11 million, accompanied by an **EBITDA margin** of 24%.

Containers Volume (thousand units)	30	39	32	(19%)	4%
Steel Products Volume (thousand t)	221	143	197	38%	(11%)
General Cargo Volume (thousand t)	44	13	1	(95%)	(99%)

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According to the IBGE's Monthly Industrial Survey (PIM-PF), Brazil's cement production fell by 14.2% year-on-year in 2Q16, in line with the performance of the construction industry.

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 28 million tonnes in the first half of 2016, 14% less than in the same period the year before. For 2016 as a whole, SNIC estimates respective annual declines of 12% to 15% in sales and 9% to 11% in apparent consumption.

## Results of CSN's Cement Operations

In 2Q16, **cement sales** amounted to 594,000 tonnes, 4% up on 1Q16, while **net revenue** came to R\$109 million. **EBITDA** totaled R\$7 million, accompanied by an **EBITDA margin** of 6%.

Total Production	577	531	606	14%	5%
Total Sales	579	571	594	4%	3%

**Energy**

According to the Energy Research Company (EPE), Brazilian electricity consumption totaled 231 TWh in 1H16, 1.7% less than in the first six months of 2016. Consumption in the industrial

and commercial segments fell by 5.3% and 1.5%, respectively, while residential consumption climbed by 1.2%.

### Results from CSN's Energy Operations

In 1Q16, **net revenue** from energy operations totaled R\$66 million, **EBITDA** stood at R\$16 million and the **EBITDA margin** came to 25%.

### Capital Market

CSN's shares appreciated by 9% in 2Q16, while the Ibovespa increased by 1% in the same period. Daily traded volume on the BM&FBovespa averaged R\$88.9 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) moved up by 24%, versus the Dow Jones' 1% appreciation. On the NYSE, daily traded volume of CSN's ADRs averaged US\$7.1 million.

<b>Number of shares in thousand</b>	<b>1,387,524</b>
<b>Market Capitalization</b>	
Closing price (R\$/share)	7.82
Closing price (US\$/ADR)	2.45
Market Capitalization (R\$ million)	10,850
Market Capitalization (US\$ million)	3,399
<b>Total return including dividends and interest on equity</b>	
CSNA3	9%
SID	24%
Ibovespa	1%
Dow Jones	1%
<b>Volume</b>	
Average daily (thousand shares)	9,602
Average daily (R\$ Thousand)	88,913
Average daily (thousand ADRs)	2,635
Average daily (US\$ Thousand)	7,111
<i>Source: Bloomberg</i>	

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1****SALES VOLUME CONSOLIDATED (thousand tonnes)**

	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>Change 2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>717</b>	<b>611</b>	<b>626</b>	<b>15</b>	<b>(91)</b>
Slabs	0	-	0	0	(0)
Hot Rolled	267	220	225	5	(42)
Cold Rolled	151	108	117	9	(34)
Galvanized	205	197	203	6	(1)
Tin Plates	94	85	81	(4)	(13)
<b>Long Steel UPV</b>	<b>42</b>	<b>38</b>	<b>43</b>	<b>5</b>	<b>1</b>
<b>DOMESTIC MARKET</b>	<b>758</b>	<b>649</b>	<b>669</b>	<b>20</b>	<b>(90)</b>

	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>299</b>	<b>381</b>	<b>365</b>	<b>(16)</b>	<b>67</b>
Hot Rolled	59	59	29	(30)	(29)
Cold Rolled	44	27	25	(2)	(18)
Galvanized	165	265	259	(6)	94
Tin Plates	31	30	52	22	21
<b>Long Steel (profiles)</b>	<b>204</b>	<b>216</b>	<b>219</b>	<b>3</b>	<b>14</b>
<b>FOREIGN MARKET</b>	<b>503</b>	<b>597</b>	<b>584</b>	<b>(13)</b>	<b>81</b>

	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>1,015</b>	<b>992</b>	<b>991</b>	<b>(1)</b>	<b>(24)</b>
Slabs	0	-	0	0	(0)
Hot Rolled	326	280	254	(26)	(72)
Cold Rolled	195	135	143	8	(52)
Galvanized	370	462	462	0	93
Tin Plates	125	115	133	18	8

<b>Long Steel UPV</b>	<b>42</b>	<b>38</b>	<b>43</b>	<b>5</b>	<b>1</b>
<b>Long Steel (profiles)</b>	<b>204</b>	<b>216</b>	<b>219</b>	<b>3</b>	<b>14</b>
<b>TOTAL MARKET</b>	<b>1,261</b>	<b>1,246</b>	<b>1,253</b>	<b>7</b>	<b>(9)</b>

## SALES VOLUME PARENT COMPANY (thousand tonnes)

	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>Change 2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>812</b>	<b>709</b>	<b>696</b>	<b>(13)</b>	<b>(116)</b>
Slabs	0	-	0	0	(0)
Hot Rolled	303	244	239	(5)	(64)
Cold Rolled	175	124	129	5	(47)
Galvanized	237	253	247	(6)	10
Tin Plates	96	89	81	(8)	(15)
<b>Long Steel UPV</b>	<b>41</b>	<b>38</b>	<b>43</b>	<b>5</b>	<b>1</b>
<b>DOMESTIC MARKET</b>	<b>853</b>	<b>747</b>	<b>738</b>	<b>(9)</b>	<b>(115)</b>
	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>250</b>	<b>186</b>	<b>252</b>	<b>66</b>	<b>2</b>
Hot Rolled	143	53	3	(50)	(139)
Cold Rolled	21	-	125	125	103
Galvanized	55	103	55	(48)	0
Tin Plates	31	30	-	(30)	(31)
<b>Long Steel (profiles)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FOREIGN MARKET</b>	<b>250</b>	<b>186</b>	<b>252</b>	<b>66</b>	<b>2</b>
	<b>2Q15</b>	<b>1Q16</b>	<b>2Q16</b>	<b>2Q16 x 1Q16</b>	<b>2Q16 x 2Q15</b>
<b>Flat Steel</b>	<b>1,062</b>	<b>895</b>	<b>948</b>	<b>53</b>	<b>(114)</b>
Slabs	0	-	0	0	(0)
Hot Rolled	446	297	308	11	(138)
Cold Rolled	197	124	132	8	(65)
Galvanized	291	356	371	15	80
Tin Plates	127	119	136	17	9
<b>Long Steel UPV</b>	<b>41</b>	<b>38</b>	<b>43</b>	<b>5</b>	<b>1</b>
<b>Long Steel (profiles)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL MARKET</b>	<b>1,103</b>	<b>933</b>	<b>990</b>	<b>57</b>	<b>(113)</b>



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**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, joint ventures, joint operations and associates are collectively referred to herein as the "Group"). The Company’s registered office is located in São Paulo, SP, Brazil.

CSN is listed on the São Paulo Stock Exchange (BM&F BOVESPA) and on the New York Stock Exchange (NYSE). Accordingly, the Company 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 steelworks (“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, all of them are in line with the plan to achieve new markets and perform excellent services for final consumers. Its steel has been used in home appliances, civil construction and automobile industries.

- **Mining:**



The production of iron ore is developed in the city of Congonhas, State of Minas Gerais.

Iron ore is sold basically in the international market, especially in Europe and Asia. The prices charged in these markets are historically cyclical and subject to significant fluctuations over short periods of time, driven by several factors related to global demand, strategies adopted by the major steel producers, and the foreign exchange rate. All these factors are beyond the Company's control. The ore transportation is accomplished by Terminal de Carvão e Minérios do Porto de Itaguai - TECAR, a solid bulk terminal, one of the four terminals that compose the Port of Itaguai, located in Rio de Janeiro. Imports of coal and coke are held through this terminal and directed to the steel industry of CSN.

From November 30, 2015 the Company has transferred its mining assets, together with its logistical infrastructure, which includes the mine Casa de Pedra and the right to operate the terminal TECAR, to its subsidiary CSN Mineração S.A ("CSN Mineração") (former Congonhas Minérios S.A). On the same date, started to control Nacional Minérios S.A. (NAMISA) through a business combination transaction.

The Company's mining activities also comprises tin exploitation, which is based in the State of Rondônia, this facility is engaged to supply the needs of UPV, with the excess of these raw materials being sold to subsidiaries and third parties.

- **Cement:**

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

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- **Logistics**

*Railroads:*

CSN has interests in three railroad companies: MRS Logística S.A., which manages the former Southeast Railway System of Rede Ferroviária Federal S.A. (“RFFSA”), Transnordestina Logística S.A. (“TLSA”) and FTL - Ferrovia Transnordestina Logística S.A. (“FTL”), which operate the former 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 rail links 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 rail links 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 subsidiaries Sepetiba Tecon S.A. and CSN Mineração S.A., the Company operates the Container Terminal (Tecon) and the solid bulk terminal (Tecar), respectively, both located at the Itaguaí Port. Established in the harbor of Sepetiba, the mentioned port has a privileged highway, railroad and maritime access.

Tecon is responsible for the shipments of CSN’s steel products, movement and storage of containers, consolidation and deconsolidation of cargo; The Tecar’s port terminal is engaged to the iron ore shipment overseas and to the landing of coal, petroleum, coke, sulfur and zinc concentrate for our own operation and for third parties.

- **Energy:**

Since the energy supply is fundamental in CSN's production process, the Company owns and operates facilities to generate electric power for guaranteeing its self-sufficiency.

The "note 24 - Segment Information" details the financial information per each of CSN's business segment.

- **Going Concern**

The interim financial statements have been prepared based on the normal continuity of its business. Negotiations in progress to postpone part of the debts do not compromise the Company's operating continuity (going concern), and the Management does not have any other relevant operational restructuring plan that implies a change to the conclusion of the operational continuity (going concern). Further disclosures on the bases for evaluating the operational continuity (going concern) were made in the disclosures of this subject included in the financial statements of December 31, 2016, approved by Management on the same date.

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

### **2.a) Basis of preparation**

The consolidated condensed quarterly 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). All the relevant information required in the financial statements and only these information, are being highlighted and correspond to those used for the Company's management.

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, 2015, filed with the CVM.



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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, 2016, which restated the year ended December 31, 2015 as comparative information in the financial statements.

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

Note 2 - Summary of significant accounting policies

Note 3 – Business Combination

Note 10 – Investments

Note 18 - Provision for tax, social security, labor, civil, environmental risks and judicial deposits

Note 28 - Employee benefits

Note 30 – Commitments

The consolidated and parent company interim financial statements for the period ended June 30, 2016, were restated on November 14, 2016 and are being restated, for the second time, as presented in note 2.e, under the approval by the Board of Directors on October 27, 2017.

**2.b) Basis of presentation**

The consolidated condensed interim financial statements are presented in Brazilian reais (R\$), which is the mainly 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 June 30, 2016, US\$1 is equivalent to R\$3.2098 (R\$3.9048 as of December 31, 2015), €1 is equivalent to R\$3.5414 (R\$4.2504 as of December 31, 2015), according to the rates obtained from Central Bank of Brazil website.

## **2.c) Basis of consolidation**

The accounting practices were treated uniformly in all the consolidated companies. The consolidated condensed interim financial statements for the period ended June 30, 2016 and the year ended December 31, 2015 include the following direct and indirect subsidiaries and jointly controlled entities, as well as the exclusive funds as described below:

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1**• **Companies**

Companies	Equity interests (%)		Core business
	06/30/2016	12/31/2015	
<b>Direct interest in subsidiaries: full consolidation</b>			
CSN Islands VII Corp.	100.00	100.00	Financial transactions
CSN Islands IX 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
CSN Metals S.L.U.	100.00	100.00	Equity interests and P
CSN Americas S.L.U.	100.00	100.00	Equity interests and P
CSN Steel S.L.U.	100.00	100.00	Equity interests and P
TdBB S.A (*)	100.00	100.00	Equity interests
Sepetiba Tecon S.A.	99.99	99.99	Port services
Minérios Nacional S.A. (1)	99.99	99.99	Mining and Equity inte
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 conta
Companhia Metalúrgica Prada	99.99	99.99	Manufacture of conta
CSN Gestão de Recursos Financeiros Ltda. (*)	99.99	99.99	Management of funds
Congonhas Minérios S.A.	87.52	87.52	Mining and Equity inte
CSN Energia S.A.	99.99	99.99	Sale of electric power
FTL - Ferrovia Transnordestina Logística S.A.	89.79	89.79	Railroad logistics
Nordeste Logística S.A.	99.99	99.99	Port services
<b>Indirect interest in subsidiaries: full consolidation</b>			
Companhia Siderúrgica Nacional LLC	100.00	100.00	Steel
CSN Europe Lda.	100.00	100.00	Financial transactions
CSN Ibéria Lda.	100.00	100.00	Financial transactions
Lusosider Projectos Siderúrgicos S.A.	99.94	99.94	Equity interests and p
Lusosider Aços Planos, S. A.	99.99	99.99	Steel and Equity inter

CSN Acquisitions, Ltd. (2)		100.00	Financial transactions
CSN Resources S.A.	100.00	100.00	Financial transactions
CSN Holdings (UK) Ltd (2)		100.00	Financial transactions
CSN Handel GmbH (3)	-	87.52	Financial transactions
Companhia Brasileira de Latas	100.00	100.00	Sale of cans and com
Companhia de Embalagens Metálicas MMSA	99.67	99.67	Production and sale o
Companhia de Embalagens Metálicas - MTM	99.67	99.67	Production and sale o
CSN Steel Holdings 1, S.L.U.	100.00	100.00	Financial transactions
CSN Productos Siderúrgicos S.L.	100.00	100.00	Financial transactions
Stalwerk Thüringen GmbH	100.00	100.00	Production and sale o
CSN Steel Sections UK Limited (*)	100.00	100.00	Sale of long steel
CSN Steel Sections Polska Sp.Z.o.o	100.00	100.00	Financial transactions
CSN Asia Limited	100.00	100.00	Commercial represen
Namisa International Minérios SLU	87.52	87.52	Financial transactions
Namisa Europe, Unipessoal Lda.	87.52	87.52	Equity interests, prod
CSN Mining GmbH (4)	87.52	87.52	Financial transactions
Namisa Asia Limited	87.52	87.52	Commercial represen

**Direct interest in joint operations: proportionate consolidation**

Itá Energética S.A.	48.75	48.75	Electric power genera
CGPAR - Construção Pesada S.A.	50.00	50.00	Mining support servic
Consórcio da Usina Hidrelétrica de Igarapava	17.92	17.92	Electric power consor

**Direct interest in joint ventures: equity method**

MRS Logística S.A.	18.64	18.64	Railroad transportatio
Aceros Del Orinoco S.A.	31.82	31.82	Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50.00	50.00	Equity interests and p
Transnordestina Logística S.A.	51.81	56.92	Railroad logistics

**Indirect interest in joint ventures: equity method**

MRS Logística S.A.	16.30	16.30	Railroad transportatio
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**Direct interest in associates: equity method**

Arvedi Metalfer do Brasil S.A.	20.00	20.00	Metallurgy and Equity
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(\*) They are Dormant Companies therefore they do not appear in the note 8.a, where is disclosed business information under the equity method.

(1) New corporate name of Mineração Nacional, amended in March 2016;

(2) Company liquidated in January 2016;

(3) Company incorporated by CSN Mining GmbH (subsidiary with indirect interest) on January 2016;

(4) New corporate name of Namisa Handel GmbH, amended in February 2016;





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- **Exclusive funds**

<b>Exclusive funds</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>06/30/2016</b>	<b>12/31/2015</b>	
<b>Direct interest: full consolidation</b>			
Diplic II - Private credit balanced mutual fund	100.00		Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund
VR1 - Private credit balanced mutual fund	100.00	100.00	Investment fund
Diplic - Private credit balanced mutual fund (1)		100.00	Investment fund
BB Steel - Private credit balanced mutual fund (1)		100.00	Investment fund

(1) Multimarket investment fund fully redeemed.

**2.d) Restatement of accounting balances at June 2015**

- **Forfaiting**

Trough out the financial year 2015 the Company purchased raw materials from its suppliers located abroad through a foreign trade operation called Forfaiting, in which the financial institution makes the payment in cash to exporter by the net values of the securities (discount rate and other possible expenses already deducted), allowing the Company to finance imported goods by a yearly interest rate from 1.25% to 3.28%, maturing in 12 months.

- Drawee risk

During the financial year 2015 the Company carried out transactions denominated drawee risk, the transaction occurs when the financial institution engaged by the Company anticipates to suppliers the debt securities, so then subsequently receives from the Company on the maturity date those anticipated values.

The Company reclassified the balances of forfaiting transactions and drawee risk with commercial suppliers originally presented in cash flow on June 2015, as follows:

a) Statements of cash flows at June 30, 2015

	<b>Consolidated</b>				
	<b>As Originally Reported</b>	<b>Reclassifications</b>	<b>06/30/2015 Statement of Cash flow Adjusted</b>	<b>As Originally Reported</b>	<b>Reclassifi</b>
<b>Cash generated by operating activities</b>					
Profit (loss) for the year attributed to controlling shareholders	(222,212)		(222,212)	(222,212)	
Trade payables	86,589	180,521	267,110	96,574	
Interest paid	(1,358,562)	(3,716)	(1,362,278)	(1,201,511)	
Others	2,495,448		2,495,448	1,481,277	
<b>Net cash generated by operating activities</b>	<b>1,001,263</b>	<b>176,805</b>	<b>1,178,068</b>	<b>154,128</b>	
<b>Net cash generated by investing activities</b>	<b>185,918</b>		<b>185,918</b>	<b>(51,015)</b>	
<b>Cash generated by financing activities</b>					
Funding Forfaiting/ Drawee risk		386,143	386,143		
Payment Forfaiting / Drawee risk		(562,948)	(562,948)		(5
Others	(2,022,975)		(2,022,975)	(1,007,594)	
<b>Net cash used in financing activities</b>	<b>(2,022,975)</b>	<b>(176,805)</b>	<b>(2,199,780)</b>	<b>(1,007,594)</b>	<b>(1</b>
<b>Exchange differences on cash and cash equivalents</b>	<b>(5,799)</b>		<b>(5,799)</b>		
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(841,593)</b>		<b>(841,593)</b>	<b>(904,481)</b>	



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**b) Statement of income and statement of comprehensive income at June 30, 2015**

The Company has not restated the others statements of June 30, 2015 since the changes in those tables were not material.

**2.e) Restatement of the Quarterly Financial Information for the six-month period ended June 30, 2016, previously restated on November 14, 2016.**

In addition to the detailed review of the business combination transaction explained in item (a) below, the Company's management performed a thorough review of various components and transactions, including the studies that support the recognition and maintenance of the amounts of long-lived assets, such as investments in subsidiaries and associates, goodwill, property, plant and equipment and tax credits. As a result of this review, a long-lived asset whose realization depends on projections with observable assumptions was revalued and its expected realization was adjusted. Accordingly, the financial statements for the year ended December 31, 2015, originally dated March 28, 2016 and restated on November 14, 2016 due to adjustments in non-controlling interests, were restated for the second time as a result of the detailed review mentioned above, which resulted in material adjustments to the following items:

- (a) Business combination between CSN Mineração and NAMISA; and
- (b) Expected realization of income tax and social contribution tax credits.

We present below further details on the adjustments that led management to opt for the second restatement of the financial statements for the year ended December 31, 2015.

**a. Business Combination**

The Company is restating the balances of the financial statements for the year ended December 31, 2015, as a result of a detailed review of all aspects of the business combination occurred on November 30, 2015, by which the Company's mining activities were restructured and concentrated on a primary entity, CSN Mineração S.A. This review occurred after the first restatement, on November 14, 2016, of those financial statements resulting from a change in the interpretation of the gains attributed to owners and to non-controlling, as disclosed in note 2.a.b, of those financial statements.

