

NATIONAL STEEL CO
Form 6-K
September 13, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of September, 2016
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes No

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

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

Version: 1

Table of Contents

Company Information	
Capital Breakdown	1
Parent Company Financial Statements	
Balance Sheet – Assets	2
Balance Sheet – Liabilities	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6
Statement of Changes in Shareholders' Equity	
01/01/2016 to 06/30/2016	8
01/01/2015 to 06/30/2015	9
Statement of Value Added	10
Consolidated Financial Statements	
Balance Sheet - Assets	11
Balance Sheet - Liabilities	12
Statement of Income	13
Statement of Comprehensive Income	14
Statement of Cash Flows	15
Statement of Changes in Shareholders' Equity	
01/01/2016 to 06/30/2016	17
01/01/2015 to 06/30/2015	18
Statement of Value Added	19
Notes to the quarterly financial information	20
Reports and Statements	
Unqualified Independent Auditors' Review Report	66

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

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

Version: 1

Company Information / Capital Breakdown

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

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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

Code	Description	Current Quarter	Previous Year
		06/30/2016	12/31/2015
1	Total assets	41,399,607	45,605,526
1.01	Current assets	7,745,548	8,842,440
1.01.01	Cash and cash equivalents	2,596,560	1,885,199
1.01.02	Financial investments	0	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	33,654,059	36,763,086
1.02.01	Long-term receivables	4,330,913	4,510,431
1.02.01.06	Deferred taxes	3,105,030	3,228,961
1.02.01.09	Other non-current assets	1,225,883	1,281,470
1.02.02	Investments	20,018,260	23,323,565
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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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
2	Total liabilities	41,399,607	45,605,526
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	30,286,578	33,668,407
2.02.01	Borrowings and financing	27,903,434	31,109,017
2.02.02	Other payables	88,404	126,450
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	7,579,097	7,664,747
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,104,804	2,104,804
2.03.04.01	Legal reserve	424,536	424,536
2.03.04.02	Statutory reserve	1,895,494	1,895,494
2.03.04.04	Earnings reserves to realize	23,750	23,750
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/Losses	-893,927	0
2.03.08	Other comprehensive income	1,828,190	1,019,913

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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

Code	Description	Current QuarterYear 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
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	-641,816	-1,520,490	-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	-86,926	-189,468	-204,927	-406,687
3.04.06	Equity in income of affiliates	-346,657	-833,736	-325,073	1,117,477
3.05	Profit before finance income (costs) and taxes	-356,808	-896,238	-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	23,555	-783,753	-712,730	-858,455
3.08	Income tax and social contribution	-80,792	-110,174	98,462	636,243
3.09	Profit (loss) from continuing operations	-57,237	-893,927	-614,268	-222,212
3.11	Profit (loss) for the year	-57,237	-893,927	-614,268	-222,212
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				

3.99.01.01	Common shares	-0.04217	-0.65869	-0.45262	-0.16373
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PREVIOUSLY ISSUED IN PORTUGUESE**

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 for the year	-57,237	-893,927	-614,268	-222,212
4.02	Other comprehensive income	393,141	808,277	-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	-284,651	-467,937	-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
4.02.12		-13,808	-13,808	-27,773	117,626

	Income tax and social contribution on cash flow hedge accounting				
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	335,904	-85,650	-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 01/01/2016 to 06/30/2016	YTD Previous Year 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	-893,927	-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	833,736	-1,117,477
6.01.01.06	Deferred income tax and social contribution	110,123	-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	5,761	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

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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
6.02	Net cash used in investing activities	27,083	-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	763,599	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	Forfeiting capitalization / drawee Risk	78,240	386,143
6.03.04	Forfeiting amortization / 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	711,361	-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	2,596,560	2,241,912

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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		302,104,804	0	1,019,913	7,664,747
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937
5.05.02.08	Actuarial gains 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	1,079,599	1,079,599
5.05.02.12	(Loss) / gain on net investment	0	0	0	0	68,064	68,064

	hedge, net of taxes					
5.07	Closing balance	4,540,000	302,104,804	-893,927	1,828,190	7,579,097

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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 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 01/01/2016 to 06/30/2016	YTD Prior Year 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	-1,065,919	2,126,557
7.06.01	Equity in income of affiliates	-833,736	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	-331,715	3,820,827
7.08	Wealth distributed	-331,715	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	340,260	-226,792
7.08.02.01	Federal	290,835	-293,008
7.08.02.02	State	49,425	62,039
7.08.02.03	Municipal	0	4,177
7.08.03	Remuneration on third-party capital	-340,352	3,590,360

