

NATIONAL STEEL CO
Form 6-K
May 24, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

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

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes No

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

ITR - Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

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Company Information / Capital Breakdown

| Number of Shares | Current Quarter |
|-------------------------|------------------------|
| (Units) | 03/31/2016 |
| Paid-in Capital | |
| Common | 1,387,524,047 |
| Preferred | 0 |
| Total | 1,387,524,047 |
| Treasury Shares | |
| Common | 30,391,000 |
| Preferred | 0 |
| Total | 30,391,000 |

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

| <i>Code</i> | <i>Description</i> | Current Quarter 03/31/2016 | YDT Previous Year 12/31/2015 |
|-------------|--|---------------------------------------|---|
| 1 | Total assets | 43,534,593 | 45,605,526 |
| 1.01 | Current assets | 7,950,527 | 8,842,440 |
| 1.01.01 | Cash and cash equivalents | 1,155,182 | 1,885,199 |
| 1.01.02 | Financial investments | 764,132 | 763,599 |
| 1.01.02.02 | Financial investments measured at amortized cost | 764,132 | 763,599 |
| 1.01.03 | Trade receivables | 2,422,426 | 2,467,523 |
| 1.01.04 | Inventories | 2,834,277 | 2,850,744 |
| 1.01.08 | Other current assets | 774,510 | 875,375 |
| 1.02 | Non-current assets | 35,584,066 | 36,763,086 |
| 1.02.01 | Long-term receivables | 4,484,392 | 4,510,431 |
| 1.02.01.06 | Deferred taxes | 3,199,630 | 3,228,961 |
| 1.02.01.09 | Other non-current assets | 1,284,762 | 1,281,470 |
| 1.02.02 | Investments | 22,042,470 | 23,323,565 |
| 1.02.03 | Property, plant and equipment | 8,995,809 | 8,866,348 |
| 1.02.04 | Intangible assets | 61,395 | 62,742 |

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

| <i>Code</i> | <i>Description</i> | YDT | |
|---------------|---|---|---|
| | | Current Quarter 03/31/2016 | Previous Year 12/31/2015 |
| 2 | Total liabilities | 43,534,593 | 45,605,526 |
| 2.01 | Current liabilities | 4,016,450 | 4,272,372 |
| 2.01.01 | Payroll and related taxes | 128,882 | 141,496 |
| 2.01.02 | Trade payables | 738,848 | 742,364 |
| 2.01.03 | Taxes payable | 66,023 | 5,814 |
| 2.01.04 | Borrowings and financing | 2,536,813 | 2,879,073 |
| 2.01.05 | Other payables | 456,961 | 411,699 |
| 2.01.06 | Provisions | 88,923 | 91,926 |
| 2.01.06.01 | Provision for tax, social security, labor and civil risks | 88,923 | 91,926 |
| 2.02 | Non-current liabilities | 32,274,950 | 33,668,407 |
| 2.02.01 | Borrowings and financing | 29,552,923 | 31,109,017 |
| 2.02.02 | Other payables | 109,836 | 126,450 |
| 2.02.04 | Provisions | 2,612,191 | 2,432,940 |
| 2.02.04.01 | Provision for tax, social security, labor and civil risks | 589,243 | 564,372 |
| 2.02.04.02 | Other provisions | 2,022,948 | 1,868,568 |
| 2.02.04.02.03 | Provision for environmental liabilities and decommissioning of assets | 261,629 | 259,115 |
| 2.02.04.02.04 | Pension and healthcare plan | 514,367 | 514,367 |
| 2.02.04.02.05 | Provision for losses on investments | 1,246,952 | 1,095,086 |
| 2.03 | Consolidated Shareholders' equity | 7,243,193 | 7,664,747 |
| 2.03.01 | Issued capital | 4,540,000 | 4,540,000 |
| 2.03.02 | Capital reserves | 30 | 30 |
| 2.03.04 | Earnings reserves | 2,104,804 | 2,104,804 |
| 2.03.04.01 | Legal reserve | 424,536 | 424,536 |
| 2.03.04.02 | Statutory reserve | 1,895,494 | 1,895,494 |
| 2.03.04.04 | Earnings reserves to realize | 23,750 | 23,750 |
| 2.03.04.09 | Treasury shares | -238,976 | -238,976 |
| 2.03.05 | Profit/Losses | -836,690 | 0 |
| 2.03.08 | Other comprehensive income | 1,435,049 | 1,019,913 |

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

| Code | Description | Current | YTD Previous |
|------------|--|-------------|--------------|
| | | Quarter | Year |
| | | 1/1/2016 to | 1/1/2015 to |
| | | 03/31/2016 | 03/31/2015 |
| 3.01 | Net revenue from sales and/or services | 1,977,640 | 3,058,032 |
| 3.02 | Cost of sales and/or services | -1,638,396 | -2,189,432 |
| 3.03 | Gross profit | 339,244 | 868,600 |
| 3.04 | Operating expenses/income | -878,674 | 1,014,030 |
| 3.04.01 | Selling expenses | -168,633 | -145,918 |
| 3.04.02 | General and administrative expenses | -123,260 | -84,564 |
| 3.04.04 | Other operating income | 2,840 | 3,722 |
| 3.04.05 | Other operating expenses | -102,542 | -201,760 |
| 3.04.06 | Equity in income of affiliates | -487,079 | 1,442,550 |
| 3.05 | Profit before finance income (costs) and taxes | -539,430 | 1,882,630 |
| 3.06 | Finance income (costs) | -267,878 | -2,028,355 |
| 3.06.01 | Finance income | 18,429 | 494,693 |
| 3.06.02 | Finance costs | -286,307 | -2,523,048 |
| 3.06.02.01 | Net exchange difference on financial instruments | 1,043,124 | -1,659,972 |
| 3.06.02.02 | Finance costs | -1,329,431 | -863,076 |
| 3.07 | Profit (loss) before taxes on income | -807,308 | -145,725 |
| 3.08 | Income tax and social contribution | -29,382 | 537,781 |
| 3.09 | Profit (loss) from continuing operations | -836,690 | 392,056 |
| 3.11 | Profit (loss) for the year | -836,690 | 392,056 |
| 3.99 | Earnings per share - (R\$/share) | | |
| 3.99.01 | Basic earnings per share | | |
| 3.99.01.01 | Common shares | 0.61651 | 0.28887 |
| 3.99.02 | Diluted earnings per share | | |
| 3.99.02.01 | Common shares | 0.61651 | 0.28887 |

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

| Code | Description | YTD | |
|---------|---|---|--|
| | | Current Quarter 01/01/2016 to 3/31/2016 | Previous Year 01/01/2015 to 03/31/2015 |
| 4.01 | Profit for the year | -836,690 | 392,056 |
| 4.02 | Other comprehensive income | 415,136 | 663,013 |
| 4.02.01 | Actuarial (losses) gains on defined benefit plan from investments in subsidiaries | 85 | 125 |
| 4.02.02 | Cumulative translation adjustments for the year | -183,286 | 76,771 |
| 4.02.03 | Available-for-sale assets | 32,355 | 97,135 |
| 4.02.04 | Income tax and social contribution on available-for-sale assets | -203 | 026 |
| 4.02.05 | Available-for-sale assets from investments in subsidiaries | 0 | 68,699 |
| 4.02.06 | Impairment of available-for-sale assets | 0 | 8,417 |
| 4.02.07 | Income tax and social contribution on impairment of available-for-sale assets | 0 | -2,862 |
| 4.02.08 | (Losses) gains on cash flow hedge accounting | 534,423 | 27,645 |
| 4.02.09 | Income tax and social contribution on cash flow hedge accounting | 0 | 45,399 |
| 4.02.10 | Realization of cash flow hedge reclassified to the income statement | 12,697 | 0 |
| 4.02.11 | (Losses) gains on net investment hedge | 18,864 | 0 |
| 4.03 | Comprehensive income for the year | -421,557 | 755,069 |

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

| Code | Description | YTD | |
|-------------|--|--|--|
| | | Current Quarter 01/01/2016 to 3/31/2016 | Previous Year 01/01/2015 to 3/31/2015 |
| 6.01 | Net cash generated by operating activities | -470,360 | 1,180,407 |
| 6.01.01 | Cash generated from operations | -744,785 | 1,498,010 |
| 6.01.01.01 | Profit (loss) for the year | -836,690 | 392,056 |
| 6.01.01.02 | Charges on borrowings and financing | 630,953 | 815,393 |
| 6.01.01.03 | Charges on loans and financing granted | -8,470 | -4,970 |
| 6.01.01.04 | Depreciation, depletion and amortization | 135,525 | 206,329 |
| 6.01.01.05 | Equity in income (losses) of affiliates | 487,079 | -1,442,550 |
| 6.01.01.06 | Deferred income tax and social contribution | 29,331 | -694,546 |
| 6.01.01.07 | Provision for tax, social security, labor, civil and environmental risks | 21,868 | 125,346 |
| 6.01.01.08 | Inflation adjustment and exchange differences, net | -1,221,066 | 2,084,988 |
| 6.01.01.10 | Impairment of available-for-sale assets | 0 | 8,417 |
| 6.01.01.11 | Residual value of permanent assets written off | 7,590 | 3,842 |
| 6.01.01.12 | Other provisions | 9,095 | 3,705 |
| 6.01.02 | Changes in assets and liabilities | 274,425 | -317,603 |
| 6.01.02.01 | Trade receivables - third parties | -23,251 | -66,978 |
| 6.01.02.02 | Trade receivables - related parties | 87,172 | 38,075 |
| 6.01.02.03 | Inventories | 14,092 | 161,598 |
| 6.01.02.04 | Receivables - related parties / Dividends | 8,748 | -1,943 |
| 6.01.02.05 | Recoverable taxes | 14,263 | 57,644 |
| 6.01.02.06 | Judicial deposits | 9,326 | -4,310 |
| 6.01.02.07 | Dividends received - related parties | 815,035 | 0 |
| 6.01.02.09 | Trade payables | -21,070 | -103,692 |
| 6.01.02.10 | Payroll and related taxes | 1,446 | 23,241 |
| 6.01.02.11 | Taxes in installments - REFIS | 63,419 | 123,552 |
| 6.01.02.13 | Payables to related parties | 0 | 9,690 |
| 6.01.02.15 | Interest paid | -671,713 | -557,310 |
| 6.01.02.16 | Interest received | 0 | 12 |
| 6.01.02.19 | Other | -23,042 | 2,818 |
| 6.02 | Net cash used in investing activities | -122,169 | -420 |
| 6.02.01 | Investments / Advances for future capital increase | -7,231 | -7,847 |
| 6.02.02 | Purchase of property, plant and equipment | -236,057 | -304,379 |

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| | | | |
|---------|---|-----------|------------|
| 6.02.03 | Cash reduction of subsidiaries and joint ventures | 0 | 486,758 |
| 6.02.04 | Capital increase in subsidiary | -2,200 | 0 |
| 6.02.05 | Intercompany loans granted | 0 | -11,938 |
| 6.02.06 | Intercompany loans received | 0 | 75 |
| 6.02.07 | Exclusive funds | 123,852 | -163,089 |
| 6.02.08 | Financial Investments, net of redemption | -533 | 0 |
| 6.03 | Net cash used in financing activities | -131,019 | -1,151,777 |
| 6.03.01 | Borrowings and financing, net of transaction cost | -26,006 | 389,450 |
| 6.03.02 | Borrowings and financing - related parties | 40,239 | 0 |
| 6.03.03 | Amortization of principal on borrowings and financing | -100,410 | -535,978 |
| 6.03.04 | Amortization of principal on borrowings and financing - related parties | 0 | -349,912 |
| 6.03.05 | Payments of dividends and interests on shareholder's equity | 0 | -549,829 |
| 6.03.06 | Treasury shares | 0 | -9,390 |
| 6.03.07 | Forfeiting capitalization / drawee Risk | 76,338 | 15,136 |
| 6.03.08 | Forfeiting amortization / drawee Risk | -121,180 | -111,254 |
| 6.04 | Exchange differences on translating cash and cash equivalents | -6,469 | 49,459 |
| 6.05 | Increase (decrease) in cash and cash equivalents | -730,017 | 77,669 |
| 6.05.01 | Cash and equivalents at the beginning of the year | 1,885,199 | 3,146,393 |
| 6.05.02 | Cash and equivalents at the end of the year | 1,155,182 | 3,224,062 |

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**Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2016 to
03/31/2016
(R\$ thousand)**

| Code | Description | Capital reserve, granted Paid-in options capital and treasury shares | Retained Earnings (comprehensive income reserves) | Other Shareholders' equity losses |
|-------------|--|---|--|--|
| 5.01 | Opening balances | 4,540,000 | 302,104,804 | 7,954,747 |
| 5.03 | Adjusted opening balances | 4,540,000 | 302,104,804 | 7,954,747 |
| 5.05 | Total comprehensive income | 0 | 0 | -836,690 |
| 5.05.01 | Profit for the year | 0 | 0 | -836,690 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 113,056 |
| 5.05.02.04 | Translation adjustments for the year | 0 | 0 | -183,286 |
| 5.05.02.06 | Actuarial gains on defined benefit pension plan, net of taxes | 0 | 0 | 0 |
| 5.05.02.07 | Available-for-sale assets, net of taxes | 0 | 0 | 32,353 |
| 5.05.02.08 | Loss on Cash Flow Hedge Accounting, net of taxes | 0 | 0 | 53,423 |
| 5.05.02.09 | Realization on Cash Flow Hedge Accounting, reclassified to statement of income | 0 | 0 | 12,697 |
| 5.05.02.10 | Loss on net investment hedge accounting | 0 | 0 | 18,864 |
| 5.07 | Closing balances | 4,540,000 | 302,104,804 | 7,954,747 |

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**Parent Company Statements / Statement of Changes in Shareholders' Equity - 1/1/2015 to
12/31/2015
(R\$ thousand)**

| Code | Description | Paid-in capital | Capital reserve, granted options and treasury shares | Earnings reserves accumulated | Retained earnings comprehensive income Shareholders' equity | Other Shareholders' equity |
|-------------|---|----------------------------|---|--|--|---|
| 5.01 | Opening balances | 4,540,000 | 30 1,131,298 | 25,696,468 | 25,696,468 | |
| 5.03 | Adjusted opening balances | 4,540,000 | 30 1,131,298 | 25,696,468 | 25,696,468 | |
| 5.04 | Capital transactions with shareholders | 0 | 0 | -284,390 | 0 | -284,390 |
| 5.04.04 | Treasury shares acquired | 0 | 0 | -9,390 | 0 | -9,390 |
| 5.04.06 | Dividends | 0 | 0 | -275,000 | 0 | -275,000 |
| 5.05 | Total comprehensive income | 0 | 0 | 392,056 | 392,056 | |
| 5.05.01 | Profit for the period | 0 | 0 | 392,056 | 392,056 | |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 | 363,363 | 363,363 |
| 5.05.02.04 | Translation adjustments for the period | 0 | 0 | 0 | 176,776 | 176,776 |
| 5.05.02.06 | Actuarial gains on defined benefit plan, net of taxes | 0 | 0 | 0 | 0 | 125 125 |
| 5.05.02.07 | Available-for-sale assets, net of taxes | 0 | 0 | 0 | 468,463 | 468,463 |
| 5.05.02.08 | Loss on hedge accounting, net of taxes | 0 | 0 | 0 | 0 | -282,282 |
| 5.07 | Closing balances | 4,540,000 | 30 846,908 | 846,908 | 392,056 | 363,363 |

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

| Code | Description | Current Quarter 1/1/2016 to 3/31/206 | YTD Prior Year 01/01/2015 to 3/31/2015 |
|-------------|--|---|---|
| 7.01 | Revenues | 2,447,647 | 3,723,968 |
| 7.01.01 | Sales of products and services | 2,458,864 | 3,669,030 |
| 7.01.02 | Other revenues | 45 | 61,531 |
| 7.01.04 | Allowance for (reversal of) doubtful debts | -11,262 | -6,593 |
| 7.02 | Raw materials acquired from third parties | -1,703,711 | -2,485,835 |
| 7.02.01 | Cost of sales and services | -1,446,531 | -1,950,754 |
| 7.02.02 | Materials, electric power, outside services and other | -254,572 | -525,191 |
| 7.02.03 | Impairment/recovery of assets | -2,608 | -1,473 |
| 7.02.04 | Other | 0 | -8,417 |
| 7.02.04.01 | Impairment of available-for-sale assets | 0 | -8,417 |
| 7.03 | Gross value added | 743,936 | 1,238,133 |
| 7.04 | Retentions | -135,525 | -206,329 |
| 7.04.01 | Depreciation, amortization and depletion | -135,525 | -206,329 |
| 7.05 | Wealth created | 608,411 | 1,031,804 |
| 7.06 | Value added received as transfer | -651,339 | 2,634,817 |
| 7.06.01 | Equity in income of affiliates | -487,079 | 1,442,550 |
| 7.06.02 | Finance income | 18,429 | 494,693 |
| 7.06.03 | Other | -182,689 | 697,574 |
| 7.06.03.01 | Other and exchange gains | -182,689 | 697,574 |
| 7.07 | Wealth for distribution | -42,928 | 3,666,621 |
| 7.08 | Wealth distributed | -42,928 | 3,666,621 |
| 7.08.01 | Personnel | 309,192 | 329,522 |
| 7.08.01.01 | Salaries and wages | 239,994 | 251,291 |
| 7.08.01.02 | Benefits | 49,640 | 60,889 |
| 7.08.01.03 | Severance pay fund (FGTS) | 19,558 | 17,342 |
| 7.08.02 | Taxes, fees and contributions | 379,073 | -277,119 |
| 7.08.02.01 | Federal | 358,043 | -319,590 |
| 7.08.02.02 | State | 21,030 | 40,155 |
| 7.08.02.03 | Municipal | 0 | 2,316 |
| 7.08.03 | Remuneration on third-party capital | 105,497 | 3,222,162 |
| 7.08.03.01 | Interest | 1,329,594 | 862,664 |
| 7.08.03.02 | Leases | 2,822 | 2,608 |

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| | | | |
|---------------|--|------------|-----------|
| 7.08.03.03 | Other | -1,226,919 | 2,356,890 |
| 7.08.03.03.01 | Other and exchange losses | -1,226,919 | 2,356,890 |
| 7.08.04 | Remuneration on Shareholders capital | -836,690 | 392,056 |
| 7.08.04.03 | Retained earnings (accumulated losses) | -836,690 | 392,056 |

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ITR - Quarterly Financial Information - March 31,
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**Consolidated Financial Statements / Balance Sheet - Assets
(R\$ thousand)**

| <i>Code</i> | <i>Description</i> | Current Quarter 03/31/2016 | YTD Previous Year 12/31/2015 |
|-------------|--|---------------------------------------|---|
| 1 | Total assets | 45,935,024 | 48,649,974 |
| 1.01 | Current assets | 13,697,372 | 16,430,691 |
| 1.01.01 | Cash and cash equivalents | 5,540,940 | 7,861,052 |
| 1.01.02 | Financial investments | 764,132 | 763,599 |
| 1.01.02.02 | Financial investments measured at amortized cost | 764,132 | 763,599 |
| 1.01.03 | Trade receivables | 1,816,106 | 1,578,277 |
| 1.01.04 | Inventories | 4,494,832 | 4,941,314 |
| 1.01.08 | Other current assets | 1,081,362 | 1,286,449 |
| 1.02 | Non-current assets | 32,237,652 | 32,219,283 |
| 1.02.01 | Long-term receivables | 4,853,541 | 4,890,948 |
| 1.02.01.06 | Deferred taxes | 3,262,494 | 3,307,027 |
| 1.02.01.09 | Other non-current assets | 1,591,047 | 1,583,921 |
| 1.02.02 | Investments | 4,084,727 | 3,998,227 |
| 1.02.03 | Property, plant and equipment | 17,880,257 | 17,871,599 |
| 1.02.04 | Intangible assets | 5,419,127 | 5,458,509 |

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ITR – Quarterly Financial Information - March 31,
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Version: 1

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

| <i>Code</i> | <i>Description</i> | YTD | |
|---------------|--|---|---|
| | | Current Quarter 03/31/2016 | Previous Year 12/31/2015 |
| 2 | Total liabilities | 45,935,024 | 48,649,974 |
| 2.01 | Current liabilities | 4,819,168 | 5,325,571 |
| 2.01.01 | Payroll and related taxes | 245,177 | 256,840 |
| 2.01.02 | Trade payables | 1,235,417 | 1,293,008 |
| 2.01.03 | Taxes payable | 708,138 | 700,763 |
| 2.01.04 | Borrowings and financing | 1,459,777 | 1,874,681 |
| 2.01.05 | Other payables | 1,046,262 | 1,073,017 |
| 2.01.06 | Provisions | 124,397 | 127,262 |
| 2.01.06.01 | Provision for tax, social security, labor and civil risks | 124,397 | 127,262 |
| 2.02 | Non-current liabilities | 32,796,957 | 34,588,740 |
| 2.02.01 | Borrowings and financing | 30,561,057 | 32,407,834 |
| 2.02.02 | Other payables | 148,318 | 131,284 |
| 2.02.03 | Deferred taxes | 508,363 | 494,851 |
| 2.02.04 | Provisions | 1,579,219 | 1,554,771 |
| 2.02.04.01 | Provision for tax, social security, labor and civil risks | 730,862 | 711,472 |
| 2.02.04.02 | Other provisions | 848,357 | 843,299 |
| 2.02.04.02.03 | Provision for environmental liabilities and asset retirement obligations | 333,989 | 328,931 |
| 2.02.04.02.04 | Pension and healthcare plan | 514,368 | 514,368 |
| 2.03 | Consolidated Shareholders' equity | 8,318,899 | 8,735,663 |
| 2.03.01 | Issued capital | 4,540,000 | 4,540,000 |
| 2.03.02 | Capital reserves | 30 | 30 |
| 2.03.04 | Earnings reserves | 2,104,804 | 2,104,804 |
| 2.03.04.01 | Legal reserve | 424,536 | 424,536 |
| 2.03.04.02 | Statutory reserve | 1,895,494 | 1,895,494 |
| 2.03.04.04 | Earnings reserves to realize | 23,750 | 23,750 |
| 2.03.04.09 | Treasury shares | -238,976 | -238,976 |
| 2.03.05 | Profit/Losses | -836,690 | 0 |
| 2.03.08 | Other comprehensive income | 1,435,049 | 1,019,913 |
| 2.03.09 | Non-controlling interests | 1,075,706 | 1,070,916 |