Within this context, the Company identified errors in certain assumptions used in the fair value determination of the entities involved in the transaction, Nacional Minérios S.A. (NAMISA) and CSN Mineração, as well as in the accounting for the clause of the Investment Agreement signed in December 2014 that approached the treatment to be given to NAMISA's assets excluded from the transaction, Fernandinho, Cayman and Pedras Pretas ("excluded assets"). As per that clause, Fernandinho, Cayman and Pedras Pretas assets included in the fair value determination of NAMISA shall be transferred directly to any entity other than CSN Mineração. By mistake, those assets were included within the net assets of NAMISA contributed to CSN Mineração and, in a subsequent act, were transferred from CSN Mineração to another entity, Minérios Nacional S.A (current corporate name of Mineração Nacional S.A.). And finally, the review appointed to a change in the interpretation of the determination of the gain or loss in the pre-existing relationship between the acquirer and the acquiree entities as established in the accounting pronouncement CPC15/IFRS3.

The Company opted to restate the year ended December 31, 2015 as comparative information in the financial statements for the year ended December 31, 2016. Thus, the reasons that led the Company to restate the business combination performed in 2015 are described in detail in Note 2 (ab) to the financial statements for the year ended December 31, 2016, which are being approved on the same date.

**b. Estimated losses of deferred income tax and social contribution credits**

The Company is restating the balances of deferred income tax and social contribution credits of its financial statements for the year ended December 31, 2015 after the technical review, during 2016, of the negative and positive aspects that supported their maintenance. The main change in the decision for this

restatement is the exclusion of the sale of certain non-core assets from the studies of recovery of credits, reducing the future taxable base of projections, and the higher weight attributed to the observable evidence of tax losses existing in the last years, according to the interpretation given by accounting standard IAS 12 / CPC 32. As established in the standard, in the case of existence of recent history of successive losses or losses alternated in several years, this becomes the primary evidence for assessing the maintenance or recording of tax credits to offset against future taxable profits, with the study of projections of these profits remaining as a source of secondary evidences and with lower weight in the assessment.

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Thus, the Company elected to maintain in assets an amount of tax losses and negative basis of social contribution equivalent to 30% of the deferred income tax liability balance, an amount that will be used as the deferred tax liability becomes current income tax payable. With this, the total credits arising from temporary differences were accrued and maintained in inventory of credits in the Company's tax books for future utilization. This system of maintenance of tax credits equivalent to 30% of the deferred income tax liability will remain until a new history of taxable profits is formed and the studies of projections of future profits become again primary evidences for the recording of tax credits, when the Company will recognize the temporary differences and higher amounts of tax losses and negative basis of social contribution losses that will be utilized to offset income tax payable arising from future taxable profits.

The adjustments in items (a) and (b) that generated the restatement of the financial statements for the year ended December 31, 2015, which consequently impacted the six-month period ended June 30, 2016 are detailed in the table below:

- **Balance Sheet**

- **June 2016**

<b>As Originally</b>	<b>Reclassifications</b>	<b>Consolidated 06/31/2016 Restated</b>	<b>As Originally</b>	<b>Reclassifications</b>
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	Reported		Reported		
<b>ASSETS</b>					
<b>Current</b>	<b>11,925,609</b>		<b>11,925,609</b>	<b>7,745,548</b>	
<b>Non- current</b>	<b>32,404,128</b>	<b>(1,184,050)</b>	<b>31,220,078</b>	<b>33,654,059</b>	<b>(876,415)</b>
Long term receivables	4,708,126	(3,102,446)	1,605,680	4,330,913	(3,105,030)
Investments	4,400,282	12	4,400,294	20,018,260	2,228,615
Property, Plant and Equipment	17,953,537	(45,373)	17,908,164	9,245,398	
Intangible	5,342,183	1,963,757	7,305,940	59,488	
<b>TOTAL ASSETS</b>	<b>44,329,737</b>	<b>(1,184,050)</b>	<b>43,145,687</b>	<b>41,399,607</b>	<b>(876,415)</b>
<b>Liabilities</b>					
<b>Current</b>	<b>4,511,055</b>	<b>(329,947)</b>	<b>4,181,108</b>	<b>3,533,932</b>	
<b>Non- current</b>	<b>31,149,356</b>	<b>625,186</b>	<b>31,774,542</b>	<b>30,286,578</b>	<b>663,581</b>
<b>Shareholders' Equity</b>	<b>8,669,326</b>	<b>(1,479,289)</b>	<b>7,190,037</b>	<b>7,579,097</b>	<b>(1,539,996)</b>
Common stock	4,540,000		4,540,000	4,540,000	
Capital reserves	30		30	30	
Earnings reservers	2,464,701	(2,464,701)		2,464,701	(2,464,701)
Comprehensive Income	1,468,293	1,152,330	2,620,623	1,468,293	1,152,330
Profit (Loss) for the period	(893,927)	(227,625)	(1,121,552)	(893,927)	(227,625)
Non- controlling interest	1,090,229	60,707	1,150,936		
<b>Total Liabilities + Shareholders' Equity</b>	<b>44,329,737</b>	<b>(1,184,050)</b>	<b>43,145,687</b>	<b>41,399,607</b>	<b>(876,415)</b>

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1**○ **December 2015**

	<b>As Originally Reported</b>	<b>Reclassifications</b>	<b>Consolidated 12/31/2015 Restated</b>	<b>As Orig</b>
<b><u>ASSETS</u></b>				
<b>Current</b>	<b>16,430,691</b>		<b>16,430,691</b>	
<b>Non-Current</b>	<b>32,219,283</b>	<b>(1,310,565)</b>	<b>30,908,718</b>	
Long - term receivables	4,890,948	(3,228,961)	1,661,987	
Investments	3,998,227	12	3,998,239	
Property, Plant and Equipment	17,871,599	(45,373)	17,826,226	
Intangible	5,458,509	1,963,757	7,422,266	
<b>TOTAL ASSETS</b>	<b>48,649,974</b>	<b>(1,310,565)</b>	<b>47,339,409</b>	
<b><u>LIABILITIES</u></b>				
<b>Current</b>	<b>5,325,571</b>	<b>(243,372)</b>	<b>5,082,199</b>	
<b>Non-current</b>	<b>34,588,740</b>	<b>577,182</b>	<b>35,165,922</b>	
<b>Shareholders ' equity</b>	<b>8,735,663</b>	<b>(1,644,375)</b>	<b>7,091,288</b>	
Common stock	4,540,000		4,540,000	
Capital reserves	30		30	
Earnings reserves	2,464,701	(2,464,701)		
Comprehensive income	660,016	1,130,677	1,790,693	
Accumulated Losses		(367,214)	(367,214)	
Non- controlling Interest	1,070,916	56,863	1,127,779	
<b>Total Liabilities + Shareholders ' Equity</b>	<b>48,649,974</b>	<b>(1,310,565)</b>	<b>47,339,409</b>	

• **Statement of income**

	<b>Consolidated 06/30/2016 Restated</b>	<b>Parent Company 06/30/2016 Restated</b>
<b>Reclassifications</b>		<b>Reclassifications</b>

	<b>As Originally Reported</b>		<b>As Originally Reported</b>		
<b>Net Revenue</b>	<b>8,193,149</b>		<b>8,193,149</b>	<b>4,169,314</b>	<b>4,169,314</b>
<b>Cost of goods sold</b>	<b>(6,344,665)</b>		<b>(6,344,665)</b>	<b>(3,545,062)</b>	<b>(3,545,062)</b>
<b>Operating Income (expenses)</b>	<b>(1,343,279)</b>		<b>(1,343,279)</b>	<b>(1,520,490)</b>	<b>26,966 (1,493,524)</b>
Selling Expenses	(844,604)		(844,604)	(306,229)	(306,229)
General and administrative expenses	(264,341)		(264,341)	(195,627)	(195,627)
Equity Results	63,407		63,407	(833,736)	26,967 (806,769)
Other Operating income (expenses),net	(297,741)		(297,741)	(184,898)	(1) (184,899)
<b>Income before financial results</b>	<b>505,205</b>		<b>505,205</b>	<b>(896,238)</b>	<b>26,966 (869,272)</b>
Financial results ,net	(1,147,497)	53,539	(1,093,958)	112,485	112,485
<b>Income before income tax and social contribution</b>	<b>(642,292)</b>	<b>53,539</b>	<b>(588,753)</b>	<b>(783,753)</b>	<b>26,966 (756,787)</b>
Income tax and social contribution	(231,715)	89,894	(141,821)	(110,174)	112,623 2,449
<b>Net income for the year</b>	<b>(874,007)</b>	<b>143,433</b>	<b>(730,574)</b>	<b>(893,927)</b>	<b>139,589 (754,338)</b>
<b>Attributable to:</b>					
Participation of controlling interest	(893,927)	139,589	(754,338)	(893,927)	139,589 (754,338)
Participation of non - controlling interest	19,920	3,844	23,764		
	<b>(874,007)</b>	<b>143,433</b>	<b>(730,574)</b>	<b>(893,927)</b>	<b>139,589 (754,338)</b>

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1**• **Statement of Value Added**

	<b>Consolidated 06/30/2016</b>		<b>As 06/30/2016</b>		<b>Parent Company 06/30/2016</b>	
	<b>As Originally Reported</b>	<b>Reclassifications</b>	<b>Restated</b>	<b>Originally Reported</b>	<b>Reclassifications</b>	<b>Restated</b>
Revenues	9,298,317		9,298,317	5,137,596		5,137,596
Inputs acquired from third parties	(6,694,416)		(6,694,416)	(4,128,170)		(4,128,170)
<b>Gross added value</b>	<b>2,603,901</b>		<b>2,603,901</b>	<b>1,009,426</b>		<b>1,009,426</b>
Withholdings	(637,392)		(637,392)	(275,222)		(275,222)
<b>Net added value</b>	<b>1,966,509</b>		<b>1,966,509</b>	<b>734,204</b>		<b>734,204</b>
<b>Added value received on transfer</b>	<b>(748,600)</b>		<b>(748,600)</b>	<b>(1,065,919)</b>	<b>26,967</b>	<b>(1,038,952)</b>
Equity in earnings of subsidiaries	63,407		63,407	(833,736)	26,967	(806,769)
Others	(812,007)		(812,007)	(232,183)		(232,183)
<b>VALUE ADDED TOTAL TO BE DISTRIBUTED</b>	<b>1,217,909</b>		<b>1,217,909</b>	<b>(331,715)</b>	<b>26,967</b>	<b>(304,748)</b>
<b>Staff and Charges</b>	<b>1,024,077</b>		<b>1,024,077</b>	<b>562,304</b>		<b>562,304</b>
<b>Taxes, fees and contributions</b>	<b>723,217</b>	<b>(89,894)</b>	<b>633,323</b>	<b>340,260</b>	<b>(112,622)</b>	<b>227,638</b>
<b>Remuneration of third-party</b>	<b>344,622</b>	<b>(53,539)</b>	<b>291,083</b>	<b>(340,352)</b>		<b>(340,352)</b>

<b>capital Remuneration of shareholders' equity</b>	<b>(874,007)</b>	<b>143,433</b>	<b>(730,574)</b>	<b>(893,927)</b>	<b>139,589</b>	<b>(754,338)</b>
(Loss) profit for the year	(893,927)	139,589	(754,338)	(893,927)	139,589	(754,338)
Non-controlling interest	19,920	3,844	23,764			
<b>DISTRIBUTION OF VALUE ADDED</b>	<b>1,217,909</b>		<b>1,217,909</b>	<b>(331,715)</b>	<b>26,967</b>	<b>(304,748)</b>

- Statement of Changes in Equity**

	Paid - in capital	Capital, reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Parent Company 06/30/2016 Shareholders' equity	Non-c in
<b>As Originally Reported 06/30/2016</b>	<b>4,540,000</b>	<b>30</b>	<b>2,464,701</b>	<b>(893,927)</b>	<b>1,468,293</b>	<b>7,579,097</b>	
Reclassifications			(2,464,701)	(227,625)	1,152,330	(1,539,996)	
<b>Restated 06/30/2016</b>	<b>4,540,000</b>	<b>30</b>		<b>(1,121,552)</b>	<b>2,620,623</b>	<b>6,039,101</b>	

- Statement of Cash Flows**

The Company did not restate the balances of the December cash flow statement because the change had no material effect.

### 3. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
<b>Current Cash and cash equivalents</b>				
<b>Cash and banks</b>	<b>678,446</b>	<b>434,014</b>	<b>34,050</b>	<b>37,003</b>

**Short-term investments****In Brazil:**

Government securities	260,251	165,520	259,715	164,311
Private securities	1,926,190	945,420	1,729,034	570,284
	<b>2,186,441</b>	<b>1,110,940</b>	<b>1,988,749</b>	<b>734,595</b>

**Abroad:**

<i>Time deposits</i>	2,274,154	6,316,098	464,669	1,113,601
<b>Total short-term investments</b>	<b>4,460,595</b>	<b>7,427,038</b>	<b>2,453,418</b>	<b>1,848,196</b>
<b>Cash and cash equivalents</b>	<b>5,139,041</b>	<b>7,861,052</b>	<b>2,487,468</b>	<b>1,885,199</b>

The funds available in the Group and parent company set up in Brazil are basically invested in investment funds, classified as exclusive and its financial statements were consolidated within CSN the financial statements, consolidated and parent company. The funds include repurchase agreements backed by private and public securities, with pre-fixed income, with 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 funds are managed by BNY Mellon Serviços Financeiros DTVM S.A., BB Gestão de Recursos DVTM and Caixa Econômica Federal (CEF) and their assets collateralize possible losses on investments and transactions carried out. The investments in those funds were consolidated.

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A significant part of the funds of the Company and its foreign subsidiaries is invested in time deposits in banks considered by the administration as top rated banks and the returns are based on fixed interest rates.

**4. SHORT-TERM INVESTMENTS**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/21/2015</b>
Time Deposit (1)	212,810			
Government securities (2)	110,115	763,599	109,092	763,599
	<b>322,925</b>	<b>763,599</b>	<b>109,092</b>	<b>763,599</b>

1. Financial investments that guarantee letters of credit issued by Banco do Brazil for the acquisition of the northeast and the south cement plants. The carrying amount of these investments on June 30, 2016 is R\$212,810.

2. Investment in Treasury Financial Letters (LFT) managed by its exclusive funds that have been qualified as a margin deposits for future contracts traded at BM&F Bovespa and detailed in note 12 (b) and LFT's for investments.

**5. TRADE RECEIVABLES**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Trade receivables</b>				
<b>Third parties</b>				
Domestic market	922,521	772,617	540,766	425,108
Foreign market	784,429	818,562	143,782	250,588
	<b>1,706,950</b>	<b>1,591,179</b>	<b>684,548</b>	<b>675,696</b>
Allowance for doubtful debts	(167,066)	(151,733)	(121,833)	(112,502)
	<b>1,539,884</b>	<b>1,439,446</b>	<b>562,715</b>	<b>563,194</b>
Related parties (Note 17 b)	82,602	61,366	933,505	1,140,172
	<b>1,622,486</b>	<b>1,500,812</b>	<b>1,496,220</b>	<b>1,703,366</b>
<b>Other receivables</b>				
Dividends receivable (Note 17 b) (*)	26,902	27,817	730,062	737,668
Advances to employees	31,676	40,190	19,066	24,465
Other receivables	7,313	9,458	101	2,024
	<b>65,891</b>	<b>77,465</b>	<b>749,229</b>	<b>764,157</b>
	<b>1,688,377</b>	<b>1,578,277</b>	<b>2,245,449</b>	<b>2,467,523</b>

(\*) Refers mainly to dividends receivable from CSN Mineração S.A. totaling R\$694,080.

In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$280,506 as of June 30, 2016 (R\$232,275 as of December 31, 2015), less the trade receivables.

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Current	1,263,653	1,049,033	406,039	423,801
Past-due up to 180 days	268,173	353,443	163,173	118,488
Past-due over 180 days	175,124	188,703	115,336	133,407
	<b>1,706,950</b>	<b>1,591,179</b>	<b>684,548</b>	<b>675,696</b>

The movements in the Group's allowance for doubtful debts are as follows:

**Consolidated**



	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>Parent Company 12/31/2015</b>
<b>Opening balance</b>	<b>(151,733)</b>	<b>(127,223)</b>	<b>(112,502)</b>	<b>(93,536)</b>
Estimated losses	(51,578)	(35,631)	(47,266)	(26,288)
Recovery of receivables	36,245	11,121	37,935	4,504
Incorporation of CSN Cimentos and Spin-off assets to Congonhas				2,818
<b>Closing balance</b>	<b>(167,066)</b>	<b>(151,733)</b>	<b>(121,833)</b>	<b>(112,502)</b>

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**Version:  
1****6. INVENTORIES**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Finished goods	1,073,932	1,912,868	704,856	1,078,554
Work in progress	744,122	1,007,630	524,164	746,614
Raw materials	850,563	1,062,557	525,637	563,119
Spare Parts	947,575	962,078	506,825	489,816
Iron ore	309,313	95,461	8,741	6,912
Advances to suppliers	7,626	12,147	4,231	6,191
(-)Provision for losses	(99,083)	(111,427)	(40,874)	(40,462)
	<b>3,834,048</b>	<b>4,941,314</b>	<b>2,233,580</b>	<b>2,850,744</b>

The movements in the provision for inventory losses are as follows:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(111,427)</b>	<b>(112,581)</b>	<b>(40,462)</b>	<b>(88,056)</b>
Reversal / (losses) for slow-moving and obsolescence(note22)	12,344	1,154	(412)	15,835
Drop down of assets to Congonhas				31,759
<b>Closing balance</b>	<b>(99,083)</b>	<b>(111,427)</b>	<b>(40,874)</b>	<b>(40,462)</b>

**7. OTHER CURRENT AND NON-CURRENT ASSETS**

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

	Current		Consolidated Non-current		Current		Parent Company Non-current	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Judicial deposits (note 15)			346,495	328,542			273,027	263,046
Credits with the PGFN (1)			45,185	87,761			45,185	87,761
Recoverable taxes (2)	813,021	996,679	394,060	445,926	562,131	702,722	187,325	245,833
Prepaid expenses	81,390	119,456	22,089	28,119	40,339	19,440		4,500
Actuarial asset - related party (note 17 b)			99,580	114,433			101,305	112,660
Derivative financial instruments (note 12 I)		118,592						
Exclusive funds (note 17b)						110,075		
Securities held for trading (note 12 I)	12,882	10,778			12,752	10,659		
Iron ore inventory (3)			144,499	144,499				
Northeast Investment Fund – FINOR			10,888	10,888			8,452	8,452
Other receivables (note 12 I)			13,311	6,877			1,464	1,439
Loans with related parties (note 17 b and 12 I)			400,053	373,214			257,480	239,930
Other receivables from related parties (note	9,209	9,420	32,770	29,020	54,737	32,479	328,393	303,441

17 b)

Others	24,716	31,524	23,642	14,642			23,252	14,408
	<b>941,218</b>	<b>1,286,449</b>	<b>1,532,572</b>	<b>1,583,921</b>	<b>669,959</b>	<b>875,375</b>	<b>1,225,883</b>	<b>1,281,470</b>

(1) Refers to the excess of judicial deposit originated by the 2009 REFIS (Tax Debt Refinancing Program). After the settlement of the tax debt refinancing program, the amount related to one of the lawsuits was fully redeemed through a judicial authorization.

(2) Refers mainly to taxes on revenue (PIS/COFINS) and State VAT (ICMS) recoverable and income tax and social contribution for offset.

(3) Long-term iron ore inventories that will be used after the construction of the processing plant, which will produce pellet feed, expected to start operating in the second half of 2017.

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## **8. 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, 2015 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of June 30, 2016.

