

NATIONAL STEEL CO  
Form 6-K  
May 20, 2014

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

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**FORM 6-K**

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

**For the month of May 20, 2014**  
**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 - March  
31, 2014 – CIA SIDERURGICA NACIONAL

**Version: 1**

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**Company Information / Capital Breakdown**

<b>Number of Shares</b>	<b>Current Quarter</b>
<b>(Units)</b>	<b>3/31/2014</b>
<b>Paid-in Capital</b>	
<b>Common</b>	1,457,970,108
<b>Preferred</b>	0
<b>Total</b>	1,457,970,108
<b>Treasury Shares</b>	
<b>Common</b>	0
<b>Preferred</b>	0
<b>Total</b>	0

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**Company Information / Cash distribution**

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



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31, 2014 – CIA SIDERURGICA NACIONAL**Version: 1****Parent Company Statements / Balance Sheet - Assets  
(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>Current Quarter 3/31/2014</b>	<b>YTD Previous Year 12/31/2013</b>
1	Total assets	48,068,505	48,689,176
1.01	Current assets	4,685,496	5,054,174
1.01.01	Cash and cash equivalents	240,974	206,624
1.01.03	Trade receivables	1,320,190	1,992,704
1.01.04	Inventories	2,702,701	2,459,230
1.01.08	Other current assets	421,631	395,616
1.02	Non-current assets	43,383,009	43,635,002
1.02.01	Long-term receivables	4,257,367	4,134,846
1.02.01.06	Deferred taxes	2,926,969	2,612,998
1.02.01.09	Other non-current assets	1,330,398	1,521,848
1.02.02	Investments	26,593,365	27,005,592
1.02.03	Property, plant and equipment	12,449,898	12,418,095
1.02.04	Intangible assets	82,379	76,469

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(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>Current Quarter 3/31/2014</b>	<b>YTD Previous Year 12/31/2013</b>
2	Total liabilities	48,068,505	48,689,176
2.01	Current liabilities	5,445,228	6,503,789
2.01.01	Payroll and related taxes	140,356	159,892
2.01.02	Trade payables	1,086,870	926,935
2.01.03	Taxes payable	114,245	150,066
2.01.04	Borrowings and financing	2,698,595	3,854,694
2.01.05	Other payables	1,089,665	1,138,956
2.01.06	Provisions	315,497	273,246
2.01.06.01	Provision for tax, social security, labor and civil risks	315,497	273,246
2.02	Non-current liabilities	35,367,184	34,088,817
2.02.01	Borrowings and financing	22,416,678	21,394,660
2.02.02	Other payables	10,362,458	10,173,732
2.02.04	Provisions	2,588,048	2,520,425
2.02.04.01	Provision for tax, social security, labor and civil risks	469,446	438,114
2.02.04.02	Other provisions	2,118,602	2,082,311
2.02.04.02.03	Provision for environmental liabilities and Asset retirement obligation - ARO	354,352	365,716
2.02.04.02.04	Pension and healthcare plan	485,084	485,084
2.02.04.02.05	Provision for losses on investments	1,279,166	1,231,511
2.03	Shareholders' equity	7,256,093	8,096,570
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,414,568	2,839,568
2.03.04.01	Legal reserve	361,641	361,641
2.03.04.02	Statutory reserve	2,052,927	2,477,927
2.03.05	Retained earnings/Accumulated losses	55,334	-
2.03.08	Other comprehensive income	246,161	716,972





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ITR — Quarterly Financial Information - March  
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**Parent Company Statements / Statements of Income**  
(R\$ thousand)

**Version: 1**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 1/1/2014 to 3/31/2014</b>	<b>YTD Previous Year 1/1/2013 to 3/31/2013</b>
3.01	Net revenue from sales and/or services	3,490,453	2,853,215
3.02	Cost of sales and/or services	-2,311,229	-2,205,276
3.03	Gross profit	1,179,224	647,939
3.04	Operating expenses/income	-632,776	-372,878
3.04.01	Selling expenses	-97,377	-109,267
3.04.02	General and administrative expenses	-82,863	-76,129
3.04.04	Other operating income	4,646	3,518
3.04.05	Other operating expenses	-166,057	-78,527
3.04.06	Share of profits of investees	-291,125	-112,473
3.05	Profit before finance income (costs) and taxes	546,448	275,061
3.06	Finance income (costs)	-578,827	-465,239
3.06.01	Finance income	8,569	25,033
3.06.02	Finance costs	-587,396	-490,272
3.06.02.01	Net exchange losses on financial instruments	314,502	116,213
3.06.02.02	Finance costs	-901,898	-606,485
3.07	Loss before taxes on income	-32,379	-190,178
3.08	Income tax and social contribution	87,713	217,504
3.09	Profit from continuing operations	55,334	27,326
3.11	Profit for the period	55,334	27,326
3.99	Earnings per share - (R\$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.03796	0.01874
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.03796	0.01874



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(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 1/1/2014 to 3/31/2014</b>	<b>YTD Previous Year 1/1/2013 to 3/31/2013</b>
4.01	Profit for the period	55,334	27,326
4.02	Other comprehensive income	-470,811	-297,983
4.02.01	Cumulative translation adjustments for the period	-44,326	-43,239
4.02.02	Actuarial (losses) gains on defined benefit pension plan	1,710	0
4.02.04	Available-for-sale assets	-631,003	-287,389
4.02.05	Income tax and social contribution on available-for-sale assets	214,541	97,712
4.02.06	Available-for-sale assets from investments in subsidiaries	-11,733	-65,067
4.03	Comprehensive income for the period	415,477	-270,657

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**Version: 1**

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

<b>Code</b>	<b>Description</b>	<b>YTD Current Year 01/01/2014 to 3/31/2014</b>	<b>YTD Previous Year 01/01/2013 to 3/31/2013</b>
6.01	Net cash generated by operating activities	362,699	64,520
6.01.01	Cash generated from operations	1,033,504	598,354
6.01.01.01	Profit for the period	55,334	27,326
6.01.01.02	Charges on borrowings and financing	756,064	562,637
6.01.01.03	Charges on loans and financing granted	-3,896	-7,203
6.01.01.04	Depreciation, depletion and amortization	234,661	236,615
6.01.01.05	Share of profits of investees	291,125	112,473
6.01.01.06	Deferred income tax and social contribution	-99,430	-217,504
6.01.01.07	Provision for tax, social security, labor, civil and environmental risks	62,219	13,321
6.01.01.08	Monetary variation and exchange differences, net	-322,072	-111,209
6.01.01.09	Gain on derivative transactions	636	1,197
6.01.01.11	Residual value of permanent assets written off	4,288	0
6.01.01.14	Other provisions	54,575	-19,299
6.01.02	Changes in assets and liabilities	-670,805	-533,834
6.01.02.01	Trade receivables - third parties	-48,430	-82,148
6.01.02.02	Trade receivables - related parties	-109,782	-97,255
6.01.02.03	Inventories	-226,215	79,918
6.01.02.05	Recoverable taxes	-690	20,113
6.01.02.06	Judicial deposits	-2,598	8,296
6.01.02.07	Dividends received from related parties	205,259	870
6.01.02.09	Trade payables	108,615	-107,040
6.01.02.10	Payroll and related taxes	7,920	23,808
6.01.02.11	Taxes in installments - REFIS	-67,415	-20,046
6.01.02.13	Payables to related parties	6,488	-1,183
6.01.02.15	Interest paid	-545,210	-339,791
6.01.02.17	Interest received - related parties	13,563	2,203
6.01.02.18	Interest on swaps paid	-633	-1,050
6.01.02.19	Other	-11,677	-20,529
6.02	Net cash used in investing activities	-91,530	-440,840
6.02.01	Investments	-19,818	-15,942
6.02.02	Purchase of property, plant and equipment	-235,967	-279,829
6.02.04	Purchase of intangible assets	0	-12
6.02.05	Related parties loans	-3,860	-159,367

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6.02.06	Receipt of related parties loans	168,115	14,310
6.03	Net cash used in financing activities	-236,819	-56,422
6.03.01	Borrowings and financing raised	690,556	350,078
6.03.02	Borrowings and financing raised - related parties	116,640	0
6.03.03	Repayment of borrowings	-594,833	-87,649
6.03.04	Repayment of borrowings - related parties	-24,312	-18,909
6.03.05	Dividends and interest on capital paid	-424,870	-299,942
6.04	Exchange differences on translating cash and cash equivalents	0	5,893
6.05	Increase (decrease) in cash and cash equivalents	34,350	-426,849
6.05.01	Cash and equivalents at the beginning of the period	206,624	2,995,757
6.05.02	Cash and equivalents at the end of the period	240,974	2,568,908

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31, 2014 – CIA SIDERURGICA NACIONAL**Version: 1****Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2014 to 03/31/2014  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, reserve, granted options and treasury shares</b>	<b>Earnings reserve</b>	<b>Retained earnings/ c (accumulated losses)</b>
5.01	Opening balances	4,540,000		302.839.568	
5.03	Adjusted opening balances	4,540,000		302.839.568	
5.04	Capital transactions with shareholders			-425,000	
5.04.06	Dividends			-425,000	
5.05	Total comprehensive income				55,334
5.05.01	Profit for the period				55,334
5.05.02	Other comprehensive income				
5.05.02.04	Translation adjustments for the period				
5.05.02.07	Actuarial (losses) gains on defined benefit pension plan				
5.05.02.08	Available-for-sale assets				
5.07	Closing balances	4,540,000		302,414,568	55,334

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**Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2013 to  
03/31/2013  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital granted options and treasury shares</b>	<b>Capital reserve, reserves, retained earnings (accumulated losses)</b>	<b>Shareholders' comprehensive income</b>	<b>Shareholders' Equity</b>
5.01	Opening balances	4,540,000	303,690,543	386,326,897	386,326,897
5.03	Adjusted opening balances	4,540,000	303,690,543	386,326,897	386,326,897
5.04	Capital transactions with shareholders		-560,000	-560,000	
5.04.08	Approval of prior year's proposed dividends		-560,000	-560,000	
5.05	Total comprehensive income			27,326,983	27,326,983
5.05.01	Profit for the period			27,326	27,326
5.05.02	Other comprehensive income			-297,983	-297,983
5.05.02.04	Cumulative translation adjustments for the period			-43,239	-43,239
5.05.02.06	Available-for-sale financial assets, net of taxes			-254,744	-254,744
5.07	Closing balances	4,540,000	303,130,543	27,326,983	387,346,240