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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	-893,927	-222,212
7.08.04.03	Retained earnings (accumulated losses)	-893,927	-222,212

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
1	Total assets	44,329,737	48,649,974
1.01	Current assets	11,925,609	16,430,691
1.01.01	Cash and cash equivalents	5,249,156	7,861,052
1.01.02	Financial investments	212,810	763,599
1.01.02.02	Financial investments measured at amortized cost	212,810	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	32,404,128	32,219,283
1.02.01	Long-term receivables	4,708,126	4,890,948
1.02.01.06	Deferred taxes	3,175,554	3,307,027
1.02.01.09	Other non-current assets	1,532,572	1,583,921
1.02.02	Investments	4,400,282	3,998,227
1.02.03	Property, plant and equipment	17,953,537	17,871,599
1.02.04	Intangible assets	5,342,183	5,458,509

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
2	Total liabilities	44,329,737	48,649,974
2.01	Current liabilities	4,511,055	5,325,571
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	727,095	700,763
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	31,149,356	34,588,740
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	478,257	494,851
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	8,669,326	8,735,663
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,104,804	2,104,804
2.03.04.01	Legal reserve	424,536	424,536
2.03.04.02	Statutory reserve	1,895,494	1,895,494
2.03.04.04	Earnings reserves to realize	23,750	23,750
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/Losses	-893,927	0
2.03.08	Other comprehensive income	1,828,190	1,019,913
2.03.09	Non-controlling interests	1,090,229	1,070,916

**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	Year To	Same	YTD
		Quarter	Date	Quarter	Previous
		04/01/2016	01/01/2016	04/01/2015	01/01/2015
		to	to	to	to
		06/30/2016	06/30/2016	06/30/2015	06/30/2015
3.01	Net revenue from sales and/or services	4,349,346	8,193,149	3,687,140	7,697,392
3.02	Cost of sales and/or services	-3,426,907	-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)	-204,483	-1,147,497	-771,695	-1,641,395
3.06.01	Finance income	140,729	383,883	43,477	99,613
3.06.02	Finance Expenses	-345,212	-1,531,380	-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 E	-832,887	-1,700,815	-807,949	-1,668,542
3.07	Profit (loss) before taxes on income	66,790	-642,292	-619,729	-730,444
3.08	Income tax and social contribution	-109,505	-231,715	5,136	507,653
3.09	Profit (loss) from continuing operations	-42,715	-874,007	-614,593	-222,791
3.11	Consolidated profit (loss) for the year	-42,715	-874,007	-614,593	-222,791
3.11.01	Attributed to controlling Shareholders	-57,237	-893,927	-614,268	-222,212
3.11.02	Attributed to non-controlling Shareholders	14,522	19,920	-325	-579
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0.04217	-0.65869	-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 for the year	-42,715	-874,007	-614,593	-222,791
4.02	Other comprehensive income	393,141	808,277	-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	-284,651	-467,937	-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	Income tax and social contribution on cash flow hedge accounting	-13,808	-13,808	-27,773	117,626
4.02.12	Realization of cash flow hedge accounting reclassified to	7,826	20,523	0	0