- **Reduce of financial leverage**

With the primary objective of reducing the Company's financial leverage, Management is committed to a plan to dispose of a set of assets, however, it is not possible to confirm that the sale within a period of 12 months is highly probable for any of the assets contemplated. The Company considers several sales scenarios that vary according to different macroeconomic and operational assumptions. In this context, the Company did not segregate and did not reclassify such assets in the financial statements as discontinued operations in accordance with CPC 31 (IFRS 5).

The sale of the subsidiary Metalic Nordeste, as mentioned in note 29 (subsequent events), is part of the Company's effort with the plan of assets disposal and demonstrates Management's commitment with this plan.

- **Transnordestina**

The joint venture Transnordestina is in pre-operational phase and will continue as such until the completion of railway number II (rail network II). Approved construction schedule established the completion of the construction by January 2017. The said schedule is currently under review and being discussed with the government authorities, however, the Company's management believes that any delay in completion of the project will not cause a substantial negative impact on the expected return on the investment. After analyzing this matter, Company's management has concluded for proper of use the accounting basis of operational continuity (going concern) in the preparation of the quarterly financial information.

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**Version:  
1****8.a) Direct equity interests in subsidiaries, joint ventures, joint operations, associates and other investments**

06/30/2016

Companies	Number of shares held by CSN (In units)		% Direct equity Interest	Participation In		Shareholder's Equity	Profit (loss) for the period	% Direct equity Interest
	Common	Preferred		Assets	Liabilities			
<b>Investments under the equity Subsidiaries</b>								
CSN Islands VII Corp.	20,001,000		100.00	6,310,398	6,345,212	(34,814)	(74,813)	100.00
CSN Islands IX Corp.	3,000,000		100.00	948	3	945	(1,384)	100.00
CSN Islands X Corp. <sup>(1)</sup>								
CSN Islands XI Corp.	50,000		100.00	2,517,658	2,466,501	51,157	29,165	100.00
CSN Islands XII Corp.	1,540		100.00	2,262,421	3,214,171	(951,750)	143,336	100.00
CSN Minerals S.L.U.	3,500		100.00	3,926,850	11,106	3,915,744	(835,350)	100.00
CSN Export Europe, S.L.U.	3,500		100.00	713,717	93,522	620,195	(201,146)	100.00
CSN Metals S.L.U.	16,504,020		100.00	625,744	24,672	601,072	(189,903)	100.00
CSN Americas S.L.U.	3,500		100.00	1,627,041	163,935	1,463,106	(234,309)	100.00

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CSN Steel S.L.U.	22,042,688		100.00	2,566,869	1,581,876	984,993	333,219	100.00
Sepetiba Tecon S.A.	254,015,052		99.99	397,287	130,303	266,984	9,927	99.99
Mineração Nacional S.A.	65,020,211		99.99	74,916	23,128	51,788	(7,460)	99.99
Fair value - Mineração	(2)					2,123,507		
Estanho de Rondônia S.A.	108,655,326		99.99	32,769	17,473	15,296	(6,995)	99.99
Cia Metalic Nordeste	92,459,582		99.99	163,360	33,087	130,273	198	99.99
Companhia Metalúrgica Prada	313,651,399		99.99	758,767	578,528	180,239	(32,694)	99.99
CSN Cimentos S.A.	(3)							
CSN Mineração S.A.	(4) 158,419,480		87.52	12,464,670	4,652,471	7,812,199	163,145	87.52
CSN Energia S.A.	43,149		99.99	72,774	13,684	59,090	12,879	99.99
FTL - Ferrovia Transnordestina Logística S.A.	353,190,644		89.79	522,854	192,006	330,848	904	89.79
Companhia Florestal do Brasil	35,454,849		99.99	34,878	3,600	31,278	(964)	99.99
Nordeste Logística	99,999		99.99	100	55	45	(55)	99.99
				<b>35,074,021</b>	<b>19,545,333</b>	<b>17,652,195</b>	<b>(892,300)</b>	
<b>Joint-venture and Joint-operation</b>								
Nacional Minérios S.A.	(3) 253,606,846		48.75	286,475	33,732	252,743	4,639	48.75
MRS Logística S.A.	26,611,282	2,673,312	18.64	1,478,595	875,810	602,785	46,531	18.64
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,876,146		50.00	12,893	11,914	979	1,417	50.00
CGPAR - Construção Pesada S.A.	50,000		50.00	42,636	30,944	11,692	3,091	50.00
Transnordestina Logística S.A.	22,761,085	1,397,545	51.81	3,965,311	2,704,425	1,260,886	(10,742)	56.99
Fair Value allocated to TLSA on loss of control						659,105		



			5,785,910	3,656,825	2,788,190	44,936	
<b>Associates</b>							
Arvedi Metalfer do Brasil	27,239,971	20.00	52,862	49,436	3,426	(44)	20.00
			<b>52,862</b>	<b>49,436</b>	<b>3,426</b>	<b>(44)</b>	
<b>Classified as available for sale (note 12 I)</b>							
Usiminas					769,489		
Panatlântica					20,473		
					<b>789,962</b>		
<b>Other investments</b>							
Profit on subsidiaries inventories					(37,001)	45,041	
Others					63,539	(4,402)	
					<b>26,538</b>	<b>40,639</b>	
<b>Total investments</b>					<b>21,260,311</b>	<b>(806,769)</b>	
<b>Classification of investments in the balance sheet</b>							
Investments assets					22,246,875		
Investments whith negative equity					(986,564)		
					<b>21,260,311</b>		

(1) Company extinguished in 2015;

(2) Fair value of mining and fixed assets rights arising from the business combination;

(3) Company incorporated in 2015;

(4) The amounts presented reflect off-balance adjustments made at the company CSN Mineração.

The number of shares, the carrying amounts of assets, liabilities and shareholders' equity, and the amounts of profit/(loss) for the period refer to the equity interests held by CSN in those companies.

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1****8.b) Changes of investments balances in subsidiaries, joint ventures, joint operations, associates and other investments**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
	<b>Restated</b>	<b>Restated</b>	<b>Restated</b>	<b>Restated</b>
<b>Opening balance of investments</b>	<b>3,998,239</b>	<b>13,665,453</b>	<b>25,517,369</b>	<b>24,199,129</b>
<b>Opening balance of loss provisions</b>			<b>(1,095,086)</b>	<b>(1,088,559)</b>
Investment balance of Namisa 11.30.15		(10,160,981)		
Capital increase/acquisition of shares	190,435	3,575	201,263	490,842
Acquisition of 4,16% shares of Congonhas Minérios				2,732,605
Capital reduction		(466,758)		(546,796)
Dividends (1)	194	(54,464)	(2,291,507)	(3,985,128)
Comprehensive income (2)	128,558	(967,447)	(263,477)	(426,622)
Comprehensive income - Business Combination				2,943,244
Capital contribution – Transfer of excluded assets				(547,494)
Equity pickup (3)	84,344	1,192,034	(806,769)	5,604,950
Incorporation of subsidiary - CSN Cimentos				(1,061,005)
Transfer of shares – Namisa and MRS		786,812		(6,173,113)
Transfer of assets - Casa de Pedra and Tecar				156,723
Fair Value of assets - Mineração Nacional				2,123,507
Others	(1,476)	15	(1,482)	
<b>Closing balance of investments</b>	<b>4,400,294</b>	<b>3,998,239</b>	<b>22,246,875</b>	<b>25,517,369</b>
<b>Balance of provision for investments with negative equity</b>			<b>(986,564)</b>	<b>(1,095,086)</b>
<b>Total</b>	<b>4,400,294</b>	<b>3,998,239</b>	<b>21,260,311</b>	<b>24,422,283</b>

(1) In 2016 refers to the allocation of dividends from subsidiaries CSN Energia, Itá Energética, CGPAR Construção Pesada, CSN Minerals, CSN Export, CSN Steel, CSN Metals and CSN Americas.

(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), actuarial gain/loss and gain/loss on net investment hedge from investments measured by equity method.

(3) The table below shows the reconciliation of the equity in results of affiliated companies included on investment balance with the amount disclosed in the income statement and it is due to the elimination of the results of the CSN's transactions with these companies

	<b>06/30/2016</b>	<b>Consolidated 06/30/2015</b>
<b>Equity in results of affiliated companies</b>		
Nacional Minérios S.A.		347,498
MRS Logística S.A.	93,038	38,734
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,417	(2,263)
Transnordestina	(10,742)	(14,490)
Arvedi Metalfer do Brasil	(44)	(1,329)
Others	675	
	<b>84,344</b>	<b>368,150</b>
<b>Eliminations</b>		
To cost of sales	(23,414)	(18,258)
To net revenues		(2,188)
To taxes	7,961	6,952
<b>Others</b>	(5,484)	
<b>Equity in results</b>	<b>63,407</b>	<b>354,656</b>

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1****8.c) Joint ventures and joint operations financial information**

The balances of the balance sheets and income statements of joint venture and joint operation are presented as follows and refer to 100% of the companies' profit/loss:

	06/30/2016					
Equity interest (%)	MRS Logística 34.94%	<i>Joint-Venture</i> CBSI 50.00%	Transnordestina Logística 51.81%	<i>Joint-Operation</i> Itá Energética 48.75%	CGPAR 50.00%	MRS Logística 34.94%
<b>Balance sheet</b>						
<b>Current assets</b>						
Cash and cash equivalents	578,179	1,500	30,793	7,769	7,784	67,844
Advances to suppliers	10,178	958	35,992	79	60	8,127
Other current assets	540,078	19,224	87,680	17,130	38,264	65,593
<b>Total current assets</b>	<b>1,128,435</b>	<b>21,682</b>	<b>154,465</b>	<b>24,978</b>	<b>46,108</b>	<b>1,336,402</b>
<b>Non-current assets</b>						
Other non-current assets	675,618	275	260,863	45,261	17,486	53,303
Investments, PP&E and intangible assets	6,128,579	3,829	7,237,600	517,402	21,677	6,194,987
<b>Total non-current assets</b>	<b>6,804,197</b>	<b>4,104</b>	<b>7,498,463</b>	<b>562,663</b>	<b>39,163</b>	<b>6,722,297</b>
<b>Total Assets</b>	<b>7,932,632</b>	<b>25,786</b>	<b>7,652,928</b>	<b>587,641</b>	<b>85,271</b>	<b>8,068,699</b>
<b>Current liabilities</b>						
Borrowings and financing	770,913	-	48,237	-	9,063	84,213
Other current liabilities	772,484	23,008	190,123	66,911	44,302	89,556
<b>Total current liabilities</b>	<b>1,543,397</b>	<b>23,008</b>	<b>238,360</b>	<b>66,911</b>	<b>53,365</b>	<b>1,733,728</b>
<b>Non-current liabilities</b>						
Borrowings and financing	2,576,007	-	4,841,095	-	8,522	2,775,624
Other non-current liabilities	579,298	820	140,002	2,283	-	562,303
<b>Total non-current liabilities</b>	<b>3,155,305</b>	<b>820</b>	<b>4,981,097</b>	<b>2,283</b>	<b>8,522</b>	<b>3,337,927</b>
<b>Shareholders' equity</b>	<b>3,233,930</b>	<b>1,958</b>	<b>2,433,471</b>	<b>518,447</b>	<b>23,384</b>	<b>2,998,044</b>
	<b>7,932,632</b>	<b>25,786</b>	<b>7,652,928</b>	<b>587,641</b>	<b>85,271</b>	<b>8,068,699</b>

**Total liabilities and shareholders' equity**

Equity interest (%)	01/01/2016 to 06/30/2016					
	<i>Joint-Venture</i>			<i>Joint-Operation</i>		
	MRS Logística 34.94%	CBSI 50.00%	Transnordestina Logística 51.81%	Itá Energética 48.75%	CGPAR 50.00%	MRS Logística 27.27%
<b>Statements of Income</b>						
Net revenue	1,581,554	61,199		85,757	65,570	1,470,683
Cost of sales and services	(1,061,738)	(52,815)		(45,887)	(47,683)	(1,016,883)
Gross profit	519,816	8,384		39,870	17,887	453,800
Operating (expenses) and revenues	(3,613)	(4,385)	(11,011)	(25,964)	(7,615)	(110,658)
Finance income (costs), net	(129,168)	(891)	(8,586)	494	(412)	(125,965)
Income before income tax and social contribution	387,035	3,108	(19,597)	14,400	9,860	217,177
Current and deferred income tax and social contribution	(137,397)	(274)		(4,884)	(3,679)	(74,503)
<b>Profit / (loss) for the period</b>	<b>249,638</b>	<b>2,834</b>	<b>(19,597)</b>	<b>9,516</b>	<b>6,181</b>	<b>142,674</b>

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1****9. PROPERTY, PLANT AND EQUIPMENT**

The information related to property, plant and equipment has not changed significantly compared to the disclosed in the Company's financial statements on December 31, 2015.

	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures
<b>Balance at December 31, 2014</b>	<b>216,458</b>	<b>2,432,450</b>	<b>10,499,676</b>	<b>36,633</b>
Cost	216,458	3,021,437	16,791,750	167,410
Accumulated depreciation		(588,987)	(6,292,074)	(130,777)
<b>Balance at December 31, 2014</b>	<b>216,458</b>	<b>2,432,450</b>	<b>10,499,676</b>	<b>36,633</b>
Effect of foreign exchange differences	16,418	51,910	230,588	1,453
Acquisitions	1,841	9,710	242,656	3,292
Capitalized interest				
Write-offs			(2,507)	(49)
Depreciation		(103,387)	(1,005,848)	(6,214)
Transfers to other asset categories	22,623	95,524	880,652	81
Transfers to intangible				
Business Combination, fair value of assets acquired (nota 3)	6,199	208,757	229,906	3,534
Update of the ARO estimation				
Others		(5,723)	(2,879)	
<b>Balance at December 31, 2015 (restated)</b>	<b>263,539</b>	<b>2,689,241</b>	<b>11,072,244</b>	<b>38,730</b>
Cost	263,539	3,429,573	18,601,088	182,830
Accumulated depreciation		(740,332)	(7,528,844)	(144,100)
<b>Balance at December 31, 2015 (restated)</b>	<b>263,539</b>	<b>2,689,241</b>	<b>11,072,244</b>	<b>38,730</b>
Effect of foreign exchange differences	(11,663)	(34,354)	(137,336)	(800)
Acquisitions	4	100	44,574	392

Capitalized interest (notes 23 and 27)				
Write-offs (note 22)		(34)	(6,997)	(6)
Depreciation		(57,218)	(535,721)	(2,965)
Transfers to other asset categories		80,110	454,292	61
Transfers to intangible assets				
Others			(542)	
<b>Balance at June 30,2016 (restated)</b>	<b>251,880</b>	<b>2,677,845</b>	<b>10,890,514</b>	<b>35,412</b>
Cost	251,880	3,452,097	18,777,579	178,434
Accumulated depreciation		(774,252)	(7,887,065)	(143,022)
<b>Balance at June 30,2016 (restated)</b>	<b>251,880</b>	<b>2,677,845</b>	<b>10,890,514</b>	<b>35,412</b>

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	Land	Buildings and Infrastructure	Machinery. equipment and facilities	Furniture and fixtures	Construction in progress	Other
<b>Balance at December 31, 2014</b>	<b>110,181</b>	<b>1,786,572</b>	<b>8,882,070</b>	<b>29,036</b>	<b>2,118,097</b>	<b>183</b>
Cost	110,181	2,003,303	13,877,027	136,041	2,118,097	301
Accumulated depreciation		(216,731)	(4,994,957)	(107,005)		(118,
<b>Balance at December 31, 2014</b>	<b>110,181</b>	<b>1,786,572</b>	<b>8,882,070</b>	<b>29,036</b>	<b>2,118,097</b>	<b>183</b>
Acquisitions		-	203,870	2,030	1,769,120	4
Incorporation of subsidiaries	1,400	214,879	175,298	561	13	4
Transfers of the assets related to Casa de Pedra and Tecar	(50,854)	(1,287,945)	(3,332,850)	(9,268)	(1,117,432)	(115,
Capitalized interest					160,777	
Write-offs			(91)	(14)	(3,827)	
Depreciation		(57,055)	(782,928)	(4,680)		(10,
Transfer to other asset categories	22,623	218,343	959,632	14	(1,200,871)	
Transfer to intangible					(624)	
Others		(5,723)	(1,281)		(1,926)	2
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69</b>
Cost	83,350	1,025,848	10,677,122	118,301	1,723,327	159
Accumulated depreciation		(156,777)	(4,573,402)	(100,622)		(90,
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69</b>
Acquisitions			25,182	165	565,284	17
Capitalized interest (Notes 23 and 27)					62,942	
Write-offs (Note 22)		(34)	(7)	(3)		(7,
Depreciation		(12,348)	(255,604)	(1,463)		(3,
Transfer to other asset categories		49,193	185,288		(234,481)	
Transfer to intangible					(12,544)	
Others			(24)		566	
<b>Balance at June 30, 2016</b>	<b>83,350</b>	<b>905,882</b>	<b>6,058,555</b>	<b>16,378</b>	<b>2,105,094</b>	<b>76</b>
Cost	83,350	1,075,172	10,887,384	118,056	2,105,094	176
Accumulated depreciation		(169,290)	(4,828,829)	(101,678)		(99,
<b>Balance at June 30, 2016</b>	<b>83,350</b>	<b>905,882</b>	<b>6,058,555</b>	<b>16,378</b>	<b>2,105,094</b>	<b>76</b>



(\*) Refer basically to railway assets such as courtyards, tracks and leasehold improvements, vehicles, hardware, mines, ore deposits, and spare parts inventories.

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

	Project description	Start date	Completion date	Consolidated	
				06/30/2016	12/31/2015
<b>Logistics</b>	Current investments for maintenance of current operations.			55,213	35,457
				<b>55,213</b>	<b>35,457</b>
<b>Mining</b>	Expansion of Casa de Pedra Mine capacity production.	2007	2016/2017 <sup>(1)</sup>	738,528	709,945
	Expansion of TECAR export capacity.	2009	2020 <sup>(2)</sup>	238,453	390,920
	Current investments for maintenance of current operations.			318,350	302,764
				<b>1,295,331</b>	<b>1,403,629</b>
<b>Steel</b>	Equipment supply for use in the steel operation.	2008	2016	93,493	105,697
	Expansion of the service center/Mogi.	2013	2015/2016 <sup>(3)</sup>	77	14,950
	Current investments for maintenance of current operations.			<sup>(4)</sup> 496,232	375,579
				<b>589,802</b>	<b>496,226</b>
<b>Cement</b>	Construction of cement plants.	2011	2020 <sup>(5)</sup>	1,541,785	1,254,897
	Current investments for maintenance of current operations.			9,611	9,177
				<b>1,551,396</b>	<b>1,264,074</b>
<b>Construction in progress</b>				<b>3,491,742</b>	<b>3,199,386</b>

(1) Estimated completion date of the Central Plant Step 1;

(2) Estimated completion date of phase 60 Mtpa;

(3) Estimated completion date of Mogi Service Center;

(4) Refers substantially to the reforming of batteries for coke ovens;

(5) Estimated completion date of the unit Arcos / Minas Gerais

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The estimated useful lives are as follows (in years):

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Buildings	43	43	43	43
Machinery, equipment and facilities	18	18	18	18
Furniture and fixtures	11	11	11	11
Others	14	14	11	11

**9.a) Depreciation, amortization and depletion expenses:**

Additions to depreciation, amortization and depletion for the period were distributed as follows:

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Production costs	602,414	531,909	298,503	273,033
Sales expenses	4,527	4,630	2,253	2,330
General and Administrative Expenses	7,147	6,639	3,496	3,317
	<b>614,088</b>	<b>543,178</b>	<b>304,252</b>	<b>278,680</b>
Other operating expenses (*)	23,304	18,477	11,196	9,473
	<b>637,392</b>	<b>561,655</b>	<b>315,448</b>	<b>288,153</b>

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Production costs	267,168	416,685	135,700	214,273
Sales expenses	3,608	3,658	1,798	1,880
General and Administrative Expenses	4,446	4,213	2,199	2,074
	<b>275,222</b>	<b>424,556</b>	<b>139,697</b>	<b>218,227</b>

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(\*) Refers to the depreciation of unused equipment and amortization of intangible assets, see note 22.