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(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>YTD Current</b>	<b>YTD Previous</b>
		<b>year</b>	<b>year</b>
		<b>1/1/2014 to</b>	<b>1/1/2013 to</b>
		<b>03/31/2014</b>	<b>03/31/2013</b>
7.01	Revenues	4,265,934	3,591,649
7.01.01	Sales of products and services	4,217,900	3,540,704
7.01.02	Other revenues	49,773	46,088
7.01.04	Allowance for (reversal of) doubtful debts	-1,739	4,857
7.02	Raw materials acquired from third parties	-2,601,607	-2,402,536
7.02.01	Costs of sales and services	-2,198,768	-2,109,794
7.02.02	Materials, electric power, outside services and other	-381,414	-292,742
7.02.03	Impairment/recovery of assets	-21,425	0
7.03	Gross value added	1,664,327	1,189,113
7.04	Retentions	-234,661	-236,615
7.04.01	Depreciation, amortization and depletion	-234,661	-236,615
7.05	Wealth created	1,429,666	952,498
7.06	Value added received as transfer	-292,728	-112,630
7.06.01	Share of profits of investees	-291,125	-112,473
7.06.02	Finance income	8,569	25,033
7.06.03	Other	-10,172	-25,190
7.07	Wealth for distribution	1,136,938	839,868
7.08	Wealth distributed	1,136,938	839,868
7.08.01	Personnel	291,687	250,808
7.08.01.01	Salaries and wages	225,733	194,351
7.08.01.02	Benefits	48,979	41,909
7.08.01.03	Severance pay fund (FGTS)	16,975	14,548
7.08.02	Taxes, fees and contributions	210,515	93,909
7.08.02.01	Federal	182,960	55,623
7.08.02.02	State	21,361	33,178
7.08.02.03	Municipal	6,194	5,108
7.08.03	Lenders and lessors	579,402	467,825
7.08.03.01	Interest	901,650	606,310
7.08.03.02	Leases	2,715	2,941
7.08.03.03	Other	-324,963	-141,426
7.08.04	Shareholders	55,334	27,326
7.08.04.03	Retained earnings (accumulated losses) for the period	55,334	27,326





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(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>Current Quarter 3/31/2014</b>	<b>YTD Previous Year 12/31/2013</b>
1	Total assets	49,861,822	50,402,539
1.01	Current assets	16,067,724	16,402,042
1.01.01	Cash and cash equivalents	10,000,372	9,995,672
1.01.03	Trade receivables	1,705,710	2,522,465
1.01.04	Inventories	3,401,759	3,160,985
1.01.08	Other current assets	959,883	722,920
1.02	Non-current assets	33,794,098	34,000,497
1.02.01	Long-term receivables	4,514,337	4,636,608
1.02.01.02	Investments measured at amortized cost	30,042	30,756
1.02.01.06	Deferred taxes	3,079,049	2,770,527
1.02.01.09	Other non-current assets	1,405,246	1,835,325
1.02.02	Investments	13,417,079	13,487,023
1.02.03	Property, plant and equipment	14,916,278	14,911,426
1.02.04	Intangible assets	946,404	965,440

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(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>YTD</b>	
		<b>Current Quarter 3/31/2014</b>	<b>Previous Year 12/31/2013</b>
2	Total liabilities	49,861,822	50,402,539
2.01	Current liabilities	6,704,889	5,564,230
2.01.01	Payroll and related taxes	195,975	208,921
2.01.02	Trade payables	1,340,116	1,102,037
2.01.03	Taxes payable	285,870	304,095
2.01.04	Borrowings and financing	3,460,711	2,642,807
2.01.05	Other payables	1,044,887	972,851
2.01.06	Provisions	377,330	333,519
2.01.06.01	Provision for tax, social security, labor and civil risks	377,330	333,519
2.02	Non-current liabilities	35,931,589	36,769,250
2.02.01	Borrowings and financing	24,159,594	25,103,623
2.02.02	Other payables	10,163,727	10,061,571
2.02.03	Deferred taxes	253,767	268,833
2.02.04	Provisions	1,354,501	1,335,223
2.02.04.01	Provision for tax, social security, labor and civil risks	510,171	479,664
2.02.04.02	Other provisions	844,330	855,559
2.02.04.02.03	Provision for environmental liabilities and Asset retirement obligation	359,225	370,454
2.02.04.02.04	Pension and healthcare plan	485,105	485,105
2.03	Shareholders' equity	7,225,344	8,069,059
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,414,568	2,839,568
2.03.04.01	Legal reserve	361,641	361,641
2.03.04.02	Statutory reserve	2,052,927	2,477,927
2.03.05	Retained earnings/Accumulated losses	55,334	-
2.03.08	Other comprehensive income	246,161	716,972
2.03.09	Non-controlling interests	-30,749	-27,511



**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL  
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31, 2014 – CIA SIDERURGICA NACIONAL**Version: 1****Consolidated Financial Statements / Statements of Income  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 1/1/2014 to 3/31/2014</b>	<b>YTD Previous Year 1/1/2013 to 3/31/2013</b>
3.01	Net revenue from sales and/or services	4,370,878	3,641,983
3.02	Cost of sales and/or services	-3,034,529	-2,851,577
3.03	Gross profit	1,336,349	790,406
3.04	Operating expenses/income	-515,899	-388,785
3.04.01	Selling expenses	-189,915	-201,250
3.04.02	General and administrative expenses	-103,853	-109,586
3.04.04	Other operating income	7,713	4,256
3.04.05	Other operating expenses	-184,341	-98,900
3.04.06	Share of profits of investees	-45,503	16,695
3.05	Profit before finance income (costs) and taxes	820,450	401,621
3.06	Finance income (costs)	-741,199	-527,283
3.06.01	Finance income	38,052	37,820
3.06.02	Finance costs	-779,251	-565,103
3.06.02.01	Net exchange losses on financial instruments	-55,216	-28,685
3.06.02.02	Finance costs	-724,035	-536,418
3.07	Profit (loss) before taxes on income	79,251	-125,662
3.08	Income tax and social contribution	-27,155	141,978
3.09	Profit from continuing operations	52,096	16,316
3.11	Consolidated profit for the period	52,096	16,316
3.11.01	Attributed to owners of the Company	55,334	27,326
3.11.02	Attributed to non-controlling interests	-3,238	-11,010
3.99	Earnings per share - (R\$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.03796	0.01874
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.03796	0.01874



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(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current YTD Previous</b>	
		<b>Quarter</b>	<b>Year</b>
		<b>1/1/2014 to</b>	<b>1/1/2013 to</b>
		<b>3/31/2014</b>	<b>3/31/2013</b>
4.01	Consolidated profit for the period	52,096	16,316
4.02	Other comprehensive income	-470,811	-297,983
4.02.01	Cumulative translation adjustments for the period	-44,326	-43,239
4.02.02	Actuarial (losses) gains on defined benefit pension plan	1,710	0
4.02.04	Available-for-sale assets	-648,780	-385,976
4.02.05	Income tax and social contribution on available-for-sale assets	220,585	131,232
4.03	Consolidated comprehensive income for the period	-418,715	-281,667
4.03.01	Attributed to owners of the Company	-415,477	-270,657
4.03.02	Attributed to non-controlling interests	-3,238	-11,010

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**Consolidated Financial Statements / Statement of Cash Flows – Indirect Method  
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<b>Code</b>	<b>Description</b>	<b>YTD Current Year 01/01/2014 to 3/31/2014</b>	<b>YTD Previous Year 01/01/2013 to 3/31/2013</b>
6.01	Net cash generated by operating activities	576,219	-213,878
6.01.01	Cash generated from operations	1,121,670	491,236
6.01.01.01	Profit for the period attributable to owners of the Company	55,334	27,326
6.01.01.02	Profit (loss) for the period attributable to non-controlling interests	-3,238	-11,010
6.01.01.03	Charges on borrowings and financing	656,367	479,972
6.01.01.04	Charges on loans and financing granted	-8,850	0
6.01.01.05	Depreciation, depletion and amortization	294,406	294,273
6.01.01.06	Share of profits (losses) of investees	45,503	-16,695
6.01.01.07	Deferred income tax and social contribution	-96,856	-219,813
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	63,089	24,125
6.01.01.09	Monetary variation and exchange differences, net	68,703	-144,000
6.01.01.10	Gain on derivative transactions	3,069	2,363
6.01.01.12	Residual value of permanent assets written off	4,628	1,832
6.01.01.13	Other provisions	39,515	52,863
6.01.02	Changes in assets and liabilities	-545,451	-705,114
6.01.02.01	Trade receivables - third parties	114,057	29,291
6.01.02.02	Trade receivables - related parties	-62,335	71,741
6.01.02.03	Inventories	-220,191	-114,993
6.01.02.04	Receivables from related parties	-17,124	89,316
6.01.02.05	Recoverable taxes	16,329	-19,924
6.01.02.06	Judicial deposits	-2,633	7,624
6.01.02.07	Dividends received from related parties	202,015	0
6.01.02.08	Trade payables	210,719	-224,050
6.01.02.09	Payroll and related taxes	19,989	36,962
6.01.02.10	Taxes in installments - REFIS	-64,240	-36,474
6.01.02.11	Payables to related parties	-155	-1,232
6.01.02.12	Interest paid	-731,334	-511,146
6.01.02.13	Interest received - related parties	13,563	0
6.01.02.14	Interest on swaps paid	-633	-1,219
6.01.02.15	Other	-23,478	-31,010
6.02	Net cash used in investing activities	-135,745	-234,950
6.02.01	Investments	-5,846	0
6.02.02	Purchase of property, plant and equipment	-298,490	-440,442



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6.02.04	Receipt/payment in derivative transactions	3,879	207,417
6.02.06	Purchase of intangible assets	-257	-30
6.02.07	Related parties loans	-3,860	0
6.02.08	Receipt of related parties loans	168,115	0
6.02.09	Investment, net of redeemed amount	714	-1,895
6.03	Net cash used in financing activities	-104,988	-49,453
6.03.01	Borrowings and financing raised	934,146	349,329
6.03.02	Repayment of borrowings	-614,264	-104,264
6.03.04	Dividends and interest on capital paid	-424,870	-299,942
6.03.05	Capital contribution by non-controlling shareholders	0	5,424
6.04	Exchange differences on translating cash and cash equivalents	-330,786	-61,401
6.05	Increase (decrease) in cash and cash equivalents	4,700	-559,682
6.05.01	Cash and equivalents at the beginning of the period	9,995,672	11,891,821
6.05.02	Cash and equivalents at the end of the period	10,000,372	11,332,139