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

ITR – Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

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

| Code | Description | Current Quarter 01/01/2016 to 03/31/2016 | YTD Previous Year 01/01/2015 to 03/31/2015 |
|-------------|--|---|---|
| 3.01 | Net revenue from sales and/or services | 3,843,803 | 4,010,252 |
| 3.02 | Cost of sales and/or services | -2,917,758 | -3,025,533 |
| 3.03 | Gross profit | 926,045 | 984,719 |
| 3.04 | Operating expenses/income | -692,113 | -225,734 |
| 3.04.01 | Selling expenses | -450,421 | -300,830 |
| 3.04.02 | General and administrative expenses | -160,111 | -109,845 |
| 3.04.04 | Other operating income | 22,272 | 5,962 |
| 3.04.05 | Other operating expenses | -148,832 | -219,499 |
| 3.04.06 | Equity in income of affiliates | 44,979 | 398,478 |
| 3.05 | Profit before finance income (costs) and taxes | 233,932 | 758,985 |
| 3.06 | Finance income (costs) | -943,014 | -869,700 |
| 3.06.01 | Finance income | 243,154 | 56,136 |
| 3.06.02 | Finance costs | -1,186,168 | -925,836 |
| 3.06.02.01 | Net exchange difference on financial instruments | -318,240 | -65,243 |
| 3.06.02.02 | Finance costs | -867,928 | -860,593 |
| 3.07 | Profit (loss) before taxes on income | -709,082 | -110,715 |
| 3.08 | Income tax and social contribution | -122,210 | 502,517 |
| 3.09 | Profit (loss) from continuing operations | -831,292 | 391,802 |
| 3.11 | Consolidated profit (loss) for the year | -831,292 | 391,802 |
| 3.11.01 | Attributed to controlling Shareholders | -836,690 | 392,056 |
| 3.11.02 | Attributed to non-controlling Shareholders | 5,398 | -254 |
| 3.99 | Earnings per share - (R\$/share) | | |
| 3.99.01 | Basic earnings per share | | |
| 3.99.01.01 | Common shares | 0,61651 | 0.28887 |
| 3.99.02 | Diluted earnings per share | | |
| 3.99.02.01 | Common shares | 0,61651 | 0.28887 |

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

ITR - Quarterly Financial Information - March 31,
2016 - CIA SIDERURGICA NACIONAL

Version: 1

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

| Code | Description | Current Quarter 01/01/2016 to 03/31/2016 |
|-------------|--|---|
| 4.01 | Consolidated profit for the year | -831,29 |
| 4.02 | Other comprehensive income | 415,13 |
| 4.02.01 | Actuarial gains on defined benefit plan from investments in subsidiaries | 8 |
| 4.02.02 | Actuarial gains (losses) on defined benefit pension plan | 0 |
| 4.02.03 | Income tax and social contribution on actuarial (losses) gains on defined benefit pension plan | 0 |
| 4.02.04 | Cumulative translation adjustments for the year | -183,28 |
| 4.02.05 | Available-for-sale assets | 32,35 |
| 4.02.06 | Income tax and social contribution on available-for-sale assets | 0 |
| 4.02.07 | Impairment of available-for-sale assets | 0 |
| 4.02.08 | Income tax and social contribution on impairment of available-for-sale assets | 0 |
| 4.02.09 | Gain (loss) on cash flow hedge accounting | 534,42 |
| 4.02.10 | Income tax and social contribution on cash flow hedge accounting | 0 |
| 4.02.11 | Realization of cash flow hedge accounting reclassified to income statement | 12,69 |
| 4.02.12 | Gain (loss) on net investment hedge | 18,86 |
| 4.03 | Consolidated comprehensive income for the year | -416,15 |
| 4.03.01 | Attributed to controlling Shareholders | -421,55 |
| 4.03.02 | Attributed to non-controlling Shareholders | 5,39 |

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

ITR – Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

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

| Code | Description | YTD | |
|------------|--|--|--|
| | | Current Quarter 01/01/2016 to 3/31/2016 | Previous Year 01/01/2015 to 3/31/2015 |
| 6.01 | Net cash generated by operating activities | -939,450 | 1,738,124 |
| 6.01.01 | Cash generated from operations | -235,161 | 2,268,532 |
| 6.01.01.01 | Profit (loss) for the year attributable to controlling Shareholders | -836,690 | 392,056 |
| 6.01.01.02 | Profit (loss) for the year attributable to non-controlling Shareholders | 5,398 | -254 |
| 6.01.01.03 | Charges on borrowings and financing | 747,647 | 803,433 |
| 6.01.01.04 | Charges on loans and financing granted | -12,913 | -5,025 |
| 6.01.01.05 | Depreciation, depletion and amortization | 321,944 | 273,502 |
| 6.01.01.06 | Equity in income (losses) of affiliates | -44,979 | -398,478 |
| 6.01.01.07 | Deferred taxes | 69,681 | -716,476 |
| 6.01.01.08 | Provision for tax, social security, labor, civil and environmental risks | 16,525 | 124,830 |
| 6.01.01.09 | Inflation adjustments and exchange differences, net | -379,360 | 1,767,227 |
| 6.01.01.10 | Gain on derivatives | 362 | 1,125 |
| 6.01.01.11 | Impairment of available-for-sale assets | 0 | 8,417 |
| 6.01.01.12 | Residual value of permanent assets written off | 12,966 | 3,985 |
| 6.01.01.13 | Gain on repurchase of debt securities | -146,214 | 0 |
| 6.01.01.14 | Other provisions | 10,472 | 14,190 |
| 6.01.02 | Changes in assets and liabilities | -704,289 | -530,408 |
| 6.01.02.01 | Trade receivables - third parties | -219,640 | -190,889 |
| 6.01.02.02 | Trade receivables - related parties | -8,407 | -9,701 |
| 6.01.02.03 | Inventories | 443,691 | 190,195 |
| 6.01.02.05 | Recoverable taxes | 62,152 | 33,391 |
| 6.01.02.06 | Judicial deposits | 4,098 | -5,535 |
| 6.01.02.08 | Trade payables | -59,340 | -20,832 |
| 6.01.02.09 | Payroll and related taxes | 14,283 | 33,168 |
| 6.01.02.10 | Taxes in installments - REFIS | 39,744 | 173,390 |
| 6.01.02.11 | Payables to related parties | 508 | 1,709 |
| 6.01.02.13 | Interest paid | -932,279 | -726,040 |
| 6.01.02.14 | Interest received | 0 | 12 |
| 6.01.02.16 | Other | -49,099 | -9,276 |
| 6.02 | Net cash used in investing activities | -887,053 | 413,490 |
| 6.02.02 | Purchase of property, plant and equipment | -329,832 | -338,026 |
| 6.02.03 | Capital reduction on joint venture | 0 | 466,758 |
| 6.02.04 | Receipt/payment in derivative transactions | -556,682 | 304,401 |

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| | | | |
|---------|---|----------|------------|
| 6.02.06 | Purchase of intangible assets | -6 | -105 |
| 6.02.07 | Intercompany loans granted | 0 | -11,938 |
| 6.02.08 | Intercompany loans received | 0 | 75 |
| 6.02.09 | Short-term investment, net of redeemed amount | -533 | -7,675 |
| 6.03 | Net cash used in financing activities | -438,466 | -1,948,973 |

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

ITR - Quarterly Financial Information - March 31,
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Version: 1

| | | | |
|---------|---|------------|------------|
| 6.03.01 | Capitalization net of transactions cost | -26,770 | 391,156 |
| 6.03.02 | Amortization of principal on borrowings and financing - related parties | -215,756 | -1,597,317 |
| 6.03.04 | Payments of dividends and interests on shareholder's equity | 0 | -549,829 |
| 6.03.05 | Treasury shares | 0 | -9,390 |
| 6.03.06 | Buyback of debt securities | -151,098 | -87,475 |
| 6.03.07 | Forfeiting capitalization / drawee Risk | 76,338 | 15,136 |
| 6.03.08 | Forfeiting amortization / drawee Risk | -121,180 | -111,254 |
| 6.04 | Exchange differences on translating cash and cash equivalents | -55,143 | 182,123 |
| 6.05 | Decrease in cash and cash equivalents | -2,320,112 | 384,764 |
| 6.05.01 | Cash and equivalents at the beginning of the year | 7,861,052 | 8,686,021 |
| 6.05.02 | Cash and equivalents at the end of the year | 5,540,940 | 9,070,785 |

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

ITR - Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 03/31/2016
(R\$ thousand)**

| Code | Description | Paid-in capital (aggregated) | Retained earnings (aggregated) and treasury shares | Shareholders' comprehensive income | Other adjustments | Consolidated shareholders' equity |
|------------|--|------------------------------|--|------------------------------------|-------------------|-----------------------------------|
| 5.01 | Opening balances | 4,540,000 | 2,104,304 0 | 1,765,407 6 | | 8,735,660 |
| 5.03 | Adjusted opening balances | 4,540,000 | 2,104,304 0 | 1,765,407 6 | | 8,735,660 |
| 5.05 | Total comprehensive income | 0 | -836,690 | 412,539 8 | | -416,150 |
| 5.05.01 | Profit for the year | 0 | -836,690 | -836,599 8 | | -831,290 |
| 5.05.02 | Other comprehensive income | 0 | 00 0 | 415,336 0 | | 415,130 |
| 5.05.02.04 | Translation adjustments for the year | 0 | 00 0 | -183,226 0 | | -183,280 |
| | Actuarial gains on defined benefit pension plan, net of taxes | 0 | 00 0 | 855 0 | | 850 |
| 5.05.02.07 | Available-for-sale assets, net of taxes | 0 | 00 0 | 32,253 0 | | 32,350 |
| 5.05.02.08 | Gain (loss) on Cash Flow Hedge Accounting | 0 | 00 0 | 534,423 0 | | 534,420 |
| | Realization of cash flow hedge reclassified to statement of income | 0 | 00 0 | 12,697 0 | | 12,690 |
| 5.05.02.10 | Loss on net investment hedge accounting | 0 | 00 0 | 18,864 0 | | 18,860 |
| 5.06 | Internal changes in shareholders' equity | 0 | 00 0 | 608 | | -600 |
| 5.06.04 | Non-controlling interests in subsidiaries | 0 | 00 0 | 608 | | -600 |
| 5.07 | Closing balance | 4,540,000 | 2,104,304 90 | 1,729,019 6 | | 8,318,890 |

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

ITR - Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 03/31/2015

(R\$ thousand)

| Code | Description | Paid-in capital | Retained earnings (accumulated amortizations and treasury shares) | Share premium |
|------------|---|-----------------|---|---------------|
| 5.01 | Opening balances | 4,540,000 | 1,131,298 | 0 |
| 5.03 | Adjusted opening balances | 4,540,000 | 1,131,298 | 0 |
| 5.04 | Capital transactions with shareholders | 0 | -284,390 | 0 |
| 5.04.04 | Treasury shares acquired | 0 | -9,390 | 0 |
| 5.04.06 | Dividend | 0 | -275,000 | 0 |
| 5.05 | Total comprehensive income | 0 | 392,056 | 0 |
| 5.05.01 | Profit for the period | 0 | 392,056 | 0 |
| 5.05.02 | Other comprehensive income | 0 | 0 | 0 |
| 5.05.02.04 | Translation adjustments for the period | 0 | 0 | 0 |
| 5.05.02.06 | (Actuarial (losses) gains on defined benefit pension plan, net of taxes | 0 | 0 | 0 |
| 5.05.02.07 | Available-for-sale assets, net of taxes | 0 | 0 | 0 |
| 5.05.02.08 | (Loss) gain on hedge accounting, net of taxes | 0 | 0 | 0 |
| 5.07 | Closing balances | 4,540,000 | 846,908 | 0 |

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

ITR – Quarterly Financial Information - March 31,
2016 – CIA SIDERURGICA NACIONAL

Version: 1

Consolidated Financial Statements / Statement of Value Added

(R\$ thousand)

| Code | Description | YTD | |
|------------|---|---|--|
| | | Current Quarter 01/01/2016 to 3/31/2016 | Previous Year 01/01/2015 to 3/31/2015 |
| 7.01 | Revenues | 4,382,180 | 4,752,234 |
| 7.01.01 | Sales of products and services | 4,395,407 | 4,698,184 |
| 7.01.02 | Other revenues | 260 | 61,898 |
| 7.01.04 | Allowance for (reversal of) doubtful debts | -13,487 | -7,848 |
| 7.02 | Raw materials acquired from third parties | -2,866,929 | -3,325,485 |
| 7.02.01 | Cost of sales and services | -2,176,870 | -2,632,493 |
| 7.02.02 | Materials, electric power, outside services and other | -695,249 | -683,759 |
| 7.02.03 | Impairment/recovery of assets | 5,190 | -816 |
| 7.02.04 | Other | 0 | -8,417 |
| 7.02.04.01 | Impairment of available-for-sale assets | 0 | -8,417 |
| 7.03 | Gross value added | 1,515,251 | 1,426,749 |
| 7.04 | Retentions | -321,944 | -273,502 |
| 7.04.01 | Depreciation, amortization and depletion | -321,944 | -273,502 |
| 7.05 | Wealth created | 1,193,307 | 1,153,247 |
| 7.06 | Value added received as transfer | -417,837 | 2,234,942 |
| 7.06.01 | Equity in income of affiliates | 44,979 | 398,478 |
| 7.06.02 | Finance income | 243,154 | 56,136 |
| 7.06.03 | Other | -705,970 | 1,780,328 |
| 7.06.03.01 | Other and exchange gains | -705,970 | 1,780,328 |
| 7.07 | Wealth for distribution | 775,470 | 3,388,189 |
| 7.08 | Wealth distributed | 775,470 | 3,388,189 |
| 7.08.01 | Personnel | 550,726 | 463,793 |
| 7.08.01.01 | Salaries and wages | 442,503 | 367,509 |
| 7.08.01.02 | Benefits | 78,933 | 76,047 |
| 7.08.01.03 | Severance pay fund (FGTS) | 29,290 | 20,237 |
| 7.08.02 | Taxes, fees and contributions | 571,774 | -176,470 |
| 7.08.02.01 | Federal | 516,872 | -257,857 |
| 7.08.02.02 | State | 49,502 | 75,959 |
| 7.08.02.03 | Municipal | 5,400 | 5,428 |
| 7.08.03 | Remuneration on third-party capital | 484,262 | 2,709,064 |
| 7.08.03.01 | Interest | 868,089 | 860,186 |

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| | | | |
|---------------|--|----------|-----------|
| 7.08.03.02 | Leases | 5,011 | 3,962 |
| 7.08.03.03 | Other | -388,838 | 1,844,916 |
| 7.08.03.03.01 | Exchange losses | -388,838 | 1,844,916 |
| 7.08.04 | Remuneration on Shareholders' capital | -831,292 | 391,802 |
| 7.08.04.03 | Retained earnings (accumulated losses) | -836,690 | 392,056 |
| 7.08.04.04 | Non-controlling interests in retained earnings | 5,398 | -254 |

1Q16 Earnings Release

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its consolidated results for the first quarter of 2016 (1Q16), which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting norms, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's 1Q16 consolidated results and comparisons refer to the fourth quarter of 2015 (4Q15) and the first quarter of 2015 (1Q15), unless otherwise stated. The Real/U.S. Dollar exchange rate was R\$3.5583 on March 31, 2016 and R\$3.9048 on December 31, 2015

| | | | | | |
|--|--------------|--------------|--------------|------------|--------------|
| Steel Sales (thousand t) | 1,407 | 1,130 | 1,246 | 10% | (11%) |
| - Domestic Market | 63% | 57% | 52% | (5%) | (11%) |
| - Overseas Subsidiaries | 34% | 37% | 42% | 5% | 8% |
| - Exports | 6% | 6% | 6% | 0% | 0% |
| Iron Ore Sales (thousand t)¹ | 5,442 | 6,656 | 8,295 | 25% | 52% |
| - Domestic Market | 1% | 7% | 13% | 6% | 12% |
| - Exports | 99% | 93% | 87% | (6%) | (12%) |
| Consolidated Results (R\$ Million) | | | | | |
| Net Revenue | 4,010 | 3,678 | 3,844 | 5% | (4%) |
| Gross Profit | 985 | 767 | 926 | 21% | (6%) |
| Adjusted EBITDA ² | 911 | 686 | 733 | 7% | (20%) |
| Adjusted Net Debt ³ | 19,979 | 26,499 | 26,654 | 1% | 33% |
| Adjusted Cash Position | 12,251 | 8,862 | 6,472 | (27%) | (47%) |
| Net Debt / Adjusted EBITDA | 4.8x | 8.2x | 8.7x | 0.5x | 3.9x |

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

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

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

BM&FBovespa (CSNA3): R\$7.15/share Market Cap BM&FBovespa: R\$9.92 billion
NYSE (SID): US\$1.97/ADR (1 ADR = 1 share) Market Cap NYSE: US\$2.73 billion
Total no. of shares = 1,387,524,047

| | | |
|-------------------------------|--------|-------|
| IPCA (%) | 7.00 | 5.62 |
| Commercial Dollar (EoP - R\$) | 3.70 | 3.90 |
| SELIC Target (EoP - %) | 13.00 | 11.75 |
| GDP (%) | (3.86) | 0.50 |
| Industrial Production (%) | (5.95) | 0.74 |

Source: FOCUS BACEN

Base: 05/06/2016

CSN's Consolidated Results

- **Net revenue** totaled R\$3,844 million in 1Q16, 5% up on 4Q15 and 4% down on the same period last year. Regarding 4Q15, the increase was due to the higher sales volume in the steel and mining segments, offsetting the decrease in the average steel and mining prices, which suffered the additional impact of BRL appreciation. Compared with 1Q15, the reduction was a result of lower sales volume in the steel segment.
- **COGS** amounted to R\$2,918 million, in line with the previous quarter and 4% less than in 1Q15. The year-on-year reduction was mainly due to lower steel and mining segments unit costs.
- First-quarter **gross profit** came to R\$926 million, 21% more than in 4Q15, while the gross margin widened by 3p.p. to 24%. In comparison with 1Q15, gross profit fell by 6% and the gross margin narrowed by 1p.p., from 25% to 24%.
- **Selling, general and administrative expenses** totaled R\$611 million in 1Q16, 12% and 49% up on 4Q15 and 1Q15, respectively, chiefly due to higher freight (related to distribution costs), due to the increase in iron sales and the higher CIF sales model, and personnel expenses.
- **Other operating income (expenses)** was a net expense of R\$127 million in 1Q16, versus expense of R\$214 million in 1Q15. Most of the amount in question referred to expenses with labor provisions and judicial deposits. The positive result registered in 4Q15

was due to the Business Combination effect in the mining segment.

- **The proportional net financial result** was negative by R\$968 million in 1Q16, due to: i) financial expenses (excluding the exchange variation) of R\$890 million; ii) the negative exchange variation result of R\$329 million; and iii) financial revenue of R\$251 million.

| | | | |
|---|--------------|--------------|----------------|
| Financial Result - IFRS | (870) | (183) | (943) |
| (+) Financial Result of Joint-Venture | 500 | (48) | (25) |
| (+) Namisa | 520 | (34) | - |
| (+) MRS | (20) | (15) | (25) |
| (=) Proporcional Financial Result¹ | (370) | (231) | (968) |
| Financial Revenues | 63 | 289 | 251 |
| Financial Expenses | (433) | (531) | (1.219) |
| Financial Expenses (ex-exchange rates variation) | (878) | (483) | (890) |
| Result with Exchange Rate Variation | 445 | (48) | (329) |
| Monetary and Exchange Rate Variation | (482) | 245 | 949 |
| Hedge Accounting | 428 | (140) | (566) |
| Notional Amount of Derivatives Contracted | 500 | (153) | (713) |
| Others | - | 12 | - |

¹ The proportional financial result considered stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of

100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

- CSN's **equity result** was a positive R\$45 million in 1Q16, versus a negative R\$55 million in 4Q15 and a positive R\$398 million in 1Q15, chiefly due to MRS's equity result in the 1Q16 and 4Q15, and Namisa's equity result in the 1Q15. The table below presents a breakdown of this item:

| | | | | | |
|---|------------|-------------|-----------|----------|--------------|
| Namisa | 396 | (58) | - | - | - |
| MRS Logística | 15 | 29 | 61 | 111% | 302% |
| CBSI | (2) | (1) | 1 | - | - |
| TLSA | (8) | (8) | (7) | (10%) | (8%) |
| Arvedi Metalfer BR | - | (8) | - | - | - |
| Eliminations | (4) | (9) | (11) | 18% | 173% |
| Share of profits (losses) of investees | 398 | (55) | 45 | - | (89%) |

- CSN recorded a first-quarter **net loss** of R\$831 million, versus net income of R\$2,371 million in 4Q15 and net income of R\$392 million in 1Q15. The worsening in this result, compared with 4Q15, is explained by the gains registered with the conclusion of the mining segment Business Combination last quarter. Regarding 1Q15, the lower result was due to the exchange rate variation result and taxes payment.