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1****10. INTANGIBLE ASSETS**

The information related to intangible assets did not have relevant changes in relation to that disclosed in the Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of June 30, 2016.

	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Software</b>	<b>Trademark and patents</b>
<b>Balance at December 31, 2014</b>	<b>407,434</b>	<b>347,115</b>	<b>79,867</b>	<b>109,050</b>
Cost	666,768	415,964	153,080	109,050
Accumulated amortization	(150,004)	(68,849)	(73,213)	
Adjustment for accumulated recoverable value	(109,330)			
<b>Balance at December 31, 2014</b>	<b>407,434</b>	<b>347,115</b>	<b>79,867</b>	<b>109,050</b>
Effect of foreign exchange differences		104,136	192	34,580
Acquisitions and expenditures			1,234	
Incorporation of subsidiary - CSN Cimentos				
Transfers of the assets related to Casa de Pedra and Tecar				
Business combination, fair value of assets e goodwill (note 3b)	3,196,588	1,420	3,437	
Transfer of property. Plant and equipment			930	
Amortization		(39,395)	(10,423)	
<b>Balance at December 31, 2015 (Restated)</b>	<b>3,604,022</b>	<b>413,276</b>	<b>75,237</b>	<b>143,630</b>
Cost	3,974,128	549,302	173,154	143,630
Accumulated amortization	(260,776)	(136,026)	(97,917)	
Adjustment for accumulated recoverable value	(109,330)			
<b>Balance at December 31, 2015 (Restated)</b>	<b>3,604,022</b>	<b>413,276</b>	<b>75,237</b>	<b>143,630</b>
Effect of foreign exchange differences		(65,524)	(125)	(23,950)
Acquisitions and expenditures			6	

Transfer of property. Plant and equipment			14,353	
Write-offs (note 22)	(13,091)			
Amortization		(22,066)	(5,854)	
<b>Balance at June 30, 2016 (Restated)</b>	<b>3,590,931</b>	<b>325,686</b>	<b>83,617</b>	<b>119,67</b>
Cost	3,834,234	457,911	179,464	119,67
Accumulated amortization	(133,973)	(132,225)	(95,847)	
Adjustment for accumulated recoverable value	(109,330)			
<b>Balance at June 30,2016 (Restated)</b>	<b>3,590,931</b>	<b>325,686</b>	<b>83,617</b>	<b>119,67</b>

(\*) Composed mainly by mineral rights with estimated resources of 1,101 million tons.  
Corresponding amortization is recorded based on production volumes.

The estimated useful lives for the current year are as follows (in years):

	Consolidated		Parent Company	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Software	8	8	8	8
Customer relationships	13	13		

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1****11. BORROWINGS, FINANCING AND DEBENTURES**

As of June 30, 2016 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	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015
<b>FOREIGN CURRENCY</b>							
Prepayment (*)	1% to 3.5%	109,231	207,657	528,547	2,633,137	109,231	
Prepayment (*)	3.51% to 8%	369,012	286,487	4,289,363	3,429,716	439,384	
Perpetual bonds	7%	4,369	5,315	3,209,800	3,904,800		
Fixed rate notes (*)	4.14% to 10%	135,052	175,768	5,445,737	6,910,992	26,634	
Intercompany (*)	Libor 6M to 3%					105,123	
Forfeiting (**)	Libor + Spread	151,079	288,772			151,079	
Others	1.2% to 8%	98,528	115,594	270,368	425,635		
		<b>867,271</b>	<b>1,079,593</b>	<b>13,743,815</b>	<b>17,304,280</b>	<b>1,777,565</b>	<b>2,</b>
<b>LOCAL CURRENCY</b>							
BNDES/FINAME	1.3% + TJLP and Fixed rate 2.5% to 6% + 1.5%	66,393	55,435	1,021,819	1,018,189	39,581	
Debentures	110.8% to 113.7% CDI	156,760	60,670	1,653,333	1,750,000	156,760	
Prepayment (*)	109.5% to 116.5% CDI and fixed rate of 8%	194,418	522,418	5,460,000	5,200,000	143,347	
CCB	112.5% and 113% CDI	91,390	92,976	7,200,000	7,200,000	91,390	
Drawee risk (**)			84,063				
Others			6,229		12,107		
		<b>508,961</b>	<b>821,791</b>	<b>15,335,152</b>	<b>15,180,296</b>	<b>431,078</b>	<b></b>
<b>Total borrowings and financing (note 12 I)</b>		<b>1,376,232</b>	<b>1,901,384</b>	<b>29,078,967</b>	<b>32,484,576</b>	<b>2,208,643</b>	<b>2,</b>
Transaction costs and issue premiums		(38,360)	(26,703)	(74,000)	(76,742)	(33,716)	
<b>Total borrowings and financing + transaction costs</b>		<b>1,337,872</b>	<b>1,874,681</b>	<b>29,004,967</b>	<b>32,407,834</b>	<b>2,174,927</b>	<b>2,</b>

(\*) The balances of Pre-export loans, Fixed Rate Notes and Intercompany Bonds from related parties of the parent company totals R\$11,043,554 on June 30, 2016 (R\$13,416,687 on December 31, 2015), see note 17b.

(\*\*) The balances of forfaiting and drawee risk operations totals R\$ 151,079 on June 30, 2016 (R\$372,835 on December 31, 2015).

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

As of June 30, 2016, the breakdown of principal plus interest of long-term liabilities as borrowings, financing and debentures by maturity date is presented as follows:

		<b>Consolidated</b>		<b>Parent Company</b>
2017	1,111,025	4%	2,668,109	10%
2018	5,602,570	19%	4,774,316	17%
2019	6,896,445	24%	5,271,913	19%
2020	7,408,444	25%	4,621,687	17%
2021	2,208,657	8%	2,788,330	10%
After 2021	2,642,026	9%	7,847,121	27%
Perpetual bonds	3,209,800	11%		
	<b>29,078,967</b>	<b>100%</b>	<b>27,971,476</b>	<b>100%</b>





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

The table below presents the capitalizations and amortizations during the year:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>34,282,515</b>	<b>30,354,058</b>	<b>33,988,090</b>	<b>29,560,826</b>
Funding Transactions	7,437	978,206	40,239	2,694,533
Funding – Forfaiting/Drawee Risk	78,240	924,706	78,240	924,706
Repayment	(611,239)	(2,850,077)	(224,668)	(1,542,921)
Payments – Forfaiting / Drawee Risk	(257,631)	(1,146,306)	(257,631)	(1,146,306)
Payment of charges	(1,582,124)	(2,957,762)	(1,323,355)	(2,656,208)
Payment of charges - Forfaiting/Drawee Risk	(1,544)	(7,064)	(1,544)	(7,064)
Provision of charges	1,593,578	3,052,164	1,317,017	2,996,662
Provision of charges - Forfaiting / Drawee Risk	3,030	2,032	3,030	2,032
Other (1)	(3,169,423)	5,932,558	(3,541,057)	3,161,830
<b>Closing balance</b>	<b>30,342,839</b>	<b>34,282,515</b>	<b>30,078,361</b>	<b>33,988,090</b>

(1) Includes interests and unrealized foreign exchange variances.

In 2016, the Group capitalized and amortized loans as shown below:

- **Capitalization**

<b>Transaction</b>	<b>Financial institution</b>	<b>Date</b>	<b>Amount</b>	<b>Consolidated Maturity</b>
Financing	Kreissparkasse Saalfeld-Rudolstadt	June/16	7,437	January 2018
<b>Total</b>			<b>7,437</b>	

- **Amortization**

<b>Transaction</b>	<b>Principal</b>	<b>Charges</b>	<b>Consolidated</b>
Fixed Rate Notes	105,178		388,450
Debentures			130,306
Bank Credit Bill			539,078
Export Credit Note	65,000		403,811
Pre - Export Payment	116,935		103,112
BNDES/FINAME	16,326		16,589
Pre - Debt Payment	303,844		
Others	3,956		778
<b>Total</b>	<b>611,239</b>		<b>1,582,124</b>

## 12. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes compared to what was disclosed in Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of June 30, 2016.

### 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. The Company also enters into derivative transactions, especially interest rate and foreign exchange rate swaps.



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- Classification of financial instruments**

Consolidated	Notes					06/30/2016			
		Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate	Other liabilities amortized cost method	Balances	Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate
<b>Assets</b>									
<b>Current</b>									
Cash and cash equivalents	3			5,139,041		5,139,041			7,861,000
Short term investments - margin deposit	4			322,925		322,925			763,000
Trade receivables	5			1,622,486		1,622,486			1,500,000
Derivative financial instruments	7							118,592	
Trading securities	7		12,882			12,882		10,778	
Dividends receivable					26,902	26,902			
<b>Total</b>			<b>12,882</b>	<b>7,084,452</b>	<b>26,902</b>	<b>7,124,236</b>		<b>129,370</b>	<b>10,125,000</b>
<b>Non-current</b>									
Other trade receivables	7			13,311		13,311			6,000
Investments	8	789,962				789,962	471,674		
Borrowings - related parties	7			400,053		400,053			373,000

<b>Total</b>		<b>789,962</b>	<b>413,364</b>		<b>1,203,326</b>	<b>471,674</b>		<b>380,000</b>	
<b>Total assets</b>		<b>789,962</b>	<b>12,882</b>	<b>7,497,816</b>	<b>26,902</b>	<b>8,327,562</b>	<b>471,674</b>	<b>129,370</b>	<b>10,505,000</b>
<b>Liabilities</b>									
<b>Current</b>									
Borrowings and financing	11				1,376,232	1,376,232			
Derivative financial instruments	13							26,257	
Trade payables					1,194,942	1,194,942			
Dividends and interest on capital	13				464,982	464,982			
<b>Total</b>					<b>3,036,156</b>	<b>3,036,156</b>		<b>26,257</b>	
<b>Non-current</b>									
Borrowings and financing	11				29,078,967	29,078,967			
<b>Total</b>					<b>29,078,967</b>	<b>29,078,967</b>			
<b>Total liabilities</b>					<b>32,115,123</b>	<b>32,115,123</b>		<b>26,257</b>	

- Fair value measurement**

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

<b>Consolidated</b>	<b>Level 1</b>	<b>06/30/2016 Balances</b>	<b>Level 1</b>	<b>Level 2</b>	<b>12/31/2015 Balances</b>
<b>Assets</b>					
<b>Current</b>					
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial instruments				118,592	118,592
Trading securities	12,882	12,882	10,778		10,778
<b>Non-current</b>					
<b>Available-for-sale financial assets</b>					
Investments	789,962	789,962	471,674		471,674

<b>Total assets</b>	<b>802,844</b>	<b>802,844</b>	<b>482,452</b>	<b>118,592</b>	<b>601,044</b>
<b>Liabilities</b>					
<b>Current</b>					
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial instruments				26,257	26,257
<b>Total liabilities</b>				<b>26,257</b>	<b>26,257</b>

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

The Company has investments in common (USIM3) and preferred (USIM5) shares of Usiminas (“Usiminas Shares”), designated as available-for-sale financial assets. The Company adopts this designation because the nature of the investment is not comprised in any 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 in line item “investments” and is carried at fair value based on the quoted price on the stock exchange (BM&FBOVESPA). According to the Company's policy, the gains and losses arising from changes in the price of shares are recorded directly in equity, as other comprehensive income. During March 2016, the Usiminas’ Board of Directors authorized a capital increase amounting to R\$64,882, through the issuance of up to 50,689,310 preferred shares. On April 22, 2016, CSN fully exercised its right of subscription, paying R\$11,603 by 9,064,856 preferred shares. The capital increase has been approved by the Usiminas’ Board of Directors on June 03, 2016.

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The Usiminas' Board of Directors authorized in April 2016 an increase in its share capital in the amount of R\$1,000,000, through the issuance of 200,000,000 common shares. Over again, on May 20, 2016, CSN fully exercised its right of subscription, paying R\$178,832 by 35,766,351 preferred shares. The capital increase has been approved by the Usiminas' Board of Directors on July 19, 2016.

As of June 30, 2016, there was no impairment recorded and the gain from the change in share price in the period was recorded in other comprehensive income (the impairment recorded as of 30 June, 2015 amounted to R\$ 89,433):

Class of shares	06/30/2016			12/31/2015			Variation in the quarter	
	Quantity	Share price	Carrying amount	Quantity	Share price	Carrying amount	Share price	Variation in the carrying amount
Common (*)	107,156,651	5.08	544,356	71,390,300	4.02	286,989	1.06	257,367
Preferred	114,280,556	1.97	225,133	105,215,700	1.55	163,084	0.42	62,049
	<b>221,437,207</b>		<b>769,489</b>			<b>450,073</b>		<b>319,416</b>

(\*) The quantity and carrying amount of the common shares already reflect the approval of the capital increase on July 19, 2016

As of June 30, 2016, the Company's shareholding equity in USIMINAS was 14.13% in the common shares and 20.86% in the preferred shares. Since July 19, 2016, upon approval of the capital increase in common shares, the Company's shareholding equity in USIMINAS is 15.19% of the common shares and 20.86% are preferred shares.



As of June 30, 2016 the carrying amounts recorded in other comprehensive income for investments available for sale is R\$127,780 (R\$ (73) as of December 31, 2015).

### III - Financial risk management

As of June 30, 2016, 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, 2015

#### 12.a) Foreign exchange and interest rate risks

- **Exchange rate risk**

The exchange rate risk arises from the existence of assets and liabilities generated in US dollars or Euros is called natural currency exposure. Net exposure is the result of offsetting the natural currency exposure by hedging instruments adopted by CSN.

The consolidated net exposure as of June 30, 2016 is as follows:

	<b>(Amounts in US\$'000)</b>	<b>06/30/2016 (Amounts in €'000)</b>
<b>Foreign Exchange Exposure</b>		
Cash and cash equivalents overseas	802,027	56,126
Trade receivables	306,844	9,423
Other assets	9,740	15,840
<b>Total assets</b>	<b>1,118,611</b>	<b>81,389</b>
Borrowings and financing	(4,437,097)	(97,581)
Trade payables	(5,988)	(8,840)
Other liabilities	(7,216)	(81,329)
<b>Total liabilities</b>	<b>(4,450,301)</b>	<b>(187,750)</b>
<b>Foreing exchange exposure</b>	<b>(3,331,690)</b>	<b>(106,361)</b>
Cash flow hedge accounting	1,541,000	
Net Investment hedge accounting		96,000
<b>Net foreign exchange exposure</b>	<b>(1,790,690)</b>	<b>(10,361)</b>
Bonds Perpetual	1,000,000	
<b>Net currency exposure of the Perpetual Notes</b>	<b>(790,690)</b>	<b>(10,361)</b>



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During the second quarter of 2016 CSN initiated a process of reviewing its foreign exchange hedging strategy that resulted in the liquidation of the future dollar derivatives portfolio. Consequently, the net foreign exchange exposure on our consolidated balance sheet as of June 30, 2016 was US\$1,790,690 thousand, as shown in the table above. It is important to mention that included in the net foreign exchange exposure there is a liability of US\$ 1 billion, classified as loans and financing, related to perpetual bonds; which will not require a disbursement to settle its principal in the foreseeable future considering corresponding nature. Therefore, excluding perpetual bonds, the Company's net foreign exchange exposure amounts to US\$ 790,690 thousand. The company began to focus its hedging strategy to preserve its cash flow and is analyzing the replacement of the exposure generated by the settlement of derivatives with new designations of hedge accounting, capturing existing natural relations, and may also utilize other derivative instruments with the objective of protecting future cash flows.

- **Interest rate risk**

Risk arises from short and long term liabilities with fixed or post fixed interest rates and inflation rates.

**12.b) CSN uses several instruments for protection of foreign currency risk and interest rate risk, as shown in the following topics:**

- **Portfolio of derivative financial instruments**



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Counterparties	Functional Currency	Notional amount	Appreciation (R\$)	Asset position	Liability position	06/30/2016 Fair value (market) Amounts receivable / (payable)	Notional amount	A
BM&FBovespa	Dollar						1,435,000	1
<b>Total forward dollar</b>							<b>1,435,000</b>	<b>1</b>
BBVA	Dollar						39,450	1
BNPP	Dollar						18,700	
<b>Total dollar-to-euro swap</b>							<b>58,150</b>	<b>2</b>
Itaú BBA	Real						150,000	1
HSBC	Real						185,000	2
Deutsche Bank	Real						10,000	
<b>Total Fixed rate-to-CDI interest rate swap</b>							<b>345,000</b>	<b>4</b>
Itaú BBA	Real						30,000	
HSBC	Real						120,000	1
<b>Total interest rate- to-CDI swap</b>							<b>150,000</b>	<b>1</b>

• Classification of the derivatives in the balance sheet and statement of income

Instruments	Current	Assets	Total	Current	Liabilities	Total	06/30/2016 Finance income and
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	<b>expenses, net (Note 23)</b>
<i>Future Dollar BM&amp;F</i>	(800,621)
<i>Dollar - to- euro swap</i>	(6,898)
<i>Fixed rate- to- CDI swap (*)</i>	(299)
<i>CDI -to- fixed rate swap (*)</i>	(63)
	<b>(807,881)</b>

<b>Instruments</b>	<b>Assets</b>		<b>Liabilities</b>		<b>06/30/2015 Finance income and expenses, net (Note 23)</b>
	<b>Current</b>	<b>Total</b>	<b>Current</b>	<b>12/31/2015 Total</b>	
<i>Dollar - to-CDI swap</i>					(18)
<i>Dollar- to- real NDF</i>					316,805
<i>Future Dollar BM&amp;F</i>	110,075	110,075			
<i>Dollar- to- euro NDF</i>					39,668
<i>Dollar - to- euro swap</i>	7,647	7,647			(2,884)
<i>Fixed rate- to- CDI swap</i>			26,257	26,257	(3,596)
<i>CDI -to- fixed rate swap</i>	870	870			938
	<b>118,592</b>	<b>118,592</b>	<b>26,257</b>	<b>26,257</b>	<b>350,913</b>

(\*) The positions of swap and future dollar transactions were settled in February, March and April 2016.

- **Hedge accounting – cash flow**

Beginning November 1, 2014, the Company formally designated cash flow hedging relationships to protect highly probable future cash flows against US dollar fluctuations.

In order to better reflect the accounting impacts of this foreign exchange hedging strategy on its profit, CSN designated part of its US dollar-denominated liabilities as a hedging instrument of its future exports. As a result, foreign exchange differences arising on translating the designated liabilities shall be temporarily recognized in shareholders' equity and allocated to profit or loss when such exports are carried out, which will allow recognizing the US dollar impact on liabilities and exports concurrently.

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The table below shows a summary of the hedging relationships as of June 30, 2016:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Hedged period	Exchange rate on designation	Designated amounts (US\$'000)	Amortized part (USD'000)	Impact on finance income (expenses) (*)
3/11/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2016-September 2019	2.4442	500,000		
1/12/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2015-February 2019	2.5601	175,000	(25,000)	20,520
12/18/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	May 2020	2.6781	100,000		



07/21/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	March 2021	3.1813	60,000
07/23/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	March 2021	3.2850	100,000
07/23/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.285	30,000
07/24/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.3254	100,000
07/27/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.3557	25,000
07/27/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.3557	70,000
07/27/2015	Export prepayments in US\$ to	Part of the highly	Foreign exchange - R\$ vs.	October 2022	3.3557	30,000

	third parties	probable future monthly iron ore exports Part of the highly probable future monthly iron ore exports	US\$ spot rate				
07/28/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.3815	30,000	
1/8/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	(1)	3.3940	(9,000)	
3/8/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2022	3.3940	355,000	
<b>Total</b>						<b>1,566,000</b>	<b>(25,000)</b>
							<b>20,520</b>

(\*) The effect on the financial result was recorded in net foreign exchange rates.