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**Consolidated Financial Statements / Statement of Changes in Shareholders' Equity - 1/1/2014 to 03/31/2014  
(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, granted options and treasury shares</b>	<b>Earnings (accumulated reserve losses)</b>	<b>Retained earnings/ losses)</b>
5.01	Opening balances	4,540,000	302,839,568		
5.03	Adjusted opening balances	4,540,000	302,839,568		
5.04	Capital transactions with shareholders		-425,000		
5.04.06	Dividends		-425,000		
5.05	Total comprehensive income				55,334
5.05.01	Profit for the period				55,334
5.05.02	Other comprehensive income				
5.05.02.04	Translation adjustments for the period				
5.05.02.07	Actuarial (losses) gains on defined benefit pension plan				
5.05.02.08	Available-for-sale assets, net of taxes				
5.07	Closing balances	4,540,000	302,414,568		55,334

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(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, granted options and treasury shares</b>	<b>Earnings (accumulated comprehensive losses)</b>
5.01	Opening balances	4,540,000	303,690,543	
5.03	Adjusted opening balances	4,540,000	303,690,543	
5.04	Capital transactions with shareholders		-560,000	
5.04.08	Approval of prior year's proposed dividends		-560,000	
5.05	Total comprehensive income			27,326
5.05.01	Profit for the period			27,326
5.05.02	Other comprehensive income			
5.05.02.04	Cumulative translation adjustments for the period			
5.05.02.06	Available-for-sale financial assets, net of taxes			
5.06	Internal changes in shareholders' equity			
5.06.04	Non-controlling interests in subsidiaries			
5.07	Closing balances	4,540,000	303,130,543	27,326

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

<b>Code</b>	<b>Description</b>	<b>YTD Current year 1/1/2014 to 03/31/2014</b>	<b>YTD Previous year 1/1/2013 to 03/31/2013</b>
7.01	Revenues	5,236,997	4,451,468
7.01.01	Sales of products and services	5,189,439	4,401,707
7.01.02	Other revenues	49,906	44,918
7.01.04	Allowance for (reversal of) doubtful debts	-2,348	4,843
7.02	Raw materials acquired from third parties	-3,309,802	-3,011,736
7.02.01	Costs of sales and services	-2,805,092	-2,589,917
7.02.02	Materials, electric power, outside services and other	-481,519	-421,940
7.02.03	Impairment/recovery of assets	-23,191	121
7.03	Gross value added	1,927,195	1,439,732
7.04	Retentions	-294,406	-294,273
7.04.01	Depreciation, amortization and depletion	-294,406	-294,273
7.05	Wealth created	1,632,789	1,145,459
7.06	Value added received as transfer	-942,712	-512,269
7.06.01	Share of profits of investees	-45,503	16,695
7.06.02	Finance income	38,052	37,820
7.06.03	Other	-935,261	-566,784
7.07	Wealth for distribution	690,077	633,190
7.08	Wealth distributed	690,077	633,190
7.08.01	Personnel	393,796	357,754
7.08.01.01	Salaries and wages	311,928	285,134
7.08.01.02	Benefits	62,032	54,543
7.08.01.03	Severance pay fund (FGTS)	19,836	18,077
7.08.02	Taxes, fees and contributions	396,581	256,837
7.08.02.01	Federal	340,944	161,528
7.08.02.02	State	45,731	87,225
7.08.02.03	Municipal	9,906	8,084
7.08.03	Lenders and lessors	-152,396	2,283
7.08.03.01	Interest	814,965	528,004
7.08.03.02	Leases	4,159	4,159
7.08.03.03	Other	-971,520	-529,880
7.08.04	Shareholders	52,096	16,316
7.08.04.03	Retained earnings (accumulated losses) for the period	55,334	27,326
7.08.04.04	Non-controlling interests in retained earnings	-3,238	-11,010



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Global growth has been consolidating, fueled by the recovery of the developed economies, while growth in the emerging nations is expected to be moderate. The global Purchasing Managers Index (PMI) closed March at 53.5 points, giving 18 consecutive months of expansion. In this scenario, the IMF expects global GDP growth of 3.6% this year and 3.9% in 2015, versus 3.0% in 2013.

**USA**

In the United States, even though the economic performance of the first two months of the year was jeopardized by the exceptionally rigorous winter, the fundamentals are still favoring a recovery in activity. March's manufacturing PMI recorded 53.7 points, while the service sector PMI reached 55.3 points, up by 0.5 and 2.0 points, respectively, on February.

Industrial production moved up by 0.7% in March, giving 12-month growth of 3.8%, while capacity use came to 79.2%, higher than the 78.4% recorded in December 2013.

Unemployment reached 6.7% in March, flat over December 2013 and 0.8 p.p. down in the last 12 months.

The FED maintained its US\$10 billion reduction in the asset purchase program at each meeting and will continue to do so, unless there is a significant change in the economic fundamentals. At the same time, it signaled that the current interest rates would remain in place for a longer period, even after the winding up of the asset purchase program, expected at the end of 2014, thereby alleviating market concerns. The FED expects U.S. GDP growth of between 2.8% and 3.0% in 2014.

## Europe

Despite the 0.4% economic shrinkage in the Eurozone in 2013, the European Central Bank (ECB) expects growth of 1.2% in 2014 and 1.5% in 2015, albeit not uniformly among the various countries.

The Eurozone's compound PMI reached 53.1 points in March, 1.0 point up on December 2013 and the ninth consecutive monthly upturn. Unemployment, stable since October, fell slightly in March, reaching 11.8%, while industrial production increased by 1.7% in February over the month before.

Twelve-month inflation closed March at 1.1%, below the 2% target established by the ECB. As a result, at its last meeting in April, the institution maintained interest rates at 0.25% p.a., their lowest ever level.

In the UK, first-quarter GDP edged up by 0.8%, fueled by the service sector. Industrial output grew by 0.9% in February over January, while compound PMI reached 58.1 points in the same month, slightly down on the 59.5 points recorded in December, but still high. According to the British Treasury, the consensus of estimates points to GDP growth of 2.8% in 2014.

## Asia

In China, the beginning-of-year activity indicators pointed to deceleration, once again raising worries of a possible economic slowdown.

Preliminary 1Q14 figures indicate year-on-year Chinese GDP growth of 7.4%. Industrial production moved up by 8.7% in the first quarter, below the average of 10% recorded in the second half of 2013. Manufacturing PMI, disclosed by HSBC, which expanded by 50.5 points in December 2013, has been on the decline since the beginning of this year, reaching 48.0 points in March, while investments in fixed assets fell from 20.9% in 1Q13 to 17.6% in 1Q14.

According to the Chinese National Bureau of Statistics, total investments in the construction sector came to 1.5 billion yuan in 1Q14, 16.8% up in the quarter, versus 20.2% in 1Q13, signifying a decline of 3.4 p.p.

Given this scenario, in April the Chinese government announced a series of measures to stimulate the economy, including tax breaks for small and mid-sized businesses, accelerated railway construction and improvements to the housing financing system. The government maintained its 2014 GDP growth target at 7.5%, with industrial output growth of 9.5%.



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Japan continued to stage a modest recovery, with the local central bank maintaining its economic stimuli. Manufacturing PMI reached 53.9 points in March, the tenth consecutive monthly expansion, versus 55.2 points in December 2013. The institution expects 2014 GDP growth of between 0.9% and 1.5%, with inflation of 1.5%.

**Brazil**

On the home front, February's seasonally-adjusted Central Bank Economic Activity Index (IBC-Br), used as a reference for GDP, increased by 0.24% over January, giving a 12-month variation of 2.41%. The Central Bank's FOCUS report expects GDP growth of 1.63% in 2014 and 1.91% in 2015.

Industrial production in February edged up by 0.4% over the previous month and by 5.0% year-on-year. Retail sales increased by 0.2% in February over January and by 5.0% in the previous 12 months.

On the other hand, the Industrial Confidence Index (ICI) measured by the Getulio Vargas Foundation fell by 2.3% between February and March 2014, from 98.5 to 96.2 points, the lowest level since June 2009. The trade balance closed 1Q14 with a deficit of US\$6.1 billion, the worst figure since the series began in 1994.

Inflation measured by the IPCA consumer price index increased by 0.92% in March over February and by 6.15% in 12 months, above the mid-point of the inflationary target defined by the Monetary Policy Committee (COPOM). As a result, the COPOM maintained its restrictive monetary policy, raising the Selic benchmark interest rate for the ninth consecutive time, this time to 11.25% p.a. The FOCUS report expects 2014 inflation of 6.5%, with a Selic of 11.25% at year-end.

On the foreign exchange front, the real appreciated by 3.4% against the dollar in 1Q14, closing March at R\$2.263, reflecting the current yields of U.S. government bonds and the increase in Brazilian interest rates.

## Macroeconomic Projections

	2014	2015
IPCA (%)	6.50	6.00
Commercial dollar (final) – R\$	2.45	2.51
SELIC (final - %)	11.25	12.25
GDP (%)	1.63	1.91
Industrial Production (%)	1.21	2.65

Source: FOCUS BACEN

Base: May 5, 2014

CSN recorded consolidated net revenue of R\$4,371 million in 1Q14, 20% up on the R\$3,642 million reported in 1Q13, chiefly due to increased revenue from steel and mining operations.

In relation to the R\$4,949 million recorded in 4Q13, 1Q14 net revenue fell by 12%, primarily due to reduced revenue from the mining segment.

In 1Q14, consolidated COGS came to R\$3,035 million, 6% more than the R\$2,852 million posted in the same period last year, basically due to higher iron ore sales volume.

In comparison to the R\$3,292 million recorded in 4Q13, 1Q14 COGS declined by 8%, mainly due to lower iron ore sales volume.

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SG&A expenses totaled R\$294 million in 1Q14, 5% down on the R\$311 million posted in 1Q13, chiefly due to the lower distribution cost, and 17% down on the R\$355 million reported in 4Q13, mainly as a result of the reduction in administrative expenses.

In 1Q14, Other Operating Revenue/Expenses amounted to R\$177 million, 86% up on the R\$95 million recorded in 1Q13, due to provisions for contingencies, and 10% down on the R\$196 million reported in 4Q13, essentially basically due to the non-recurring impact of the Company's adherence to the Tax Settlement Program (REFIS) in the latter quarter.

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

Adjusted EBITDA totaled R\$1,440 million in 1Q14, 60% up on the R\$902 million recorded in 1Q13, essentially due to the contributions of the steel and mining segments, while the EBITDA margin came to 30%.

In relation to 4Q13, adjusted EBITDA fell by 18%, chiefly due to the mining segment, partially offset by steel EBITDA, while the adjusted EBITDA margin narrowed by 2 p.p.