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	income statement				
4.02.13	Gain (Loss) on net investment hedge	49,200	68,064	0	0
4.03	Consolidated comprehensive income for the year	350,426	-65,730	-991,641	-236,826
4.03.01	Attributed to controlling Shareholders	335,904	-85,650	-991,316	-236,247
4.03.02	Attributed to non-controlling Shareholders	14,522	19,920	-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	-205,285	2,958,173
6.01.01.01	Profit (loss) for the year	-893,927	-222,212
6.01.01.02	Charges on borrowings and financing	19,920	-579
6.01.01.03	Charges on loans and financing granted	1,485,733	1,583,962
6.01.01.04	Depreciation, depletion and amortization	-26,838	-8,659
6.01.01.05	Equity in income (losses) of affiliates	637,392	561,655
6.01.01.06	Deferred income tax and social contribution	-63,407	-354,656
6.01.01.07	Provision for tax, social security, labor, civil and environmental risks	144,589	-599,697
6.01.01.08	Inflation adjustment and exchange differences, net	-23,909	183,442
6.01.01.09	Impairment of available-for-sale assets	-1,359,310	1,633,246
6.01.01.10	Residual value of permanent assets written off	362	2,658
6.01.01.11	Other provisions	0	97,851
6.01.01.16	Changes in assets and liabilities	26,988	4,553
6.01.01.17	Trade receivables - third parties	-146,214	0
6.01.01.20	Trade receivables - related parties	-6,664	76,609
6.01.02	Inventories	-525,661	-1,780,105
6.01.02.01	Receivables - related parties / Dividends	-112,548	-262,503
6.01.02.02	Recoverable taxes	-8,526	-29,283
6.01.02.03	Judicial deposits	1,107,265	-253,368
6.01.02.05	Dividends received - related parties	235,524	19,757
6.01.02.06	Trade payables	24,624	-23,068
6.01.02.08	Payroll and related taxes	-96,459	267,110
6.01.02.09	Taxes in installments - REFIS	4,580	-17,311
6.01.02.10	Payables to related parties	41,413	-128,492
6.01.02.12	Interest paid	4,212	13,657
6.01.02.14	Interest received	-1,583,668	-1,362,278
6.01.02.15	Other	0	651
6.01.02.17	Net cash used in investing activities	-142,078	-4,977
6.02	Investments / Advances for future capital increase	-1,177,389	185,918

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6.02.02	Purchase of property, plant and equipment	-190,435	0
6.02.03	Cash reduction of subsidiaries and joint ventures	-797,054	-900,637
6.02.07	Capital reduction in subsidiary and joint venture	0	466,758
6.02.09	Intercompany loans granted	-715,547	551,882
6.02.10	Intercompany loans received	-6	-201
6.02.11	Exclusive funds	0	-25,143
6.02.12	Financial Investments, net of redemption	0	58,385
6.02.13	Net cash used in financing activities	525,653	34,874
6.03	Borrowings and financing, net of transaction cost	-671,439	-2,199,780
6.03.01	Borrowings and financing - related parties	-26,950	599,071
6.03.03	Forfeiting capitalization / drawee Risk	78,240	386,143
6.03.04	Forfeiting amortization / 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	-2,611,896	-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	5,249,156	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		302,104,804	0	1,019,913	7,664,747	1,
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747	1,
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650	
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927	
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277	
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937	
5.05.02.08	Actuarial gains 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	1,079,599	1,079,599	
5.05.02.12		0	0	0	0	68,064	68,064	

	(Loss) / gain on net investment hedge, net of taxes							
5.06	Internal changes in shareholders' equity	0	0	0	0	0	0	0
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0	0
5.07	Closing balance	4,540,000	302,104,804	-893,927	1,828,190	7,579,097		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' Non-con equity inter
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 Total	0	0	-275,000	0	0	-275,000
5.05	comprehensive income	0	0	0	-222,212	-14,035	-236,247
5.05.01	Profit 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 (Actuarial (losses) gains on	0	0	0	0	168,956	168,956
5.05.02.08	defined benefit pension plan, net of taxes	0	0	0	0	134	134
5.05.02.09	Available-for-sale assets, net of	0	0	0	0	45,252	45,252

5.05.02.10	taxes (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

**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 Value Added
(R\$thousand)**

Code	Description	Year to Date	Previous Year
		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	723,217	81,827
7.08.02.01	Federal	612,055	-64,711
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	344,622	6,309,253

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7.08.03.01	Interest	1,701,183	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	-874,007	-222,791
7.08.04.03	Retained earnings (accumulated losses)	-893,927	-222,212
7.08.04.04	Non-controlling interests in retained earnings	19,920	-579

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

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

Version: 1

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

1. DESCRIPTION OF BUSINESS

Companhia Siderúrgica Nacional “CSN”, also referred to as the Company or Parent Company, is a publicly-held company incorporated on April 9, 1941, under the laws of the Federative Republic of Brazil (Companhia Siderúrgica Nacional, its subsidiaries, 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 Itaguaí - TECAR, a solid bulk terminal, one of the four terminals that compose the Port of Itaguaí, 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 Congonhas Minérios S.A. In the new structure Congonhas Minérios S.A. has taken control over 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.

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

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

Version: 1

• **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 Congonhas Minérios 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.

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.

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, 2015.

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 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

Note 29 - Commitments

Page 19 of 66

The consolidated and parent company interim financial statements were approved by the Board of Directors on August 15, 2016.

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).