(1) During the designation on August 2015, we reviewed the future export projections and identified that the amount of US\$ 9 million designated previously were not highly probable due to Platt's quotation reduction. Therefore, the hedge relationship was discontinued from August 2015. The exchange rate of the effective period remains recorded in Stockholders' Equity until the time of debt settlement.

In the hedging relationships described above, the amounts of the debt instruments were fully designated for equivalent iron ore export portions.

The movements in the hedge accounting amounts recognized in shareholders' equity as of June 30, 2016 are as follows:

	<b>12/31/2015</b>	<b>Movement</b>	<b>Realization</b>	<b>06/30/2016</b>
Cash flow hedge accounting	1,520,089	(1,072,884)	(20,523)	426,682
Income tax and social contribution on cash flow hedge accounting	(516,831)	364,781	6,978	(145,072)
Not recorded Income tax and social contribution on cash flow hedge accounting	516,831	(371,759)		145,072
<b>Cash flow hedge accounting, net of taxes</b>	<b>1,520,089</b>	<b>(1,079,862)</b>	<b>(13,545)</b>	<b>426,682</b>

As of June 30, 2016 the hedging relationships established by the Company were effective, according to the prospective tests conducted. Thus, no reversal for hedge accounting ineffectiveness was recognized.

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- **Net investment hedge in foreign subsidiaries**

CSN has foreign exchange exposure in Euros arising from a loan made by a foreign subsidiary with functional currency in Reais, for the acquisition of investments abroad whose functional currency is Euro. Such exposure arises from converting the balance sheets of these subsidiaries for consolidation in CSN, and the exchange rate of the loans affected the income statement in the financial result item and the exchange variation of the net assets of the foreign operation directly affected the equity in other comprehensive income.

As from September 1<sup>st</sup>, 2015 CSN began to adopt hedge of net investment to eliminate exposure in order to cover future fluctuations of the Euro on such loans. Non-derivative financial liabilities have been designated represented by loan agreements with financial institutions in the amount of € 120 million. The carrying amounts on June 30, 2016 are:

<b>Designation Date</b>	<b>Hedging Instrument</b>	<b>Hedged item</b>	<b>Type of hedged risk</b>	<b>Exchange rate on designation</b>	<b>Designated amounts (EUR'000)</b>	<b>06/30/2016 Impact on shareholders' equity</b>
9/1/2015	Non-derivative financial liabilities in EUR – Debt contract	Investments in subsidiaries which EUR is the functional currency	Foreign exchange - R\$ vs. EUR spot rate	4.0825	120,000	47,916
01/31/2016	Non-derivative financial liabilities in EUR – Debt contract	Investments in subsidiaries which EUR is the functional currency	Foreign exchange - R\$ vs. EUR spot rate	(1)	(24,000)	

<b>Total</b>			<b>96,000</b>	<b>47,916</b>
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(1) In January 2016 it was settled the portion of debt designated as a hedge instrument.

The changes in the amounts related to net investment hedge as of June 30, 2016 are presented below:

	<b>12/31/2015</b>	<b>Movement</b>	<b>Realization</b>	<b>06/30/2016</b>
Net Investment hedge accounting	20,148	(68,064)		(47,916)
<b>Fair value of net investment hedge in foreign operations</b>	<b>20,148</b>	<b>(68,064)</b>		<b>(47,916)</b>

On June 30, 2016 hedge relationships established by the Company found to be effective, according to prospective tests. Therefore, no reversal by ineffectiveness of the hedge was recorded.

## 12.c) Sensitivity analysis

We present below the sensitivity analysis for currency risk and interest rate.

- **Sensitivity analysis of Derivative Financial Instruments and consolidated Foreign Exchange Exposure**

The Company considered scenarios 1 and 2 as 25% and 50% of deterioration for volatility of the currency, using as reference the closing exchange rate as of June 30, 2016.

The currencies used in the sensitivity analysis and its scenarios are shown below:

**06/30/2016**

<b>Currency</b>	<b>Exchange rate</b>	<b>Probable scenario</b>	<b>Scenario 1</b>	<b>Scenario 2</b>
USD	3.2098	3.1412	4.0123	4.8147
EUR	3.5414	3.7230	4.4268	5.3121

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The effects on income statement, considering both scenarios are shown below:

<b>Instruments</b>	<b>Notional amount</b>	<b>Risk</b>	<b>Probable scenario (*)</b>	<b>06/30/2016</b>	
				<b>Scenario 1</b>	<b>Scenario 2</b>
Hedge accounting of exports	1,541,000	Dollar	(105,713)	1,236,575	2,473,151
Currency position (Not including exchange derivatives above)	(3,331,690)	Dollar	228,554	(2,673,515)	(5,347,029)
<b>Consolidated exchange position</b> (Including exchange derivatives above)	<b>(1,790,690)</b>	<b>Dollar</b>	<b>122,841</b>	<b>(1,436,940)</b>	<b>(2,873,878)</b>
Net Investment hedge accounting	96,000	Euro	17,434	84,992	169,985
Currency position	(106,361)	Euro	(19,315)	(94,166)	(188,332)
<b>Consolidated exchange position</b> (Including exchange derivatives above)	<b>(10,361)</b>	<b>Euro</b>	<b>(1,881)</b>	<b>(9,174)</b>	<b>(18,347)</b>

(\*) The likely scenarios were calculated considering the following changes to the risks: Real x Dollar - Real depreciation of 1.32% / Real x Euro – Real appreciation of 5.13%. Source: Central Bank of Brazil on 09/25/2017.

- Sensitivity analysis of changes in interest rates**

The Company considered the scenarios 1, and 2 as 25% and 50% of evolution for volatility of the interest as of June 30, 2016.

Changes in interest rates	% p.a	Assets	Liabilities	Probable scenario (*)	Impact on profit or loss	
					Scenario 1	Scenario 2
TJLP	7.50		(1,070,670)	(8,751)	(20,075)	(40,150)
Libor	0.92		(5,251,233)	(44,920)	(12,132)	(24,264)
CDI	14.13	1,926,190	(14,438,793)	(325,900)	(442,008)	(884,016)

(\*) The sensitivity analysis is based on the assumption of maintaining as probable scenario the market rates at June 30, 2016 recorded in the Company's assets and liabilities.



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1****12.d) Liquidity risk**

The following table shows the contractual maturities of financial liabilities, including accrued interest.

					<b>Consolidated</b>
	<b>Less than one year</b>	<b>From one to two years</b>	<b>From two to five years</b>	<b>Over five years</b>	<b>Total</b>
<b>At June 30,2016</b>					
Borrowings, financing and debentures	1,376,232	6,713,595	16,513,546	5,851,826	30,455,199
Trade payables	1,194,942				1,194,942
Dividends and interest on capital	464,982				464,982

**IV - Fair values of assets and liabilities as compared to their carrying amounts**

The estimated fair values for certain 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 below:

	<b>06/30/2016</b>		<b>12/31/2015</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Perpetual bonds	3,214,169	1,280,700	3,910,115	1,330,685
Fixed Rate Notes	5,580,789	3,410,094	7,086,760	3,915,310

**13. OTHER PAYABLES**

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

	Current		Consolidated Non-current		Current		P N 06/30/2
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015	
	Payables to related parties (note 17 b)	7,270	6,798			127,157	
Derivative financial instruments (note 12 I)		26,257					
Exclusive funds (Note 17 b) (1)						25,387	
Dividends and interest on capital payable to non- controlling shareholders (note 12 I)(2)	464,982	464,982			2,262	2,262	
Advances from customers	51,049	49,505			39,691	40,988	
Taxes in installments	26,600	24,237	84,702	87,890	9,388	9,207	1
Profit sharing - employees	89,565	171,695			58,471	121,423	
Provision for freight	26,811	105,104			8,679	10,190	
Provision industrial restructuring	100,244	122,854			56,402	74,382	
Taxes payable			21,498	7,805			7
Other provisions	35,795	30,784			17,397	10,289	
Other payables	62,969	70,801	30,832	35,589	5,793	7,465	
	<b>865,285</b>	<b>1,073,017</b>	<b>137,032</b>	<b>131,284</b>	<b>325,240</b>	<b>411,699</b>	<b>88</b>

(1) Refers to derivative transactions managed by exclusive funds.

(2) Dividends payable by the subsidiary CSN Mineração.

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1****14. INCOME TAX AND SOCIAL CONTRIBUTION****14.a) Income tax and social contribution recognized in profit or loss:**

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

	<b>Six months ended</b>		<b>Consolidated Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
	<b>Restated</b>		<b>Restated</b>	
<b>Income tax and social contribution income (expense)</b>				
Current	(54,090)	(92,044)	(26,504)	121,915
Deferred	(87,731)	599,697	(1,627)	(116,779)
	<b>(141,821)</b>	<b>507,653</b>	<b>(28,131)</b>	<b>5,136</b>

	<b>Six months ended</b>		<b>Parent Company Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
	<b>Restated</b>		<b>Restated</b>	
<b>Income tax and social contribution income (expense)</b>				
Current	(51)	(6,040)		150,725
Deferred	2,500	642,283	2,050	(52,263)
	<b>2,449</b>	<b>636,243</b>	<b>2,050</b>	<b>98,462</b>

The reconciliation of consolidated income tax and social contribution expenses and income and the result from applying the effective rate to profit before income tax and social contribution are as follows:

	<b>Six months ended</b>		<b>Three mo</b>
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>
	<b>Restated</b>		<b>Restated</b>
<b>(Loss)/Profit before income tax and social contribution</b>	<b>(588,753)</b>	<b>(730,444)</b>	<b>74,254</b>
Tax rate	34%	34%	34%
<b>Income tax and social contribution at combined statutory rate</b>	<b>200,176</b>	<b>248,351</b>	<b>(25,246)</b>
<b>Adjustment to reflect the effective rate:</b>			
Equity pickup	21,558	120,583	6,265
Profit with differentiated rates or untaxed	(358,175)	195,504	(178,308)
Transfer pricing adjustment	(13,028)	(22,335)	31,144
Tax loss carryforwards without recognizing deferred taxes	(791,260)	(25,194)	(346,453)
Limit of indebtedness	(18,681)	(18,712)	(9,470)
Deferred taxes on temporary differences - non computed (1)	703,320		390,075
Deferred taxes on foreign profit			6,798
Estimated reversals for deferred income and social contribution tax credits	112,622		82,841
Other permanent deductions (additions)	1,647	9,456	5,898
Amortization of goodwill			8,325
<b>Income tax and social contribution in profit for the period</b>	<b>(141,821)</b>	<b>507,653</b>	<b>(28,131)</b>
<b>Effective tax rate</b>	<b>-24%</b>	<b>69%</b>	<b>-4%</b>

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	<b>Six months ended</b>		<b>Three mo</b>
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>
	<b>Restated</b>		<b>Restated</b>
<b>(Loss)/ Profit before income e tax and social contribution</b>	<b>(756,787)</b>	<b>(858,455)</b>	<b>28,803</b>
Tax rate	34%	34%	34%
<b>Income tax and social contribution at combined statutory rate</b>	<b>257,308</b>	<b>291,875</b>	<b>(9,793)</b>
<b>Adjustment to reflect the effective rate:</b>			
Equity pickup	(274,301)	379,942	(116,078)
Transfer pricing adjustment	-	(22,335)	-
Limit of indebtndness	(18,681)	(18,712)	(9,470)
Tax loss carryforwards without recognizing deferred taxes	(776,690)		(342,258)
Deferred taxes on temporary differences - non computed (1)	700,146		394,787
Estimated reversals for deferred income and social contribution tax credits	112,622		82,841
Other permanent deductions (additions)	2,045	5,473	2,021
<b>Income tax and social contribution in profit for the period</b>	<b>2,449</b>	<b>636,243</b>	<b>2,050</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>74%</b>	<b>-7%</b>

(1) As from third quarter of 2015 the Company no longer computes income tax and social contribution credits on tax losses and temporary differences.

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1****14.b) Deferred income tax and social contribution:**

The deferred income tax and social contribution are calculated on income tax, tax losses and the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements:

	<b>Opening Balance 12/31/2015 Restated</b>	<b>Comprehensive income</b>	<b>Movement P&amp;L</b>	<b>Others</b>	<b>Consolidated Closing balance 06/30/2016 Restated</b>
<b>Deferred tax assets</b>					
Income tax losses	417,256		571,135		988,391
Social contribution tax losses	161,769		207,269		369,038
<b>Temporary differences</b>	<b>(1,572,992)</b>	<b>49,327</b>	<b>(866,135)</b>	<b>2,036</b>	<b>(2,387,764)</b>
- Provision for tax. social security, labor, civil and environmental risks	245,923		7,032		252,955
- Provision for environmental liabilities	89,290		(2,146)		87,144
- Asset impairment losses	87,152		2,560	(3)	89,709
- Inventory impairment losses	29,048		1,824		30,872
- (Gains)/losses on financial instruments	(5,454)		3,568		(1,886)

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- (Gains)/losses on available for sale financial assets	947,989	(43,470)			904,519
- Actuarial liability (pension and healthcare plan)	164,167				164,167
- Accrued supplies and services	92,401		17,066		109,467
- Allowance for doubtful debts	38,614		16,876		55,490
- Goodwill on merger	9,211		(8,254)		957
- Unrealized exchange differences (*)	2,427,926		(866,241)		1,561,685
- Gain in loss of control the Transnordestina	(224,096)				(224,096)
- Cash flow hedge accounting	516,831	(371,759)			145,072
-Aquisition Fair value SWT/CBL	(299,574)	46,696	17,788		(235,090)
- Deferred tax non computed	(1,673,904)	401,421	(87,940)		(1,360,423)
-Estimated losses to deferred tax credits	(3,173,048)	13,808	112,622		(3,046,618)
- Business combination	(1,058,088)		1,165		(1,056,923)
- Other	212,620	2,631	(82,055)	2,039	135,235
<b>Total</b>	<b>(993,967)</b>	<b>49,327</b>	<b>(87,731)</b>	<b>2,036</b>	<b>(1,030,335)</b>
Total Deferred Assets	78,066				73,108
Total Deferred Liabilities	(1,072,033)				(1,103,443)
<b>Total Deferred</b>	<b>(993,967)</b>				<b>(1,030,335)</b>

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	Opening balance 12/31/2015 Restated	Movement Comprehensive income	P&L
<b>Deferred tax assets</b>			
Income tax losses	226,246		569,884
Social contribution tax losses	93,031		206,806
<b>Temporary differences</b>	<b>(985,358)</b>		<b>(774,190)</b>
- Provision for tax, social security, labor, civil and environmental risks	216,862		4,427
- Provision for environmental liabilities	88,501		(2,420)
- Asset impairment losses	67,483		2,902
- Inventory impairment losses	13,757		140
- (Gain)/loss in financial instruments	(5,454)		3,568
- (Gains)/losses on available for sale financial assets	947,989	(43,470)	
- Actuarial liability (pension and healthcare plan)	163,560		
- Accrued supplies and services	49,040		32,114
- Allowance for doubtful debts	28,087		(481)
- Unrealized exchange differences (*)	2,427,926		(823,741)
- Gain loss of control of the transnordestina	(224,096)		
- Cash flow hedge accounting	516,831	(371,759)	
-Deferred taxes non computed	(1,491,042)	401,421	(76,544)
- Estimated loss to deferred tax credits	(3,173,048)	13,808	112,622
- Business Combination	(721,993)		
- Other	110,239		(26,777)
<b>Total</b>	<b>(666,081)</b>		<b>2,500</b>
Total Deferred Liabilities	(666,081)		
<b>Total Deferred</b>	<b>(666,081)</b>		

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



The Company has foreign subsidiaries in its corporate structure, for which profits are taxed at income tax in the countries where they are domiciled by lower rates than those prevailing in Brazil. From 2012 up to the 2<sup>nd</sup> quarter of 2016 such foreign subsidiaries generated profits amounting to R\$1,706,873. If for some reason tax authorities understand that these profits are subject to additional taxation in Brazil in respect of income tax and social contribution, which if due, would total R\$459.628.

The Company, based on its legal counsel's opinion, assessed the likelihood of loss in a potential claiming by tax authorities which resulted in a possible risk of loss and, therefore, no provision was recognized in the financial statements.

#### 14.c) Income tax and social contribution recognized in shareholders' equity:

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

	06/30/2016	Consolidated 12/31/2015	06/30/2016	Parent Company 12/31/2015
<b>Income tax and social contribution</b>				
Actuarial gains on defined benefit pension plan	64,603	64,489	65,128	65,246
Estimated losses for deferred income and social contribution tax credits-actuarial gains	(65,128)	(65,128)	(65,128)	(65,128)
Changes in the fair value on available-for-sale financial assets	38	38	38	19,269
Actuarial gains and assets available for sale by incorporation				(19,349)
Estimated losses for deferred income and social contribution tax credits-available for sale assets	(38)	(38)	(38)	(38)
Exchange differences on translating foreign operations	(426,682)	(425,510)	(426,682)	(425,510)
Cash flow hedge accounting	145,072	158,880	145,072	158,880
Estimated losses for deferred income and social contribution tax credits - cash flow hedge	(145,072)	(158,880)	(145,072)	(158,880)
	<b>(427,207)</b>	<b>(426,149)</b>	<b>(426,682)</b>	<b>(425,510)</b>

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

On June 30, 2016, the information related to judicial deposits and processes has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015. The breakdown of the provisioned amounts and its respective judicial deposits are presented as following:

	<b>Consolidated</b>				<b>Parent Company</b>			
	<b>Accrued liabilities</b>		<b>Judicial deposits</b>		<b>Accrued liabilities</b>		<b>Judicial deposits</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Tax	127,927	143,852	82,861	82,472	66,095	82,619	65,321	67,843
Social security	73,861	70,174	46,193	46,193	72,934	69,293	46,193	46,193
Labor	471,607	478,611	184,412	165,027	381,763	388,763	150,931	133,686
Civil	133,901	128,451	23,408	24,634	106,900	103,087	9,461	13,696
Environmental	7,529	17,646	1,190	1,697	2,263	12,536	1,121	1,628
Deposit of a guarantee			8,431	8,519				
	<b>814,825</b>	<b>838,734</b>	<b>346,495</b>	<b>328,542</b>	<b>629,955</b>	<b>656,298</b>	<b>273,027</b>	<b>263,046</b>

The changes in the provision for tax, social security, labor, civil and environmental risks in the year ended June 30, 2016 were as follows:

**Consolidated****Current + Non- Current**

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<b>Nature</b>	<b>12/31/2015</b>	<b>Additions</b>	<b>Accrued charges</b>	<b>Net utilization of reversal</b>	<b>06/30/2016</b>
Tax	143,852		5,093	(21,018)	127,927
Social security	70,174		3,687		73,861
Labor	478,611	26,297	41,758	(75,059)	471,607
Civil	128,451	2,188	5,157	(1,895)	133,901
Environmental	17,646	1,072	454	(11,643)	7,529
	<b>838,734</b>	<b>29,557</b>	<b>56,149</b>	<b>(109,615)</b>	<b>814,825</b>

<b>Nature</b>	<b>12/31/2015</b>	<b>Additions</b>	<b>Accrued charges</b>	<b>Net utilization of reversal</b>	<b>Parent Company Current + Non-current 06/30/2016</b>
Tax	82,619		2,651	(19,175)	66,095
Social security	69,293		3,641		72,934
Labor	388,763	17,589	38,247	(62,836)	381,763
Civil	103,087	2,022	3,505	(1,714)	106,900
Environmental	12,536	52	202	(10,527)	2,263
	<b>656,298</b>	<b>19,663</b>	<b>48,246</b>	<b>(94,252)</b>	<b>629,955</b>

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. This provision includes tax liabilities resulting from lawsuits filed by the Company, subject to SELIC (Special System for Settlement and Custody) interest rates.