The 1Q14 net financial result was negative by R\$741 million, primarily due to the following factors:

- Interest on loans and financing totaling R\$659 million;
- Expenses of R\$41 million with the monetary restatement of tax payment installments;
- Other financial expenses totaling R\$24 million;
- Monetary and foreign exchange variations amounting to R\$55 million;

These negative effects were partially offset by consolidated financial revenue of R\$38 million.

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

On March 31, 2014, consolidated net debt totaled R\$15.8 billion, very close to the R\$15.7 billion recorded on December 31, 2013, impacted by:

- Payment of dividends and interest on equity totaling R\$0.4 billion;
- Investments of R\$0.3 billion in fixed assets;
- A R\$0.7 billion effect related to the cost of debt;
- Other effects totaling R\$0.1 billion;

These negative impacts were offset by 1Q14 EBITDA of R\$1.4 billion.

The net debt/EBITDA ratio based on LTM adjusted EBITDA closed the first quarter at 2.66x, 0.25x down on the ratio recorded at the end of 4Q13.



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

The consolidated equity result was negative by R\$46 million in 1Q14, essentially due to the results of the jointly-owned subsidiaries Namisa and MRS.

CSN posted consolidated net income of R\$52 million in 1Q14, R\$36 million more than in 1Q13, chiefly due to the upturn in gross profit.

In comparison with the previous quarter, net income increased by R\$539 million, given the 4Q13 net loss of R\$487 million, primarily due to the Company's adherence to the Tax Settlement Program (REFIS).

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

CSN invested R\$355 million in 1Q14, R\$236 million in the parent company. Of this total, R\$114 million went to the Casa de Pedra mine and the Port of Itaguaí and R\$108 million to the steel segment, mainly due to improvements to the hot strip mill (LTQ) and the coke batteries.

The remaining R\$119 million went to subsidiaries or joint subsidiaries, mostly as follows:

- ü Namisa: R\$33 million;
- ü Sepetiba Tecon: R\$28 million;
- ü MRS: R\$23 million.

Working capital allocated to the Company's businesses closed 1Q14 at R\$2,510 million, R\$25 million less than at the end of 4Q13, chiefly due to the increase in the suppliers line and the reduction in accounts receivable, partially offset by the upturn in inventories. The average supplier payment period widened by nine days, the average receivables period narrowed by two days and the average inventory turnover period increased by twelve days.

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<b>WORKING CAPITAL (R\$ MM)</b>	<b>1Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>Change 1Q14 x 1Q13</b>	<b>Change 1Q14 x 4Q13</b>
<b>Assets</b>	<b>4,100</b>	<b>3,951</b>	<b>4,126</b>	<b>26</b>	<b>175</b>
Accounts Receivable	1,506	1,734	1,621	115	(112)
Inventory (*)	2,583	2,164	2,416	(167)	252
Advances to Taxes	12	54	89	77	35
<b>Liabilities</b>	<b>2,435</b>	<b>1,416</b>	<b>1,616</b>	<b>(819)</b>	<b>200</b>
Suppliers	1,881	881	1,105	(776)	223
Salaries and Social Contribution	192	209	196	4	(13)
Taxes Payable	332	297	286	(46)	(12)
Advances from Clients	30	28	30	0	2
Working Capital	1,666	2,535	2,510	844	(25)

<b>TURNOVER RATIO</b>	<b>1Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>Change 1Q14 x 1Q13</b>	<b>Change 1Q14 x 4Q13</b>
<b>Average Periods</b>					
Receivables	30	30	28	(2)	(2)
Supplier Payment	59	26	35	(24)	9
Inventory Turnover	82	64	76	(6)	12
Cash Conversion Cycle	53	68	69	16	1

(\*) Inventory - includes "Advances to Suppliers" and does not include "Supplies".

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

The information on CSN's five business segments is derived from the accounting data, together with allocations and the apportionment of costs among the segments. Results by segment reflect the Company's proportional interest in Namisa, MRS Logística and CBSI, as well as the full consolidation of FTL.





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R\$ million								1Q14
Consolidated Results	Steel	Mining	Logistics (Port)	Logistics (Railways)	Energy	Cement	Corporate/ Eliminations	Consolidated
<b>Net Revenue</b>	<b>3,127</b>	<b>1,247</b>	<b>60</b>	<b>277</b>	<b>65</b>	<b>98</b>	<b>(504)</b>	<b>4,371</b>
Domestic Market	2,355	100	60	277	65	98	(250)	2,706
Foreign Market	771	1,148	-	-	-	-	(254)	1,665
Cost of Goods Sold	(2,395)	(716)	(34)	(205)	(42)	(65)	423	(3,035)
<b>Gross Profit</b>	<b>732</b>	<b>531</b>	<b>26</b>	<b>72</b>	<b>23</b>	<b>33</b>	<b>(82)</b>	<b>1,336</b>
Selling, General and Administrative Expenses	(166)	(16)	(1)	(28)	(5)	(15)	(64)	(294)
Depreciation	195	70	2	39	4	9	(33)	285
Proportional EBITDA of Jointly Controlled Companies							112	112
<b>Adjusted EBITDA</b>	<b>761</b>	<b>585</b>	<b>27</b>	<b>83</b>	<b>23</b>	<b>27</b>	<b>(66)</b>	<b>1,440</b>

R\$ million								1Q13
Consolidated Results	Steel	Mining	Logistics (Port)	Logistics (Railways)	Energy	Cement	Corporate/ Eliminations	Consolidated
<b>Net Revenue</b>	<b>2,947</b>	<b>747</b>	<b>39</b>	<b>225</b>	<b>47</b>	<b>98</b>	<b>(461)</b>	<b>3,642</b>
Domestic Market	2,313	87	39	225	47	98	(218)	2,592
Foreign Market	634	659	-	-	-	-	(243)	1,050
Cost of Goods Sold	(2,456)	(454)	(21)	(171)	(41)	(67)	358	(2,852)
<b>Gross Profit</b>	<b>492</b>	<b>293</b>	<b>19</b>	<b>55</b>	<b>6</b>	<b>30</b>	<b>(103)</b>	<b>790</b>
Selling, General and Administrative Expenses	(158)	(17)	(6)	(22)	(5)	(14)	(89)	(311)
Depreciation	194	51	2	31	4	7	(2)	287
Adjusted EBITDA			-	-			135	135
<b>Adjusted EBITDA</b>	<b>528</b>	<b>326</b>	<b>15</b>	<b>63</b>	<b>5</b>	<b>24</b>	<b>(59)</b>	<b>902</b>

## **Scenario**

According to the World Steel Association (WSA) global crude steel production totaled 406 million tonnes in 1Q14, 2.5% higher than in 1Q13, with China, responsible for 203 million tonnes, recording growth of 2.4%. Global capacity use reached 79% in March, 6.2 p.p. up on December 2013. The WSA expects global apparent steel consumption to grow by 3.1% in 2014, with apparent consumption in China moving up by 3%.

According to the Brazilian Steel Institute (IABr), domestic crude steel production came to 8.3 million tonnes in 1Q14, 1.5% more than in 1Q13, while rolled flat output totaled 6.3 million tonnes, up by 1.9%.

Apparent domestic flat steel consumption amounted to 6.4 million tonnes in the first quarter, 2.1% more than in 1Q13, while domestic sales moved up by 1.7% to 5.4 million tonnes. On the other hand, imports climbed by 3.8% to 0.9 million tonnes, while exports fell by 19% to 1.9 million tonnes.

The IABr estimates domestic sales of 23.7 million tonnes in 2014, with apparent consumption of 27.2 million tonnes.

## **Automotive**

According to ANFAVEA (the Auto Manufacturers' Association), light vehicle production totaled 790,000 units in 1Q14, 8.4% down on 1Q13, with sales of 813,000 units, down by 2.1%.

ANFAVEA estimates light vehicle production and sales growth of 1.4% and 1.1%, respectively, in 2014, while FENABRAVE (the Vehicle Distributors' Association) expects sales to remain flat over last year.



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**Construction**

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials increased by 0.9% year-on-year in 1Q14.

ABRAMAT estimates sales growth of 4.5% in 2014 as a whole, sustained by the resumption of investments in infrastructure and the works for the upcoming sporting events.

**Home Appliances**

According to the IBGE (Brazilian Institute of Geography and Statistics), home appliance production fell by 2.4% year-on-year in January and February.

**Distribution**

According to INDA (the Brazilian Steel Distributors' Association), domestic flat steel sales by distributors totaled 1.17 million tonnes in 1Q14, 12% up on 4Q13. For 2014 as a whole, the association expects growth of 4% in flat steel sales by its affiliates.

Purchases by the associated network came to 1.09 million tonnes in 1Q14, 0.9% down on the previous three months. On the other hand, inventories closed March at 968,000 tonnes, 0.8% less than in 4Q13, representing 2.6 months of sales.

**Sales Volume**

CSN sold 1.39 million tonnes of steel in 1Q14, 4% down on 4Q13. Of this total, 73% went to the domestic market, 25% were sold by overseas subsidiaries and 2% went to direct exports.

### **Domestic Sales Volume**

Domestic steel sales totaled 1.01 million tonnes in 1Q14, 5% less than in 4Q13, due to the seasonality of steel sales.

### **Foreign Sales Volume**

Foreign steel sales amounted to 377,000 tonnes in 1Q14, in line with the previous quarter. Of this total, the overseas subsidiaries sold 351,000 tonnes, 209,000 of which by SWT. Direct exports came to 26,000 tonnes.

### **Prices**

Net revenue per tonne averaged R\$2,216 in 1Q14, 6% higher than the 4Q13 average.

### **Net Revenue**

Net revenue from steel operations totaled R\$3,127 million, 1% up on 4Q13, chiefly due to higher prices, partially offset by the decline in sales volume.

### **Cost of Goods Sold (COGS)**

Steel segment COGS came to R\$2,395 million, 2% less than in 1Q13 and 4Q13, basically due to lower sales volume.



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Adjusted steel segment EBITDA totaled R\$761 million in 1Q14, 20% up on the quarter before, basically due to higher steel prices and the largest quarterly figure since 3Q10. The adjusted EBITDA margin came to 24%, 3 p.p. up on 4Q13, and the highest since 3Q11. These results signify a steel segment margin recovery.

**Production**

The Presidente Vargas Steelworks (UPV) produced 1.1 million tonnes of crude steel in 1Q14, in line with the 4Q13 figure, while consumption of slabs purchased from third parties totaled 102,000 tonnes. Production of rolled steel came to 1.1 million tonnes, 8% down on the previous quarter due to the hot strip mill maintenance program.