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Profit (loss) for the Period | 392 | 2,371 | (831) | - | - |
| (-) Depreciation | 264 | 308 | 310 | 1% | 17% |
| (+) Income Tax and Social Contribution | (503) | 527 | 122 | (77%) | - |
| (+) Finance Income | 870 | 183 | 943 | 416% | 8% |
| EBITDA (ICVM 527) | 1,023 | 3,389 | 544 | (84%) | (47%) |
| (+) Other Operating Income (Expenses) | 214 | (2,913) | 127 | - | (41%) |
| (+) Share of Profit (Loss) of Investees | (398) | 55 | (45) | - | (89%) |
| (-) Proportionate EBITDA of Joint Ventures | 73 | 155 | 107 | (31%) | 48% |
| Adjusted EBITDA | 911 | 686 | 733 | 7% | (20%) |

- Adjusted EBITDA** amounted to R\$733 million in 1Q16, 7% up on the previous quarter, but 20% down on 1Q15, accompanied by an adjusted EBITDA margin of 18.1%, 1.1 p.p. more than in 4Q15, but 3.4% less than in 1Q15.

¹ The adjusted EBITDA margin is calculated as the ratio between Adjusted EBITDA and Adjusted Net Income, which considers stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

Debt

The adjusted amounts of EBITDA, Debt and Cash included the stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and the stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI, as of December 2015, as well as financial investments used as collateral for exchange operations on the BM&FBovespa. On March 31, 2016, consolidated net debt totaled R\$26,654 million, while the net debt/EBITDA ratio, was 8.67x based on LTM adjusted EBITDA.

Foreign Exchange Exposure

Net foreign exchange exposure generated by the difference in dollar-denominated assets and liabilities, contracted derivatives and hedge accounting booked by CSN totaled US\$115 million on March 31, 2016. The derivatives contracted form a long USD position achieved through the purchase of NDFs (Non-Deliverable Forwards). The hedge accounting adopted by CSN correlates the projected export flows in dollars with part of the future debt maturities in the same currency. As a result, the exchange variation of part of dollar-denominated debt is temporarily recorded under shareholder's equity, being transferred to the income statement when the dollar revenue from these exports is received.

| | | |
|------------------------------------|----------------|----------------|
| Cash and cash equivalents overseas | 1,625 | 1,288 |
| Accounts Receivables | 170 | 321 |
| Total Assets | 1,795 | 1,610 |
| Borrowings and Financing | (4,569) | (4,466) |
| Accounts Payable | (20) | (7) |
| Other Liabilities | (25) | (6) |
| Total Liabilities | (4,615) | (4,479) |

| | | |
|--|----------------|----------------|
| Foreign Exchange Exposure | (2,820) | (2,870) |
| Notional Amount of Derivatives Contracted, Net | 1,435 | 1,435 |
| Cash Flow Hedge Accounting | 1,558 | 1,549 |
| Net Foreign Exchange Exposure | 173 | 115 |

¹As of the conclusion of the Business Combination, through asset transfers to Congonhas Minérios, CSN has been consolidating 100% of the new Company's cash. As a result, a proportional view of foreign exchange exposure is no longer necessary.

²Proportional foreign exchange exposure includes the 60% stake in Namisa and excludes the stake in MRS.

³IFRS foreign exchange exposure on March 31, 2015 includes the 100% stake in Congonhas Minérios and excludes the stake in MRS.

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Capex

CSN invested R\$330 million in 1Q16 in the following projects:

- Investments in the new clinker kiln in Arcos/MG, which will permit the Cement segment to reach competitive margins and scale gains in the Southeast region as a result of the clinker production self-sufficiency.
- Revamp of the coke batteries, reducing imported coke needs and improving the fuel rate.
- Other projects designed to improve the environmental performance of the Presidente Vargas Plant and current investments in other operations.

Of total investments, R\$54 million went to spare parts and R\$155 million to current investments.

| | | | |
|------------------------------|------------|------------|------------|
| Steel | 121 | 130 | 119 |
| Mining | 116 | 97 | 62 |
| Cement | 90 | 218 | 139 |
| Logistics | 11 | 19 | 10 |
| Others | - | - | - |
| Total Investment IFRS | 338 | 464 | 330 |

Working Capital

In order to calculate working capital, CSN adjusts its assets and liabilities as shown below:

- Accounts Receivable: Excludes Dividends Receivable, Advances to Employees and Other Credits (Note 5 of the financial statements).
- Inventories: Includes Estimated Losses and excludes Spare Parts which is not part of the cash conversion cycle, and will be subsequently booked under Fixed Assets when consumed. (Note 6 of the financial statements);
- Recoverable Taxes: Composed only of Income (IRPJ) and Social Contribution (CSLL) Taxes included in Recoverable Taxes (Note 7 of the financial statements);
- Taxes Payable: Composed of Taxes Payable under Current Liabilities plus Taxes in Installments (Note 13 of the financial statements);
- Advances from Clients: Subaccount of Other Liabilities recorded under Current Liabilities (Note 13 of the financial statements);
- Suppliers: Includes Forfeiting and Drawee Risk (Note 11 of the financial statements).

As a result, working capital applied to the Company's business totaled R\$3,077 million in 1Q16, R\$90 million less than in 4Q15, chiefly due to the R\$472 million reduction in inventories, while accounts receivable increased by R\$245 million. On a same comparison basis, the average receivable period increased by 6 days, while payment periods and inventory turnover fell by 4 and 14 days, respectively.

| | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|------------|
| Assets | 5,145 | 5,869 | 5,664 | (205) | 519 |
| Accounts Receivable | 1,901 | 1,501 | 1,746 | 245 | (155) |
| Inventories Turnover | 3,107 | 4,092 | 3,621 | (472) | 514 |
| Advances to Taxes | 137 | 276 | 298 | 22 | 161 |
| Liabilities | 2,306 | 2,703 | 2,587 | (115) | 281 |
| Suppliers | 1,556 | 1,671 | 1,542 | (129) | (14) |
| Salaries and Social Contribution | 214 | 257 | 245 | (12) | 31 |
| Taxes Payable | 512 | 725 | 733 | 8 | 221 |
| Advances from Clients | 24 | 51 | 67 | 16 | 43 |
| Working Capital | 2,839 | 3,166 | 3,077 | (90) | 238 |
| Receivables | 36 | 30 | 36 | 6 | - |
| Supplier Payment | 46 | 52 | 48 | (4) | 2 |
| Inventory Turnover | 92 | 127 | 113 | (14) | 21 |
| Cash Conversion Cycle | 82 | 105 | 101 | (4) | 19 |

Results by Segment

The Company maintains integrated operations in five business segments: steel, mining³, logistics, cement and energy. The main assets and/or companies comprising each segment are presented below²:

¹ Namisa's former assets.

² As of 2013, the Company ceased the proportional consolidation of its jointly-owned subsidiaries Namisa, MRS and CBSI. For the purpose of preparing and presenting the information by business segment, Management opted to maintain the proportional consolidation of its jointly-owned subsidiaries, as historically presented. For the reconciliation of CSN's consolidated results, these companies' results are eliminated in the "corporate/elimination expenses" column.

³ In order to report the Company's 2015 results, after the combination of CSN's mining assets (Casa de Pedra, Namisa and Tecar), the consolidated result includes all this new company's information.

| | | | | | |
|---|--------------|------------|-----------|------------|-----------|
| Net Revenue | 2,809 | 777 | 50 | 303 | 11 |
| Domestic Market | 1,500 | 151 | 50 | 303 | 11 |
| Foreign Market | 1,309 | 626 | - | - | - |
| Cost of Goods Sold | (2,300) | (585) | (36) | (214) | (101) |
| Gross Profit | 509 | 192 | 14 | 89 | 1 |
| Selling, General and Administrative Expenses | (255) | (24) | (8) | (24) | (18) |
| Depreciation | 166 | 114 | 3 | 56 | 1 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - |
| Adjusted EBITDA | 420 | 283 | 9 | 121 | 8 |

| | | | | | |
|---|--------------|------------|-----------|------------|-----------|
| Net Revenue | 2,579 | 907 | 62 | 331 | 10 |
| Domestic Market | 1,473 | 88 | 62 | 331 | 10 |
| Foreign Market | 1,106 | 819 | - | - | - |
| Cost of Goods Sold | (2,267) | (598) | (42) | (207) | (89) |
| Gross Profit | 312 | 309 | 20 | 124 | 1 |
| Selling, General and Administrative Expenses | (267) | (22) | (5) | (23) | (21) |
| Depreciation | 178 | 105 | 3 | 50 | 1 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - |
| Adjusted EBITDA | 222 | 392 | 19 | 151 | 0 |

Steel

According to preliminary figures from the World Steel Association (WSA), global crude steel production totaled 386 million tonnes in 1Q16, 3.5% down on the same period last year, while the Brazilian Steel Institute (IABr) estimates a 12.3% reduction in domestic output to 7.4 million tonnes (also preliminary figures). Domestic production of rolled products came to 5.1 million tonnes, 17.5% less than in 1Q15, while apparent consumption fell by 29.3% to 4.3 million tonnes, with domestic sales of 4.0 million tonnes and imports of 368,000 tonnes. On the other hand, exports increased by 17.1% in the same period, reaching 3.3 million tonnes.

In 2016, the IABr estimates an 8.8% decline in apparent consumption to 19.4 million tonnes, with domestic sales of 17.4 million tonnes and imports of 1.1 million tonnes.

According to INDA (the Brazilian Steel Distributors' Association), 1Q16 steel purchases and sales by distributors fell by 18.3% and 13.0% over 1Q15 to 761,000 and 776,000 tonnes, respectively. Inventories closed the quarter at 906,800 tonnes, in line with the previous month, representing 3.1 months of sales.

Automotive

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 482,000 units in 1Q16, 28% down on 1Q15. In the same period, new car, light commercial vehicle, truck and bus licensing fell by 29% to 481,000 units. The association estimates a reduction in vehicle sales of up to 7.5% in 2016 over 2015, to 2.37 million units, while FENABRAVE (the Vehicle Distributors' Association) expects a 6% reduction in vehicle sales.

Construction

According to SECOVI-SP (the São Paulo Residential Builders' Association), during 1Q16 the residential real estate launches in the city of São Paulo totaled 2,856 units, 30% up on the 1,418 units launched in the 1Q15.

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials in 1Q16 fell by 17.3% over the same period last year. The association revised its 2016 estimate to a real decline of 4.5%.

Home Appliances

According to the Brazilian Institute of Geography and Statistics (IBGE), home appliance production accumulated until march 2016 fell by 22% over the same period in 2015, while output in the last 12 months dropped by 20% over the same period a year before, reflecting the low level of business and consumer confidence.

Results from CSN's Steel Operations

The parent company's slab production totaled 836,000 tonnes in 1Q16, 21% and 29% down on 4Q15 and 1Q15, respectively. It is worth noting that no slabs were purchased from third parties in 1Q16, versus 64,000 tonnes acquired in 4Q15. Flat rolled steel production came to 746,000 tonnes, 22% and 27% less than in 4Q15 and 1Q15, respectively.

| | | | | | |
|--|--------------|--------------|------------|--------------|--------------|
| Total Slabs (UPV + Third Parties) | 1,184 | 1,062 | 836 | (21%) | (29%) |
| Crude Steel Production | 1,115 | 998 | 835 | (16%) | (25%) |
| Third Parties Slabs | 69 | 64 | 0 | - | - |
| Total Rolled Products | 1,020 | 952 | 746 | (22%) | (27%) |

- Total steel product sales volume came to 1,246 thousand tonnes in 1Q16, 10% up on 4Q15. Of this total, 52% went to the domestic market, 42% were sold by our subsidiaries abroad and 6% went to exports.
- First-quarter **domestic** steel sales totaled 650,000 tonnes, 1% up on 4Q15, 611,000 tonnes of which flat steel and 38,000 tonnes long steel.
- First-quarter **foreign** sales amounted to 597,000 tonnes, 23% up on 4Q15. Of this total, the overseas subsidiaries sold 520,000 tonnes, 204,000 of which by LLC, 216,000 by SWT and 100,000 by Lusosider, while direct exports came to 78,000 tonnes.
- In the first quarter, CSN increased its share of coated products as a percentage of total sales volume, following the

strategy of adding more value to its product mix. **Domestic** sales of coated products such as galvanized items and tin plate accounted for 46% of flat steel sales, versus 45% in 4Q15. In the **foreign market**, the share of coated products moved up from 69% of flat steel sales to 77% in 1Q16.

- **Net revenue** totaled R\$2,809 million in 1Q16, 9% up on 4Q15, chiefly due to the increase in domestic sales volume and sales by subsidiaries abroad. In 1Q16, average net revenue per tonne remained in line with 1Q15, totaling R\$2,196.
- **COGS** came to R\$2,300 million in 1Q16, a slight 1% increase over 4Q15.
- The parent company's **production cost** reached R\$1,343 million in 1Q16, 21% down on 4Q15, chiefly due to the decrease in the consumption of imported raw material as a result of the extinguishing of blast furnace 2 and the startup of coke batteries, thus reducing the fuel rate, in addition to the lower electricity consumption and a downturn in maintenance expenses.

- **Slab production costs** came to R\$1,064/t, in line with 4Q15. In US dollars, however, the cost fell by 1.4%, from US\$276/t, in 4Q15, to US\$272/t. As a result, CSN maintained its position among those steel companies with the lowest slab costs in the world.

- **Adjusted EBITDA** amounted to R\$420 million in 1Q16, 89% up on the R\$222 million recorded in 4Q15, accompanied by an increase of 6p.p. in the margin, which widened from 9%, in 4Q15, to 15%.

Mining

In 1Q16, the seaborne iron ore market was positively impacted by the greater availability of credit and the recovery of construction activities in China, led by investments in new real estate projects. The improvement in demand led to higher prices and healthier margins for the local steel producers, as well as encouraging the build-up of inventories. In addition, seasonal factors, such as higher rainfall in Australia and Brazil, as well as the rigorous Chinese winter, played an important role in reducing the iron ore supply base. As a result, iron ore prices moved up by 3.5% over the previous quarter, averaging US\$48.30/dmt (Platts, 62% Fe, N. China).

Results from CSN's Mining Operations

- In 1Q16, **iron ore production** totaled 7,326 thousand tonnes, 2% and 23% up on 4Q15 and 1Q15, respectively.
- First-quarter **iron ore purchases** came to 617,000 tonnes, 58% down on 4Q15, but 7% up on 1Q15, chiefly due to the reduced availability of iron ore from small and medium-sized producers in this quarter.
- **Iron ore sales** came to 8,295,000 tonnes¹ in 1Q16, 11% and 21% up on 4Q15 and 1Q15, respectively, thanks to an improved sales performance in the domestic market. Shipped iron ore volume totaled 6,988 thousand tonnes, 12% down on 4Q15, but 11% more than in 1Q15. Almost 1,047,000 tonnes from Congonhas Minérios were sold to UPV.

| | | | | | |
|------------------------------------|--------------|--------------|--------------|-------------|------------|
| Iron Ore Production ¹ | 5,938 | 7,218 | 7,326 | 1% | 23% |
| Third Parties Purchase | 543 | 1,481 | 617 | (58%) | 14% |
| Total Production + Purchase | 6,481 | 8,698 | 7,943 | (9%) | 23% |
| UPV Transfer and Sale | 1,428 | 1,257 | 1,047 | (17%) | (27%) |
| Third Parties Sales Volume | 5,442 | 6,202 | 7,248 | 17% | 33% |
| Total Sales + Transfer | 6,870 | 7,459 | 8,295 | 11% | 21% |

| | | | | | |
|----------------|-------|-------|-------|--------------|------------|
| Shipped Volume | 6,282 | 7,939 | 6,988 | (12%) | 11% |
|----------------|-------|-------|-------|--------------|------------|

- **Net revenue** from mining operations totaled R\$777 million in 1Q16, 14% down on 4Q15, but 18% more than in 1Q15. The quarter-on-quarter decline was due to the reduction in the FOB price, which did not occur in 1Q15. FOB unit revenue came to US\$28/t in 1Q16, 23% less than in 4Q15.
- In the first quarter, mining segment **COGS** came to R\$585 million, in line with 4Q15 and 3% more than in 1Q15, due to the higher volume of iron ore sold in the quarter. In 1Q16, Casa de Pedra recorded a Chinese delivery cash cost excluding depreciation of US\$31.2/wmt, 6% down on 4Q15.
- **Adjusted EBITDA** stood at R\$283 million in 1Q16, 28% down on the R\$392 million recorded in 4Q15, while the adjusted EBITDA margin narrowed by 7 p.p., from 43%, in 4Q15, to 36%.

¹ *Production and sales volumes include the 100% stake in NAMISA until November 2015 and the 100% interest in Congonhas in December 2015.*

² *As of December 2015, Congonhas Minérios began selling iron ore to the Presidente Vargas Plant.*

Logistics

According to the ANTT (National Ground Transport Agency), the Brazilian rail container transport concessionaires transported 897,000 tonnes in 2016, 1.3% down on 1Q15.

Results from CSN's Logistic Operations

Railway Logistics: In 1Q16, **net revenue** came to R\$303 million, generating **EBITDA** of R\$121 million and an **EBITDA margin** of 40%

Port Logistics: In the first quarter, Sepetiba Tecon handled 143,000 tonnes of steel products, in addition to 12,000 tonnes of general cargo and approximately 39,000 containers handled. First-quarter **net revenue** stood at R\$50 million, generating **EBITDA** of R\$9 million, accompanied by an **EBITDA margin** of 19%.

| | | | | | |
|------------------------------------|-----|-----|-----|-------|-------|
| Containers Volume (thousand units) | 39 | 39 | 39 | - | - |
| Steel Products Volume (thousand t) | 141 | 261 | 143 | (45%) | 2% |
| General Cargo Volume (thousand t) | 73 | 2 | 12 | 368% | (84%) |

Cement

According to the IBGE's Monthly Industrial Survey (PIM-PF), Brazil's cement production fell by 17.0% in 1Q16 over 1Q15, handling with the construction industry performance.

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 13.9 million tonnes in 1Q16, 14.7% less than in the same quarter the year before. For 2016 as a whole SNIC estimates respective annual declines of 12% to 15% in sales and 9% to 11% in apparent consumption.

Results of CSN's Cement Operations

In 1Q16, **cement sales** amounted to 571,000 tonnes, 15% up on 4Q15, while **net revenue** came to R\$114 million. **EBITDA** totaled R\$8 million, accompanied by an **EBITDA margin** of 7%, due to the ramp-up of the new operations in Arcos, Minas Gerais.

| | | | | | |
|------------------|-----|-----|-----|------|----|
| Total Production | 493 | 564 | 531 | (6%) | 8% |
| Total Sales | 525 | 496 | 571 | 15% | 8% |

Energy

According to the Energy Research Company (EPE), Brazilian electricity consumption totaled 121 TWh until March 2016, 4.2% less than the same period in 2015. Consumption in the industrial and residential segments fell by 7.5% and 2.5%, respectively, when the commercial segment decline 3.2%.

Results from CSN's Energy Operations

In 1Q16, **net revenue** from energy operations totaled R\$68 million, **EBITDA** stood at R\$15 million and the **EBITDA margin** came to 23%.

Capital Market

CSN's shares appreciated by 78.8% in 1Q16, while the Ibovespa increased by 15.5% in the same period. Daily traded volume on the BM&FBovespa averaged R\$41.1 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) moved up by 101.9%, versus the Dow Jones' 1.5% appreciation. On the NYSE, daily traded volume of CSN's ADRs averaged US\$2.7 million.

| | |
|-------------------------------------|------------------|
| Number of shares in thousand | 1,387,524 |
| Market Capitalization | |
| Closing price (R\$/share) | 7.15 |

| | |
|--|--------|
| Closing price (US\$/ADR) | 1.97 |
| Market Capitalization (R\$ million) | 9,921 |
| Market Capitalization (US\$ million) | 2,733 |
| Total return including dividends and interest on equity | |
| CSNA3 | 78.8% |
| SID | 101.9% |
| Ibovespa | 15.5% |
| Dow Jones | 1.5% |
| Volume | |
| Average daily (thousand shares) | 7,251 |
| Average daily (R\$ Thousand) | 41,089 |
| Average daily (thousand ADRs) | 1,791 |
| Average daily (US\$ Thousand) | 2,725 |

Source: Bloomberg

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

1. DESCRIPTION OF BUSINESS

Companhia Siderúrgica Nacional “CSN”, also referred to as the Company or Parent Company, is a publicly-held company incorporated on April 9, 1941, under the laws of the Federative Republic of Brazil (Companhia Siderúrgica Nacional, its subsidiaries, joint ventures, joint operations and associates are collectively referred to herein as the “Group”). The Company’s registered office is located in São Paulo, SP, Brazil.

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

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

- **Steel:**

The Company's main industrial facility is the Presidente Vargas steelworks ("UPV"), located in the city of Volta Redonda, State of Rio de Janeiro. This segment consolidates the operations related to the production, distribution and sale of flat steel, long steel, metallic containers and galvanized steel. In addition to the facilities in Brazil, CSN has operations in the United States, Portugal and Germany, all of them are in line with the plan to achieve new markets and perform excellent services for final consumers. Its steel has been used in home appliances, civil construction and automobile industries.