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- Other administrative and judicial proceedings

The table below shows a summary of the carrying amounts of the main legal matters with possible risk of loss at December 31, 2015 and at June 30, 2016. The increase in the carrying amounts substantially reflects the monetary update.

	<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>
Income tax / Social contribution - Assessment Notice and imposition of fine (AIIM) - Capital gain for an alleged sale of the shares of its subsidiary NAMISA (note 29).	8,060,222	7,743,501
Income tax / Social contribution - Assessment Notice and imposition of fine (AIIM) - Disallowance of deductions of goodwill generated in the reverse incorporation of Big Jump by Namisa (note 29).	2,348,457	2,250,833
Assessment Notice and Imposition of Fine (AIIM) - Income tax / Social contribution - gross of interest on prepayment arising from supply contracts of iron ore and port services	1,156,764	1,105,793
Tax foreclosures - ICMS - Electricity credits	831,640	785,043
Installments MP 470 - alleged insufficiency of tax losses	618,021	587,205
Offset of taxes that were not approved by the Federal Revenue Service - IRPJ/CSLL, PIS/COFINS e IPI	1,432,359	1,015,355
Income tax / Social contribution - Assessment Notice and imposition of fine (AIIM) - profits from foreign subsidiaries years 2008, 2010 and 2011 (1)	1,578,471	832,183
Disallowance of the ICMS credits - Transfer of iron ore	542,356	516,581
Disallowance of the ICMS credits - ICMS - acquisition of subsidiary (*)		277,389
ICMS - Refers to the transfer of imported raw material at an amount lower than the price disclosed in the import documentation	265,033	252,112
Disallowance of the tax losses arising on adjustments to the SAPLI	430,964	409,323
Assessment Notice - ICMS - shipping and return merchandise for Industrialization	572,991	541,338
Assessment Notice- Income tax- Capital Gain of CFM vendors located outside	177,108	170,835
Other tax (federal, state, and municipal) lawsuits.	2,787,313	2,537,626
Social security lawsuits	302,786	289,923
Law suit applied by Brazilian antitrust authorities (CADE)	94,659	70,423
Other civil lawsuits	755,628	763,576

Labor and social security lawsuits	1,111,944	1,032,678
Environmental lawsuits	342,375	359,046
	<b>23,409,091</b>	<b>21,540,763</b>

(\* ) Tax assessments were canceled due to a favorable decision to the Company in the 2nd administrative judicial level, the referred judgment occurred on February 15, 2016.

(1) The increase is due to an assessment notice received in June 2016, related to the profits from foreign subsidiaries in 2011.

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.

- Environmental lawsuits

The environmental processes present high complexity for estimating the amount at risk, should be taken into consideration, among various aspects, procedural development, the extent of damage and the projection of repairing costs.

There are other environmental processes for which it is not yet possible to assess the risk and contingency value due to the aforementioned complexity estimation, the peculiarities of the matters involving them and also their procedural steps.

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1****16. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS**

The information related to environmental liabilities and asset retirement obligation has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

The carrying amount of the provision for environmental liabilities and asset retirement obligation (ARO) are as follows:

	<b>06/30/2016</b>	<b>Consolidated 12/31/2015</b>	<b>06/30/2016</b>	<b>Parent Company 12/31/2015</b>
Environmental liabilities	253,862	262,290	249,486	259,115
Asset retirement obligations	70,163	66,641		
	<b>324,025</b>	<b>328,931</b>	<b>249,486</b>	<b>259,115</b>

**17. RELATED-PARTY BALANCES AND TRANSACTIONS**

The information regarding the related party transactions has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

**17.a) Transactions with holding companies**

After payment of dividends in 2015 amounting to R\$306,139, there were no transactions with holding companies.

**17.b) Transactions with subsidiaries, joint ventures, associates, exclusive funds and other related parties**

- By transaction**

	Current		Non-current		Consolidated Total	
	06/30/2016	12/31/2015	06/30/2016 Restated	12/31/2015 Restated	06/30/2016	12/31/2015
<b>Assets</b>						
Trade receivables (note 5)	82,602	61,366			82,602	61,366
Dividends receivable (note 5)	26,902	27,817			26,902	27,817
Actuarial asset (note 7)			99,580	114,433	99,580	114,433
Financial investments/ investments	161,084				161,084	
Loans (note 7)			400,053	373,214	400,053	373,214
Other receivables (note 7)	9,209	9,420	32,770	29,020	41,979	38,440
	<b>279,797</b>	<b>98,603</b>	<b>532,403</b>	<b>516,667</b>	<b>812,200</b>	<b>615,270</b>
<b>Liabilities</b>						
<b>Other payables (Note 13)</b>						
Accounts payable	7,270	6,798			7,270	6,798
Trade payables	112,863	67,443			112,863	67,443
Actuarial liabilities			25,294	25,294	25,294	25,294
	<b>120,133</b>	<b>74,241</b>	<b>25,294</b>	<b>25,294</b>	<b>145,427</b>	<b>99,535</b>
	<b>06/30/2016</b>	<b>06/30/2015</b>				
<b>P&amp;L</b>						
<b>Revenues</b>						
Sales	354,660	382,528				
Interest (Note 23)	27,474	32,119				
<b>Expenses</b>						
Purchases	(517,964)	(559,208)				
Interest (Note 23)		(256,087)				

**(135,830)**      **(400,648)**

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	<b>Assets</b>			<b>Liabilities</b>			<b>P&amp;L</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Sales</b>	<b>Purchases</b>
<b>Joint-venture and Joint-operation</b>								
Itá Energética S.A.				2,652		2,652		(16,097)
CGPAR Construção Pesada S.A.	1,301		1,301	18,038		18,038		(39,930)
MRS Logística S.A.	26,199		26,199	54,829		54,829		(418,820)
CBSI - Companhia Brasileira de Serviços e Infraestrutura Transnordestina Logística S.A (1)	5,298		5,298	10,192		10,192	9	(34,603)
		381,932	381,932	33,610		33,610	2,312	
	<b>32,798</b>	<b>381,932</b>	<b>414,730</b>	<b>119,321</b>		<b>119,321</b>	<b>2,321</b>	<b>(509,450)</b>
<b>Other related parties</b>								
CBS Previdência		99,580	99,580		25,294	25,294		
Fundação CSN	1,830		1,830	77		77		
Banco Fibra	161,084		161,084					

Usiminas				509		509	17,027	(5,338)
Panatlântica	83,892	3,750	87,642				320,845	
Ibis								
Participações e Serviços								(3,176)
Partifib Projetos Imobiliários	193		193				1,099	
	<b>246,999</b>	<b>103,330</b>	<b>350,329</b>	<b>586</b>	<b>25,294</b>	<b>25,880</b>	<b>338,971</b>	<b>(8,514)</b>
<b>Associates</b>								
Arvedi Metalfer do Brasil S.A.		47,141	47,141	226		226	13,368	
<b>Total at 06/30/2016</b>	<b>279,797</b>	<b>532,403</b>	<b>812,200</b>	<b>120,133</b>	<b>25,294</b>	<b>145,427</b>	<b>354,660</b>	<b>(517,964)</b>
<b>Total at 12/31/2015</b>	<b>98,603</b>	<b>516,667</b>	<b>615,270</b>	<b>74,241</b>	<b>25,294</b>	<b>99,535</b>	<b>725,285</b>	<b>(1,103,428)</b>
<b>Total at 06/30/2015</b>							<b>382,528</b>	<b>(559,208)</b>

1. Transnordestina Logística S.A: Refers mainly to contracts in R\$: interest equivalent to 108.0% and 102.0% of CDI with final maturity in June 2017. As of June 30, 2016, the borrowings carrying amounts totaled to R\$381,932 (R\$222,727 as of December 31, 2015).

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	<b>Current</b>		<b>Non-current</b>		<b>Parent Company Total</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
			<b>Restated</b>	<b>Restated</b>		
<b>Assets</b>						
Trade receivables (1) (note 5)	933,505	1,140,172			933,505	1,140,172
Dividends receivable (note 5)	730,062	737,668			730,062	737,668
Actuarial asset (note 7)			101,305	112,660	101,305	112,660
Loans (note 7)			257,480	239,930	257,480	239,930
Short-term investments / Investments (2)	1,220,999	1,412,428	46,961	28,078	1,267,960	1,440,506
Exclusive funds (note 7)		110,075				110,075
Other receivables (3) (note 7)	54,737	32,479	328,393	303,441	383,130	335,920
	<b>2,939,303</b>	<b>3,432,822</b>	<b>734,139</b>	<b>684,109</b>	<b>3,673,442</b>	<b>4,116,931</b>
<b>Liabilities</b>						
<b>Borrowings and financing</b>						
Prepayment (note 11)	70,371	85,987	4,803,068	5,843,050	4,873,439	5,929,037
Fixed Rate Notes and Intercompany Bonds (note 11)	26,634	32,402	3,334,373	4,056,347	3,361,007	4,088,749
Intercompany Loans (note 11)	1,051,237	1,261,861	1,757,871	2,137,040	2,809,108	3,398,901
	<b>1,148,242</b>	<b>1,380,250</b>	<b>9,895,312</b>	<b>12,036,437</b>	<b>11,043,554</b>	<b>13,416,687</b>

**Other payables (Note 13)**

Accounts payable	127,141	110,090	79,785	118,653	206,926	228,743
Advances from customers	16	16			16	16
Exclusive funds (2) (note 13)		25,387				25,387
Trade payables	152,787	153,559			152,787	153,559
Actuarial liabilities			25,293	25,293	25,293	25,293
	<b>279,944</b>	<b>289,052</b>	<b>105,078</b>	<b>143,946</b>	<b>385,022</b>	<b>432,998</b>

**06/30/2016                      06/30/2015**

**P&L****Revenues**

Sales	1,364,264	2,750,132
Interest (note 23)	17,620	10,746
Exclusive funds (note 23)		372,782

**Expenses**

Purchases	(665,007)	(875,265)
Interest (note 23)	(252,806)	(713,396)
Foreing exchange and monetary variations, net	2,186,217	(1,315,934)
Exclusive funds (note 23)	(731,130)	
	<b>1,919,158</b>	<b>229,065</b>

(1) Accounts receivable derive from sales operations of goods and services between the parent company, subsidiaries and joint ventures.

(2) Assets: Financial investments classified as current totaled to R\$ 1,220,999 as of June 30, 2016 (R\$1,412,428 at December 31, 2015) and the interests in Usiminas, recorded in the exclusive funds and classified as investments available for sale, located in non-current assets, amounted to R\$46,961 (R\$28,078 as of December 31, 2015).

(3) Current: Refers mainly to assignment of tax loss credits of income tax and social contribution, related to Metallurgical Prada companies, FTL (Ferrovia Transnordestina Logistica) and MMSA (Companhia de Embalagens Metálicas).

Non-current: Refers mainly to advances for future capital increases, dividends to be received and receivables from acquisition of debentures.



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- **By company**

	<b>Assets</b>			<b>Liabilities</b>			<b>Sales</b>	<b>Purchases</b>
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>		
<b>Subsidiaries</b>								
Cia Metalic Nordeste Companhia Metalúrgica Prada (1)				50		50	23,904	(13,000)
Estanho de Rondônia S.A.	222,697	121,336	344,033	12,944	196	13,140	485,731	(52,160)
Sepetiba Tecon S.A.	1,063	2,034	3,097					(5,120)
Minérios Nacional S.A.	10,574	83,764	94,338	11,919		11,919		(20,930)
CSN Mineração S.A (2)		7,196	7,196					
CSN Energia S.A.	733,916		733,916	31,555		31,555	308	(261,670)
Ferrovias Transnordestina Logística S.A.				12,873		12,873		(118,500)
Companhia Siderúrgica Nacional, LLC (3)	3,123	33,786	36,909		79,589	79,589	4	
	432,985		432,985	123,936		123,936	374,983	(9,960)
				10,861	98,604	109,465		

CSN Europe Lda.									
CSN Resources S.A. (4)				1,127,769		7,225,858		8,353,627	
Lusosider Aços Planos, S.A.	187,383		187,383	32,201			32,201	157,381	
CSN Islands XI Corp. (5)						1,027,136		1,027,136	
CSN Islands XII Corp. (6)				9,613		1,457,249		1,466,862	
CSN Ibéria Lda.						86,465		86,465	
Companhia de Embalagens Metálicas MMSA	5,404	44,859	50,263						
Companhia Florestal do Brasil		2,648	2,648						
Stahlwerk Thüringen GmbH									(22,14)
	<b>1,597,145</b>	<b>295,623</b>	<b>1,892,768</b>	<b>1,373,721</b>		<b>9,975,097</b>	<b>11,348,818</b>	<b>1,042,311</b>	<b>(490,65)</b>
<b>Joint-venture e Joint-operation</b>									
ITA Energética S.A	17,063		17,063						
CGPAR Construção Pesada S.A.	4,042		4,042						
MRS Logística S.A.	13,111		13,111	38,998			38,998		(98,62)
CBSI - Companhia Brasileira de Serviços e Infraestrutura	1,028		1,028	15,436			15,436	9	(67,36)
Transnordestina Logística S.A.		239,359	239,359	16			16		
	<b>35,244</b>	<b>239,359</b>	<b>274,603</b>	<b>54,450</b>			<b>54,450</b>	<b>9</b>	<b>(165,98)</b>
<b>Other related parties</b>									
CBS Previdência		101,305	101,305			25,293	25,293		
Fundação CSN	1,830		1,830	15			15		(59)
Banco Fibra Usiminas	16		16						(4,59)
Panatlântica	83,892	<b>3,750</b>	87,642					320,845	

Ibis Participações e Serviços Partifib Projetos Imobiliários	193		193				1,099	(3,17
	<b>85,931</b>	<b>105,055</b>	<b>190,986</b>	<b>15</b>	<b>25,293</b>	<b>25,308</b>	<b>321,944</b>	<b>(8,36</b>
<b>Associates</b>								
Arvedi Metalfer do Brasil S.A.		47,141	47,141					
<b>Exclusive Funds</b>								
Diplic, Caixa Vertice, VR1, BB Steel	1,220,983	46,961	1,267,944					
<b>Total at 06/30/2016</b>	<b>2,939,303</b>	<b>734,139</b>	<b>3,673,442</b>	<b>1,428,186</b>	<b>10,000,390</b>	<b>11,428,576</b>	<b>1,364,264</b>	<b>(665,00</b>
<b>Total at 12/31/2015</b>	<b>3,432,822</b>	<b>684,109</b>	<b>4,116,931</b>	<b>1,669,302</b>	<b>12,180,383</b>	<b>13,849,685</b>	<b>5,852,639</b>	<b>(1,636,30</b>
<b>Total at 06/30/2015</b>							<b>2,750,132</b>	<b>(875,26</b>

(1) Companhia Metalurgica Prada refers mainly to accounts receivable and debentures from CBL amounting to R\$219,362 and 121,336, respectively, as of June 30, 2016.

(2) CSN Mineração: Assets: Refers mainly to dividends declared by Namisa amounting to R\$694,080 and posteriorly assumed by CSN Mineração due to the merger on December 31, 2015. Liabilities: Account payables related to purchases of iron ore.

(3) Companhia Siderúrgica Nacional, LLC: On June 30, 2016 the carrying amounts of trade accounts receivable totaled R\$432,985 (R\$682,875 December 31, 2015), they are related to sale of steel to resellers.

(4) CSN Resources SA: Contracts in US dollars of Prepayment Fixed Rate Notes and Intercompany Bonds, the interest rate under this transaction is 9.13% and its maturity date is June 2047. On June 30, 2016, the loans amounted to R\$8,353,627 (R\$10,146,701 on December 31, 2015).

(5) CSN Islands XI Corp.: Contracts in US dollars, without interest, maturing on August 2017. On June 30 2016, the loans amounted to R\$1,027,136 (R\$1,249,536 as of December 31, 2015).

(6) CSN Islands XII Corp.: Contracts in US dollars, interest rate of 7.64% and maturing on February 2025. On June 30, 2016, the loans amounted to R\$1,466,862 (R\$1,784,417 on December 31, 2015).





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1****17.c) Key management personnel**

The key management personnel with 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 June 30, 2016.

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
	<b>P&amp;L</b>		<b>P&amp;L</b>	
Short-term benefits for employees and officers	63,136	26,297	23,327	20,506
Post-employment benefits	203	117	85	87
	<b>63,339</b>	<b>26,414</b>	<b>23,412</b>	<b>20,593</b>

The remuneration of key management personnel in 2016 includes payments for contracts with executives that were linked to parameters that were achieved in the first quarter 2016.

**18. SHAREHOLDERS' EQUITY****18.a) Paid-in capital**

Fully subscribed and paid-in capital as of June 30, 2016 and December 31, 2015 is R\$4,540,000 comprising 1,387,524,047 book-entry common shares without par value. Each common share entitles its holder to one vote in Shareholders' Meetings.

### 18.b) Authorized capital

The Company's bylaws in effect as of June 30, 2016 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

### 18.c) 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.

### 18.d) Ownership structure

As of June 30, 2016, the Company's ownership structure was as follows:

	06/30/2016			12/31/2015		
	Number of common shares	% of total shares	% of voting capital	Number of common shares	% of total shares	% of voting capital
Vicunha Aços S.A.	697,719,990	50.29%	51.41%	697,719,990	50.29%	51.41%
Rio Iaco Participações S.A.	58,193,503	4.19%	4.29%	58,193,503	4.19%	4.29%
Caixa Beneficente dos Empregados da CSN CBS	20,143,031	1.45%	1.48%	20,143,031	1.45%	1.48%
BNDES Participações S.A. – BNDESPAR	8,794,890	0.63%	0.65%	8,794,890	0.63%	0.65%
NYSE (ADRs)	327,284,764	23.59%	24.12%	336,435,464	24.25%	24.79%
BM&FBovespa	244,996,869	17.66%	18.05%	235,846,169	17.00%	17.38%
<b>Total shares outstanding</b>	<b>1,357,133,047</b>	<b>97.81%</b>	<b>100.00%</b>	<b>1,357,133,047</b>	<b>97.81%</b>	<b>100.00%</b>
Treasury shares	30,391,000	2.19%		30,391,000	2.19%	
<b>Total shares</b>	<b>1,387,524,047</b>	<b>100.00%</b>		<b>1,387,524,047</b>	<b>100.00%</b>	



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1****18.e) Treasury shares**

The Board of Directors authorized various share buyback programs in order to hold shares in treasury for subsequent disposal and/or cancelation with a view to maximizing the generation of value to the shareholder through an efficient capital structure management, as shown in the table below:

Program	Board's Authorization	Authorized quantity	Program period	Average buyback price	Minimum and maximum buyback price	Number bought back	Share cancelation	Balance treasury
1°	3/13/2014	70,205,661	From 3/14/2014 to 4/14/2014	R\$ 9.34	R\$ 9.22 and R\$ 9.45	2,350,000		2,350,000
2°	4/15/2014	67,855,661	From 4/16/2014 to 5/23/2014	R\$ 8.97	R\$ 8.70 and R\$ 9.48	9,529,500		11,879,000
3°	5/23/2014	58,326,161	From 5/26/2014 to 6/25/2014	R\$ 9.21	R\$ 8.61 and R\$ 9.72	31,544,500		43,429,000
4°	6/26/2014	26,781,661	From 6/26/2014 to 7/17/2014	R\$ 10.42	R\$ 9.33 and R\$ 11.54	26,781,661		70,205,661
	7/18/2014			Not applicable	Not applicable		60,000,000 <sup>(1)</sup>	10,205,661
5°	7/18/2014	64,205,661	From 7/18/2014 to 8/18/2014	R\$ 11.40	R\$ 11.40	240,400		10,446,061
	8/19/2014				Not applicable		10,446,061 <sup>(1)</sup>	

				Not applicable			
6°	8/19/2014	63,161,055	From 8/19/2014 to 9/25/2014	R\$ 9.82	R\$ 9.47 and R\$ 10.07	6,791,300	6,791,300
7°	9/29/2014	56,369,755	From 9/29/2014 to 2/29/2014	R\$ 7.49	R\$ 4.48 and R\$ 9.16	21,758,600	28,548,355
8°	12/30/2014	34,611,155	From 12/31/2014 to 3/31/2015	R\$ 5.10	R\$ 4.90 and R\$ 5.39	1,841,100	30,391,000
9° (*)	03/31/2015	32,770,055	From 4/01/2015 to 6/30/2015				

(\*) There were no share buyback in this program.