Production (in thousand t)	1Q13	4Q13	1Q14	Change	
				1Q14 x 1Q13	1Q14 x 4Q13
Crude Steel (P. Vargas Mill)	1,047	1,093	1,098	5%	0%
Purchased Slabs from Third Parties	118	179	102	-14%	-43%
Total Crude Steel	1,165	1,271	1,200	3%	-6%
Total Rolled Products	1,089	1,141	1,053	-3%	-8%

**Production Costs (Parent Company)**



In 1Q14, the Presidente Vargas Steelworks' total production costs came to R\$1,656 million, 7% down on 4Q13, chiefly due to the reduced consumption of slabs acquired from third parties.

### **Scenario**

In 1Q14, the seaborne iron ore market was negatively impacted by the slowdown in industrial output, the reduction in investments in fixed assets and lower real estate sales in China, which led to a deceleration in steel production. In addition, iron ore stocks in the main Chinese ports reached record levels, putting downward pressure on prices.

In this scenario, the Platts Fe62% CFR China index averaged US\$120.38/dmt in 1Q14, 10.6% down on the 4Q13 average. The iron ore quality premium varied between US\$2.00 and US\$2.30/dmt per 1% of Fe content, while freight costs on the Tubarão/Qingdao route averaged US\$22.33/wmt, 10.7% less than the previous quarter's average, with the seasonal reduction in exports from Brazil and Australia.

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Brazil exported 77 million tonnes of iron ore in the first quarter, 19% down on 4Q13.

**Iron Ore Sales**

In 1Q14, sales of finished iron ore products totaled 6.4 million tonnes, 54% up on the 4.1 million tonnes sold in 1Q13 and 18% less than the 7.8 million tonnes recorded in the previous quarter, due to maintenance at the Tecar terminal in the Port of Itaguaí. Of this total, 2.2 million tonnes were sold by Namisa<sup>1</sup>. Virtually all iron ore sold in 1Q14 was exported.

Iron ore volume for own consumption reached 1.5 million tonnes in 1Q14.

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

**Net Revenue**

Net revenue from mining operations came to R\$1,247 million in 1Q14, 67% up on 1Q13, primarily due to the upturn in sales volume.

In relation to the R\$1,920 million reported in the previous quarter, however, 1Q14 net revenue fell by 35%, due to lower sales volume and prices and the 4Q13 reception of R\$323 million in indemnification for lost earnings in 2007 due to a claim related to Tecar's iron ore separator and belt transportation system.

**Cost of Goods Sold (COGS)**

COGS totaled R\$716 million in 1Q14, 58% up on 1Q13, chiefly due to higher sales volume.

In relation to the R\$946 million recorded in 4Q13, 1Q14 COGS fell by 24%, essentially due to lower sales volume.

**Adjusted EBITDA**

Adjusted EBITDA from mining operations totaled R\$585 million in 1Q14, 79% up on the R\$326 million reported in 1Q13, for the reasons mentioned above, with an adjusted EBITDA margin of 47%, and 43% down on the R\$1,022 million recorded in 4Q13.

## **Scenario**

### **Railway Logistics**

According to the ANTT (National Ground Transport Association), the Brazilian railways transported 463 million tonnes in 2013, 0.7% up on 2012.

### **Port Logistics**

According to ANTAQ (National Waterway Transport Agency), Brazil's port installations handled around 931 million tonnes in 2013, 3% more than the year before. Bulk solids totaled 569 million tonnes, 2% up on 2012, while container handling came to 8.9 million TEUs<sup>1</sup>, up by 9%.

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

## **Analysis of Results**

### **Railway Logistics**

Net revenue from railway logistics totaled R\$277 million in 1Q14, COGS came to R\$205 million and adjusted EBITDA amounted to R\$83 million, with an adjusted EBITDA margin of 30%.

### **Port Logistics**

In 1Q14, net revenue from port logistics amounted to R\$60 million, COGS totaled R\$34 million and adjusted EBITDA came to R\$27 million, with an adjusted EBITDA margin of 46%.



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**Scenario**

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 17.1 million tonnes in 1Q14, 6% up on the previous quarter.

**Analysis of Results**

Cement sales totaled 488,000 tonnes in 1Q14, generating net revenue of R\$98 million. COGS amounted to R\$65 million, while adjusted EBITDA reached R\$27 million, with an adjusted EBITDA margin of 27%.

**Scenario**

According to the Energy Research Company (EPE), Brazilian electricity consumption increased by 6.0% year-on-year in the first quarter of 2014, led by the commercial and residential segments, with respective growth of 10.8% and 10.0%.

**Analysis of Results**

In the first quarter, net revenue came to R\$65 million, COGS totaled R\$42 million and adjusted EBITDA amounted to R\$23 million, with a margin of 35%.

CSN's shares depreciated by 30% in 1Q14, while the Company's ADRs fell by 27% on the NYSE.

Daily traded volume in CSN's shares averaged R\$73 million in 1Q14, from 6.4 million shares traded. On the NYSE, daily traded volume in CSN's ADRs averaged US\$29 million, from 6.0 million ADRs traded.

Capital Markets - CSNA3 / SID / IBOVESPA / DOW JONES	
	1Q14
<b>N# of shares</b>	<b>1,457,970,108</b>
<b>Market Capitalization</b>	
Closing price (R\$/share)	9.84
Closing price (US\$/share)	4.36
Market Capitalization (R\$ million)	14,346
Market Capitalization (US\$ million)	6,357
<b>Total return including dividends and interest on equity</b>	
CSNA3 (%)	-30%
SID (%)	-27%
Ibovespa	-2%
Dow Jones	-1%
<b>Volume</b>	
Average daily (thousand shares)	6,383
Average daily (R\$ Thousand)	73,192
Average daily (thousand ADRs)	6,007
Average daily (US\$ Thousand)	28,766
<i>Source: Economática</i>	

**Shareholder Payments**

The Annual Shareholders' Meeting of April 25, 2013 ratified the distribution of dividends and interest on equity (IOE) as follows: (i) dividends of R\$210 million and IOE of R\$90 million paid on August 15, 2013; and (ii) dividends of R\$400 million and IOE of R\$100 million, paid on November 28, 2013, approved by the Board of Directors at meetings held on August 6, 2013 and November 13, 2013, respectively.

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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, associates and jointly controlled entities collectively referred to herein as the “Group”). The Company’s registered office is located in São Paulo, SP, Brazil.

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

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

- **Steel:**

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

- **Mining:**



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

- **Cement:**

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

- **Logistics**

*Railroads:*

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

*Ports:*

In the State of Rio de Janeiro, by means of its subsidiary Sepetiba Tecon S. A., the Company operates the Container Terminal (Tecon) at the Itaguaí Port. Located in the Bay of Sepetiba, this port has privileged highway, railroad and maritime access.

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

- **Energy:**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

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

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

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

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

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

Note 02 – Summary of significant accounting policies

Note 03 – Changes in accounting policies

Note 04 – Business combination

Note 28 – Employee benefits

The individual and consolidated condensed interim financial statements were approved by the Board of Directors on May 6, 2014.

**(b) Basis of presentation**

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of March 31, 2014, US\$1 is equivalent to R\$2.2630 (R\$2.3426 as of December 31, 2013), €\$ 1 is equivalent to R\$3.1175 (R\$3.2265 as of December 31, 2013) and ¥\$ 1 is equivalent to R\$0.02197 (R\$0.02233 as of December 31, 2013).

**(c) Basis of consolidation**

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



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<b>Companies</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>3/31/2014</b>	<b>12/31/2013</b>	
<b>Direct interest in subsidiaries: full consolidation</b>			
CSN Islands VII Corp.	100.00	100.00	Financial transactions
CSN Islands VIII Corp.	100.00	100.00	Financial transactions
CSN Islands IX Corp.	100.00	100.00	Financial transactions
CSN Islands X Corp.	100.00	100.00	Financial transactions
CSN Islands XI Corp.	100.00	100.00	Financial transactions
CSN Islands XII Corp.	100.00	100.00	Financial transactions
CSN Minerals S.L.U.	100.00	100.00	Equity interests
CSN Export Europe, S.L.U.	100.00	100.00	Financial transactions and
CSN Metals S.L.U.	100.00	100.00	Equity interests and finan
CSN Americas S.L.U.	100.00	100.00	Equity interests and finan
CSN Steel S.L.U.	100.00	100.00	Equity interests and finan
TdBB S.A	100.00	100.00	Dormant company
Sepetiba Tecon S.A.	99.99	99.99	Port services
Mineração Nacional S.A.	99.99	99.99	Mining and equity interes
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 packaging
Companhia Metalúrgica Prada	99.99	99.99	Manufacture of packaging
CSN Cimentos S.A.	99.99	99.99	Cement manufacturing
CSN Gestão de Recursos Financeiros Ltda.	99.99	99.99	Dormant company
Congonhas Minérios S.A.	99.99	99.99	Mining and equity interes
CSN Energia S.A.	99.99	99.99	Sale of electric powe
FTL - Ferrovia Transnordestina Logística S.A.	88.41	88.41	Railroad logistics
<b>Indirect interest in subsidiaries: full consolidation</b>			
CSN Aceros S.A.	100.00	100.00	Equity interests
Companhia Siderúrgica Nacional LLC	100.00	100.00	Steel
CSN Europe Lda.	100.00	100.00	Financial transactions, pr
CSN Ibéria Lda.	100.00	100.00	Financial transactions, pr
CSN Portugal, Unipessoal Lda.	100.00	100.00	Financial transactions and
Lusosider Projectos Siderúrgicos S.A.	99.99	99.99	Equity interests
Lusosider Aços Planos, S. A.	99.98	99.98	Steel and equity interests
CSN Acquisitions, Ltd.	100.00	100.00	Financial transactions and
CSN Resources S.A.	100.00	100.00	Financial transactions and
CSN Holdings (UK) Ltd	100.00	100.00	Financial transactions and
CSN Handel GmbH	100.00	100.00	Financial transactions, pr
Companhia Brasileira de Latas	59.17	59.17	Sale of cans and containe
Rimet Empreendimentos Industriais e Comerciais S. A.	58.96	58.96	Production and sale of ste
Companhia de Embalagens Metálicas MMSA	58.98	58.98	Production and sale of ca