- **Mining:**

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

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

From November 30, 2015 the Company has transferred its mining assets, together with its logistical infrastructure, which includes the mine Casa de Pedra and the right to operate the terminal TECAR, to its subsidiary Congonhas Minérios S.A. In the new structure Congonhas Minérios S.A. has taken control over Nacional Minérios S.A. (NAMISA) through a business combination transaction.

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

- **Cement:**

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

- **Logistics**

Railroads:

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

Ports:

In the State of Rio de Janeiro, by means of its subsidiaries Sepetiba Tecon S.A. and Congonhas Minérios S.A., the Company operates the Container Terminal (Tecon) and the solid bulk terminal (Tecar), respectively, both located at the Itaguaí Port. Established in the harbor of Sepetiba, the mentioned port has a privileged highway, railroad and maritime access.

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

- **Energy:**

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.a) Basis of preparation

The consolidated condensed interim financial statements have been prepared and are being presented in accordance with the International Accounting Standards (IAS 34 – Interim Financial Reporting) issued by the International Accounting Standards Board (IASB), which correlate in Brazil is the CPC 21 (R1) (Interim Financial Statements and Consolidated Interim Financial Statements) issued by the CPC (Accounting Pronouncements Committee) and approved by CVM (Brazilian Securities Commission). All the relevant information required in the financial statements and only these information, are being highlighted and correspond to those used for the Company's management.

The significant accounting policies applied in these condensed interim financial statements are consistent with the policies described in Note 2 to the Company's financial statements for the year ended December 31, 2015, filed with the CVM.

These condensed interim financial statements do not include all requirements of annual or full financial statements and, accordingly, should be read together with the Company's financial statements for the year ended December 31, 2015.

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

Note 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

Note 29 - Commitments

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The consolidated and parent company interim financial statements were approved by the Board of Directors on May 11, 2016.

2.b) Basis of presentation

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of March 31, 2016, US\$1 is equivalent to R\$3.5589 (R\$3.9048 as of December 31, 2015), €1 is equivalent to R\$4.0539 (R\$4.2504 as of December 31, 2015).

2.c) Basis of consolidation

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

- Companies**

| Companies | Equity interests (%) | | Core business |
|--|----------------------|------------|--|
| | 03/31/2016 | 12/31/2015 | |
| Direct interest in subsidiaries: full consolidation | | | |
| CSN Islands VII Corp. | 100.00 | 100.00 | Financial transactions |
| CSN Islands IX Corp. | 100.00 | 100.00 | Financial transactions |
| CSN Islands XI Corp. | 100.00 | 100.00 | Financial transactions |
| CSN Islands XII Corp. | 100.00 | 100.00 | Financial transactions |
| CSN Minerals S.L.U. | 100.00 | 100.00 | Equity interests |
| CSN Export Europe, S.L.U. | 100.00 | 100.00 | Financial transactions and Equity interests |
| CSN Metals S.L.U. | 100.00 | 100.00 | Equity interests and Financial transactions |
| CSN Americas S.L.U. | 100.00 | 100.00 | Equity interests and Financial transactions |
| CSN Steel S.L.U. | 100.00 | 100.00 | Equity interests and Financial transactions |
| TdBB S.A (*) | 100.00 | 100.00 | Equity interests |
| Sepetiba Tecon S.A. | 99.99 | 99.99 | Port services |
| Mineração Nacional S.A. | 99.99 | 99.99 | Mining and Equity interests |
| 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 containers and distribution of steel products |
| Companhia Metalúrgica Prada | 99.99 | 99.99 | Manufacture of containers and distribution of steel products |
| CSN Gestão de Recursos Financeiros Ltda. (*) | 99.99 | 99.99 | Management of funds and securities portfolio |
| Congonhas Minérios S.A. | 87.52 | 87.52 | Mining and Equity interests |
| CSN Energia S.A. | 99.99 | 99.99 | Sale of electric power |
| FTL - Ferrovia Transnordestina Logística | 89.79 | 89.79 | Railroad logistics |

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| | | | |
|---|--------|--------|---|
| S.A. Nordeste Logística S.A. | 99.99 | 99.99 | Port services |
| Indirect interest in subsidiaries: full consolidation | | | |
| Companhia Siderúrgica Nacional LLC | 100.00 | 100.00 | Steel |
| CSN Europe Lda. | 100.00 | 100.00 | Financial transactions, product sales and Equity interests |
| CSN Ibéria Lda. | 100.00 | 100.00 | Financial transactions, product sales and Equity interests |
| Lusosider Projectos Siderúrgicos S.A. | 99.94 | 99.94 | Equity interests and product sales |
| Lusosider Aços Planos, S.A. | 99.99 | 99.99 | Steel and Equity interests |
| CSN Acquisitions, Ltd. (1) | | 100.00 | Financial transactions and Equity interests |
| CSN Resources S.A. | 100.00 | 100.00 | Financial transactions and Equity interests |
| CSN Holdings (UK) Ltd (1) | | 100.00 | Financial transactions and Equity interests |
| CSN Handel GmbH (2) | - | 87.52 | Financial transactions, product sales and Equity interests |
| Companhia Brasileira de Latas | 100.00 | 100.00 | Sale of cans and containers in general and Equity interests |
| Companhia de Embalagens Metálicas MMSA | 99.67 | 99.67 | Production and sale of cans and related activities |
| Companhia de Embalagens Metálicas - MTM | 99.67 | 99.67 | Production and sale of cans and related activities |
| CSN Steel Holdings 1, S.L.U. | 100.00 | 100.00 | Financial transactions, product sales and Equity interests |
| CSN Productos Siderúrgicos S.L. | 100.00 | 100.00 | Financial transactions, product sales and Equity interests |
| Stalwerk Thüringen GmbH | 100.00 | 100.00 | Production and sale of long steel and related activities |
| CSN Steel Sections UK Limited (*) | 100.00 | 100.00 | Sale of long steel |
| CSN Steel Sections Polska Sp.Z.o.o | 100.00 | 100.00 | Financial transactions, product sales and Equity interests |
| CSN Asia Limited | 100.00 | 100.00 | Commercial representation |
| Namisa International Minérios SLU | 87.52 | 87.52 | Financial transactions, product sales and Equity interests |
| Namisa Europe, Unipessoal Lda. | 87.52 | 87.52 | Equity interests, product and iron ore sales |
| CSN Mining GmbH (3) | 87.52 | 87.52 | Financial transactions, product sales and Equity interests |
| Namisa Asia Limited | 87.52 | 87.52 | Commercial representation |
| Direct interest in joint operations: 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 and Equity interests |
| Consórcio da Usina Hidrelétrica de Igarapava | 17.92 | 17.92 | Electric power consortium |
| Direct interest in joint ventures: equity method | | | |
| MRS Logística S.A. | 18.64 | 18.64 | Railroad transportation |
| Aceros Del Orinoco S.A. | 31.82 | 31.82 | Dormant company |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 50.00 | 50.00 | Equity interests and product sales and iron ore |
| Transnordestina Logística S.A. | 56.92 | 56.92 | Railroad logistics |
| Indirect interest in joint ventures: equity method | | | |
| MRS Logística S.A. | 16.30 | 16.30 | Railroad transportation |
| Direct interest in associates: equity method | | | |
| Arvedi Metalfer do Brasil S.A. | 20.00 | 20.00 | Metallurgy and Equity interests |

(*) They are Dormant Companies therefore they do not appear in the note 9.a, where is disclosed business information under the equity method.

(1) Company liquidated in January 2016;

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

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

- **Exclusive funds**

| Exclusive funds | Equity interests (%) | | Core business |
|---|-----------------------------|-------------------|----------------------|
| | 03/31/2016 | 12/31/2015 | |
| Direct interest: full consolidation | | | |
| Diplic - Private credit balanced mutual fund | | 100.00 | Investment fund |
| Caixa Vértice - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |
| BB Steel - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |
| VR1 - Private credit balanced mutual fund | 100.00 | 100.00 | Investment fund |

2.d) Restatement of accounting balances

- **Forfaiting**

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

- **Drawee risk**

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

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

a) Statements of cash flows at March 31, 2015

| | Originally Reported | Reclassifications | Restated |
|--|----------------------------|--------------------------|-----------------|
| Cash generated by operating activities | | | |
| Profit for the year attributable to the controlling shareholders | 392,056 | | |
| Trade payables | (118,373) | 97,541 | |
| Paid Interests | (724,617) | (1,423) | |
| Others | 2,092,940 | | |
| Net cash generated by operating activities | 1,642,006 | 96,118 | |
| Cash used in investing activities | 413,490 | | |
| Cash generated by financing activities | | | |
| Forfeiting funding / drawee risk | | 15,136 | |
| Forfeiting amortization / drawee risk | | (111,254) | |
| Others | (1,852,855) | | |
| Net cash used in financing activities | (1,852,855) | (96,118) | |
| Exchange rate changes on cash and cash equivalents | 182,123 | | |
| Increase in cash and cash equivalents | 384,764 | | |

| | Originally Reported | Reclassifications | Parent C 03 Restated ca |
|---|---------------------|-------------------|-------------------------------|
| Cash generated by operating activities | | | |
| Profit for the year | 392,056 | | |
| Trade payables | (201,233) | 97,541 | |
| Paid Interests | (555,887) | (1,423) | |
| Others | 1,449,353 | | |
| Net cash generated by operating activities | 1,084,289 | 96,118 | |
| Cash used in investing activities | (420) | | |
| Cash generated by financing activities | | | |
| Forfaiting funding / drawee risk | | 15,136 | |
| Forfaiting amortization / drawee risk | | (111,254) | |
| Others | (1,055,659) | | |
| Net cash used in financing activities | (1,055,659) | (96,118) | |
| Exchange rate changes on cash and cash equivalents | 49,459 | | |
| Increase in cash and cash equivalents | 77,669 | | |

b) Statement of income and statement of comprehensive income at March 31, 2015

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

3. CASH AND CASH EQUIVALENTS

| | 03/31/2016 | Consolidated 12/31/2015 | 03/31/2016 | Parent Company 12/31/2015 |
|-------------------------------------|------------------|----------------------------|------------------|------------------------------|
| Current | | | | |
| Cash and cash equivalents | | | | |
| Cash and banks | 666,948 | 434,014 | 26,453 | 37,003 |
| Short-term investments | | | | |
| In Brazil: | | | | |
| Government securities | 59,915 | 165,520 | 22,921 | 164,311 |
| Private securities | 273,750 | 945,420 | 189,108 | 570,284 |
| | 333,665 | 1,110,940 | 212,029 | 734,595 |
| Abroad: | | | | |
| <i>Time deposits</i> | 4,540,327 | 6,316,098 | 916,700 | 1,113,601 |
| Total short-term investments | 4,873,992 | 7,427,038 | 1,128,729 | 1,848,196 |
| Cash and cash equivalents | 5,540,940 | 7,861,052 | 1,155,182 | 1,885,199 |

The funds available in the Group and parent company set up in Brazil are basically invested in investment funds, classified as exclusive and its financial statements were consolidated within CSN the financial statements, consolidated and parent company. The funds include repurchase agreements backed by private and public securities, with pre-fixed income, with immediate liquidity.

Private securities are short-term investments in Bank Deposit Certificates (CDBs) with yields pegged to the Interbank Deposit Certificate (CDI) fluctuation, and government securities are basically repurchase agreements backed by National Treasury Notes and National Treasury Bills. The funds are managed by BNY Mellon Serviços Financeiros S.A. DTVM, BB Gestão de Recursos DVTM and Caixa Econômica Federal and their assets collateralize possible losses on investments and transactions carried out. The investment in those funds was consolidated.

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

4. SHORT-TERM INVESTMENTS

The Company has investments in Public and Private securities managed by its exclusive funds that have been qualified as a margin deposits for the forward dollar contracts traded at BM&F Bovespa in the period and detailed in note 12 (b). The carrying amount of these financial investments totaled R\$ 764,132 (R\$ 763,599 on December 31, 2015). These investments have pre-fixed yield and immediate liquidity.

5. TRADE RECEIVABLES

| | 03/31/2016 | Consolidated 12/31/2015 | 03/31/2016 | Parent Company 12/31/2015 |
|--------------------------------------|------------------|----------------------------|------------------|------------------------------|
| Trade receivables | | | | |
| Third parties | | | | |
| Domestic market | 946,045 | 772,617 | 512,785 | 425,108 |
| Foreign market | 889,451 | 818,562 | 199,576 | 250,588 |
| | 1,835,496 | 1,591,179 | 712,361 | 675,696 |
| Allowance for doubtful debts | (165,188) | (151,733) | (123,764) | (112,502) |
| | 1,670,308 | 1,439,446 | 588,597 | 563,194 |
| Related parties (Note 17 b) | 75,241 | 61,366 | 1,064,915 | 1,140,172 |
| | 1,745,549 | 1,500,812 | 1,653,512 | 1,703,366 |
| Other receivables | | | | |
| Dividends receivable (Note 17 b) (*) | 27,623 | 27,817 | 747,033 | 737,668 |
| Advances to employees | 35,229 | 40,190 | 21,606 | 24,465 |
| Other receivables | 7,705 | 9,458 | 275 | 2,024 |
| | 70,557 | 77,465 | 768,914 | 764,157 |
| | 1,816,106 | 1,578,277 | 2,422,426 | 2,467,523 |

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

In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$299,737 as of March 31, 2016 (R\$232,275 as of December 31, 2015), less the trade receivables.

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

| | | Consolidated | | Parent Company |
|-------------------------|-------------------|---------------------|-------------------|-----------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Current | 1,339,503 | 1,049,033 | 428,160 | 423,801 |
| Past-due up to 180 days | 328,092 | 353,443 | 178,716 | 118,488 |
| Past-due over 180 days | 167,901 | 188,703 | 105,485 | 133,407 |
| | 1,835,496 | 1,591,179 | 712,361 | 675,696 |

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

| | Consolidated | | Parent Company | |
|--|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Opening balance | (151,733) | (127,223) | (112,502) | (93,536) |
| Estimated losses | (17,897) | (35,631) | (14,216) | (26,288) |
| Recovery of receivables | 4,442 | 11,121 | 2,954 | 4,504 |
| Incorporation of CSN Cimentos and assets' drop down to Congonhas | | | | 2,818 |
| Closing balance | (165,188) | (151,733) | (123,764) | (112,502) |

6. INVENTORIES

| | Consolidated | | Parent Company | |
|-----------------------|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Finished goods | 1,402,385 | 1,912,868 | 989,852 | 1,078,554 |
| Work in progress | 1,023,012 | 1,007,630 | 765,813 | 746,614 |
| Raw materials | 926,034 | 1,062,557 | 583,460 | 563,119 |
| Storeroom supplies | 973,667 | 962,078 | 516,295 | 489,816 |
| Iron ore | 256,229 | 95,461 | 15,411 | 6,912 |
| Advances to suppliers | 10,313 | 12,147 | 6,386 | 6,191 |
| Provision for losses | (96,808) | (111,427) | (42,940) | (40,462) |
| | 4,494,832 | 4,941,314 | 2,834,277 | 2,850,744 |

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

| | Consolidated | | Parent Company | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Opening balance | (111,427) | (112,581) | (40,462) | (88,056) |
| Reversal / (losses) for slow-moving and obsolescence (note 22) | 14,619 | 1,154 | (2,478) | 15,835 |
| Drop down of assets to Congonhas | | | | 31,759 |
| Closing balance | (96,808) | (111,427) | (42,940) | (40,462) |

7. OTHER CURRENT AND NON-CURRENT ASSETS

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

| | Current | | Consolidated Non-current | | Current |
|--|------------------|------------------|-----------------------------|------------------|----------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | |
| Judicial deposits (note 15) | | | 324,444 | 328,542 | |
| Credits with the PGFN (1) | | | 88,859 | 87,761 | |
| Recoverable taxes (2) | 933,627 | 996,679 | 446,826 | 445,926 | 687,038 |
| Prepaid expenses | 82,669 | 119,456 | 22,707 | 28,119 | 49,284 |
| Actuarial asset - related party (note 17 b) | | | 107,622 | 114,433 | |
| Derivative financial instruments (note 12 I) | | 118,592 | | | |
| Exclusive funds | | | | | |
| Securities held for trading (note 12 I) | 10,861 | 10,778 | | | 10,728 |
| Iron ore inventory (3) | | | 144,499 | 144,499 | |
| Northeast Investment Fund – FINOR | | | 10,888 | 10,888 | |
| Other receivables (note 12 I) | | | 11,249 | 6,877 | |
| Loans with related parties (note 17 b) | | | 386,128 | 373,214 | 464 |
| Other receivables from related parties (note 17 b) | 11,263 | 9,420 | 33,145 | 29,020 | 26,996 |
| Others | 42,942 | 31,524 | 14,680 | 14,642 | |
| | 1,081,362 | 1,286,449 | 1,591,047 | 1,583,921 | 774,510 |

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

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

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

8. INVESTMENTS

The information related to the description of activities of subsidiaries, jointly controlled entities, associates and other investments did not have changes in relation to that disclosed in the Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of March 31, 2016.

- **Reduce of financial leverage**

With the primary goal of reducing financial leverage, the Company's Management is focused on a plan of disposal of assets and believes that a portion of these assets will be sold within 12 months as from December 31, 2015; however, it is not possible to confirm that the sale is highly probable for any of the considered assets, within these 12 months period. The Company considers several sales scenarios that vary according to different macroeconomic and operating assumptions. In this context, the Company did not segregate and not reclassified these assets in the financial statements as discontinued operations in accordance with the CPC 31 (IFRS 5).

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

| Companies | Number of shares held by CSN in units | | % Direct equity interest | Participation in | | |
|---|---------------------------------------|-----------|--------------------------|-------------------|-------------------|---------------------------|
| | Common | Preferred | | Assets | Liabilities | Shareholders' (LI) equity |
| Investments under the equity method | | | | | | |
| Subsidiaries | | | | | | |
| CSN Islands VII Corp. | 20,001,000 | | 100.00 | 7,184,904 | 7,405,377 | (220,473) |
| CSN Islands IX Corp. | 3,000,000 | | 100.00 | 2,120 | | 2,120 |
| CSN Islands X Corp. | (*) | | | | | |
| CSN Islands XI Corp. | 50,000 | | 100.00 | 2,763,610 | 2,690,617 | 72,993 |
| CSN Islands XII Corp. | 1,540 | | 100.00 | 2,537,268 | 3,563,746 | (1,026,478) |
| CSN Minerals S.L.U. | 3,500 | | 100.00 | 4,880,911 | 277 | 4,880,634 |
| CSN Export Europe, S.L.U. | 3,500 | | 100.00 | 996,055 | 8,939 | 987,116 |
| CSN Metals S.L.U. | 16,504,020 | | 100.00 | 1,116,163 | 6,265 | 1,109,898 |
| CSN Americas S.L.U. | 3,500 | | 100.00 | 1,943,149 | 1,671 | 1,941,478 |
| CSN Steel S.L.U. | 22,042,688 | | 100.00 | 2,845,517 | 1,748,748 | 1,096,769 |
| Sepeitaba Tecon S.A. | 254,015,052 | | 99.99 | 395,731 | 130,343 | 265,388 |
| Mineração Nacional S.A. | 65,020,211 | | 99.99 | 500,839 | 164,885 | 335,954 |
| Estanho de Rondônia S.A. | 108,655,326 | | 99.99 | 33,088 | 13,772 | 19,316 |
| Cia Metalic Nordeste | 92,459,582 | | 99.99 | 176,950 | 46,542 | 130,408 |
| Companhia Metalúrgica Prada | 313,651,399 | | 99.99 | 758,147 | 568,898 | 189,249 |
| CSN Cimentos S.A. | (**) | | | | | |
| Congonhas Minérios S.A. | 158,419,480 | | 87.52 | 12,934,361 | 5,640,853 | 7,293,508 |
| CSN Energia S.A. | 43,149 | | 99.99 | 71,419 | 18,968 | 52,451 |
| FTL - Ferrovia Transnordestina Logística S.A. | 353,190,644 | | 89.79 | 513,512 | 184,330 | 329,182 |
| Companhia Florestal do Brasil | 35,454,849 | | 99.99 | 32,239 | 476 | 31,763 |
| Nordeste Logística | 99,999 | | 99.99 | 100 | | 100 |
| | | | | 39,686,083 | 22,194,707 | 17,491,376 |
| Joint-venture e Joint-operation | | | | | | |
| Nacional Minérios S.A. | (**) | | | | | |
| Itá Energética S.A. | 253,606,846 | | 48.75 | 294,923 | 44,530 | 250,393 |

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| | | | | | | |
|---|------------|-----------|-------|------------------|------------------|-------------------|
| MRS Logística S.A. | 26,611,282 | 2,673,312 | 18.64 | 1,478,659 | 891,808 | 586,851 |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 1,876,146 | | 50.00 | 14,414 | 13,454 | 960 |
| CGPAR - Construção Pesada S.A. | 50,000 | | 50.00 | 50,370 | 38,254 | 12,116 |
| Transnordestina Logística S.A. | 22,761,085 | 1,397,545 | 56.92 | 4,290,979 | 3,026,922 | 1,264,057 |
| Fair Value allocated to TLSA due to control loss | | | | | | 659,105 |
| | | | | 6,129,345 | 4,014,968 | 2,773,482 |
| Associates | | | | | | |
| Arvedi Metalfer do Brasil | 27,239,971 | | 20.00 | 54,402 | 53,363 | 1,039 |
| | | | | 54,402 | 53,363 | 1,039 |
| Classified as available-for-sale | | | | | | |
| Usiminas | | | | | | 482,426 |
| Panatlântica | | | | | | 21,601 |
| | | | | | | 504,027 |
| Other investments | | | | | | |
| Profits on subsidiaries' inventories | | | | | | (39,425) |
| Others | | | | | | 65,019 |
| | | | | | | 25,594 |
| Total investments | | | | | | 20,795,518 |
| Classification of investments in the balance sheet | | | | | | |
| Investments in assets | | | | | | 22,042,470 |
| Investments with negative equity | | | | | | (1,246,952) |
| | | | | | | 20,795,518 |

(*) Company extinguished in 2015;

(**) Company incorporated in 2015;

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

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

| | Consolidated | | Parent Company | |
|--|---------------------|-------------------|-----------------------|--------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Opening balance of investments | 3,998,227 | 13,665,453 | 23,323,565 | 24,199,129 |
| Opening balance of loss provisions | | | (1,095,086) | (1,088,559) |
| Investment balance of Namisa 11/30/15 | | (10,160,981) | | |
| Capital increase/acquisition of shares | | 3,575 | 10,828 | 490,842 |
| Acquisition of Congonhas Minérios shares - 4.16% | | | | 2,732,605 |
| Capital reduction | | (466,758) | | (546,796) |
| Dividends (1) | 193 | (54,464) | (824,726) | (3,985,128) |
| Comprehensive income (2) | 32,443 | (967,447) | (131,984) | (409,767) |
| Comprehensive income - Business Combination | | | | 1,944,676 |
| Equity (3) | 53,864 | 1,192,034 | (487,079) | 5,968,872 |
| Incorporation of subsidiary - CSN Cimentos | | | | (1,061,005) |
| Transfer of shares - Namisa and MRS | | 786,800 | | (6,173,113) |
| Transfer of assets - Casa de Pedra and Tecar | | | | 156,723 |
| Others | | 15 | | |
| Closing balance of investments | 4,084,727 | 3,998,227 | 22,042,470 | 23,323,565 |
| Balance of provision for investments | | | (1,246,952) | (1,095,086) |
| Total | 4,084,727 | 3,998,227 | 20,795,518 | 22,228,479 |

(1) In 2016 refers to the allocation of dividends from subsidiaries CSN Energia, Itá Energética, CSN Minerals and CSN Export.