(1) In 2014 the Board of Directors approved the cancelation of 70,446,061 treasury shares without change in the Company's share capital.

As of June 30, 2016, the position of the treasury shares was as follows:

Quantity purchased (Units)	Amount paid for the shares	Share price			Market price of the shares on 06/30/2016 (*)
		Minimum	Maximum	Average	
30,391,000	R\$ 238,976	R\$ 4.48	R\$ 10.07	R\$ 7.86	R\$ 237,658

(\*) Using the last share quotation on BM&F Bovespa as of June 30, 2016 of R\$7.82 per share.

#### 18.f) Policy on investments and payment of interest on capital and dividends

At a meeting held on December 11, 2000, the Board of Directors decided to adopt a profit distribution policy which, after compliance with the provisions in Law 6,404/76, as amended by Law 9,457/97, will entail the distribution of all the profit to the Company's shareholders, provided that the following priorities are observed, irrespective of their order: (i) carrying out the business strategy; (ii) fulfilling its obligations; (iii)

making the required investments; and (iv) maintaining a healthy financial situation of the Company.

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1****18.g) Earnings/(loss) per share:**

Basic earnings per share were calculated based on the profit attributable to the owners of CSN divided by the weighted average number of common shares outstanding during the period, excluding the common shares purchased and held as treasury shares, as follows:

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
	<b>Restated</b>		<b>Restated</b>	
	<b>Common Shares</b>		<b>Common Shares</b>	
<b>Net (Loss)/ Gain of the period</b>				
Attributable to owners of the Company	(754,338)	(222,212)	30,853	(614,268)
Weighted average number of shares	1,357,133,047	1,357,167,255	1,357,133,047	1,357,133,047
<b>Basic and diluted EPS</b>	<b>(0.55583)</b>	<b>(0.16373)</b>	<b>0.02273</b>	<b>(0.45262)</b>

The Company does not hold outstanding dilutable potential ordinary shares that could result in dilution of earnings per share.

**19. PAYMENT TO SHAREHOLDERS**

The table below shows the dividends approved and paid for the last years:



Year	Approval Year	Dividends	Total	Year	Payment Year	Dividends	Total
2014	2014	700,000	700,000	2014	2014	424,939	424,939
2015	2015	275,000	275,000		2015	274,917	274,917
				2015	2015	274,918	274,918
<b>Total approved</b>		<b>975,000</b>	<b>975,000</b>	<b>Total paid</b>		<b>974,774</b>	<b>974,774</b>

## 20. NET SALES REVENUE

Net sales revenue is comprised as follows:

	Six months ended		Consolidated Three months ended	
	06/30/2016	06/30/2015	06/30/2016 Restated	06/30/2015
<b>Gross revenue</b>				
Domestic market	4,653,263	5,644,015	2,367,186	2,701,384
Foreign market	4,771,684	3,534,614	2,429,306	1,740,597
	<b>9,424,947</b>	<b>9,178,629</b>	<b>4,796,492</b>	<b>4,441,981</b>
<b>Deductions</b>				
Cancelled sales and discounts	(102,587)	(153,057)	(33,807)	(114,593)
Taxes on sales	(1,129,211)	(1,328,180)	(577,607)	(640,248)
	<b>(1,231,798)</b>	<b>(1,481,237)</b>	<b>(611,414)</b>	<b>(754,841)</b>
<b>Net revenue</b>	<b>8,193,149</b>	<b>7,697,392</b>	<b>4,185,078</b>	<b>3,687,140</b>
				<b>Parent Company</b>
	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
<b>Gross revenue</b>				
Domestic market	4,292,415	5,271,493	2,192,875	2,558,445

Foreign market	960,004	1,990,270	539,623	1,002,322
	<b>5,252,419</b>	<b>7,261,763</b>	<b>2,732,498</b>	<b>3,560,767</b>
<b>Deductions</b>				
Cancelled sales and discounts	(90,985)	(132,940)	(29,928)	(100,974)
Taxes on sales	(992,120)	(1,199,944)	(510,896)	(588,946)
	<b>(1,083,105)</b>	<b>(1,332,884)</b>	<b>(540,824)</b>	<b>(689,920)</b>
<b>Net revenue</b>	<b>4,169,314</b>	<b>5,928,879</b>	<b>2,191,674</b>	<b>2,870,847</b>

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**Version:  
1****21. EXPENSES BY NATURE**

	<b>Six months ended</b>		<b>Consolidated Three months ended 06/30/2016</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>Restated</b>	<b>06/30/2015</b>
Raw materials and inputs	(2,136,375)	(2,662,845)	(968,110)	(1,215,622)
Labor cost	(1,290,751)	(881,269)	(664,542)	(453,190)
Supplies	(733,689)	(526,761)	(403,640)	(265,501)
Maintenance cost (services and materials)	(651,244)	(493,757)	(358,538)	(252,623)
Outsourcing services	(1,758,476)	(1,501,228)	(965,281)	(780,064)
Depreciation, amortization and depletion (note 9 a)	(614,088)	(543,178)	(304,252)	(278,680)
Others	(268,987)	(95,506)	(96,689)	(22,656)
	<b>(7,453,610)</b>	<b>(6,704,544)</b>	<b>(3,761,052)</b>	<b>(3,268,336)</b>
<b>Classified as:</b>				
Cost of sales	(6,344,665)	(5,872,628)	(3,262,639)	(2,847,095)
Selling expenses	(844,604)	(612,174)	(394,183)	(311,344)
General and administrative expenses	(264,341)	(219,742)	(104,230)	(109,897)
	<b>(7,453,610)</b>	<b>(6,704,544)</b>	<b>(3,761,052)</b>	<b>(3,268,336)</b>

	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Raw materials and inputs	(1,533,676)	(1,684,969)	(750,204)	(842,206)
Labor cost	(724,201)	(731,283)	(370,501)	(374,119)
Supplies	(518,872)	(513,235)	(291,063)	(259,965)
Maintenance cost (services and materials)	(390,349)	(480,504)	(221,246)	(245,490)
Outsourcing services	(523,290)	(980,921)	(287,935)	(530,062)
Depreciation, amortization and depletion (note 9 a)	(275,222)	(424,556)	(139,697)	(218,227)
Others	(81,308)	(111,333)	(55,983)	(36,818)
	<b>(4,046,918)</b>	<b>(4,926,801)</b>	<b>(2,116,629)</b>	<b>(2,506,887)</b>
<b>Classified as:</b>				
Cost of sales	(3,545,062)	(4,457,281)	(1,906,666)	(2,267,849)
Selling expenses	(306,229)	(294,150)	(137,596)	(148,232)
General and administrative expenses	(195,627)	(175,370)	(72,367)	(90,806)
	<b>(4,046,918)</b>	<b>(4,926,801)</b>	<b>(2,116,629)</b>	<b>(2,506,887)</b>

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**Version:  
1****22. OTHER OPERATING INCOME (EXPENSES)**

	<b>Six months ended</b>		<b>Consolidated Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
<b>Other operating income</b>				
Indemnities/gains on lawsuits	24,960	3,068	6,284	1,340
Rentals and leases	578	593	250	308
Dividends received		5,103		5,103
Other revenues	8,480	9,760	5,212	5,811
	<b>34,018</b>	<b>18,524</b>	<b>11,746</b>	<b>12,562</b>
<b>Other operating expenses</b>				
Taxes and fees	(90,299)	(13,266)	(79,497)	(1,399)
Write-off/(Provision) of judicial deposits	(17,165)	(555)	116	(503)
Provision for environmental risks	(545)	2,663	597	(813)
Provision for tax, social security, labor, civil and environmental risks, net of reversals	(72,394)	(214,783)	(30,125)	(67,250)
Depreciation of unused equipment and amortization of intangible assets (note 9 a)	(23,304)	(18,477)	(11,196)	(9,473)
Write- off of PP&E and intangible assets (notes 9 and 10)	(26,988)	(4,553)	(14,022)	(568)
Estimated (losses)/reversals in inventory (note 6)	12,344	(6,414)	(2,275)	(4,517)
Losses on spare parts	(7,473)	(17,093)	(894)	(11,527)
Studies and project engineering expenses	(13,245)	(21,991)	(7,514)	(13,504)
Research and development expenses	(1,168)	(1,622)	(593)	(871)

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Healthcare plan expenses	(33,913)	(29,869)	(14,824)	(14,907)
Impairment of available for sale financial assets		(97,851)		(89,434)
Other expenses	(57,609)	(31,266)	(22,700)	(20,812)
	<b>(331,759)</b>	<b>(455,077)</b>	<b>(182,927)</b>	<b>(235,578)</b>
<b>Other operating income (expenses), net</b>	<b>(297,741)</b>	<b>(436,553)</b>	<b>(171,181)</b>	<b>(223,016)</b>

	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
<b>Other operating income</b>				<b>Parent Company</b>
Indemnities/gains on lawsuits	2,573	2,780	685	1,162
Rentals and leases	550	571	222	286
Dividends received		5,103		5,103
Other revenues	1,447	3,815	823	1,996
	<b>4,570</b>	<b>12,269</b>	<b>1,730</b>	<b>8,547</b>
<b>Other operating expenses</b>				
Taxes and fees	(13,102)	(11,332)	(12,406)	(506)
Write-off/(Provision) of judicial deposits	(17,171)	(559)	110	(502)
Provision for environmental risks	746	2,663	1,083	(813)
Provision for tax, social security, labor, civil and environmental risks, net of reversals	(67,158)	(204,629)	(21,722)	(59,846)
Write-off of PP&E and intangible assets (notes 9 and 10)	(20,729)	(3,907)	(13,140)	(65)
Estimated (losses)/reversals in inventory (note 6)	(412)	(8,440)	2,066	(8,047)
Losses on spare parts	(1,081)	(17,093)	(894)	(11,527)
Studies and project engineering expenses	(12,457)	(21,824)	(6,886)	(13,463)
Research and development expenses	(1,168)	(1,622)	(593)	(871)
Healthcare plan expenses	(33,915)	(29,869)	(14,825)	(14,907)
Impairment of available-for-sale financial assets		(97,851)		(89,434)
Other expenses	(23,022)	(12,224)	(19,720)	(4,946)
	<b>(189,469)</b>	<b>(406,687)</b>	<b>(86,927)</b>	<b>(204,927)</b>
<b>Other operating income (expenses), net</b>	<b>(184,899)</b>	<b>(394,418)</b>	<b>(85,197)</b>	<b>(196,380)</b>



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**Version:  
1****23. FINANCE INCOME (EXPENSES)**

	<b>Six months ended</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>		<b>Three months ended</b>	
	<b>Restated</b>	<b>06/30/2015</b>	<b>Restated</b>	<b>06/30/2015</b>
<b>Finance income</b>				
Related parties (note 17 b)	27,474	32,119	14,561	10,032
Income from short-term investments	138,567	54,828	82,124	25,488
Gain from derivative		938		584
Repurchase of debt securities	156,329		12,552	
Other income	61,513	11,728	31,492	7,373
	<b>383,883</b>	<b>99,613</b>	<b>140,729</b>	<b>43,477</b>
<b>Finance expenses</b>				
Borrowings and financing - foreign currency	(487,884)	(417,030)	(230,051)	(199,301)
Borrowings and financing - local currency	(1,108,724)	(981,328)	(561,249)	(509,724)
Related parties (note 17 b)		(256,087)		(117,662)
Capitalized interest (notes 9 and 27)	110,875	70,483	53,214	46,158
Losses on derivatives	(362)	(3,596)		(2,117)
Interest, fines and late payment charges	(20,188)	(12,644)	(14,174)	(1,630)
Commissions and bank charges	(68,691)	(40,203)	(45,734)	(19,329)



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PIS/COFINS over financial income	(25,265)		(12,535)	
Other finance expenses	(47,037)	(28,137)	(14,894)	(4,344)
	<b>(1,647,276)</b>	<b>(1,668,542)</b>	<b>(825,423)</b>	<b>(807,949)</b>
<b>Inflation adjustment and exchange differences, net</b>				
Inflation adjustments, net	(16,183)	7,476	(15,043)	1,209
Exchange rates, net	993,137	(433,513)	621,555	120,601
Exchange gain/(losses) on derivatives	(807,519)	353,571	(118,837)	(129,033)
	<b>169,435</b>	<b>(72,466)</b>	<b>487,675</b>	<b>(7,223)</b>
<b>Finance income (expenses), net</b>	<b>(1,093,958)</b>	<b>(1,641,395)</b>	<b>(197,019)</b>	<b>(771,695)</b>
<b>Statement of gains and (losses) on derivative transactions</b>				
Dollar-to-CDI swap		(18)		
Dollar- to- real NDF		316,805		(119,795)
Future dollar BM&F	(800,621)		(119,445)	
Dollar- to- euro NDF		39,668		6,214
Dollar - to- euro swap	(6,898)	(2,884)	608	(15,452)
	<b>(807,519)</b>	<b>353,571</b>	<b>(118,837)</b>	<b>(129,033)</b>
Fixed rate- to- CDI swap	(299)	(3,596)		(2,117)
CDI -to- fixed rate swap	(63)	938		584
	<b>(362)</b>	<b>(2,658)</b>		<b>(1,533)</b>
	<b>(807,881)</b>	<b>350,913</b>	<b>(118,837)</b>	<b>(130,566)</b>

	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
<b>Finance income</b>				<b>Parent Company</b>

Related parties (note 17 b)	17,620	383,528	9,121	(101,584)
Income from short-term investments	35,849	12,919	31,986	7,679
Other income	33,202	10,609	27,135	6,268
	<b>86,671</b>	<b>407,056</b>	<b>68,242</b>	<b>(87,637)</b>
<b>Finance expenses</b>				
Borrowings and financing - foreign currency	(114,687)	(86,020)	(54,608)	(39,941)
Borrowings and financing - local currency	(952,550)	(846,509)	(482,287)	(439,784)
Related parties (note 17 b)	(983,936)	(713,396)	(205,886)	(326,482)
Capitalized interest (notes 9 and 27)	62,942	70,483	30,212	46,158
Interest, fines and late payment charges	(7,196)	(8,464)	(4,563)	(457)
Commissions and bank charges	(64,185)	(32,333)	(43,327)	(16,725)
PIS/COFINS over financial income	(19,676)		(12,359)	
Other finance expenses	(29,270)	(25,303)	(6,309)	(1,235)
	<b>(2,108,558)</b>	<b>(1,641,542)</b>	<b>(779,127)</b>	<b>(778,466)</b>
<b>Inflation adjustment and exchange differences, net</b>				
Inflation adjustments, net	(10,694)	(7,861)	(4,914)	(4,321)
Exchange rates, net	2,145,066	(1,341,245)	1,096,162	315,187
	<b>2,134,372</b>	<b>(1,349,106)</b>	<b>1,091,248</b>	<b>310,866</b>
<b>Finance income (expenses), net</b>	<b>112,485</b>	<b>(2,583,592)</b>	<b>380,363</b>	<b>(555,237)</b>

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1****24. SEGMENT INFORMATION**

The segment information has not changed compared to the disclosed in the Company's financial statements as of December 31, 2015, therefore, the management decided not to repeat them in these condensed interim financial information.

According to the Group's structure, the businesses are distributed and managed in five operating segments as follows:

P&L	Steel	Mining	Logistics			Energy	Cement
			Port	Railroads			
Metric Tons (Thou.)(* )	2,498,700	17,562,229					1,165,82
Net revenues							
Domestic market	3,107,517	228,360	95,114	640,503	134,069		223,10
Foreign market	2,579,441	1,729,237					
<b>Total net revenue (note 20)</b>	<b>5,686,958</b>	<b>1,957,597</b>	<b>95,114</b>	<b>640,503</b>	<b>134,069</b>		<b>223,10</b>
	(4,758,814)						

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Cost of sales and services		(1,492,028)	(70,194)	(440,972)	(98,959)	(203,435)
<b>Gross profit</b>	<b>928,144</b>	<b>465,569</b>	<b>24,920</b>	<b>199,531</b>	<b>35,110</b>	<b>19,670</b>
General and administrative expenses	(469,297)	(36,571)	(11,610)	(50,402)	(11,979)	(34,726)
Depreciation (note 9 a)	330,708	219,332	6,619	112,155	8,559	30,240
Proportionate EBITDA of joint ventures						
<b>Adjusted EBITDA</b>	<b>789,555</b>	<b>648,330</b>	<b>19,929</b>	<b>261,284</b>	<b>31,690</b>	<b>15,190</b>
<b>Sales by geographic area</b>						
Asia	28,200	1,439,498				
North America	1,088,419					
Latin America	142,499					
Europe	1,305,806	203,955				
Others	14,517	85,784				
<b>Foreign market</b>	<b>2,579,441</b>	<b>1,729,237</b>				
<b>Domestic market</b>	<b>3,107,517</b>	<b>228,360</b>	<b>95,114</b>	<b>640,503</b>	<b>134,069</b>	<b>223,100</b>
<b>Total</b>	<b>5,686,958</b>	<b>1,957,597</b>	<b>95,114</b>	<b>640,503</b>	<b>134,069</b>	<b>223,100</b>

Logistics

P&L	Steel	Mining	Port	Railroads	Energy	Cement
Metric tons (thou)(*)	1,252,565	9,267,136				594,380
Net revenues						
Domestic market	1,607,150	77,287	44,691	337,362	65,920	108,900
	1,270,667	938,754				

Foreign market						
<b>Total net revenue (note 20)</b>	<b>2,877,817</b>	<b>1,016,041</b>	<b>44,691</b>	<b>337,362</b>	<b>65,920</b>	<b>108,900</b>
Cost of sales and services	(2,458,907)	(742,643)	(34,153)	(226,601)	(47,845)	(102,243)
<b>Gross profit</b>	<b>418,910</b>	<b>273,398</b>	<b>10,538</b>	<b>110,761</b>	<b>18,075</b>	<b>6,660</b>
General and administrative expenses	(213,979)	(12,815)	(3,332)	(26,521)	(6,033)	(17,069)
Depreciation (note 9 a)	164,480	104,898	3,326	56,460	4,279	17,430
Proportionate EBITDA of joint ventures						
<b>Adjusted EBITDA</b>	<b>369,411</b>	<b>365,481</b>	<b>10,532</b>	<b>140,700</b>	<b>16,321</b>	<b>7,020</b>
<b>Sales by geographic area</b>						
Asia	23,531	773,628				
North America	507,242					
Latin America	76,455					
Europe	653,847	138,992				
Others	9,592	26,134				
<b>Foreign market</b>	<b>1,270,667</b>	<b>938,754</b>				
<b>Domestic market</b>	<b>1,607,150</b>	<b>77,287</b>	<b>44,691</b>	<b>337,362</b>	<b>65,920</b>	<b>108,900</b>
<b>Total</b>	<b>2,877,817</b>	<b>1,016,041</b>	<b>44,691</b>	<b>337,362</b>	<b>65,920</b>	<b>108,900</b>

(\*) The iron ore volumes (Mining segment) presented in this note considered the company's sales and sales from its subsidiaries and jointly ventures. (In 2015, considers 60% interest in Namisa).