Empresa de Embalagens Metálicas - LBM Ltda.	58.98	58.98 Sales of containers and h
Empresa de Embalagens Metálicas - MUD Ltda.	58.98	58.98 Production and sale of ho
Companhia de Embalagens Metálicas - MTM do Nordeste	58.98	58.98 Production and sale of ca
Companhia de Embalagens Metálicas - MTM	58.98	58.98 Production and sale of ca
CSN Steel Comercializadora, S.L.U.	100.00	100.00 Financial transactions, pr
CSN Steel Holdings 1, S.L.U.	100.00	100.00 Financial transactions, pr
CSN Steel Holdings 2, S.L.U.	100.00	100.00 Financial transactions, pr
Stalwerk Thüringen GmbH	100.00	100.00 Production and sale of lor
CSN Steel Sections UK Limited	100.00	100.00 Financial transactions, pr
CSN Steel Sections Czech Republic s.r.o.	100.00	100.00 Financial transactions, pr
CSN Steel Sections Polska Sp.Z.o.o	100.00	100.00 Financial transactions, pr

**Direct interest in jointly controlled entities: proportionate consolidation**

Itá Energética S.A.	48.75	48.75 Electric power generation
CGPAR - Construção Pesada S.A.	50.00	50.00 Mining support services a
Consórcio da Usina Hidrelétrica de Igarapava	17.92	17.92 Electric power consortium

**Direct interest in jointly controlled entities: equity method**

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

**Indirect interest in jointly controlled entities: equity method**

Namisa International Minérios SLU	60.00	60.00 Financial transactions, pr
Namisa Europe, Unipessoal Lda.	60.00	60.00 Equity interests and sales
Namisa Handel GmbH	60.00	60.00 Financial transactions, pr
MRS Logística S.A.	6.00	6.00 Railroad transportation
Aceros Del Orinoco S.A.	9.08	9.08 Dormant company

**Direct interest in associates: equity method**

Arvedi Metalfer do Brasil S.A.	20.00	20.00 Steel and equity interests
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- Exclusive funds**

Exclusive funds	Equity interests (%)		Core business
	3/31/2014	12/31/2013	
<b>Direct interest: full consolidation</b>			
Diplic - Private credit balanced mutual fund	100.00	100.00	Investment fund
Mugen - Private credit balanced mutual fund	100.00	100.00	Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund

### 3. CASH AND CASH EQUIVALENTS

	3/31/2014	Consolidated 12/31/2013	3/31/2014	Parent Company 12/31/2013
<b>Current</b>				
<b>Cash and cash equivalents</b>				
<b>Cash and banks</b>	<b>198,323</b>	<b>178,920</b>	<b>47,879</b>	<b>36,553</b>
<b>Short-term investments</b>				
<b>In Brazil:</b>				
Government securities	103,329	48,206	88,800	42,575
Private securities	318,549	240,852	46,732	57,564
	<b>421,878</b>	<b>289,058</b>	<b>135,532</b>	<b>100,139</b>
<b>Abroad:</b>				
Time deposits	9,380,171	9,527,694	57,563	69,932
<b>Total short-term investments</b>	<b>9,802,049</b>	<b>9,816,752</b>	<b>193,095</b>	<b>170,071</b>
<b>Cash and cash equivalents</b>	<b>10,000,372</b>	<b>9,995,672</b>	<b>240,974</b>	<b>206,624</b>

The funds available in the Company and subsidiaries set up in Brazil are basically invested in investment funds, classified as exclusive, with repurchase agreements backed by government and private bonds 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 series B (NTN-B), series F (NTN-F) and Financial Treasury Bills (LFTs). The exclusive funds managed by BTG Pactual Serviços Financeiros S.A. DTVM and Caixa Econômica Federal and their assets collateralize possible losses on investments and transactions carried out. Investments in funds were consolidated.

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

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**4. TRADE RECEIVABLES**

	<b>3/31/2014</b>	<b>Consolidated 12/31/2013</b>	<b>3/31/2014</b>	<b>Parent Company 12/31/2013</b>
<b>Trade receivables</b>				
<b>Third parties</b>				
Domestic market	1,024,133	790,225	616,299	545,927
Foreign market	604,028	950,145	62,460	80,434
Estimated losses on doubtful debts	-116,520	-114,172	-90,257	-88,518
	<b>1,511,641</b>	<b>1,626,198</b>	<b>588,502</b>	<b>537,843</b>
Related parties (Note 17 - b)	<b>109,501</b>	<b>107,443</b>	<b>613,264</b>	<b>632,645</b>
	<b>1,621,142</b>	<b>1,733,641</b>	<b>1,201,766</b>	<b>1,170,488</b>
<b>Other receivables</b>				
Dividends receivable (*) (Note 17 - b)	31,571	717,595	84,879	774,147
Other receivables	52,997	71,229	33,545	48,069
	<b>84,568</b>	<b>788,824</b>	<b>118,424</b>	<b>822,216</b>
	<b>1,705,710</b>	<b>2,522,465</b>	<b>1,320,190</b>	<b>1,992,704</b>

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

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

	<b>3/31/2014</b>	<b>Consolidated 12/31/2013</b>	<b>3/31/2014</b>	<b>Parent Company 12/31/2013</b>
Falling due	1,157,110	1,339,481	366,368	373,190
Overdue until 180 days	248,939	216,392	110,355	90,165
Overdue above 180 days	222,112	184,497	202,036	163,006
	<b>1,628,161</b>	<b>1,740,370</b>	<b>678,759</b>	<b>626,361</b>

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

Due to the characteristics of the transactions for assignment of receivables without co-obligation, after assignment of the customer's trade notes/bills and receipt of the funds from the closing of each transaction, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$405,351 as of March 31, 2014 (R\$386,732 as of December 31, 2013), less the trade receivables.

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

	<b>3/31/2014</b>	<b>Consolidated 12/31/2013</b>	<b>3/31/2014</b>	<b>Parent Company 12/31/2013</b>
<b>Opening balance</b>	<b>-114,172</b>	<b>-111,532</b>	<b>-88,518</b>	<b>-86,391</b>
Allowance for losses on trade receivables	-4,451	-17,988	-3,261	-13,902
Recovery of receivables	2,103	15,348	1,522	11,775
<b>Closing balance</b>	<b>-116,520</b>	<b>-114,172</b>	<b>-90,257</b>	<b>-88,518</b>

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	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>12/31/2013</b>
Finished products	759,522	743,831	564,332	529,068
Work in process	770,758	650,311	673,024	550,227
Raw materials	848,043	714,365	547,573	436,283
Storeroom supplies	995,534	1,003,473	872,423	877,944
Iron ore	127,767	139,275	127,767	139,275
Advances to suppliers	18,520	11,915	15,632	9,859
(-) Estimated losses	-118,385	-102,185	-98,050	-83,426
	<b>3,401,759</b>	<b>3,160,985</b>	<b>2,702,701</b>	<b>2,459,230</b>

Changes in the allowance for inventory losses are as follows:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>31/12/2013</b>
<b>Opening balance</b>	<b>-102,185</b>	<b>-108,160</b>	<b>-83,426</b>	<b>-90,344</b>
Allowance for/reversals of slow-moving inventories and obsolescence	-16,200	5,975	-14,624	6,918
<b>Closing balance</b>	<b>-118,385</b>	<b>-102,185</b>	<b>-98,050</b>	<b>-83,426</b>

Allowances for certain items considered obsolete or slow-moving were recognized.

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

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

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

	Current		Consolidated Non-current		Current
	3/31/2014	12/31/2013	3/31/2014	12/31/2013	
Judicial deposits (Note 15)			695,429	693,714	
Credits with the PGFN (*)			90,294	88,921	
Recoverable taxes (**)	485,990	480,495	109,122	112,788	300,240
Prepaid expenses	50,714	37,369	36,894	38,117	40,742
Actuarial asset - related party (Note 17 b)			97,051	97,051	
Derivative financial instruments (Note 11 I)	3,030	9,681		3,879	
Securities held for trading (Note 11 I)	9,111	9,906			6,453
Ore inventory (Note 5)			144,483	144,483	
Northeast Investment Fund (FINOR)			8,452	8,452	
Trade receivables			985	9,970	
Loans with related parties (Note 17 b)	377,039	147,273	191,481	603,862	20,386
Other receivables from related parties (Note 17 b)	10,796	15,658	14,360	18,129	53,810
Other	23,203	22,538	16,695	15,959	
	<b>959,883</b>	<b>722,920</b>	<b>1,405,246</b>	<b>1,835,325</b>	<b>421,631</b>

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

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

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

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

Companies	Number of shares held by CSN in units)		% Direct equity interest	Assets	Liabilities	Shareholders' equity	f
	Common	Preferred					
<b>Subsidiaries</b>							
CSN Islands VII Corp.	20,001,000		100.00	7,610,018	8,336,102	-726,084	
CSN Islands VIII Corp.	2,501,000		100.00	15,750	11	15,739	
CSN Islands IX Corp.	3,000,000		100.00	925,685	923,892	1,793	
CSN Islands X Corp.	1,000		100.00	43	51,409	-51,366	
CSN Islands XI Corp.	50,000		100.00	1,706,272	1,698,673	7,599	
CSN Islands XII Corp.	1,540		100.00	1,772,118	2,264,140	-492,022	
International Investment Fund							
CSN Minerals S.L.U.	131,649,926		100.00	4,391,613	1,201	4,390,412	
CSN Export Europe, S.L.U.	35,924,748		100.00	913,125	156	912,969	
CSN Metals S.L.U.	256,951,582		100.00	1,402,990	1,732	1,401,258	
CSN Americas S.L.U.	151,877,946		100.00	1,927,851	14,181	1,913,670	
CSN Steel S.L.U.	454,072,527		100.00	2,625,198	426,968	2,198,230	
Sepetiba Tecon S.A.	254,015,052		99.99	347,676	88,191	259,485	
Mineração Nacional S.A.	999,999		99.99	1,092	20	1,072	
Florestal Nacional S.A.							
Estanho de Rondônia S.A.	34,236,306		99.99	34,067	12,595	21,472	
Companhia Metalic Nordeste	92,459,582		99.99	186,342	42,762	143,580	
Companhia Metalúrgica Prada	601,084		99.99	749,056	431,799	317,257	
CSN Cimentos S.A.	3,734,582,664		99.99	1,003,930	72,406	931,524	
Congonhas Minérios S.A.	64,610,862		99.99	2,049,691	2,059,385	-9,694	
CSN Energia S.A.	43,149		99.99	66,430	37,749	28,681	

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FTL - Ferrovia Transnordestina Logística S.A.	306,241,571		88.41	542,415	241,732	300,683
Companhia Florestal do Brasil	19,358,449		99.99	21,091	1,801	19,290
<b>Jointly controlled entities</b>						
Nacional Minérios S.A.	285,040,443		60.00	9,328,210	414,111	8,914,099
Itá Energética S.A.	253,606,842		48.75	344,494	17,611	326,883
MRS Logística S.A.	52,414,152	40,301,916	27.27	1,793,850	1,047,791	746,059
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,876,146		50.00	20,263	17,193	3,070
CGPAR - Construção Pesada S.A.	50,000		50.00	59,047	51,588	7,459
Transnordestina Logística S.A.	22,714,245	1,397,545	77.30	4,331,555	3,013,491	1,318,064
<b>Associates</b>						
Arvedi Metalfer do Brasil	21,408,833		20.00	37,720	21,558	16,162

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

**b) Events in 2013**

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

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

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





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

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

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

With the completion of the spin-off, the new Shareholders' Agreement became effective and control is now jointly held with the shareholders part of the public block, which became the holders of substantive rights to make certain material company decisions and influence the ordinary course of business, as well as CSN, by influencing budgeting, internal policies, capital expenditures, debt, etc., thus typifying the loss of control by CSN, pursuant to specific IFRS criteria.