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:

• **Companies**

Companies	Equity interests (%)	
	06/30/2016	12/31/2015 Core business
Direct interest in subsidiaries: full consolidation		
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 F
CSN Americas S.L.U.	100.00	100.00 Equity interests and F
CSN Steel S.L.U.	100.00	100.00 Equity interests and F
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 inter
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 inter
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
Indirect interest in subsidiaries: full consolidation		
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 of
Companhia de Embalagens Metálicas - MTM	99.67	99.67 Production and sale of
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 of
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 9.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;

- **Exclusive funds**

Exclusive funds	Equity interests (%)		Core business
	06/30/2016	12/31/2015	
Direct interest: full consolidation			
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

- **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 an 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 forfeiting 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

	Published		Consolidated
	Balances	Reclassifications	06/30/2015
			Restated Cash flows
Cash generated by operating activities			
Profit for the year attributable to the controlling shareholders	(222,212)		(222,212)
Trade payables	86,589	180,521	267,110
Paid Interests	(1,358,562)	(3,716)	(1,362,278)
Others	2,495,448		2,495,448
Net cash generated by operating activities	1,001,263	176,805	1,178,060
Cash used in investing activities	185,918		185,918
Cash generated by financing activities			
Forfaiting funding / drawee risk		386,143	386,143
Forfaiting amortization / drawee risk		(562,948)	(562,948)
Others	(2,022,975)		(2,022,975)
Net cash used in financing activities	(2,022,975)	(176,805)	(2,199,780)
Exchange rate changes on cash and cash equivalents	(5,799)		(5,799)
Increase in cash and cash equivalents	(841,593)		(841,593)

	Published		Parent
	balances	Reclassifications	Restated
Cash generated by operating activities			
Profit for the year attributable to the controlling shareholders	(222,212)		(222,212)
Trade payables	96,574	180,521	277,095
Paid Interests	(1,201,511)	(3,716)	(1,205,227)
Others	1,481,277		1,481,277
Net cash generated by operating activities	154,128	176,805	330,935
Cash used in investing activities	(51,015)		(51,015)

Cash generated by financing activities

Forfaiting funding / drawee risk		386,143
Forfaiting amortization / drawee risk		(562,948)
Others	(1,007,594)	
Net cash used in financing activities	(1,007,594)	(176,805)

Exchange rate changes on cash and cash equivalents

Increase in cash and cash equivalents	(904,481)	
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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.

3. CASH AND CASH EQUIVALENTS

	06/30/2016	Consolidated 12/31/2015	06/30/2016	Parent Company 12/31/2015
Current				
Cash and cash equivalents				
Cash and banks	678,446	434,014	34,050	37,003
Short-term investments				
In Brazil:				
Government securities	370,365	165,520	368,807	164,311
Private securities	1,926,191	945,420	1,729,034	570,284
	2,296,556	1,110,940	2,097,841	734,595
Abroad:				
<i>Time deposits</i>	2,274,154	6,316,098	464,669	1,113,601
Total short-term investments	4,570,710	7,427,038	2,562,510	1,848,196
Cash and cash equivalents	5,249,156	7,861,052	2,596,560	1,885,199

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 investment in those funds were consolidated.

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

Financial investments that guarantee letters of credit issued by Banco do Brazil; those credits have been applied in the acquisition of the northeast and the south cement plants. The carrying amount of these investments on June 30, 2016 is R\$212,810.

The Company used to have investments in public and private securities managed by its exclusive funds that had been qualified as guarantees for the forward dollar contracts traded at BM&F Bovespa, the details are disclosed in note 12 (b). The mentioned derivative operations were fully settled in April 2016 and the respective financial investments used as guarantees were reclassified to cash and cash equivalents. The carrying amounts of these financial investments on December 31, 2015 totaled to 763,599.

5. TRADE RECEIVABLES

	06/30/2016	Consolidated 12/31/2015	06/30/2016	Parent Company 12/31/2015
Trade receivables				
Third parties				
Domestic market	922,521	772,617	540,766	425,108
Foreign market	784,429	818,562	143,782	250,588
	1,706,950	1,591,179	684,548	675,696
Allowance for doubtful debts	(167,066)	(151,733)	(121,833)	(112,502)
	1,539,884	1,439,446	562,715	563,194
Related parties (Note 17 b)	82,602	61,366	933,505	1,140,172
	1,622,486	1,500,812	1,496,220	1,703,366
Other receivables				
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
	65,891	77,465	749,229	764,157
	1,688,377	1,578,277	2,245,449	2,467,523

(*) Refers mainly to dividends receivable from Congonhas Minérios S.A. totaling R\$694,080 to be paid on November 30, 2016.