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P&L	Steel	Mining	Logistics			Cement
			Port	Railroads	Energy	
Metric Tons (Thou.)(*) Net revenues	2,668,458	10,760,664				1,097,64
Domestic market	3,745,469	72,841	90,193	531,036	124,047	215,95
Foreign market	2,141,649	1,265,412				
<b>Total net revenue (note 20)</b>	<b>5,887,118</b>	<b>1,338,253</b>	<b>90,193</b>	<b>531,036</b>	<b>124,047</b>	<b>215,95</b>
Cost of sales and services	(4,590,040)	(1,101,023)	(62,603)	(378,885)	(94,997)	(141,935)
<b>Gross profit</b>	<b>1,297,078</b>	<b>237,230</b>	<b>27,590</b>	<b>152,151</b>	<b>29,050</b>	<b>74,02</b>
General and administrative expenses	(438,966)	(30,870)	(11,592)	(43,980)	(11,180)	(33,437)
Depreciation (note 9 a)	325,108	177,357	6,345	91,001	8,517	19,57
Proportionate EBITDA of joint ventures						
<b>Adjusted EBITDA</b>	<b>1,183,220</b>	<b>383,717</b>	<b>22,343</b>	<b>199,172</b>	<b>26,387</b>	<b>60,16</b>
<b>Sales by geographic area</b>						
Asia	10,612	1,170,513				

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North America	843,749					
Latin America	184,371	42,730				
Europe	1,085,129	52,169				
Others	17,788					
<b>Foreign market</b>	<b>2,141,649</b>	<b>1,265,412</b>				
<b>Domestic market</b>	<b>3,745,469</b>	<b>72,841</b>	<b>90,193</b>	<b>531,036</b>	<b>124,047</b>	<b>215,950</b>
<b>Total</b>	<b>5,887,118</b>	<b>1,338,253</b>	<b>90,193</b>	<b>531,036</b>	<b>124,047</b>	<b>215,950</b>

**Logistics**

	<b>Steel</b>	<b>Mining</b>	<b>Port</b>	<b>Railroads</b>	<b>Energy</b>	<b>Cement</b>
Metric Tons (Thou.)(* )	1,261,151	5,567,087				578,760
Net revenues						
Domestic market	1,734,153	35,040	43,346	279,863	60,356	115,320
Foreign market	1,029,858	645,432				
<b>Total net revenue (note 20)</b>	<b>2,764,011</b>	<b>680,472</b>	<b>43,346</b>	<b>279,863</b>	<b>60,356</b>	<b>115,320</b>
Cost of sales and services	(2,224,484)	(534,322)	(32,033)	(198,553)	(48,048)	(75,406)
<b>Gross profit</b>	<b>539,527</b>	<b>146,150</b>	<b>11,313</b>	<b>81,310</b>	<b>12,308</b>	<b>39,914</b>
General and administrative expenses	(207,308)	(9,773)	(5,470)	(21,014)	(5,637)	(18,184)
Depreciation (note 9 a)	167,511	91,309	3,170	46,288	4,275	10,180
Proportionate EBITDA of joint ventures						
<b>Adjusted EBITDA</b>	<b>499,730</b>	<b>227,686</b>	<b>9,013</b>	<b>106,584</b>	<b>10,946</b>	<b>31,920</b>

<b>Sales by geographic area</b>						
Asia	8,602	629,499				
North America	362,355					
Latin America	103,623					
Europe	549,234	15,933				
Others	6,044					
<b>Foreign market</b>	<b>1,029,858</b>	<b>645,432</b>				
<b>Domestic market</b>	<b>1,734,153</b>	<b>35,040</b>	<b>43,346</b>	<b>279,863</b>	<b>60,356</b>	<b>115,32</b>
<b>Total</b>	<b>2,764,011</b>	<b>680,472</b>	<b>43,346</b>	<b>279,863</b>	<b>60,356</b>	<b>115,32</b>

(\*) The iron ore volumes (Mining segment) presented in this note considered the company's sales and sales from its subsidiaries and jointly ventures. (In 2015, considers 60% interest in Namisa).

Adjusted EBITDA is the measurement based on which the chief operating decision maker assesses the segment performance and the capacity to generate recurring operating cash, consisting of profit for the year less net finance income (costs), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, and other operating income (expenses), plus the proportionate EBITDA of joint ventures.



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Even though it is an indicator used in segment performance measurement, EBITDA is not a measurement recognized by accounting practices adopted in Brazil or IFRS, it 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:

	<b>Six months ended</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>		<b>06/30/2016</b>	<b>06/30/2015</b>
	<b>Restated</b>	<b>06/30/2015</b>	<b>Restated</b>	
(Loss)/Profit for the period	(730,574)	(222,791)	46,123	(614,593)
Depreciation, amortization and depletion (note 9 a)	614,088	543,178	304,252	278,680
Income tax and social contribution (note 14)	141,821	(507,653)	28,131	(5,136)
Finance income (expenses) (note 23)	1,093,958	1,641,395	197,019	771,695
<b>EBITDA</b>	<b>1,119,293</b>	<b>1,454,129</b>	<b>575,525</b>	<b>430,646</b>
Other operating income (expenses) (note 22)	297,741	436,553	171,181	223,016
Equity in results of affiliated companies	(63,407)	(354,656)	(18,428)	43,822
Proportionate EBITDA of joint ventures	233,686	176,159	126,367	103,550
<b>Adjusted EBITDA (*)</b>	<b>1,587,313</b>	<b>1,712,185</b>	<b>854,645</b>	<b>801,034</b>

(\*) The Company discloses its adjusted EBITDA net of its share 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. GUARANTEES

The Company is liable for guarantees of its subsidiaries and joint ventures as follows:

	Currency	Maturities	Borrowings		Tax foreclosure		Others		06/30/2016
			06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015	
Transnordestina Logística	R\$	Up to 09/19/2056 and indefinite	2,544,600	2,544,600	23,007	39,559	4,866	5,991	2,572,4
FTL - Ferrovia Transnordestina	R\$	11/15/2020	81,700	81,700				450	81,7
Sepetiba Tecon	R\$	Indefinite					28,914		28,9
Cia Metalurgica Prada	R\$	Up to 02/10/2016 and indefinite			333	333	19,340	19,340	19,3
CSN Energia	R\$	Indefinite			2,829	2,829			2,8
Congonhas Minérios	R\$	09/22/2022	2,000,000	2,000,000			2,520		2,002,5
Fundação CSN	R\$	Indefinite	1,003	1,003					1,0
Others	R\$			12,000					
<b>Total in R\$</b>			<b>4,627,303</b>	<b>4,639,303</b>	<b>26,169</b>	<b>42,721</b>	<b>55,640</b>	<b>25,781</b>	<b>4,709,3</b>
CSN Islands XI	US\$	09/21/2019	750,000	750,000					

										750,0
CSN Islands XII	US\$	Perpetual	1,000,000	1,000,000						1,000,0
CSN Resources	US\$	07/21/2020	1,200,000	1,200,000						1,200,0
<b>Total in US\$</b>			<b>2,950,000</b>	<b>2,950,000</b>						<b>2,950,0</b>
CSN Steel S.L.	EUR	1/31/2020	120,000	120,000						120,0
Lusosider Aços Planos	EUR	Indefinite	25,000	25,000						25,0
<b>Total in EUR</b>			<b>145,000</b>	<b>145,000</b>						<b>145,0</b>
<b>Total in R\$</b>			<b>9,982,413</b>	<b>12,135,468</b>						<b>9,982,4</b>
			<b>14,609,716</b>	<b>16,774,771</b>	<b>26,169</b>	<b>42,721</b>	<b>55,640</b>	<b>25,781</b>		<b>14,691,5</b>

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## **26. INSURANCE**

Aiming to properly mitigate risk and in view of the nature of its operations, the Company and its subsidiaries have taken out several different types of insurance policies. Such policies are contracted in line with the CSN Risk Management policy and are similar to the insurance taken out by other companies operating in the same lines of business as CSN and its subsidiaries. The risks covered under such policies include the following: Domestic Transportation, International Transportation, Life and Casualty, Health Coverage, Fleet Vehicles, D&O (Civil Liability Insurance for Directors and Officers), General Civil Liability, Engineering Risks, naming Risks, Export Credit, warranty and Port Operator's Civil Liability.

In 2015, after negotiation with insurers and reinsurers in Brazil and abroad, an insurance policy was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from September 30, 2015 to September 30, 2016. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US\$600 million and covers the following units and subsidiaries of the Company: Presidente Vargas steelworks, CSN Mineração, Sepetiba Tecon, and CSN Mining. CSN takes responsibility for a range of retention of US\$375 million 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 the financial statements and, accordingly, were not audited by our independent auditors.

## **27. ADDITIONAL INFORMATION TO CASH FLOWS**

The following table provides additional information on transactions related to the statement of cash flows:

	<b>06/30/2016</b>	<b>Consolidated 06/30/2015</b>	<b>06/30/2016</b>	<b>Parent Company 06/30/2015</b>
Income tax and social contribution paid	25,943	134,094		120,075
Addition to PP&E with interest capitalization (notes 9 and 23)	110,875	70,483	62,942	70,483
Acquisition of fixed assets without adding cash	7,437			
Subsidiary capitalization from granted loan			10,828	
	<b>144,255</b>	<b>204,577</b>	<b>73,770</b>	<b>190,558</b>

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1****28. COMPREHENSIVE INCOME STATEMENT**

	Six months ended		Consolidated Three months ended		Six months ended		Parent Compar Three months ended	
	06/31/2016 Restated	06/30/2015	06/31/2016 Restated	06/30/2015	06/31/2016 Restated	06/30/2015	06/31/2016 Restated	06/30/2015
	<b>(Loss)/ Profit for the period</b>	<b>(730,574)</b>	<b>(222,791)</b>	<b>46,123</b>	<b>(614,593)</b>	<b>(754,338)</b>	<b>(222,212)</b>	<b>30,853</b>
<b>Other comprehensive income</b>								
<b>Items that will not be subsequently reclassified to the statement of income</b>								
Actuarial (loss) gain the defined benefit plan from investments in	114		29		114	(96)	29	(22
subsidiaries, net of taxes								
Actuarial (losses)/gains on defined benefit pension plan		202				348		34
Income tax and social		(68)		9		(118)		(11

contribution on actuarial (losses)/gains on defined benefit pension plan								
	<b>114</b>	<b>134</b>	<b>29</b>	<b>9</b>	<b>114</b>	<b>134</b>	<b>29</b>	
<b>Items that could be subsequently reclassified to the statement of income</b>								
Cumulative translation adjustments for the period	(460,092)	168,956	(278,981)	(7,815)	(460,092)	168,956	(278,981)	(7,815)
Assets available for sale	127,853	(29,287)	95,500	(677,690)	127,853	2,254	95,500	(594,888)
Income taxes and social contribution available for sale assets		9,957		195,552		(767)		202,252
Available for sale assets from investments in subsidiaries, net of taxes						(20,817)		(89,511)
Impairment on available for sale assets		97,851		89,434		97,851		89,434
Income taxes and social contribution on impairment of available for sale assets		(33,269)		(30,407)		(33,269)		(30,407)
(Loss) / gain on the percentage change in investments	584	(43)	584	(43)	584	(43)	584	(43)
(Loss)/gain on cash flow hedge accounting	1,072,884	(345,960)	538,461	81,685	1,072,884	(345,960)	538,461	81,685
Income tax and social		117,626		(27,773)		117,626		(27,773)

contribution on (loss)/gain on cash flow hedge accounting Realization of cash flow hedge accounting reclassified to	20,523		7,826		20,523		7,826	
income statements (Loss)/gain on investments hedge of investments in subsidiaries (Loss)/gain on foreing investment hedge					68,064		49,200	
	68,064		49,200					
	<b>829,816</b>	<b>(14,169)</b>	<b>412,590</b>	<b>(377,057)</b>	<b>829,816</b>	<b>(14,169)</b>	<b>412,590</b>	<b>(377,057)</b>
	<b>829,930</b>	<b>(14,035)</b>	<b>412,619</b>	<b>(377,048)</b>	<b>829,930</b>	<b>(14,035)</b>	<b>412,619</b>	<b>(377,048)</b>
<b>Total comprehensive income for period</b>	<b>99,356</b>	<b>(236,826)</b>	<b>458,742</b>	<b>(991,641)</b>	<b>75,592</b>	<b>(236,247)</b>	<b>443,472</b>	<b>(991,316)</b>
<b>Attributable to:</b>								
Participation of controlling interest	75,592	(236,247)	443,472	(991,316)	75,592	(236,247)	443,472	(991,316)
Participation of non - controlling interest	23,764	(579)	15,270	(325)				
	<b>99,356</b>	<b>(236,826)</b>	<b>458,742</b>	<b>(991,641)</b>	<b>75,592</b>	<b>(236,247)</b>	<b>443,472</b>	<b>(991,316)</b>

## 29. SUBSEQUENT EVENTS

### • Metallic Discontinued Operations



In August 2016, the Company concluded the negotiation and signed an agreement with Can-Pack S.A. to sell 100% shares of its subsidiary Cia. Metalic do Nordeste (“Metalic”), the Company that produces and sells metal packaging. The sale was concluded on November 30, 2016 and the transaction’s base value was US\$98 million.

- **CGPAR business combination**

On September 30, 2016 the Company acquired the remaining 50% of equity interest of its joint-venture CGPAR. Under this acquisition, the Company acquired the majority control of CGPAR– Construção Pesada S.A (“CGPAR”).

- **Possible Proceedings**

- **Significant development of Proceeding No. 19515.723039/2012-79**

In February 2017, the Company was notified of the judgment of the Amendment of Judgment filed due the CARF’s decision on case 19515.723039 / 2012-79, in which the Federal Revenue Service of Brazil challenges the capital gain on the alleged sale of 40% of NAMISA (currently CSN Mineração S.A.). The CARF, in short, agreed with the infringement notice. The Company, however, is taking of the lawfulness of the operation and, therefore, is evaluating the appropriate legal and procedural measures to reverse the decision. It is important to emphasize, finally, that this decision does not alter the assessment of loss on the case, which remains as possible, see note 15.

- **Significant development of Proceeding No. 19515.723053/2012-72**

The Superior Board of Tax Appeals of CARF ruled on 03/14/2017 a special appeal by the National Treasury against a previous decision favorable to Namisa, (currently CSN Mineração S.A.) filed in case No. 19515.723053 / 2012-72, in which the Federal Revenue Service of Brazil challenges the deductibility of goodwill amortization expenses arising from the operation carried out with the Asian Consortium in 2008. The CARF, in summary, agreed with the infringement notice. The Company, however, has absolute conviction of the lawfulness of the operation and, therefore, is taking legal measures. It is important to emphasize, finally, that this decision does not alter the assessment of loss of the case, which remains as possible, see note 15.



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**• Cautionary decision – TCU – Transnordestina Logistica**

The Brazilian Court of Auditors (“TCU”) issued a cautionary decision in May 2016 referred to the action TC 012.179/2016 by which it prohibited new transfers of Government funds to TLSA to be made by Valec Engenharia, Construções e Ferrovias S.A., Fundo de Investimento do Nordeste – FINOR, Fundo Constitucional de Financiamento do Nordeste – FNE, Fundo de Desenvolvimento do Nordeste – FDNE, Banco Nacional de Desenvolvimento Econômico e Social – BNDES and BNDES Participações S.A. – BNDESPar. After TLSA appeal against the cautionary decision and further details to have been provided, in June 2016 the preliminary injunction given by TCU was unanimously revoked by the Court and the continuity of the transfer of funds was re-established.

By means of another protective order issued in January 2017, relating to the case TC 012.179/2016, the Court of Auditors of the Union forbade new transfers of public resources to TLSA by Valec Engenharia, Construções e Ferrovias S.A., Fundo de Investimento do Nordeste – FINOR, Fundo Constitucional de Financiamento do Nordeste – FNE, Fundo de Desenvolvimento do Nordeste – FDNE, Banco Nacional de Desenvolvimento Econômico e Social – BNDES and BNDES Participações S.A.– BNDESPar. The Company has provided the required clarifications to the TCU and has acted firmly in order that the decision can be repealed soon and the flow of investments planned can be restored.

There is an administrative procedure before the Transportation National Agency (“ANTT”), that assesses the regular fulfilling by the grantee FTL of the obligations contained in the Concession Agreement. By an unilateral assessment, ANTT considered that FTL was not compliant with the Term of Conduct Adjustment (“TAC”) signed in 2013 alleging that FTL had not fulfilled the 2013 production plan. ANTT decided to set up an administrative proceedings to investigate the supposed unfulfillment of the concession agreement and, in the case of confirming irregularities, may apply several penalties, including the early termination of the concession agreement. The grantee filed its defense against the administrative proceedings and currently no new decisions have been taken.

- **Independent investigation – Construction of the Long Steel Plant**

Considering the mentioning of a Company's officer in an article disclosed by the press, based on testimonials made before the Court, the Audit Committee decided to hire a specialized forensic service to conduct an external and independent investigation of the contractual relationship related to the construction of CSN's Long Steel Plant (contract in which there would have been alleged improper payments, as bonus, as reimbursement of payments made to political parties supposedly requested by such officer) and to analyze the extent of the commercial relationship between contractor . The conclusion of the investigation is that nothing in the testimonials referred to above was confirmed, there being no contingencies arising from the matters investigated. Consequently, understands the Company that at this moment there is no basis to justify the setting up of a provision for losses or the disclosure of a contingency.

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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 (“Company”), included in the Interim Financial Information Form (ITR), for the quarter ended June 30, 2016, which comprises the balance sheet as at June 30, 2016, and the statement of profit and loss and statement of comprehensive income for the three- and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and 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 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 the 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 interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material

respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

**Emphasis of matter**

*Restatement of the interim financial information for the six-month period ended June 30, 2016*

On November 14, 2016, we reissued the review report, without modification, on the Company's individual and consolidated interim financial information for the three- and six-month periods ended June 30, 2016. As described in note 2.e), the interim financial information referred to above has been adjusted and is being restated to reflect the impacts arising from the restatement of the financial statements for the year ended December 31, 2015, relating to: (i) the accounting and fair value

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measurement adjustments upon the application of technical pronouncement CPC 15 (R1) - Business Combination and international standard IFRS 3 - Business Combination, issued by the IASB, concerning the business combination conducted by subsidiary Congonhas Minérios S.A. and (ii) the review of the recoverability analysis and adjustments to deferred income tax and social contribution balances.

*Continuity as a going concern of the joint venture Transnordestina Logística S.A.*

We draw attention to note 8 to the interim financial information, which describes the completion stage of the new railway network of the joint venture Transnordestina Logística S.A. (“TLSA”), currently under construction, the completion period of which was initially expected for January 2017 and is currently being reviewed and discussed with the relevant governmental agencies. The completion of the construction and consequent startup of operations depend on the continuing contribution of funds by its shareholders and third parties. Those events or conditions, along with other matters described in said note, indicate that a material uncertainty exists, which may cast significant doubt on TLSA's ability to continue as a going concern.

**Other matters**

*Statements of value added*

We have also reviewed the individual and consolidated interim statements of value added (“DVA”) for the six-month period ended June 30, 2016, prepared under Management’s responsibility, the presentation of which is required by the standards issued by the Brazilian Securities Commission (“CVM”) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for International Financial Reporting Standards (“IFRSs”), which do not require the presentation of a 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 are not prepared, in all material respects, in relation to the interim financial information taken as a whole.

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

São Paulo, October 27, 2017

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Gilberto Grandolpho  
Engagement Partner