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

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

**Consolidated Parent Company**

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

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

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	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>12/31/2013</b>
<b>Opening balance of investments</b>	<b>13,487,023</b>	<b>10,839,787</b>	<b>27,005,592</b>	<b>23,356,506</b>
<b>Opening balance of impairment loss allowance</b>			<b>-1,231,511</b>	<b>-851,298</b>
Transnordestina Investment balance at 12.31.2012		1,452,074		
Capital increase/acquisition of shares	2,615	164,941	32,586	654,692
Capital reduction		-153,305		
Merger and partial spin-off of subsidiaries				132,725
Dividends (1)	484,010	-85,998	484,010	-139,887
Comprehensive income (2)	-647,064	73,213	-685,353	456,978
Share of profits of investees (3)	90,495	542,711	-291,125	1,502,450
Gain on loss of control over Transnordestina		659,106		659,106
Other		-5,506		2,809
<b>Closing balance of investments</b>	<b>13,417,079</b>	<b>13,487,023</b>	<b>26,593,365</b>	<b>27,005,592</b>
<b>Closing balance of impairment loss allowance</b>			<b>-1,279,166</b>	<b>-1,231,511</b>

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

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

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

	<b>3/31/2014</b>	<b>Consolidated 12/31/2013</b>
<b>Share of profit of jointly controlled entities</b>	<b>90,495</b>	<b>542,711</b>
<b>Reclassifications</b>		
To cost of sales	-44,118	-137,418
To finance costs	-161,939	-624,096
To taxes	70,059	258,914
<b>Other</b>		
Elimination of Transnordestina's profit		120,102
Other		-2,075
<b>Adjusted share of profit of investees</b>	<b>-45,503</b>	<b>158,138</b>

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**d) Investments in joint ventures and joint operations**

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

							3/31/2014		
	Nacional Minérios (*)	Itá Energética	MRS Logística	CBSI	CGPAR	Transnordestina Logística	Nacional Minérios (*)	Itá Energé	
<b>Equity interest (%)</b>	<b>60.00%</b>	<b>48.75%</b>	<b>27.27%</b>	<b>50.00%</b>	<b>50.00%</b>	<b>77.30%</b>	<b>60.00%</b>	<b>48.</b>	
<b>Balance sheet</b>									
<b>Current assets</b>									
Cash and cash equivalents	4,568,786	60,528	435,918	5,414	17,591	132,867	4,815,211	45	
Other current assets	814,777	17,762	542,175	28,553	41,028	46,232	1,135,192	16	
<b>Total current assets</b>	<b>5,383,563</b>	<b>78,290</b>	<b>978,093</b>	<b>33,967</b>	<b>58,619</b>	<b>179,099</b>	<b>5,950,403</b>	<b>62</b>	
<b>Non-current assets</b>									
Long-term assets	8,760,127	33,802	346,535	11	18	235,216	8,391,119	34	
Investments, PP&E and intangible assets	1,403,326	594,563	5,253,624	6,549	59,458	5,189,258	1,356,909	603	
<b>Total non-current assets</b>	<b>10,163,453</b>	<b>628,365</b>	<b>5,600,159</b>	<b>6,560</b>	<b>59,476</b>	<b>5,424,474</b>	<b>9,748,028</b>	<b>637</b>	
<b>Total assets</b>	<b>15,547,016</b>	<b>706,655</b>	<b>6,578,252</b>	<b>40,527</b>	<b>118,095</b>	<b>5,603,573</b>	<b>15,698,431</b>	<b>699</b>	
<b>Current liabilities</b>									
Borrowings and financing	314,764		345,526		21,196	67,433	42,247		
Other current liabilities	218,405	36,125	567,618	26,247	52,033	47,340	1,318,884	35	
<b>Total current liabilities</b>	<b>533,169</b>	<b>36,125</b>	<b>913,144</b>	<b>26,247</b>	<b>73,229</b>	<b>114,773</b>	<b>1,361,131</b>	<b>35</b>	

**Non-current liabilities**

Borrowings and financing	69,564		2,593,629		13,097		3,377,426	339,961	
Other non-current liabilities	87,451		335,594	8,140	16,850		406,243	86,694	1
<b>Total non-current liabilities</b>	<b>157,015</b>		<b>2,929,223</b>	<b>8,140</b>	<b>29,947</b>		<b>3,783,669</b>	<b>426,655</b>	<b>1</b>
<b>Shareholders' equity</b>	<b>14,856,832</b>	<b>670,530</b>	<b>2,735,885</b>	<b>6,140</b>	<b>14,919</b>		<b>1,705,131</b>	<b>13,910,645</b>	<b>662</b>
<b>Total liabilities and shareholders' equity</b>	<b>15,547,016</b>	<b>706,655</b>	<b>6,578,252</b>	<b>40,527</b>	<b>118,095</b>		<b>5,603,573</b>	<b>15,698,431</b>	<b>699</b>

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	Nacional Minérios (*)	Itá Energética	MRS Logística	CBSI	CGPAR	Transnordestina Logística	Nacional Minérios (*)	Itá Energé
<b>Equity interest (%)</b>	<b>60.00%</b>	<b>48.75%</b>	<b>27.27%</b>	<b>50.00%</b>	<b>50.00%</b>	<b>77.30%</b>	<b>60.00%</b>	<b>48.</b>
<b>Statements of Income</b>								
Net revenue	453,090	41,242	784,616	33,997	56,917	14	484,621	28
Cost of sales and services	-322,508	-19,344	-562,658	-32,486	-47,471	30	-285,348	-20
Gross profit	130,582	21,898	221,958	1,511	9,446	44	199,273	8
Operating (expenses) income	-19,872	-11,085	-75,802	-1,882	-863	-5,590	-52,561	-10
Finance income (costs), net	143,196	847	-38,763	151	-276	-3,555	214,563	
Income before income tax and social contribution	253,906	11,660	107,393	-220	8,307	-9,101	361,275	-2
Current and deferred income tax and social contribution	-115,961	-3,959	-40,391		-3,036		-168,554	
<b>Profit for the period</b>	<b>137,945</b>	<b>7,701</b>	<b>67,002</b>	<b>-220</b>	<b>5,271</b>	<b>-9,101</b>	<b>192,721</b>	<b>-2</b>

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

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



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**8. PROPERTY, PLANT AND EQUIPMENT**

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

	Land	Buildings and infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Other (*)
<b>Balance at December 31, 2013</b>	<b>213,301</b>	<b>1,826,519</b>	<b>7,782,833</b>	<b>34,127</b>	<b>4,771,635</b>	<b>283,011</b>
Cost	213,301	2,196,994	12,968,200	151,479	4,771,635	627,845
Accumulated depreciation		-370,475	-5,185,367	-117,352		-344,834
<b>Balance at December 31, 2013</b>	<b>213,301</b>	<b>1,826,519</b>	<b>7,782,833</b>	<b>34,127</b>	<b>4,771,635</b>	<b>283,011</b>
Effect of foreign exchange differences	-1,744	-5,810	-24,407	-99	-483	-397
Acquisitions	3	56	53,070	472	242,147	2,742
Capitalized interest (Notes 23 and 29)					43,934	
Write-offs			-4,552		-42	-34
Depreciation		-18,682	-254,919	-1,649		-8,176
Transfers to other asset categories		256,014	2,256,384	897	-2,365,734	-147,561
Transfers to intangible assets					-7,963	
Other		-28	-38,513	1	39,940	-10,015
<b>Balance at March 31, 2014</b>	<b>211,560</b>	<b>2,058,069</b>	<b>9,769,896</b>	<b>33,749</b>	<b>2,723,434</b>	<b>119,570</b>
Cost	211,560	2,447,219	15,176,879	152,492	2,723,434	468,867
Accumulated depreciation		-389,150	-5,406,983	-118,743		-349,297
<b>Balance at March 31, 2014</b>	<b>211,560</b>	<b>2,058,069</b>	<b>9,769,896</b>	<b>33,749</b>	<b>2,723,434</b>	<b>119,570</b>

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



	Land	Buildings and infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Other (*)
<b>Balance at December 31, 2013</b>	<b>107,475</b>	<b>1,225,222</b>	<b>6,355,738</b>	<b>26,409</b>	<b>4,345,142</b>	<b>358,109</b>
Cost	107,475	1,390,013	10,423,838	129,930	4,345,142	467,481
Accumulated depreciation		-164,791	-4,068,100	-103,521		-109,372
<b>Balance at December 31, 2013</b>	<b>107,475</b>	<b>1,225,222</b>	<b>6,355,738</b>	<b>26,409</b>	<b>4,345,142</b>	<b>358,109</b>
Acquisitions		56	37,797	219	197,561	334
Capitalized interest (Notes 23 and 29)					43,934	
Write-offs			-4,247		-41	
Depreciation		-11,377	-216,969	-1,164		-3,098
Transfers to other asset categories		252,648	2,255,089	897	-2,361,562	-147,072
Transfers to intangible assets					-7,963	
Other			-36,739		42,135	-8,635
<b>Balance at March 31, 2014</b>	<b>107,475</b>	<b>1,466,549</b>	<b>8,390,669</b>	<b>26,361</b>	<b>2,259,206</b>	<b>199,638</b>
Cost	107,475	1,644,801	12,667,601	131,044	2,259,206	310,006
Accumulated depreciation		-178,252	-4,276,932	-104,683		-110,368
<b>Balance at March 31, 2014</b>	<b>107,475</b>	<b>1,466,549</b>	<b>8,390,669</b>	<b>26,361</b>	<b>2,259,206</b>	<b>199,638</b>