(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) and actuarial gain/loss reflecting the investments measured by equity method.

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

| | 03/31/2016 | Consolidated 03/31/2015 |
|---|-------------------|------------------------------------|
| Equity income of affiliates and joint ventures | | |
| Nacional Minérios S.A. | | 396,481 |
| MRS Logística S.A. | 61,210 | 15,060 |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 1,416 | (1,976) |
| Transnordestina | (6,987) | (7,569) |
| Arvedi Metalfer do Brasil | | 1,268 |
| Others | (1,775) | |
| | 53,864 | 403,264 |
| Eliminations | | |
| To cost of sales | (13,462) | (7,919) |
| To net revenues | | 668 |
| To taxes | 4,577 | 2,465 |
| Equity in results | 44,979 | 398,478 |

8.c) Joint ventures and joint operations financial information

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

| | 03/31/2016 | | | | |
|---|----------------------------|----------------|--|-----------------------------|-----------------|
| | <i>Joint-Venture</i> | | | <i>Joint-Operation</i> | |
| Equity interest (%) | MRS Logística 34.94% | CBSI 50.00% | Transnordestina Logística 56.92% | Itá Energética 48.75% | CGPAR 50.00% |
| Balance sheet | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 446,584 | 28 | 17,777 | 15,434 | 9,518 |
| Advances to suppliers | 9,783 | 666 | 75,237 | 313 | 55 |
| Other current assets | 649,104 | 23,720 | 89,490 | 21,770 | 47,844 |
| Total current assets | 1,105,471 | 24,414 | 182,504 | 37,517 | 57,417 |
| Non-current assets | | | | | |
| Advances to suppliers | | | | | |
| Other non-current assets | 674,019 | 168 | 256,272 | 41,647 | 15,698 |
| Investments, PP&E and intangible assets | 6,153,486 | 4,245 | 7,099,943 | 525,807 | 27,624 |
| Total non-current assets | 6,827,505 | 4,413 | 7,356,215 | 567,454 | 43,322 |
| Total Assets | 7,932,976 | 28,827 | 7,538,719 | 604,971 | 100,739 |
| Current liabilities | | | | | |
| Borrowings and financing | 786,707 | | 43,752 | | 9,511 |
| Other current liabilities | 762,374 | 24,408 | 290,520 | 88,997 | 55,946 |
| Total current liabilities | 1,549,081 | 24,408 | 334,272 | 88,997 | 65,457 |
| Non-current liabilities | | | | | |
| Borrowings and financing | 2,664,076 | | 4,763,654 | | 10,571 |
| Other non-current liabilities | 571,375 | 2,500 | 220,001 | 2,347 | 480 |
| Total non-current liabilities | 3,235,451 | 2,500 | 4,983,655 | 2,347 | 11,051 |
| Shareholders' equity | 3,148,444 | 1,919 | 2,220,792 | 513,627 | 24,231 |
| Total liabilities and shareholders' equity | 7,932,976 | 28,827 | 7,538,719 | 604,971 | 100,739 |

| Equity interest (%) | <i>Joint-Venture</i> | | | <i>Joint-Operation</i> | |
|--|----------------------|--------------|------------------------------|------------------------|--------------|
| | MRS Logística | CBSI | Transnordestina Logística | Itá Energética | CGPAR |
| | 34.94% | 50.00% | 56.92% | 48.75% | 50.00% |
| Statements of Income | | | | | |
| Net revenue | 749,218 | 33,017 | | 42,466 | 32,013 |
| Cost of sales and services | (514,726) | (27,601) | | (23,016) | (23,245) |
| Gross profit | 234,492 | 5,416 | | 19,450 | 8,768 |
| Operating (expenses) income | 83,055 | (2,250) | (7,656) | (12,895) | (3,696) |
| Finance income (costs), net | (65,690) | (334) | (4,620) | 551 | (281) |
| Profit before income tax and social contribution | 251,857 | 2,832 | (12,276) | 7,106 | 4,791 |
| Current and deferred income tax and social contribution | (87,621) | | | (2,410) | (1,764) |
| Profit / (loss) for the period | 164,236 | 2,832 | (12,276) | 4,696 | 3,027 |

9. PROPERTY, PLANT AND EQUIPMENT

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

| | Land | Buildings and Infrastructure | Machinery. equipment and facilities | Furniture and fixtures | Construction in progress | Other (*) |
|--|----------------|---------------------------------|--|------------------------------|-----------------------------|----------------|
| Balance at December 31, 2015 | 264,289 | 2,696,126 | 11,109,272 | 38,986 | 3,199,386 | 563,540 |
| Cost | 264,289 | 3,436,458 | 18,638,117 | 183,086 | 3,199,386 | 811,535 |
| Accumulated depreciation | | (740,332) | (7,528,845) | (144,100) | | (247,995) |
| Balance at December 31, 2015 | 264,289 | 2,696,126 | 11,109,272 | 38,986 | 3,199,386 | 563,540 |
| Effect of foreign exchange differences | (3,242) | (10,389) | (44,919) | (226) | (2,264) | (1,496) |
| Acquisitions | | 89 | 22,785 | 237 | 289,441 | 17,280 |
| Capitalized interest (notes 23 and 27) | | | | | 57,661 | |
| Write-offs (note 22) | | | (6,178) | (2) | | (6,786) |
| Depreciation | | (27,946) | (268,969) | (1,496) | | (9,201) |
| Transfers to other asset categories | | | 58,831 | 42 | (57,084) | (1,789) |
| Others | | | 822 | | 3,457 | |
| Balance at March 31, 2016 | 261,047 | 2,657,880 | 10,871,644 | 37,541 | 3,490,597 | 561,548 |
| Cost | 261,047 | 3,418,499 | 18,608,626 | 181,682 | 3,490,597 | 819,860 |
| Accumulated depreciation | | (760,619) | (7,736,982) | (144,141) | | (258,312) |
| Balance at March 31, 2016 | 261,047 | 2,657,880 | 10,871,644 | 37,541 | 3,490,597 | 561,548 |

| | Land | Buildings and Infrastructure | Machinery, equipment and facilities | Furniture and fixtures | Construction in progress | Parent C Other (*) |
|--|---------------|---------------------------------|--|------------------------------|-----------------------------|-----------------------|
| Balance at December 31, 2015 | 83,350 | 869,071 | 6,103,720 | 17,679 | 1,723,327 | 69,201 |
| Cost | 83,350 | 1,025,848 | 10,677,122 | 118,301 | 1,723,327 | 159,914 |
| Accumulated depreciation | | (156,777) | (4,573,402) | (100,622) | | (90,713) |
| Balance at December 31, 2015 | 83,350 | 869,071 | 6,103,720 | 17,679 | 1,723,327 | 69,201 |
| Acquisitions | | | 11,372 | 99 | 212,862 | 11,724 |
| Capitalized interest (notes 23 and 27) | | | | | 32,730 | |
| Write-offs (note 22) | | | (7) | (2) | | (7,581) |
| Depreciation | | (6,026) | (125,824) | (734) | | (1,594) |
| Transfers to other asset categories | | | 27,008 | | (27,008) | |
| Others | | | (15) | | 2,456 | 1 |
| Balance at March 31, 2016 | 83,350 | 863,045 | 6,016,254 | 17,042 | 1,944,367 | 71,751 |
| Cost | 83,350 | 1,025,846 | 10,715,489 | 117,997 | 1,944,367 | 170,778 |
| Accumulated depreciation | | (162,801) | (4,699,235) | (100,955) | | (99,027) |
| Balance at March 31, 2016 | 83,350 | 863,045 | 6,016,254 | 17,042 | 1,944,367 | 71,751 |

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

The breakdown of the projects that make up the work in progress is as follows:

| Project description | Start date | Completion date | Consolidado | |
|---------------------|---------------|--------------------|-------------|------------|
| | | | 03/31/2016 | 12/31/2015 |
| Logistics | | | 43,784 | 35,457 |

| | | | | | | |
|--|--|------|---------------|-----|------------------|------------------|
| | Current investments for maintenance of current operations. | | | | 43,784 | 35,457 |
| Mining | | | | | | |
| | Expansion of Casa de Pedra Mine capacity production. | 2007 | 2016/2017 (1) | | 740,149 | 709,945 |
| | Expansion of TECAR export capacity. | 2009 | 2020 (2) | | 403,882 | 390,920 |
| | Current investments for maintenance of current operations. | | | | 311,479 | 302,764 |
| | | | | | 1,455,510 | 1,403,629 |
| Steel | | | | | | |
| | Equipment supply for use in the steel operation. | 2008 | 2016 | | 93,493 | 105,697 |
| | Expansion of the service center/Mogi. | 2013 | 2015/2016 (3) | | 15,022 | 14,950 |
| | Current investments for maintenance of current operations. | | | (4) | 453,514 | 375,579 |
| | | | | | 562,029 | 496,226 |
| Cement | | | | | | |
| | Construction of cement plants. | 2011 | 2016 (5) | | 1,420,913 | 1,254,897 |
| | Current investments for maintenance of current operations. | | | | 8,361 | 9,177 |
| | | | | | 1,429,274 | 1,264,074 |
| Total of construction in progress | | | | | 3,490,597 | 3,199,386 |

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

(2) Estimated completion date of phase 60 Mtpa;

(3) Estimated completion date of Mogi Service Center;

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

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

The estimated useful lives are as follows:

| | | Consolidated | | | Parent Company | |
|-------------------------------------|-------------------|---------------------|--|-------------------|-----------------------|--|
| | 03/31/2016 | 12/31/2015 | | 03/31/2016 | 12/31/2015 | |
| <i>In Years</i> | | | | | | |
| Buildings | 43 | 43 | | 43 | 43 | |
| Machinery, equipment and facilities | 18 | 18 | | 18 | 18 | |
| Furniture and fixtures | 11 | 11 | | 11 | 11 | |
| Others | 14 | 14 | | 11 | 11 | |

9.a) Depreciation and amortization expense:

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

| | | Consolidated | | | Parent Company | |
|-------------------------------------|-------------------|---------------------|--|-------------------|-----------------------|--|
| | 03/31/2016 | 03/31/2015 | | 03/31/2016 | 03/31/2015 | |
| Production costs | 303,911 | 258,876 | | 131,468 | 202,412 | |
| Sales expenses | 2,274 | 2,300 | | 1,810 | 1,778 | |
| General and Administrative Expenses | 3,651 | 3,322 | | 2,247 | 2,139 | |
| | 309,836 | 264,498 | | 135,525 | 206,329 | |
| Other operating expenses (*) | 12,108 | 9,004 | | | | |
| | 321,944 | 273,502 | | 135,525 | 206,329 | |

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

10. INTANGIBLE ASSETS

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

| | Goodwill | Customer relationships | Software | Trademarks and patents | Rights and licenses | Other |
|--|------------------|-------------------------------|-----------------|-------------------------------|----------------------------|--------------|
| Balance at December 31, 2015 | 4,098,465 | 413,387 | 75,236 | 143,636 | 727,390 | 39 |
| Cost | 4,357,799 | 549,413 | 173,154 | 143,636 | 727,390 | 39 |
| Accumulated amortization | (150,004) | (136,026) | (97,918) | | | |
| Adjustment for accumulated recoverable value | (109,330) | | | | | |
| Balance at December 31, 2015 | 4,098,465 | 413,387 | 75,236 | 143,636 | 727,390 | 39 |
| Effect of foreign exchange differences | | (18,361) | (37) | (6,640) | | (18) |
| Acquisitions and expenditures | | | 6 | | | |
| Amortization | | (11,491) | (2,841) | | | |
| Balance at March 31, 2016 | 4,098,465 | 383,535 | 72,364 | 136,996 | 727,390 | 37 |
| Cost | 4,357,799 | 524,084 | 170,930 | 136,996 | 727,390 | 37 |
| Accumulated amortization | (150,004) | (140,549) | (98,566) | | | |
| Adjustment for accumulated recoverable value | (109,330) | | | | | |
| Balance at March 31, 2016 | 4,098,465 | 383,535 | 72,364 | 136,996 | 727,390 | 37 |

The estimated useful lives for the current year are as follows:

| | 03/31/2016 | Consolidated 12/31/2015 | 03/31/2016 | Parent Company 12/31/2015 |
|------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Software | 5 | 5 | 5 | 5 |
| Customer relationships | 13 | 13 | | |

11. BORROWINGS, FINANCING AND DEBENTURES

As of March 31, 2016 the balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

| | Rates p.a. (%) | Consolidated | | | | |
|---|--|---------------------|------------------|-------------------------|-------------------|------------------|
| | | Current liabilities | | Non-current liabilities | | Current li |
| | | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | 03/31/2016 1 |
| FOREIGN CURRENCY | | | | | | |
| Prepayment (*) | 1% to 3.5% | 258,084 | 207,657 | 2,299,050 | 2,633,137 | 258,084 |
| Prepayment (*) | 3.51% to 8% | 294,991 | 286,487 | 3,125,900 | 3,429,716 | 346,027 |
| Perpetual bonds | 7% | 4,844 | 5,315 | 3,558,900 | 3,904,800 | |
| Fixed rate notes (*) | 4.14% to 10% | 49,305 | 175,768 | 6,038,019 | 6,910,992 | 78,243 |
| Intercompany (*) | Libor 6M to 3% | | | | | 1,157,877 |
| Forfeiting (**) | Libor + Spread | 264,739 | 288,772 | | | 264,739 |
| Others | 1.2% to 8% | 104,315 | 115,594 | 305,784 | 425,635 | |
| | | 976,278 | 1,079,593 | 15,327,653 | 17,304,280 | 2,104,970 |
| LOCAL CURRENCY | | | | | | |
| BNDES/FINAME | 1.3% + TJLP and fixed rate 2.5% to 6% + 1.5% | 63,099 | 55,435 | 1,016,389 | 1,018,189 | 36,118 |
| Debentures | 110.8% to 113.7% of CDI | 133,290 | 60,670 | 1,653,333 | 1,750,000 | 133,290 |
| Prepayment (*) | 109.5% to 116.5% CDI and fixed rate of 8% | 185,725 | 522,418 | 5,460,000 | 5,200,000 | 115,780 |
| CCB | 112.5% and 113% CDI | 88,538 | 92,976 | 7,200,000 | 7,200,000 | 88,538 |
| Intercompany (*) | 110.79% CDI | | | | | 40,623 |
| Drawee risk (**) | | 39,221 | 84,063 | | | 39,221 |
| Others | | | 6,229 | | 12,107 | |
| | | 509,873 | 821,791 | 15,329,722 | 15,180,296 | 453,570 |
| Total borrowings and financing | | 1,486,151 | 1,901,384 | 30,657,375 | 32,484,576 | 2,558,540 |
| Transaction costs and issue premiums | | (26,374) | (26,703) | (96,318) | (76,742) | (21,727) |
| Total borrowings and financing + transaction costs | | 1,459,777 | 1,874,681 | 30,561,057 | 32,407,834 | 2,536,813 |

(*) The balances of prepaid related parties borrowings total R\$5,376,489 as of March 31, 2016 (R\$5,929,037 as of December 31, 2015) and the balances of Fixed Rate Notes and intercompany Bonds total R\$3,775,266 (R\$4,088,749 as of December 31, 2015), see note 17b.

(**) The balances of forfaiting and drawee risk operations totaled R\$ 303,960 at March 31, 2016 (R\$372,835 at December 31, 2015).

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

As of March 31, 2016, the breakdown of principal plus interest of long-term liabilities as borrowings, financing and debentures by its maturity date is presented as follows:

| | | Consolidated | | Parent Company |
|-----------------|-------------------|---------------------|-------------------|-----------------------|
| 2017 | 1,240,173 | 4% | 2,963,632 | 10% |
| 2018 | 5,691,969 | 19% | 4,852,103 | 16% |
| 2019 | 7,295,446 | 24% | 5,555,468 | 19% |
| 2020 | 7,952,690 | 26% | 4,886,901 | 16% |
| 2021 | 2,264,963 | 7% | 2,933,977 | 10% |
| After 2021 | 2,653,234 | 9% | 8,450,207 | 29% |
| Perpetual bonds | 3,558,900 | 11% | | |
| | 30,657,375 | 100% | 29,642,288 | 100% |

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

The table below shows the new funding transactions and redemption during the year:

| | Consolidated | | Parent Company | |
|--|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Opening balance | 34,282,515 | 30,354,058 | 33,988,090 | 29,560,826 |
| Funding transactions | | 978,206 | 40,239 | 2,694,533 |
| Forfaiting funding / Drawee Risk | 76,338 | 924,706 | 76,338 | 924,706 |
| Repayment | (215,756) | (2,850,077) | (100,410) | (1,542,921) |
| Charges – payments | (121,180) | (1,146,306) | (121,180) | (1,146,306) |
| Forfaiting payments | (932,279) | (2,957,762) | (671,713) | (2,656,208) |
| Forfaiting charges | | (7,064) | | (7,064) |
| Provision of charges | 803,347 | 3,052,164 | 661,722 | 2,996,662 |
| Provision charges Forfaiting / Drawee Risk | 1,961 | 2,032 | 1,961 | 2,032 |
| Other (1) | (1,874,112) | 5,932,558 | (1,785,311) | 3,161,830 |
| Closing balance | 32,020,834 | 34,282,515 | 32,089,736 | 33,988,090 |

(1) Includes interests, unrealized foreign exchange and monetary gains and losses.

In first quarter of 2016, the Group amortized loans as shown below:

- **Amortization**

| | Transaction | Payment of principal | Consolidated Debt charges |
|------------------|--------------------|-----------------------------|----------------------------------|
| Fixed Rate Notes | | 105,178 | 329,767 |
| Debentures | | | 88,118 |

| | | |
|----------------------|----------------|----------------|
| Bank Credit Bill | | 268,831 |
| Export Credit Note | 65,000 | 211,380 |
| Pre - Export Payment | 34,032 | 25,114 |
| BNDES/FINAME | 8,517 | 8,310 |
| Others | 3,029 | 759 |
| Total | 215,756 | 932,279 |

12. FINANCIAL INSTRUMENTS

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

I - Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, marketable securities, trade receivables, trade payables, and borrowings and financing. The Company also enters into derivative transactions, especially 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 | 03/31/2016 | |
|---|-------|--------------------|-----------------------------------|---|---|-------------------|----------|
| | | | | | | Balances | Av fo |
| Assets | | | | | | | |
| Current | | | | | | | |
| Cash and cash equivalents | 3 | | | 5,540,940 | | 5,540,940 | |
| Short-term investments - margin deposit (*) | 4 | | | 764,132 | | 764,132 | |
| Trade receivables | 5 | | | 1,745,549 | | 1,745,549 | |
| Derivative financial instruments | 7 | | | | | | |
| Trading securities | 7 | | 10,861 | | | 10,861 | |
| Total | | | 10,861 | 8,050,621 | | 8,061,482 | |
| Non-current | | | | | | | |
| Other trade receivables | 7 | | | 11,249 | | 11,249 | |
| Investments | 8 | 504,027 | | | | 504,027 | 4 |
| Loans - related parties | 7 | | | 386,128 | | 386,128 | |
| Total | | 504,027 | | 397,377 | | 901,404 | 4 |
| Total assets | | 504,027 | 10,861 | 8,447,998 | | 8,962,886 | 4 |
| Liabilities | | | | | | | |
| Current | | | | | | | |
| Borrowings and financing | 11 | | | | 1,486,151 | 1,486,151 | |
| Derivative financial instruments | 13 | | 40,027 | | | 40,027 | |
| Trade payables | | | | | 1,235,417 | 1,235,417 | |
| Dividends and interest on capital | | | | | 464,793 | 464,793 | |
| Total | | | 40,027 | | 3,186,361 | 3,226,388 | |
| Non-current | | | | | | | |
| Borrowings and financing | 11 | | | | 30,657,375 | 30,657,375 | |
| Total | | | | | 30,657,375 | 30,657,375 | |

Total liabilities **40,027** **33,843,736** **33,883,763**

(*) Short-term investments as collateral with foreign exchange transactions on the BM & F (derivatives)

- Fair value measurement**

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

| Consolidated | Level 1 | Level 2 | 03/31/2016 | | 12/31/2015 |
|---|----------------|---------------|----------------|----------------|----------------|
| | | | Balances | Level 1 | Level 2 |
| Assets | | | | | |
| Current | | | | | |
| Financial assets at fair value through profit or loss | | | | | |
| Derivative financial instruments | | | | 118,592 | 118,592 |
| Trading securities | 10,861 | | 10,861 | 10,778 | 10,778 |
| Non-current | | | | | |
| Available-for-sale financial assets | | | | | |
| Investments | 504,027 | | 504,027 | 471,674 | 471,674 |
| Total assets | 514,888 | | 514,888 | 482,452 | 118,592 |
| Liabilities | | | | | |
| Current | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative financial instruments | | 40,027 | 40,027 | 26,257 | 26,257 |
| Total liabilities | | 40,027 | 40,027 | 26,257 | 26,257 |

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

The Company has investments in common (USIM3) and preferred (USIM5) shares of Usiminas (“Usiminas Shares”), designated as available-for-sale financial assets. The Company adopts this designation because the nature of the investment is not comprised in any other categories of financial instruments (loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss). The asset is classified as a non-current asset in line item “investments” and is carried at fair value based on the quoted price on the stock exchange (BM&FBOVESPA). According to the Company’s policy, the gains and losses arising from changes in the price of shares are recorded directly in equity, as other comprehensive income.