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:

	Consolidated		Parent Company	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
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
	1,706,950	1,591,179	684,548	675,696

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

	Consolidated		Parent Company	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Opening balance	(151,733)	(127,223)	(112,502)	(93,536)
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 assets				2,818
Spin-off to Congonhas				
Closing balance	(167,066)	(151,733)	(121,833)	(112,502)

6. INVENTORIES

	Consolidated		Parent Company	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
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
Storeroom supplies	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)
	3,834,048	4,941,314	2,233,580	2,850,744

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

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

7. OTHER CURRENT AND NON-CURRENT ASSETS

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

	Consolidated				Cur
	Current		Non-current		
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016
Judicial deposits (note 15)			346,495	328,542	
Credits with the PGFN (1)			45,185	87,761	
Recoverable taxes (2)	813,021	996,679	394,060	445,926	562,131

Prepaid expenses	81,390	119,456	22,089	28,119	40,339
Actuarial asset - related party (note 17 b)			99,580	114,433	
Derivative financial instruments (note 12 I)		118,592			
Exclusive funds					
Securities held for trading (note 12 I)	12,882	10,778			12,752
Iron ore inventory (3)			144,499	144,499	
Northeast Investment Fund – FINOR			10,888	10,888	
Other receivables (note 12 I)			13,311	6,877	
Loans with related parties (note 17 b)			400,053	373,214	
Other receivables from related parties (note 17 b)	9,209	9,420	32,770	29,020	54,737
Others	24,716	31,524	23,642	14,642	
	941,218	1,286,449	1,532,572	1,583,921	669,959

(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.

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 goal of reducing financial leverage, the Company's Management is focused on a plan of disposal of assets; however, it is not possible to confirm that the sale is highly probable to occur within a period of 12 months for any of the considered assets. The Company considers several sales scenarios that vary according to different macroeconomic and operating assumptions. In this context, the Company did not segregate and not reclassified these assets in the financial statements as discontinued operations in accordance with the CPC 31 (IFRS 5).

- **Transnordestina**

The joint venture Transnordestina is in pre-operational phase and will continue as such until the completion of railway number II (Malha 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 as well as to the operational continuity of the project.

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

Companies	Number of shares held by CSN in units Common Preferred		% Direct equity interest	Participation in			06/30/2016	% Direct equity interes
				Assets	Liabilities	Shareholders' equity	Profit / (loss) for the period	
Investments under the equity method								
Subsidiaries								
CSN Islands VII Corp.	20,001,000		100.00	6,310,398	6,345,212	(34,814)	(74,813)	100.0
CSN Islands IX Corp.	3,000,000		100.00	948	3	945	(1,384)	100.0
CSN Islands X Corp. (*)								
CSN Islands XI Corp.	50,000		100.00	2,517,658	2,466,501	51,157	29,165	100.0
CSN Islands XII Corp.	1,540		100.00	2,262,421	3,214,171	(951,750)	143,336	100.0
CSN Minerals S.L.U.	3,500		100.00	3,926,850	11,106	3,915,744	(835,350)	100.0
CSN Export Europe, S.L.U.	3,500		100.00	713,717	93,522	620,195	(201,146)	100.0
CSN Metals S.L.U.	16,504,020		100.00	625,744	24,672	601,072	(189,903)	100.0
CSN Americas S.L.U.	3,500		100.00	1,627,041	163,935	1,463,106	(234,309)	100.0
CSN Steel S.L.U.	22,042,688		100.00	2,606,050	1,581,876	1,024,174	333,219	100.0
Septiba Tecon S.A.	254,015,052		99.99	397,287	130,303	266,984	9,927	99.9
Mineração Nacional S.A.	65,020,211		99.99	498,972	165,602	333,370	(7,460)	99.9
Estanho de Rondônia S.A.	108,655,326		99.99	32,769	17,473	15,296	(6,995)	99.9
Cia Metalic Nordeste	92,459,582		99.99	163,360	33,087	130,273	198	99.9
	313,651,399		99.99	758,767	578,528	180,239	(32,694)	99.9