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

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

	Project objective	Start date	Completion date	Consolidated	
				3/31/2014	12/31/2013
<b>Logistics</b>					
	Equalization of Berth 301.	2012	2014	180,561	151,932
	Current investments for maintenance of current operations.			241,964	231,832
				<b>422,525</b>	<b>383,764</b>
<b>Mining</b>					
	Expansion of Casa de Pedra Mine capacity production.	2007	2015/2016 (1)	913,748	1,090,568
	Expansion of TECAR's export capacity.	2009	2016 (2)	486,106	404,374
	Current investments for maintenance of current operations.			72,238	42,866
				<b>1,472,092</b>	<b>1,537,808</b>
<b>Steel</b>					
	Construction of a long steel plant to produce rebar and machine wire.	2008	2014 (3)	140,629	1,592,016
	Implementation of the AF#3's gas pressure recovery.	2006	2014	395	74,337
	Expansion of the service center/Mogi.	2013	2015 (4)	13,029	11,000
	Current investments for maintenance of current operations.			95,486	668,495
				<b>249,539</b>	<b>2,345,848</b>
<b>Cement</b>					
	Construction of cement plants.	2011	2016 (5)	557,212	476,076
	Current investments for maintenance of current operations.			22,066	28,139
				<b>579,278</b>	<b>504,215</b>
<b>Total Construction in Progress</b>				<b>2,723,434</b>	<b>4,771,635</b>

- (1) Expected date for completion of the 40 Mtpa and 42 Mtpa stages
- (2) Expected date for completion of the 60 Mtpa stage
- (3) Started in January 2014.
- (4) Expected date for completion of Service Center/Mogi;
- (5) Expected date for completion of Minas Gerais unit.

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

		<b>Consolidated</b>		<b>Parent Company</b>	
	<b>3/31/2014</b>	<b>3/31/2013</b>	<b>3/31/2014</b>	<b>3/31/2013</b>	
Production cost	279,464	281,055	230,561	226,190	
Selling expenses	2,217	2,072	1,687	1,618	
General and administrative expenses	3,665	4,109	2,413	2,022	
	<b>285,346</b>	<b>287,236</b>	<b>234,661</b>	<b>229,830</b>	
Other operating expenses (*)	9,060	7,037		6,785	
	<b>294,406</b>	<b>294,273</b>	<b>234,661</b>	<b>236,615</b>	

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

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The information related to intangible assets did not have significant changes in relation to that disclosed in the Company's financial statements as of December 31, 2012 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of March 31, 2014.

	Consolidated				Goodwill	Soft	
	Goodwill	Customer relations	Software	Other	Total	Goodwill	Soft
<b>Balance at December 31, 2013</b>	<b>407,434</b>	<b>381,480</b>	<b>67,354</b>	<b>109,172</b>	<b>965,440</b>	<b>13,091</b>	<b>6</b>
Cost	666,768	415,899	107,416	109,172	1,299,255	14,135	8
Accumulated amortization	-150,004	-34,419	-40,062		-224,485	-1,044	-2
Adjustment for accumulated recoverable value	-109,330				-109,330		
<b>Balance at December 31, 2013</b>	<b>407,434</b>	<b>381,480</b>	<b>67,354</b>	<b>109,172</b>	<b>965,440</b>	<b>13,091</b>	<b>6</b>
Effect of foreign exchange differences		-12,562	-26	-3,688	-16,276		
Acquisitions and expenditures			257		257		
Transfer of property, plant and equipment			7,963		7,963		
Amortization		-8,640	-2,340		-10,980		
<b>Balance at March 31, 2014</b>	<b>407,434</b>	<b>360,278</b>	<b>73,208</b>	<b>105,484</b>	<b>946,404</b>	<b>13,091</b>	<b>6</b>
Cost	666,768	401,850	137,758	105,484	1,311,860	14,135	9
Accumulated amortization	-150,004	-41,572	-64,550		-256,126	-1,044	-2
Adjustment for accumulated recoverable value	-109,330				-109,330		
<b>Balance at March 31, 2014</b>	<b>407,434</b>	<b>360,278</b>	<b>73,208</b>	<b>105,484</b>	<b>946,404</b>	<b>13,091</b>	<b>6</b>

**10. BORROWINGS, FINANCING AND DEBENTURES**

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

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

		<b>Consolidated</b>					
		<b>Current liabilities</b>		<b>Non-current liabilities</b>		<b>Current liabilities</b>	
<b>Rates p.a. (%)</b>		<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>12/31/2013</b>
<b>FOREIGN CURRENCY</b>							
Prepayment	1% to 3.50%	98,625	105,874	1,579,574	1,166,615	97,753	10
Prepayment	3.51% to 7.50%	214,525	207,331	1,233,335	1,276,717	329,192	34
Perpetual bonds	7.00%	3,080	3,189	2,263,000	2,342,600		
Fixed rate notes	4.14 to 10%	960,807	156,868	4,412,850	5,505,110	49,753	1
BNDES/FINAME			12,356				1
Intercompany	6M Libor + 2.25 and 3%					48,320	73
Other	1.2% up to 8%	90,005	49,306	426,638	442,843	45,345	
		<b>1,367,042</b>	<b>534,924</b>	<b>9,915,397</b>	<b>10,733,885</b>	<b>570,363</b>	<b>1,2</b>
<b>LOCAL CURRENCY</b>							
		56,170	97,044	964,363	962,684	20,597	5
BNDES/FINAME	TJLP + 1.5% to 3.2% and 2.5% to 10% fixed rate	810,557	846,387	1,800,000	1,932,500	810,557	84
Debentures	105.8% to 111.20% CDI	161,243	101,330	5,345,000	5,345,000	85,510	7
Prepayment	106.5% to 110.79% CDI and 8% fixed rate	1,087,598	1,085,436	6,200,000	6,200,000	1,087,598	1,08
CCB	112.5% CDI					144,883	59
Intercompany	110.79% CDI	6,805	8,527	15,896	15,505	2,154	
Other		<b>2,122,373</b>	<b>2,138,724</b>	<b>14,325,259</b>	<b>14,455,689</b>	<b>2,151,299</b>	<b>2,66</b>
<b>Total borrowings and financing</b>		<b>3,489,415</b>	<b>2,673,648</b>	<b>24,240,656</b>	<b>25,189,574</b>	<b>2,721,662</b>	<b>3,88</b>
Transaction costs and issue premiums		-28,704	-30,841	-81,062	-85,951	-23,067	-2
<b>Total borrowings and financing + transaction costs</b>		<b>3,460,711</b>	<b>2,642,807</b>	<b>24,159,594</b>	<b>25,103,623</b>	<b>2,698,595</b>	<b>3,85</b>

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The balances of prepaid related parties borrowings total R\$2,916,671 as of March 31, 2014 (R\$2,943,964 as of December 31, 2013) and the balances of Fixed Rate Notes and related parties Bonds total R\$2,400,581 (R\$2,452,956 as of December 31, 2013), see note 17.

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

As of March 31, 2014, the principal of long-term borrowings, financing and debentures by maturity year is as follows:

		<b>Consolidated</b>		<b>Parent Company</b>
2015	1,896,939	8%	2,750,273	12%
2016	2,499,507	10%	3,708,253	16%
2017	3,809,346	16%	3,573,959	16%
2018	4,185,037	17%	3,787,667	17%
2019	4,431,817	18%	3,106,046	14%
After 2019	5,155,010	21%	5,558,308	25%
Perpetual bonds	2,263,000	10%		
	<b>24,240,656</b>	<b>100%</b>	<b>22,484,506</b>	<b>100%</b>

- Amortizations and new borrowings, financing and debentures**

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

		<b>Consolidated</b>		<b>Parent Company</b>
	<b>3/31/2014</b>	<b>12/31/2013</b>	<b>3/31/2014</b>	<b>12/31/2013</b>
<b>Opening balance</b>	<b>27,746,430</b>	<b>29,304,704</b>	<b>25,249,354</b>	<b>24,139,992</b>
Funding	934,146	1,697,363	807,196	1,363,253
Amortization	-1,345,598	-4,300,240	-1,164,355	-3,991,884
Loss of control over Trasnordestina		-3,180,821		
Other (*)	285,327	4,225,424	223,078	3,737,993
<b>Closing balance</b>	<b>27,620,305</b>	<b>27,746,430</b>	<b>25,115,273</b>	<b>25,249,354</b>

(\*) Includes unrealized foreign exchange and monetary variations

Borrowing and financing contracts with certain financial institutions contain some covenants that are usual in financial agreements in general and the Company is compliant with them as of March 31, 2014.

- **Debentures**

#### **7th issue**

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

- **Guarantees provided**

Guarantees provided for the borrowings comprise property, plant and equipment items and sureties and do not include guarantees provided for subsidiaries and jointly controlled entities. As of March 31, 2014, the amount is R\$4,312 (R\$4,234 as of December 31, 2013).

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**11. FINANCIAL INSTRUMENTS**

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

**I - Identification and measurement of financial instruments**

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

- Classification of financial instruments**

Consolidated	Notes	Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate	Other liabilities - amortized cost method	3/31/2014		Fa val thro prof los
						Balances	Available for sale	
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	3			10,000,372		10,000,372		
Trade receivables, net	4			1,621,142		1,621,142		
	6 and							
Derivative financial instruments	11		3,030			3,030		9
Trading securities	6		9,111			9,111		9



<b>Total</b>		<b>12,141</b>	<b>11,621,514</b>	<b>11,633,655</b>	<b>19</b>
<b>Non-current assets</b>					
Other trade receivables	6		985	985	
Investments		1,756,395		1,756,395	2,405,174
Derivative financial instruments	6				
Short-term investments			30,042	30,042	
<b>Total</b>		<b>1,756,395</b>	<b>31,027</b>	<b>1,787,422</b>	<b>2,405,174</b>
<b>Total assets</b>		<b>1,756,395</b>	<b>12,141</b>	<b>11,652,541</b>	<b>23</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Borrowings and financing	10			3,489,415	3,489,415
Derivative financial instruments	11 and 12	80,015		80,015	6
Trade payables				1,340,116	1,340,116
<b>Total</b>		<b>80,015</b>		<b>4,829,531</b>	<b>6</b>
<b>Non-current liabilities</b>					
Borrowings and financing	10			24,240,656	24,240,656
Derivative financial instruments	11 and 12	19,808		19,808	17
<b>Total</b>		<b>19,808</b>		<b>24,240,656</b>	<b>24,260,464</b>