As of March 31, 2016, there was no impairment recorded and the gain from the change in share price of the period was recorded in other comprehensive income (as of March 31, 2015, the impairment recorded amounted to R\$ 8,417):

| Class of shares | Quantity | 03/31/2016 | | 12/31/2015 | | Variation in the quarter | |
|-----------------|--------------------|-------------|-----------------|-------------|-----------------|--------------------------|----------------------------------|
| | | Share price | Closing Balance | Share price | Closing Balance | Share price | Variation in the carrying amount |
| Common | 71,390,300 | 4.09 | 291,986 | 4.02 | 286,989 | 0.07 | 4,997 |
| Preferred | 105,215,700 | 1.81 | 190,440 | 1.55 | 163,084 | 0.26 | 27,356 |
| | 176,606,000 | | 482,426 | | 450,073 | | 32,353 |

As of March 31, 2016, the Company’s shareholding equity in USIMINAS was 14.13% in the common shares and 20.69% in preferred shares.

As of March 31, 2016 the carrying amount recorded in other comprehensive income for investments available for sale is R\$32,280 (R\$ (73) as of December 31, 2015).

III - Financial risk management

As of March 31, 2016, there were no changes in the financial risk management policies in relation to those disclosed in the Company's financial statements for the year ended December 31, 2015.

12.a) Foreign exchange and interest rate risks

- **Exchange rate risk**

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

The consolidated net exposure as of March 31, 2016 is as follows:

| Foreign Exchange Exposure | (Amounts in US\$'000) | 03/31/2016 (Amounts in €'000) |
|--|----------------------------------|--|
| Cash and cash equivalents overseas | 1,288,486 | 55,745 |
| Trade receivables | 314,526 | 10,029 |
| Other assets | 6,514 | 21,537 |
| Total assets | 1,609,526 | 87,311 |
| Borrowings and financing | (4,465,939) | (96,641) |
| Trade payables | (7,435) | (6,301) |
| Other liabilities | (5,896) | (70,168) |
| Total liabilities | (4,479,270) | (173,110) |
| Foreign exchange exposure | (2,869,744) | (85,799) |
| Notional amount of derivatives contracted, net | 1,435,000 | |
| Cash flow hedge accounting | 1,549,333 | |
| Net Investment hedge accounting | | 96,000 |
| Net foreign exchange exposure | 114,589 | 10,201 |

- **Interest rate risk**

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

Item 12 b) shows the derivatives and hedging strategies to protect exchange and interest rates risks.

12.b) Hedging instruments: derivatives and hedge accounting

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

- Portfolio of derivative financial instruments

| Counterparties | Maturity | Functional Currency | Notional amount | Appreciation (R\$) | | 03/31/2016 Fair value (market) Amounts receivable / (payable) | Notional amount | Appreciation (R\$) | |
|---|--------------------------------|---------------------|------------------|--------------------|--------------------|--|------------------|--------------------|--------------------|
| | | | | Asset position | Liability position | | | Asset position | Liability position |
| BM&FBovespa | 2/5/2016 | Dollar | 1,435,000 | | (39,164) | (39,164) | 1,435,000 | 110,075 | |
| Total forward dollar | | | 1,435,000 | | (39,164) | (39,164) | 1,435,000 | 110,075 | |
| BBVA | | Dollar | | | | | 39,450 | 154,017 | (147,67) |
| BNPP | 04/08/2016 to 06/02/2016 | Dollar | 36,550 | 130,145 | (131,008) | (863) | 18,700 | 73,007 | (71,70) |
| Total dollar-to-euro swap | | | 36,550 | 130,145 | (131,008) | (863) | 58,150 | 227,024 | (219,37) |
| Itaú BBA | | Real | | | | | 150,000 | 189,760 | (200,68) |
| HSBC | | Real | | | | | 185,000 | 233,125 | (247,71) |
| Deutsche Bank | | Real | | | | | 10,000 | 12,579 | (13,33) |
| Total Fixed rate-to-CDI interest rate swap | | | | | | | 345,000 | 435,464 | (461,72) |
| Itaú BBA | | Real | | | | | 30,000 | 33,396 | (33,23) |
| HSBC | | Real | | | | | 120,000 | 133,508 | (132,80) |
| Total interest rate- to-CDI swap | | | | | | | 150,000 | 166,904 | (166,03) |
| | | | | 130,145 | (170,172) | (40,027) | | 939,467 | (847,13) |

During April 2016 the Company reassessed its hedging strategy to adapt it to the foreign exchange exposure of future payments and receipts to the US dollar. As a result, there was a readjustment of the volume in the portfolio of derivative financial instruments and of future dollar. In this context, the Company decided not to renew the future dollar operations that matured on May 2, 2016.

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

| Instruments | Assets | | | Liabilities | | | 03/31/2016 |
|-------------------------------------|-------------|-------------|---------|---------------|-------------|-------------------|--|
| | Current | Non-current | Total | Current | Non-current | Total | Finance income and expenses, net (Note 23) |
| <i>Future Dollar BM&F</i> | | | | 39,164 | | 39,164 | (681,176) |
| <i>Dollar - to-euro swap</i> | | | | 863 | | 863 | (7,506) |
| <i>Fixed rate- to-CDI swap (*)</i> | | | | | | | (299) |
| <i>CDI -to- fixed rate swap (*)</i> | | | | | | | (63) |
| | | | | 40,027 | | 40,027 | (689,044) |
| | | | | | | 12/31/2015 | 03/31/2015 |
| Instruments | Assets | | | Liabilities | | | Finance income and expenses, net (Note 23) |
| Current | Non-current | Total | Current | Non-current | Total | | |
| <i>Dollar - to-CDI swap</i> | | | | | | | (18) |
| <i>Dollar- to-real NDF</i> | | | | | | | 436,600 |
| <i>Future Dollar BM&F</i> | 110,075 | | 110,075 | | | | |
| <i>Dollar- to-euro NDF</i> | | | | | | | 33,454 |
| <i>Dollar - to-euro swap</i> | 7,647 | | 7,647 | | | | 12,568 |
| | | | | 26,257 | | 26,257 | (1,479) |

| | | | | | |
|-------------------------------------|----------------|----------------|---------------|---------------|----------------|
| <i>Fixed rate- to- CDI swap</i> | | | | | |
| <i>CDI -to- fixed rate swap</i> | 870 | 870 | | | 354 |
| | 118,592 | 118,592 | 26,257 | 26,257 | 481,479 |

(*) The positions of swap transactions were settled in February and March 2016.

- **Hedge accounting – cash flow**

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

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

The table below shows a summary of the hedging relationships as of March 31, 2016:

| Designation Date | Hedging Instrument | Hedged item | Type of hedged risk | Hedged period | Exchange rate on designation | Designated amounts (US\$'000) | Amortized part (USD'000) | Impact on finance income (cost) (*) |
|------------------|---|---|---|-----------------------------|------------------------------|-------------------------------|--------------------------|-------------------------------------|
| 3/11/2014 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2016-September 2019 | 2.4442 | 500,000 | | |
| 1/12/2014 | Export prepayments in US\$ to | Part of the highly | Foreign exchange - R\$ vs. | October 2015-February | 2.5601 | 175,000 | (16,667) | (12,697) |

| | | | | | | |
|------------|---|--|---|-----------------------------|--------|---------|
| | third parties | probable future monthly iron ore exports Part of the highly probable future monthly iron ore exports | US\$ spot rate | 2019 | | |
| 12/18/2014 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | May 2020 | 2.6781 | 100,000 |
| 07/21/2015 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | July 2019 - March 2021 | 3.1813 | 60,000 |
| 07/23/2015 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | July 2019 - March 2021 | 3.2850 | 100,000 |
| 07/23/2015 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.2850 | 30,000 |
| 07/24/2015 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3254 | 100,000 |
| 07/27/2015 | Export prepayments in US\$ to third parties | Part of the highly probable future monthly | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3557 | 25,000 |

| | | | | | | |
|--------------|---|---|---|-----------------------------|--------|------------------------------------|
| 07/27/2015 | Export prepayments in US\$ to third parties | iron ore exports Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3557 | 70,000 |
| 07/27/2015 | Export prepayments in US\$ to third parties | iron ore exports Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3557 | 30,000 |
| 07/28/2015 | Export prepayments in US\$ to third parties | iron ore exports Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3815 | 30,000 |
| 1/8/2015 | Export prepayments in US\$ to third parties | iron ore exports Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | (1) | 3.3940 | (9,000) |
| 3/8/2015 | Export prepayments in US\$ to third parties | iron ore exports Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | October 2018 - October 2022 | 3.3940 | 355,000 |
| Total | | | | | | 1,566,000 (16,667) (12,697) |

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

(1) During the designation on August 2015, we reviewed the future export projections and identified that the amount of US\$ 9 million designated previously were not highly probable due to Platt's quotation reduction.

Therefore, the hedge relationship was discontinued from August 2015. The exchange rate of the effective period remains recorded in Stockholders' Equity until the time of debt settlement.

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

The movements in the hedge accounting amounts recognized in shareholders' equity as of March 31, 2015 are as follows:

| | 12/31/2015 | Movement | Realizat |
|---|-------------------|------------------|-----------------|
| Cash flow hedge accounting | 1,520,090 | (534,423) | (12,6 |
| Income tax and social contribution on cash flow hedge accounting | (516,831) | 181,704 | |
| Not recorded Income tax and social contribution on cash flow hedge accounting | 357,951 | (181,704) | |
| Cash flow hedge accounting | 1,361,210 | (534,423) | (12,6 |

As of March 31, 2016 the hedging relationships established by the Company were effective, according to the prospective tests conducted. Thus, no reversal for hedge accounting ineffectiveness was recognized.

- **Net investment hedge in foreign subsidiaries**

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

As from September 1st, 2015 CSN began to adopt hedge of net investment to eliminate exposure in order to cover future fluctuations of the Euro on such loans. Non-derivative financial liabilities have been designated represented by loan agreements with financial institutions in the amount of € 120 million. The carrying amounts as of March 31, 2016 are:

03/31/2016

| Designation Date | Hedging Instrument | Hedged item | Type of hedged risk | Exchange rate on designation | Designated amounts (EUR'000) | Impact on shareholders' equity |
|------------------|---|--|--|------------------------------|------------------------------|--------------------------------|
| 1/9/2015 | Non-derivative financial liabilities in EUR – Debt contract | Investments in subsidiaries which EUR is the functional currency | Foreign exchange - R\$ vs. EUR spot rate | 4.0825 | 120,000 | (1,284) |
| 01/31/2016 | Non-derivative financial liabilities in EUR – Debt contract | Investments in subsidiaries which EUR is the functional currency | Foreign exchange - R\$ vs. EUR spot rate | (1) | (24,000) | |
| Total | | | | | 96,000 | (1,284) |

(1) In January 2016 it was settled the portion of debt designated as a hedge instrument.

Changes in amounts related to net investment hedge as of March 31, 2016 are presented below:

| | 12/31/2015 | Movement | Realization | 03/31/2016 |
|---|---------------|-----------------|-------------|--------------|
| Net Investment hedge accounting | 20,148 | (18,864) | | 1,284 |
| Fair value of net investment hedge in foreign operations | 20,148 | (18,864) | | 1,284 |

On March 31, 2016 hedge relationships established by the Company found to be effective, according to prospective tests. Therefore, no reversal by ineffectiveness of the hedge was recorded.

12.c) Sensitivity analysis

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

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

The Company considered scenarios 1 and 2 as 25% and 50% of deterioration for volatility of the currency, using as reference the closing exchange rate as of March 31, 2016.

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

| Currency | Exchange rate | Probable scenario | 03/31/2016 | |
|-----------|---------------|-------------------|------------|------------|
| | | | Scenario 1 | Scenario 2 |
| USD | 3.5589 | 3.5555 | 4.4486 | 5.3384 |
| EUR | 4.0539 | 4.0914 | 5.0674 | 6.0809 |
| USD x EUR | 1.1385 | 1.1569 | 1.4231 | 1.7078 |

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

| Instruments | Notional | Risk | Probable scenario (*) | 03/31/2016 | |
|---|----------------|---------------|-----------------------|----------------|----------------|
| | | | | Scenario 1 | Scenario 2 |
| Future dólar | 1,435,000 | Dollar | (5,597) | 1,276,755 | 2,553,511 |
| Hedge accounting of exports | 1,549,333 | Dollar | (6,042) | 1,378,481 | 2,756,961 |
| Currency position (not including exchange derivatives above) | (2,869,744) | Dollar | 11,192 | (2,553,283) | (5,106,566) |
| Consolidated exchange position (including exchange derivatives above) | 114,589 | Dollar | (447) | 101,953 | 203,906 |
| Net Investment hedge accounting | 96,000 | Euro | 3,600 | 97,293 | 194,590 |
| Currency position | (85,799) | Euro | (3,217) | (86,955) | (173,913) |
| Consolidated exchange position (including exchange derivatives above) | 10,201 | Euro | 383 | 10,338 | 20,677 |
| Dollar-to-euro swap | 36,550 | Dollar | (1,979) | (7,889) | (12,170) |

(*) The likely scenarios were calculated considering the following changes to the risks: Real x Dollar - Real appreciation of 0.10% / Real x Euro – Real depreciation of 0.93% / Dollar x Euro - Dollar depreciation of 1.62%. Source: Banco Central do Brasil and Central Bank of Europe on May 03, 2016.

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

The Company considered the scenarios 1, and 2 as 25% and 50% of evolution for volatility of the interest as of March 31, 2016.

| Changes in interest rates | % p.a | Probable scenario (*) | Impact on profit or loss | |
|----------------------------------|--------------|------------------------------|---------------------------------|-------------------|
| | | | Scenario 1 | Scenario 2 |
| TJLP | 7.50 | (51,562) | (19,925) | (39,850) |
| Libor | 0.90 | (480,451) | (13,283) | (26,566) |
| CDI | 14.13 | 918,879 | (466,454) | (932,908) |

(*) The sensitivity analysis is based on the assumption of maintaining as probable scenario the market values at March 31, 2016 recorded in the Company's assets and liabilities.

12.d) Liquidity risk

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

| | | | | | Consolidated |
|--------------------------------------|-------------------------------|--------------------------------------|---------------------------------------|----------------------------|---------------------|
| | Less than one year | From one to two years | From two to five years | Over five years | Total |
| At March 31, 2016 | | | | | |
| Borrowings, financing and debentures | 1,486,151 | 6,932,142 | 17,513,099 | 6,212,134 | 32,143,526 |
| Derivative financial instruments | 40,027 | | | | 40,027 |
| Trade payables | 1,235,417 | | | | 1,235,417 |
| Dividends and interest on capital | 464,793 | | | | 464,793 |

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

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

| | Closing Balance | 03/31/2016 Fair value | Closing Balance | 12/31/2015 Fair value |
|------------------|------------------------|----------------------------------|------------------------|----------------------------------|
| Perpetual bonds | 3,563,744 | 1,451,681 | 3,910,115 | 1,330,685 |
| Fixed Rate Notes | 6,087,324 | 3,646,390 | 7,086,760 | 3,915,310 |

13. OTHER PAYABLES

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

| | Current | | Consolidated Non-current | | Current | |
|--|-------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Payables to related parties (note 17 b) | 6,722 | 6,798 | 240 | | 116,760 | 110,100 |
| Derivative financial instruments (note 12 I) | 40,027 | 26,257 | | | | |
| Exclusive funds (1) | | | | | 39,164 | 25,380 |
| Dividends and interest on capital payable to non-controlling shareholders (2) | 464,793 | 464,982 | | | 2,262 | 2,260 |
| Advances from customers | 66,781 | 49,505 | | | 55,055 | 40,980 |
| Taxes in installments | 24,675 | 24,237 | 86,533 | 87,890 | 9,385 | 9,200 |
| Profit sharing - employees | 218,088 | 171,695 | | | 152,181 | 121,420 |
| Provision for freight | 25,060 | 105,104 | | | 10,986 | 10,190 |
| Provision industrial restructuring | 103,353 | 122,854 | | | 58,639 | 74,380 |
| Taxes payable | | | 20,530 | 7,805 | | |
| Other provisions | 27,474 | 30,784 | | | 7,106 | 10,280 |
| Other payables | 69,289 | 70,801 | 41,015 | 35,589 | 5,423 | 7,460 |
| | 1,046,262 | 1,073,017 | 148,318 | 131,284 | 456,961 | 411,690 |

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

(2) Dividends payable by the subsidiary Congonhas with settlement scheduled for November 30, 2016.

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

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

| | Consolidated | | Parent Compar | |
|--|---------------------|-------------------|----------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Income tax and social contribution income (expense) | | | | |
| Current | (52,529) | (213,959) | (51) | (156,760) |
| Deferred | (69,681) | 716,476 | (29,331) | 694,540 |
| | (122,210) | 502,517 | (29,382) | 537,780 |

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

| | Consolidated | | Parent |
|--|---------------------|-------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 |
| Loss before income tax and social contribution | (709,082) | (110,715) | (807,308) |
| Tax rate | 34% | 34% | 34% |
| Income tax and social contribution at combined statutory rate | 241,088 | 37,643 | 274,485 |
| Adjustment to reflect the effective rate: | | | |
| Equity | 15,293 | 135,483 | (165,607) |
| Profit with differentiated rates or untaxed | (176,452) | 341,267 | |
| Transfer pricing adjustment | (44,172) | (241) | |
| Tax loss carryforwards without recognizing deferred taxes | (448,216) | (10,830) | (434,432) |
| Indebtdness limit | (9,211) | (7,718) | (9,211) |
| Deferred taxes on temporary differences - non computed (1) | 304,991 | | 305,359 |

| | | | |
|--|------------------|----------------|-----------------|
| Deferred taxes on foreign profit | (6,798) | | |
| Other permanent deductions (add-backs) | 1,267 | 6,913 | 24 |
| Income tax and social contribution in profit for the period | (122,210) | 502,517 | (29,382) |
| Effective tax rate | -17% | 454% | -4% |

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

14.b) Deferred income tax and social contribution:

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

| | Opening balance 12/31/2015 | Co |
|--|---------------------------------------|----|
| Deferred tax assets | | |
| Income tax losses | 226,245 | |
| Social contribution tax losses | 93,031 | |
| Temporary differences | 2,987,751 | |
| - Provision for tax. social security, labor, civil and environmental risks | 219,859 | |
| - Provision for environmental liabilities | 88,501 | |
| - Asset impairment losses | 67,485 | |
| - Inventory impairment losses | 15,938 | |
| - (Gains)/losses on financial instruments | (5,454) | |
| - (Gains)/losses on available-for-sale financial assets | 932,016 | |
| - Income tax and social contribution non computed over available-for-sale financial assets | 15,973 | |
| - Actuarial liability (pension and healthcare plan) | 163,559 | |
| - Accrued supplies and services | 49,040 | |
| - Allowance for doubtful debts | 31,414 | |
| - Unrealized exchange differences (*) | 2,427,926 | |
| - (Gain) on loss of control over Transnordestina | (224,096) | |
| - Cash flow hedge accounting | 516,831 | |
| - Income tax and social contribution non computed over cash flow hedge accounting | (357,951) | |
| - Deferred taxes non computed | (1,133,091) | |
| - Other | 179,801 | |
| Non-current assets | 3,307,027 | |
| Deferred tax liabilities | | |
| Temporary differences | 494,851 | |
| - Provision for tax. social security, labor, civil and environmental risks | (14,869) | |

| | |
|---|----------------|
| - Provision for environmental liabilities | (789) |
| - Asset impairment losses | (18,441) |
| - Inventory impairment losses | (11,160) |
| - Actuarial liability (pension and healthcare plan) | (608) |
| - Accrued supplies and services | (42,950) |
| - Allowance for doubtful debts | (1,128) |
| - Fair value adjustment - SWT Aquisition | 252,549 |
| - Fair Value adjustment - Mining Business combination | 336,443 |
| - Unrealized exchange differences (*) | |
| Income tax paid abroad | |
| - Others | (4,196) |
| Non-current liabilities | 494,851 |

| | Opening balance 12/31/2015 | Co |
|--|-------------------------------|----|
| Deferred tax assets | | |
| Income tax losses | 226,246 | |
| Social contribution tax losses | 93,031 | |
| Temporary differences | 2,909,684 | |
| - Provision for tax. social security, labor, civil and environmental risks | 216,862 | |
| - Provision for environmental liabilities | 88,501 | |
| - Asset impairment losses | 67,483 | |
| - Inventory impairment losses | 13,757 | |
| (Gain)/loss in financial instruments | (5,454) | |
| - (Gains)/losses on available-for-sale financial assets | 932,016 | |
| - Income tax and social contribution non computed over available-for-sale financial assets | 15,973 | |
| - Actuarial liability (pension and healthcare plan) | 163,560 | |
| - Accrued supplies and services | 49,040 | |
| - Allowance for doubtful debts | 28,087 | |
| - Unrealized exchange differences (*) | 2,427,926 | |
| (Gain) in control loss on Transnorderstina | (224,096) | |
| - Cash flow hedge accounting | 516,831 | |
| - Income tax and social contribution non computed over cash flow hedge accounting | (357,951) | |
| - Deferred taxes non computed | (1,133,091) | |
| - Other | 110,240 | |
| Non-current assets | 3,228,961 | |

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

The Company has overseas subsidiaries in its corporate structure, for which profits are taxed at income tax in the countries where they are domiciled by lower rates than those prevailing in Brazil. From 2011 to 1st quarter 2016 some abroad subsidiaries generated profits amounting to R\$4,039,308. If for some reason tax authorities understand that these profits have already been distributed, the additional taxation in Brazil would amount approximately to R\$1,373,365 in income tax and social contribution.