Companhia Metalúrgica Prada CSN Cimentos S.A. (**)									
Congonhas Minérios S.A.	158,419,480		87.52	12,270,781	4,884,453	7,386,328	136,178	87.5	
CSN Energia S.A.	43,149		99.99	72,774	13,684	59,090	12,879	99.9	
FTL - Ferrovia Transnordestina Logística S.A.	353,190,644		89.79	522,854	192,006	330,848	904	89.7	
Companhia Florestal do Brasil Nordeste Logística	35,454,849		99.99	34,878	3,600	31,278	(964)	99.9	
	99,999		99.99	100	55	45	(55)	99.9	
				35,343,369	19,919,789	15,423,580	(919,267)		
Joint-venture e Joint-operation									
Nacional Minérios S.A. (**)									
Itá Energética S.A.	253,606,846		48.75	286,475	33,732	252,743	4,639	48.7	
MRS Logística S.A.	26,611,282	2,673,312	18.64	1,478,595	875,810	602,785	46,531	18.6	
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,876,146		50.00	12,893	11,914	979	1,417	50.0	
CGPAR - Construção Pesada S.A.	50,000		50.00	42,636	30,944	11,692	3,091	50.0	
Transnordestina Logística S.A.	22,761,085	1,397,545	51.81	3,965,311	2,704,425	1,260,886	(10,742)	56.9	
Fair Value allocated to TLSA due to control loss						659,105			
				5,785,910	3,656,825	2,788,190	44,936		
Associates									
Arvedi Metalfer do Brasil	27,239,971		20.00	52,862	49,436	3,426	(44)	20.0	
				52,862	49,436	3,426	(44)		
Classified as available-for-sale									
Usiminas						769,488			
Panatlântica						20,474			
						789,962			
Other investments									

Profits on subsidiaries' inventories	(37,001)	45,041
Others	63,539	(4,402)
	26,538	40,639
Total investments	19,031,696	(833,736)

Classification of investments in the balance sheet

Investments in assets	20,018,260
Investments with negative equity	(986,564)
	19,031,696

(*) Company extinguished in 2015;

(**) Company incorporated in 2015;

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

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

	Consolidated			Parent Co
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Opening balance of investments	3,998,227	13,665,453	23,323,565	24,100,000
Opening balance of loss provisions			(1,095,086)	(1,095,086)
Investment balance of Namisa 11.30.15		(10,160,981)		
Capital increase/acquisition of shares	190,435	3,575	201,263	4,000,000
Acquisition of Congonhas Minérios shares - 4,16%				2,700,000
Capital reduction		(466,758)		(500,000)
Dividends (1)	194	(54,464)	(2,291,507)	(3,900,000)
Comprehensive income (2)	128,558	(967,447)	(271,322)	(400,000)
Comprehensive income - Business Combination				1,900,000
Equity pickup (3)	84,344	1,192,034	(833,736)	5,900,000
Incorporation of subsidiary - CSN Cimentos				(1,000,000)
Drop down of MRS assets to Congonhas		786,800		(6,100,000)
Transfer of assets - Casa de Pedra e Tecar				1,000,000
Others	(1,476)	15	(1,481)	
Closing balance of investments	4,400,282	3,998,227	20,018,260	23,300,000
Balance of provision for investments with negative equity			(986,564)	(1,095,086)
Total	4,400,282	3,998,227	19,031,696	22,204,914

(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

	06/30/2016	Consolidated 06/30/2015
Equity in results of affiliated companies		
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	
	84,344	368,150
Eliminations		
To cost of sales	(23,414)	(18,258)
To net revenues		(2,188)
To taxes	7,961	6,952
Others	(5,484)	
Equity in results	63,407	354,656

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:

Equity interest (%)	<i>Joint-Venture</i>			<i>Joint-Operation</i>		<i>Transnordestina</i>		
	<i>MRS Logística</i> 34.94%	<i>CBSI</i> 50.00%	<i>Transnordestina Logística</i> 51.81%	<i>Itá Energética</i> 48.75%	<i>CGPAR</i> 50.00%	<i>MRS Logística</i> 34.94%	<i>CBSI</i> 50.00%	<i>Transnordestina Logística</i> 56.92%
Balance sheet								
Current assets								
Cash and cash equivalents	578,179	1,500	30,793	7,769	7,784	671,475	3,343	75,977
Advances to suppliers	10,178	958	35,992	79	60	6,854	289	
Other current assets	540,078	19,224	87,680	17,130	38,264	657,000	22,726	67,547
Total current assets	1,128,435	21,682	154,465	24,978	46,108	1,335,329	26,358	143,571
Non-current assets								