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

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

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

| | Consolidated | | Parent Co | |
|--|------------------|------------------|------------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Income tax and social contribution | | | | |
| Actuarial gains on defined benefit pension plan | 64,573 | 64,489 | 65,128 | |
| Changes in the fair value on available-for-sale financial assets | 38 | 38 | 38 | |
| Actuarial gains and assets available for sale by incorporation | | | | (|
| Exchange differences on translating foreign operations | (425,510) | (425,510) | (425,510) | (4 |
| Cash flow hedge accounting | 158,880 | 158,880 | 158,880 | 1 |
| | (202,019) | (202,103) | (201,464) | (20 |

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

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

| | Consolidated | | | | Parent Company | | | |
|-------------------|---------------------|----------------|-------------------|----------------|---------------------|----------------|-------------------|----------------|
| | Accrued liabilities | | Judicial deposits | | Accrued liabilities | | Judicial deposits | |
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Tax | 145,822 | 143,852 | 82,254 | 82,472 | 84,125 | 82,619 | 65,321 | 67,843 |
| Social security | 71,804 | 70,174 | 46,193 | 46,193 | 70,903 | 69,293 | 46,193 | 46,193 |
| Labor | 474,861 | 478,611 | 164,211 | 165,027 | 390,950 | 388,763 | 131,663 | 133,686 |
| Civil | 131,846 | 128,451 | 22,415 | 24,634 | 105,387 | 103,087 | 9,422 | 13,696 |
| Environmental | 30,926 | 17,646 | 1,190 | 1,697 | 26,801 | 12,536 | 1,121 | 1,628 |
| Judicial deposits | | | 8,181 | 8,519 | | | | |
| | 855,259 | 838,734 | 324,444 | 328,542 | 678,166 | 656,298 | 253,720 | 263,046 |

The changes in the provision for tax, social security, labor, civil and environmental risks in the year ended March 31, 2015 were as follows:

| Nature | 12/31/2015 | Additions | Net update on amount | Net utilization of reversal | Consolidated |
|-----------------|----------------|---------------|----------------------|-----------------------------|-----------------------|
| | | | | | Current + Non-current |
| | | | | | 03/31/2016 |
| Tax | 143,852 | | 2,716 | (746) | 145,822 |
| Social security | 70,174 | | 1,630 | | 71,804 |
| Labor | 478,611 | 17,464 | 23,725 | (44,939) | 474,861 |
| Civil | 128,451 | 224 | 3,387 | (216) | 131,846 |
| Environmental | 17,646 | 13,020 | 1,399 | (1,139) | 30,926 |
| | 838,734 | 30,708 | 32,857 | (47,040) | 855,259 |

| Nature | 12/31/2015 | Additions | Net update on amount | Net utilization of reversal | Parent Company |
|-----------------|----------------|---------------|-------------------------|--------------------------------|------------------------|
| | | | | | Current + Non- current |
| | | | | | 03/31/2016 |
| Tax | 82,619 | | 1,636 | (130) | 84,125 |
| Social security | 69,293 | | 1,610 | | 70,903 |
| Labor | 388,763 | 14,305 | 21,845 | (33,963) | 390,950 |
| Civil | 103,087 | 76 | 2,440 | (216) | 105,387 |
| Environmental | 12,536 | 13,020 | 1,260 | (15) | 26,801 |
| | 656,298 | 27,401 | 28,791 | (34,324) | 678,166 |

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

Other administrative and judicial proceedings

The table below shows a summary of the carrying amounts of the main legal matters on March 31, 2016 compared to December 31, 2015. The increase in the carrying amounts substantially reflects the monetary update.

Assessment and Imposition of Fine (AIIM) - Income tax and social contribution - Capital gain on sale of NAMISA's
Income tax / Social contribution - Assessment and Imposition of Fine (AIIM) - - Disallowance of deductions of goodw
Assessment and Imposition of Fine (AIIM) - Income tax and social contribution - Off-set of interest on prepayment a
Tax foreclosures - ICMS - Electricity credits.
Installments MP 470 - alleged insufficiency of tax losses.
Offset of taxes that were not approved by the regulator - IRPJ/CSLL, PIS/COFINS and IPI.
Assessment for an alleged nonpayment of taxes- IRPJ/CSLL - foreign subsidiaries (2010).
Assessment and Imposition of Fine (AIIM) - Income tax / Social contribution - Profits earned abroad 2008.
Disallowance of the ICMS credits - Transfer of iron ore.
Disallowance of the ICMS credits - ICMS - acquisition of subsidiary (*).
ICMS - Refers to the transfer of imported raw material at an amount lower than the price disclosed in the import doc
Disallowance of the tax losses arising on adjustments to the SAPLI.
Assessment and imposition - ICMS - shipping and return merchandise for Industrialization.
Assessment and imposition - Income tax- Capital Gain of CFM vendors located abroad.
Other tax (federal, state, and municipal) lawsuits.
Social security lawsuits.
Annulment action filed by CSN against CADE.
Other civil lawsuits.
Labor and social security lawsuits.
Environmental lawsuits.

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

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

Environmental lawsuits

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

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

16. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

On March 31, 2016, the information related to environmental liabilities and asset retirement obligation has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

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

| | Consolidated | | Parent Company | |
|------------------------------|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Environmental liabilities | 265,487 | 262,290 | 261,629 | 259,115 |
| Asset retirement obligations | 68,502 | 66,641 | | |
| | 333,989 | 328,931 | 261,629 | 259,115 |

17. RELATED-PARTY BALANCES AND TRANSACTIONS

On March 31, 2016, the information regarding the related party transactions has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

17.a) Transactions with holding companies

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

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

- **By transaction**

| | Current | | Non-current | | Consolidated Total | |
|---------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Assets | | | | | | |
| Trade receivables (note 5) | 75,241 | 61,366 | | | 75,241 | 61,366 |
| Dividends receivable (note 5) | 27,623 | 27,817 | | | 27,623 | 27,817 |
| Actuarial asset (note 7) | | | 107,622 | 114,433 | 107,622 | 114,433 |
| Loans (note 7) | | | 386,128 | 373,214 | 386,128 | 373,214 |
| Other receivables (note 7) | 11,263 | 9,420 | 33,145 | 29,020 | 44,408 | 38,440 |
| | 114,127 | 98,603 | 526,895 | 516,667 | 641,022 | 615,270 |
| Liabilities | | | | | | |
| Other payables (Note 13) | | | | | | |
| Accounts payable | 6,722 | 6,798 | 240 | | 6,962 | 6,798 |
| Trade payables | 125,187 | 67,443 | | | 125,187 | 67,443 |
| Actuarial liabilities | | | 514,368 | 514,368 | 514,368 | 514,368 |
| | 131,909 | 74,241 | 514,608 | 514,368 | 646,517 | 588,609 |
| | 31/03/2016 | 31/03/2015 | | | | |
| P&L | | | | | | |
| Revenues | | | | | | |

| | | |
|-----------------|-----------------|------------------|
| Sales | 168,794 | 209,015 |
| Interest | 12,913 | 22,087 |
| Expenses | | |
| Purchases | (239,934) | (270,801) |
| Interest | | (138,425) |
| | (58,227) | (178,124) |

- **By company**

| | Assets | | | Liabilities | | | Sales | Purchases |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| | Current | Non-current | Total | Current | Non-current | Total | | |
| Joint-venture and Joint-operation | | | | | | | | |
| Itá Energética S.A. | | | | 5,309 | | 5,309 | | (8,050) |
| CGPAR Construção Pesada S.A. | 2,195 | | 2,195 | 22,670 | 240 | 22,910 | | (19,542) |
| MRS Logística S.A. | 26,182 | | 26,182 | 52,289 | | 52,289 | | (187,840) |
| CBSI - Companhia Brasileira de Serviços e Infraestrutura Transnordestina Logística S.A (1) | 7,179 | | 7,179 | 19,530 | | 19,530 | 5 | (18,531) |
| | 1 | 368,237 | 368,238 | 30,878 | | 30,878 | | (498) |
| | 35,557 | 368,237 | 403,794 | 130,676 | 240 | 130,916 | 5 | (234,461) |
| Other related parties | | | | | | | | |
| CBS Previdência | | 107,622 | 107,622 | | 514,368 | 514,368 | | |
| Fundação CSN | 1,829 | | 1,829 | | | | | (289) |
| Usiminas | 539 | | 539 | 647 | | 647 | 11,626 | (4,174) |
| Panatlântica | 76,202 | 4,125 | 80,327 | | | | 150,854 | |
| Ibis Participações e Serviços | | | | | | | | (1,010) |
| | 78,570 | 111,747 | 190,317 | 647 | 514,368 | 515,015 | 162,480 | (5,473) |
| Associates | | | | | | | | |
| Arvedi Metalfer do Brasil S.A. | | 46,911 | 46,911 | 586 | | 586 | 6,309 | |
| Total at 03/31/2016 | 114,127 | 526,895 | 641,022 | 131,909 | 514,608 | 646,517 | 168,794 | (239,934) |
| Total at 12/31/2015 | 98,603 | 516,667 | 615,270 | 74,241 | 514,368 | 588,609 | 725,285 | (1,103,428) |
| Total at 03/31/2015 | | | | | | | 209,015 | (270,801) |

1. Transnordestina Logística S.A: Refers mainly to contracts in R\$: interest equivalent to 108.0% and 102.0% of CDI with final maturity in June 2017. As of March 31, 2016, the borrowings carrying amounts totaled to R\$326,938 (R\$222,727 as of December 31, 2015).

- **By transaction**

| | Current | | Non-current | | Parent |
|---|-------------------|-------------------|--------------------|-------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 | T |
| Assets | | | | | |
| Trade receivables (1) (note 5) | 1,064,915 | 1,140,172 | | | 1,064,915 |
| Dividends receivable (note 5) | 747,033 | 737,668 | | | 747,033 |
| Actuarial asset (note 7) | | | 107,468 | 112,660 | 107,468 |
| Loans (note 7) | 464 | | 248,401 | 239,930 | 248,864 |
| Short-term investments / Investments (2) | 810,197 | 1,412,428 | 29,752 | 28,078 | 839,947 |
| Exclusive funds (note 7) | | 110,075 | | | |
| Other receivables (3) (note 7) | 26,996 | 32,479 | 314,797 | 303,441 | 341,797 |
| | 2,649,605 | 3,432,822 | 700,418 | 684,109 | 3,350,021 |
| Liabilities | | | | | |
| Borrowings and financing | | | | | |
| Prepayment (note 11) | 51,036 | 85,987 | 5,325,453 | 5,843,050 | 5,376,486 |
| Fixed Rate Notes and Intercompany Bonds (note 11) | 78,243 | 32,402 | 3,697,023 | 4,056,347 | 3,775,268 |
| Intercompany Loans (note 11) | 1,198,500 | 1,261,861 | 1,948,391 | 2,137,040 | 3,146,891 |
| Other payables (Note 13) | | | | | |
| Accounts payable | 116,744 | 110,090 | 101,209 | 118,653 | 217,953 |
| Advances from customers | 16 | 16 | | | 16 |
| Exclusive funds (2) (note 13) | 39,164 | 25,387 | | | 39,164 |
| Trade payables | 147,567 | 153,559 | | | 147,567 |
| Actuarial liabilities | | | 514,367 | 514,367 | 514,367 |
| | 1,631,270 | 1,669,302 | 11,586,443 | 12,669,457 | 13,217,711 |
| | 03/31/2016 | 03/31/2015 | | | |
| P&L | | | | | |
| Revenues | | | | | |
| Sales | 614,085 | 1,403,347 | | | |
| Interest | 8,499 | 4,970 | | | |
| Exclusive funds | | 480,142 | | | |

Expenses

| | | |
|---------------------|----------------|------------------|
| Purchases | (369,941) | (398,294) |
| Interest | (133,341) | (386,914) |
| Exchange rates, net | 1,085,469 | (1,640,782) |
| Exclusive funds | (644,709) | |
| | 560,062 | (537,531) |

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

(2) Assets: Financial investments classified as current totaled to R\$810,197 as of March 31, 2016 (R\$1,412,428 at December 31, 2015) and investments in Usiminas shares classified as investments available for sale, located in non-current assets, amounted to R\$29,752 (R\$28,078 as of December 31, 2015).

Liabilities: Derivative transactions in the amount of R\$39,164 on March 31, 2016 (R\$25,387 as of December 31, 2015).

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

Noncurrent: Refers mainly to advance for future capital increase, dividends receivable and accounts receivable and acquisition of debentures.

- **By company**

| | Assets | | | Liabilities | | |
|---|------------------|----------------|------------------|------------------|-------------------|-------------------|
| | Current | Non-current | Total | Current | Non-current | Total |
| Subsidiaries | | | | | | |
| Companhia Metalic Nordeste | - | - | - | 15,829 | - | 15,829 |
| Companhia Metalúrgica Prada (1) | 218,549 | 121,336 | 339,885 | 8,047 | 196 | 8,243 |
| Estanho de Rondônia S.A. | 1,063 | - | 1,063 | 1,493 | - | 1,493 |
| Sepetiba Tecon S.A. | 10,573 | 85,066 | 95,639 | 9,898 | - | 9,898 |
| Mineração Nacional | 464 | 2,220 | 2,684 | - | - | - |
| Congonhas Minérios S.A. (2) | 738,174 | - | 738,174 | 81,628 | - | 81,628 |
| CSN Energia S.A. | - | - | - | 44,890 | - | 44,890 |
| Ferrovia Transnordestina Logística S.A. | 3,121 | 28,171 | 31,292 | - | 101,013 | 101,013 |
| Companhia Siderúrgica Nacional, LLC (3) | 535,541 | - | 535,541 | 113,543 | - | 113,543 |
| CSN Europe Lda. | - | - | - | 11,697 | 109,328 | 121,025 |
| CSN Resources S.A. (4) | - | - | - | 1,253,644 | 8,011,748 | 9,265,392 |
| Lusosider Aços Planos, S.A. | 196,000 | - | 196,000 | 189 | - | 189 |
| CSN Islands XI Corp. (5) | - | - | - | - | 1,138,848 | 1,138,848 |
| CSN Islands XII Corp. (6) | - | - | - | 21,816 | 1,615,741 | 1,637,557 |
| CSN Ibéria Lda. | - | - | - | - | 95,202 | 95,202 |
| Companhia de Embalagens Metálicas MMSA | 5,404 | 44,859 | 50,263 | - | - | - |
| Stahlwerk Thüringen GmbH | - | - | - | - | - | - |
| | 1,708,889 | 281,652 | 1,990,541 | 1,562,674 | 11,072,076 | 12,634,720 |
| Joint-venture e Joint-operation | | | | | | |
| ITA Energética S.A. | 26,813 | - | 26,813 | - | - | - |
| CGPAR Construção Pesada S.A. | 10,542 | - | 10,542 | - | - | - |
| MRS Logística S.A. | 13,095 | - | 13,095 | 17,633 | - | 17,633 |

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| | | | | | | |
|--|------------------|----------------|------------------|------------------|-------------------|---------------|
| CBSI - Companhia Brasileira de Serviços e Infraestrutura | 1,941 | - | 1,941 | 11,261 | - | 11 |
| Transnordestina Logística S.A. | 1 | 230,510 | 230,511 | - | - | 28 |
| | 52,392 | 230,510 | 282,902 | 28,894 | - | 28 |
| Other related parties | - | - | - | - | - | - |
| CBS Previdência | - | 107,468 | 107,468 | - | 514,367 | 514 |
| Fundação CSN | 1,829 | - | 1,829 | - | - | - |
| Usiminas | - | - | - | 538 | - | - |
| Panatlântica | 76,298 | 4,125 | 80,423 | - | - | - |
| Ibis Participações e Serviços | - | - | - | - | - | - |
| | 78,127 | 111,593 | 189,720 | 538 | 514,367 | 514 |
| Associates | - | - | - | - | - | - |
| Arvedi Metalfer do Brasil S.A. | - | 46,911 | 46,911 | - | - | - |
| | - | - | - | - | - | - |
| Exclusive Funds | - | - | - | - | - | - |
| Diplic, Caixa Vertice, VR1, BB Steel | 810,197 | 29,752 | 839,949 | 39,164 | - | 39 |
| Total at 03/31/2016 | 2,649,605 | 700,418 | 3,350,023 | 1,631,270 | 11,586,443 | 13,217 |
| Total at 12/31/2015 | 3,432,822 | 684,109 | 4,116,931 | 1,669,302 | 12,669,457 | 14,338 |
| Total at 03/31/2015 | - | - | - | - | - | - |

(1) Companhia Metalurgica Prada refers mainly to accounts receivable and debentures from CBL amounting to R\$215,213 and 121,336, respectively, as of March 31, 2016.

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

(3) Companhia Siderurgica Nacional, LLC: On March 31, 2016 the carrying amounts of trade accounts receivable totaled R\$535,541 (R\$682,875 December 31, 2015), they are related to sale of steel to resellers.

(4) CSN Resources SA: Contracts in US dollars of Prepayment Fixed Rate Notes and Intercompany Bonds, the interest rate under this transaction is 9.13% and its maturity date is June 2047. On March 31, 2016, the loans amounted to R\$9,265,392 (R\$10,146.701 on December 31, 2015).

(5) CSN Islands XI Corp.: Contracts in US dollars, without interest, maturing on August 2017. On March 31 2016, the loans amounted to R\$1,138,848 (R\$1,249,536 as of December 31, 2015).

(6) CSN Islands XII Corp.: Contracts in US dollars, interest rate of 7.64% and maturing on February 2025. On March 31, 2016, the loans amounted to R\$1,637,557 (R\$1,784,417 on December 31, 2015).

17.c) Key management personnel

The key management personnel with authority and responsibility for planning, directing and controlling the Company's activities, include the members of the Board of Directors and statutory directors. The following is information on the compensation of such personnel and the related balances as of March 31, 2016.

| | 03/31/2016 | P&L | 03/31/2015 |
|--|---------------|-----|--------------|
| Short-term benefits for employees and officers | 39,809 | | 5,791 |
| Post-employment benefits | 118 | | 30 |
| | 39,927 | | 5,821 |

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

18. SHAREHOLDERS' EQUITY

18.a) Paid-in capital

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

18.b) Authorized capital

The Company's bylaws in effect as of March 31, 2016 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

18.c) Legal reserve

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

18.d) Ownership structure

As of March 31, 2016, the Company's ownership structure was as follows:

| | 03/31/2016 | | | 12/31/2015 | |
|---|-------------------------------|-------------------------|---------------------------|-------------------------------|-------------------------|
| | Number of common shares | % of total shares | % of voting capital | Number of common shares | % of total shares |
| Vicunha Aços S.A. | 697,719,990 | 50.29% | 51.41% | 697,719,990 | 50.29% |
| Rio Iaco Participações S.A. | 58,193,503 | 4.19% | 4.29% | 58,193,503 | 4.19% |
| Caixa Beneficente dos Empregados da CSN - CBS | 20,143,031 | 1.45% | 1.48% | 20,143,031 | 1.45% |
| BNDES Participações S.A. – BNDESPAR | 8,794,890 | 0.63% | 0.65% | 8,794,890 | 0.63% |
| NYSE (ADRs) | 331,462,264 | 23.89% | 24.42% | 336,435,464 | 24.25% |
| BM&FBovespa | 240,819,369 | 17.36% | 17.75% | 235,846,169 | 17.00% |
| | 1,357,133,047 | 97.81% | 100.00% | 1,357,133,047 | 97.81% |
| Treasury shares | 30,391,000 | 2.19% | | 30,391,000 | 2.19% |
| Total shares | 1,387,524,047 | 100.00% | | 1,387,524,047 | 100.00% |

18.e) Treasury shares

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

| Program | Board's Authorization | Authorized quantity | Program period | Average buyback price | Minimum and maximum buyback price | Number of shares bought back |
|---------|-----------------------|---------------------|------------------------------|-----------------------|-----------------------------------|------------------------------|
| 1st | 3/13/2014 | 70,205,661 | From 3/14/2014 to 4/14/2014 | R\$ 9.34 | R\$ 9.22 and R\$ 9.45 | 2,350 |
| 2nd | 4/15/2014 | 67,855,661 | From 4/16/2014 to 5/23/2014 | R\$ 8.97 | R\$ 8.70 and R\$ 9.48 | 9,520 |
| 3rd | 5/23/2014 | 58,326,161 | From 5/26/2014 to 6/25/2014 | R\$ 9.21 | R\$ 8.61 and R\$ 9.72 | 31,540 |
| 4th | 6/26/2014 | 26,781,661 | From 6/26/2014 to 7/17/2014 | R\$ 10.42 | R\$ 9.33 and R\$ 11.54 | 26,780 |
| | 7/18/2014 | | | Not applicable | Not applicable | |
| 5th | 7/18/2014 | 64,205,661 | From 7/18/2014 to 8/18/2014 | R\$ 11.40 | R\$ 11.40 | 240 |
| | 8/19/2014 | | | Not applicable | Not applicable | |
| 6th | 8/19/2014 | 63,161,055 | From 8/19/2014 to 9/25/2014 | R\$ 9.82 | R\$ 9.47 and R\$ 10.07 | 6,790 |
| 7th | 9/29/2014 | 56,369,755 | From 9/29/2014 to 2/29/2014 | R\$ 7.49 | R\$ 4.48 and R\$ 9.16 | 21,750 |
| 8th | 12/30/2014 | 34,611,155 | From 12/31/2014 to 3/31/2015 | R\$ 5.10 | R\$ 4.90 and R\$ 5.39 | 1,840 |
| 9th (*) | 03/31/2015 | 32,770,055 | From 4/01/2015 to 6/30/2015 | | | |

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

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

As of March 31, 2016, the position of the treasury shares was as follows:

| Quantity purchased (Units) | Amount paid for the shares | Share price | Market price of the shares |
|----------------------------|----------------------------|-------------|----------------------------|
| | | | 133 |

| | | | | | |
|------------|-------------|---------------------|----------------------|---------------------|------------|
| 30,391,000 | R\$ 238,976 | Minimum R\$ 4.48 | Maximum R\$ 10.07 | Average R\$ 7.86 | R\$ 217,29 |
|------------|-------------|---------------------|----------------------|---------------------|------------|

(*) Using the last share quotation on BM&FBovespa as of March 31, 2016 of R\$7.15 per share.

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

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

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

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

| | 03/31/2016 | Parent Company 03/31/2015 |
|---------------------------------------|---------------|------------------------------|
| | Common Shares | |
| Net Loss/gain of the period | | |
| Attributable to owners of the Company | (836,690) | 392,056 |
| Weighted average number of shares | 1,357,133 | 1,357,202 |
| Basic and diluted EPS | (0.61651) | 0.28887 |

19. PAYMENT TO SHAREHOLDERS

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

| Year | Approval Year | Dividends | Total | Year | Payment Year | Dividends | Total |
|-------------|-----------------------|------------------|----------------|-------------|---------------------|------------------|----------------|
| 2014 | 2014 | 700,000 | 700,000 | 2014 | 2014 | 424,939 | 424,939 |
| 2015 | 2015 | 275,000 | 275,000 | | 2015 | 274,917 | 274,917 |
| | | | | 2015 | 2015 | 274,918 | 274,918 |
| | Total approved | 975,000 | 975,000 | | Total paid | 974,774 | 974,774 |

20. NET SALES REVENUE

Net sales revenue is comprised as follows:

| | 03/31/2016 | Consolidated 03/31/2015 | 03/31/2016 | Parent Company 03/31/2015 |
|-------------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Gross revenue | | | | |
| Domestic market | 2,286,077 | 2,942,631 | 2,099,540 | 2,713,048 |
| Foreign market | 2,178,110 | 1,794,017 | 420,381 | 987,948 |
| | 4,464,187 | 4,736,648 | 2,519,921 | 3,700,996 |
| Deductions | | | | |
| Cancelled sales and discounts | (68,780) | (38,464) | (61,057) | (31,966) |
| Taxes on sales | (551,604) | (687,932) | (481,224) | (610,998) |
| | (620,384) | (726,396) | (542,281) | (642,964) |
| Net revenue | 3,843,803 | 4,010,252 | 1,977,640 | 3,058,032 |

21. EXPENSES BY NATURE

| | Consolidated | | Parent Company | |
|---|---------------------|--------------------|-----------------------|--------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Raw materials and inputs | (1,003,996) | (1,447,223) | (783,472) | (842,763) |
| Labor cost | (627,681) | (428,079) | (353,700) | (357,164) |
| Supplies | (330,795) | (261,260) | (227,809) | (253,270) |
| Maintenance cost (services and materials) | (294,006) | (241,135) | (169,104) | (235,014) |
| Outsourcing services | (794,879) | (721,164) | (235,355) | (450,859) |
| Depreciation, amortization and depletion (note 9 a) | (309,836) | (264,498) | (135,525) | (206,329) |
| Others | (167,097) | (72,849) | (25,324) | (74,515) |
| | (3,528,290) | (3,436,208) | (1,930,289) | (2,419,914) |
| Classified as: | | | | |
| Cost of sales | (2,917,758) | (3,025,533) | (1,638,396) | (2,189,432) |
| Selling expenses | (450,421) | (300,830) | (168,633) | (145,918) |
| General and administrative expenses | (160,111) | (109,845) | (123,260) | (84,564) |
| | (3,528,290) | (3,436,208) | (1,930,289) | (2,419,914) |

22. OTHER OPERATING INCOME (EXPENSES)

| | Consolidated | | Parent Company | |
|--|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Other operating income | | | | |
| Indemnities/gains on lawsuits | 18,676 | 1,728 | 1,888 | 1,618 |
| Rentals and leases | 328 | 285 | 328 | 285 |
| Other revenues | 3,268 | 3,949 | 624 | 1,819 |
| | 22,272 | 5,962 | 2,840 | 3,722 |
| | - | - | - | - |
| Other operating expenses | | | | |
| Taxes and fees | (10,802) | (11,640) | (696) | (10,826) |
| Write-off/(Provision) of judicial deposits | (17,281) | (52) | (17,281) | (57) |
| Reversal (Provision) for environmental risks | (1,142) | 3,476 | (337) | 3,476 |
| Provision for tax, social security, labor, civil and environmental risks, net of reversals | (42,269) | (149,287) | (45,436) | (144,558) |
| Depreciation of unused equipment and amortization of intangible assets (note 9 a) | (12,108) | (9,004) | | |
| Residual value of PPE written off (note 9) | (12,966) | (3,985) | (7,590) | (3,842) |
| Inventory impairment / (losses) reversals (note 6) | 14,619 | (1,897) | (2,478) | (393) |
| Losses on spare parts | (6,579) | (5,566) | (187) | (5,566) |
| Studies and project engineering expenses | (5,731) | (8,487) | (5,571) | (8,361) |
| Research and development expenses | (575) | (751) | (575) | (751) |
| Healthcare plan expenses | (19,089) | (14,962) | (19,090) | (14,962) |
| Impairment of available-for-sale financial assets | | (8,417) | | (8,417) |
| Other expenses | (34,909) | (8,927) | (3,301) | (7,503) |
| | (148,832) | (219,499) | (102,542) | (201,760) |
| Other operating expenses, net | (126,560) | (213,537) | (99,702) | (198,038) |

23. FINANCE INCOME (Expenses)

| | Consolidated | | | Parent C |
|---|---------------------|-------------------|--------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Finance income | | | | |
| Related parties (note 17 b) | 12,913 | 22,087 | 8,499 | |
| Income from short-term investments | 56,443 | 29,340 | 3,863 | |
| Gain from derivative | | 354 | | |
| Other income (*) | 173,798 | 4,355 | 6,067 | |
| | 243,154 | 56,136 | 18,429 | |
| Finance costs | | | | |
| Borrowings and financing - foreign currency | (257,833) | (217,729) | (60,079) | |
| Borrowings and financing - local currency | (547,475) | (471,604) | (470,263) | |
| Related parties (note 17 b) | | (138,425) | (778,050) | |
| Capitalized interest (notes 9 and 27) | 57,661 | 24,325 | 32,730 | |
| Losses on derivatives | (362) | (1,479) | | |
| Interest, fines and late payment charges | (6,014) | (11,014) | (2,633) | |
| Other finance costs | (113,905) | (44,667) | (51,136) | |
| | (867,928) | (860,593) | (1,329,431) | |
| Inflation adjustment and exchange differences, net | | | | |
| Inflation adjustments, net | (1,140) | 6,267 | (5,780) | |
| Exchange rates, net | 371,582 | (554,114) | 1,048,904 | |
| Exchange gain (losses) on derivatives | (688,682) | 482,604 | | |
| | (318,240) | (65,243) | 1,043,124 | |
| Finance income (costs), net | (943,014) | (869,700) | (267,878) | |
| Statement of gains and (losses) on derivative transactions | | | | |
| Dollar-to-CDI swap | | (18) | | |
| Dollar- to- real NDF | | 436,600 | | |
| Future dollar BM&F | (681,176) | | | |
| Dollar- to- euro NDF | | 33,454 | | |
| Dollar - to- euro swap | (7,506) | 12,568 | | |
| | (688,682) | 482,604 | | |
| Fixed rate- to- CDI swap | (299) | (1,479) | | |
| CDI -to- fixed rate swap | (63) | 354 | | |
| | (362) | (1,125) | | |

(689,044) 481,479

(*It refers mainly to gain on repurchase of debt securities amounting to R\$146,214.

24. SEGMENT INFORMATION

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

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

| P&L | Logistics | | | | | Corporate | | Consolidated |
|--|------------------|----------------|---------------|----------------|---------------|----------------|--------------------------|------------------|
| | Steel | Mining | Port | Railroads | Energy | Cement | expenses/ elimination | |
| Metric tons (thou.) - (unaudited) (*) | 1,246,135 | 7,248,368 | | | | 571,436 | | |
| Net revenues | | | | | | | | |
| Domestic market | 1,500,366 | 151,073 | 50,423 | 303,141 | 68,149 | 114,204 | (475,278) | 1,772,076 |
| Foreign market | 1,308,774 | 626,215 | | | | | 196,736 | 2,131,725 |
| Total net revenue (note 20) | 2,809,140 | 777,288 | 50,423 | 303,141 | 68,149 | 114,204 | (278,542) | 3,834,395 |
| Cost of sales and services | (2,299,907) | (585,117) | (36,040) | (214,370) | (51,113) | (101,191) | 369,980 | (2,926,558) |
| Gross profit | 509,233 | 192,171 | 14,383 | 88,771 | 17,036 | 13,013 | 91,438 | 907,837 |
| General and administrative expenses | (255,318) | (23,755) | (8,278) | (23,881) | (5,946) | (17,657) | (275,697) | (606,934) |
| Depreciation (note 9 a) | 166,229 | 114,434 | 3,293 | 55,695 | 4,279 | 12,812 | (46,906) | 359,837 |
| Proportionate EBITDA of joint ventures | | | | | | | 107,316 | 107,316 |
| Adjusted EBITDA | 420,144 | 282,850 | 9,398 | 120,585 | 15,369 | 8,168 | (123,849) | 752,705 |

Sales by geographic area

| | | | | | | | | |
|------------------------|------------------|----------------|---------------|----------------|---------------|----------------|------------------|------------|
| Asia | 4,669 | 501,603 | | | | | 196,736 | 7 |
| North America | 581,176 | | | | | | | 5 |
| Latin America | 66,044 | | | | | | | |
| Europe | 651,959 | 64,963 | | | | | | 7 |
| Others | 4,926 | 59,649 | | | | | | |
| Foreign market | 1,308,774 | 626,215 | | | | | 196,736 | 2,1 |
| Domestic market | 1,500,366 | 151,073 | 50,423 | 303,141 | 68,149 | 114,204 | (475,278) | 1,7 |
| Total | 2,809,140 | 777,288 | 50,423 | 303,141 | 68,149 | 114,204 | (278,542) | 3,8 |

03/3

Logistics**Corporate**

| P&L | Steel | Mining | Port | Railroads | Energy | Cement | expenses/ | Consol |
|--|------------------|----------------|---------------|------------------|---------------|----------------|--------------------|---------------|
| | | | | | | | elimination | |
| Metric tons (thou.) - (unaudited) (*) | 1,407,307 | 5,193,577 | | | | 518,874 | | |
| Net revenues | | | | | | | | |
| Domestic market | 2,011,316 | 37,802 | 46,846 | 251,174 | 63,691 | 100,631 | (270,679) | 2,2 |
| Foreign market | 1,111,791 | 619,980 | | | | | 37,700 | 1,7 |
| Total net revenue (note 20) | 3,123,107 | 657,782 | 46,846 | 251,174 | 63,691 | 100,631 | (232,979) | 4,0 |
| Cost of sales and services | (2,365,555) | (566,701) | (30,569) | (180,332) | (46,949) | (66,530) | 231,103 | (3,0) |
| Gross profit | 757,552 | 91,081 | 16,277 | 70,842 | 16,742 | 34,101 | (1,876) | 9 |
| General and administrative expenses | (231,657) | (21,097) | (6,123) | (22,966) | (5,543) | (15,252) | (108,037) | (4) |
| Depreciation (note 9 a) | 157,596 | 86,048 | 3,175 | 44,713 | 4,242 | 9,389 | (40,665) | 2 |
| Proportionate EBITDA of joint ventures | | | | | | | 72,608 | |
| Adjusted EBITDA | 683,491 | 156,032 | 13,329 | 92,589 | 15,441 | 28,238 | (77,970) | 9 |

Sales by geographic area

| | | | | | | | | |
|------------------------|------------------|----------------|---------------|----------------|---------------|----------------|------------------|------------|
| Asia | 2,010 | 541,014 | | | | | 37,700 | 5 |
| North America | 481,394 | | | | | | | 4 |
| Latin America | 80,748 | 42,730 | | | | | | 1 |
| Europe | 535,895 | 36,236 | | | | | | 5 |
| Others | 11,744 | | | | | | | |
| Foreign market | 1,111,791 | 619,980 | | | | | 37,700 | 1,7 |
| Domestic market | 2,011,316 | 37,802 | 46,846 | 251,174 | 63,691 | 100,631 | (270,679) | 2,2 |
| Total | 3,123,107 | 657,782 | 46,846 | 251,174 | 63,691 | 100,631 | (232,979) | 4,0 |

(*) The iron ore volumes of sales presented in this note considered the company's sales and equity interests in its subsidiaries and jointly ventures. (In 2015, consider 60% interest in Namisa)

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

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

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

| | 03/31/2016 | Consolidated 03/31/2015 |
|--|-------------------|------------------------------------|
| (Loss)/Profit for the period | (831,292) | 391,802 |
| Depreciation (note 9 a) | 309,836 | 264,498 |
| Income tax and social contribution (note 14) | 122,210 | (502,517) |
| Finance income (cost) (note 23) | 943,014 | 869,700 |
| EBITDA | 543,768 | 1,023,483 |
| Other operating income (expenses) (note 22) | 126,560 | 213,537 |
| Equity in results of affiliated companies | (44,979) | (398,478) |
| Proportionate EBITDA of joint ventures | 107,316 | 72,608 |
| Adjusted EBITDA (*) | 732,665 | 911,150 |

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

25. GUARANTEES

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

Currency Maturities

Borrowings

Tax foreclosure

O

03/31/2016 12/31/2015 03/31/2016 12/31/2015 03/31/2016

| | | | | | | | | |
|--------------------------------|------|----------------------------|-------------------|-------------------|---------------|---------------|--------------|--|
| Transnordestina Logística | | Up to 09/19/2056 and | | | | | | |
| | R\$ | indefinite | 2,544,600 | 2,544,600 | 39,559 | 39,559 | 4,86 | |
| FTL - Ferrovia Transnordestina | R\$ | 11/15/2020 | 81,700 | 81,700 | | | | |
| Cia Metalurgica Prada | | Up to 02/10/2016 and | | | | | | |
| | R\$ | indefinite | | | 333 | 333 | 19,34 | |
| CSN Energia | R\$ | Indefinite | | | 2,829 | 2,829 | | |
| Congonhas Minérios | R\$ | 9/22/2022 | 2,000,000 | 2,000,000 | | | 2,52 | |
| Fundação CSN | R\$ | Indefinite | 1,003 | 1,003 | | | | |
| Others | R\$ | | | 12,000 | | | | |
| Total in R\$ | | | 4,627,303 | 4,639,303 | 42,721 | 42,721 | 26,72 | |
| CSN Islands XI | US\$ | 9/21/2019 | 750,000 | 750,000 | | | | |
| CSN Islands XII | US\$ | Perpetual | 1,000,000 | 1,000,000 | | | | |
| CSN Resources | US\$ | 7/21/2020 | 1,200,000 | 1,200,000 | | | | |
| Total in US\$ | | | 2,950,000 | 2,950,000 | | | | |
| CSN Steel S.L. | EUR | 1/31/2020 | 120,000 | 120,000 | | | | |
| Lusosider Aços Planos | EUR | Indefinite | 25,000 | 25,000 | | | | |
| Total in EUR | | | 145,000 | 145,000 | | | | |
| Total in R\$ | | | 11,086,571 | 12,135,468 | | | | |
| | | | 15,713,874 | 16,774,771 | 42,721 | 42,721 | 26,72 | |

26. INSURANCE

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

In 2015, after negotiation with insurers and reinsurers in Brazil and abroad, an insurance policy was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from September 30, 2015 to September 30, 2016. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US\$600 million and covers the following units and subsidiaries of the Company: Presidente Vargas steelworks, Congonhas Minérios, Sepetiba Tecon, and CSN Mining. CSN takes responsibility for a range of retention of US\$375 million in excess of the deductibles for property damages and loss of profits.

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

27. ADDITIONAL INFORMATION TO CASH FLOWS

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

| | Consolidated | | Parent Company | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Income tax and social contribution paid | 20,166 | 67,970 | | 57,400 |

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| | | | | |
|---|---------------|---------------|---------------|---------------|
| Addition to PP&E with interest capitalization | 57,661 | 24,325 | 32,730 | 24,325 |
| Subsidiary capitalization from granted loan | | | 8,628 | |
| | 77,827 | 92,295 | 41,358 | 81,725 |

28. COMPREHENSIVE INCOME STATEMENT

| | 03/31/2016 | Consolidated 03/31/2015 | 03/31/2016 | Parent Company 03/31/2015 |
|--|------------------|----------------------------|------------------|---------------------------------|
| (Loss) Profit for the period | (831,292) | 391,802 | (836,690) | 392,056 |
| Other comprehensive income | | | | |
| Items that will not be subsequently reclassified to the statement of income | | | | |
| Actuarial gains on the defined benefit plan from investments in subsidiaries, net of taxes | 85 | | 85 | 125 |
| Actuarial (losses) gains on defined benefit pension plan | | 202 | | |
| Income tax and social contribution on actuarial (losses) gains on defined benefit pension plan | | (77) | | |
| | 85 | 125 | 85 | 125 |
| Items that could be subsequently reclassified to the statement of income | | | | |
| Cumulative translation adjustments for the period | (183,286) | 176,771 | (183,286) | 176,771 |
| Available-for-sale assets | 32,353 | 648,403 | 32,353 | 597,135 |
| Income tax and social contribution on available-for-sale assets | | (185,595) | | (203,026) |
| Available-for-sale assets from investments in subsidiaries, net of taxes | | | | 68,699 |
| | | 8,417 | | 8,417 |

| | | | | |
|---|------------------|----------------|------------------|----------------|
| Impairment of available-for-sale assets | | | | |
| Income tax and social contribution on impairment of available-for-sale assets | | (2,862) | | (2,862) |
| (Loss) gain on cash flow hedge accounting | 534,423 | (427,645) | 534,423 | (427,645) |
| Income tax and social contribution on (loss) gain on cash flow hedge accounting | | 145,399 | | 145,399 |
| Realization on cash flow hedge reclassified to income statement | 12,697 | | 12,697 | |
| (Loss) gain on hedge of net investments in foreign subsidiaries | | | 18,864 | |
| (Loss) on net investment hedge | 18,864 | | | |
| | 415,051 | 362,888 | 415,051 | 362,888 |
| | 415,136 | 363,013 | 415,136 | 363,013 |
| Total comprehensive income for the period | (416,156) | 754,815 | (421,554) | 755,069 |
| Attributable to: | | | | |
| Owners of the Company | (421,554) | 755,069 | (421,554) | 755,069 |
| Non-controlling interests | 5,398 | (254) | | |
| | (416,156) | 754,815 | (421,554) | 755,069 |

29. SUBSEQUENT EVENTS

Usiminas

As of March 2016, the Usiminas' Board of Directors approved a capital increase amounting to R\$64,882, through the issuance of 50,689,310 preferred shares. Consequently on April 22, 2016 CSN exercised its right of subscription, paying R\$11,603 by 9,064,856 preferred shares.

The Usiminas' Board of Directors approved in April 2016 an increase in its share capital amounting to R\$1,000,000, through the issuance of 200,000,000 new common shares, with a deadline for exercising the preferential right to acquire the said shares up to May 23, 2016. The company continues to evaluate alternatives related to the investment in Usiminas, including additional purchases of shares.

On April 28, 2016, CSN elected, for two years term of office, two fixed and two alternate members in the Usiminas' Board of Directors and, for one year term, one fixed and one alternate member in the Usiminas' Fiscal Committee. The election was made possible through the flexibility and exceptional decision from CADE (Administrative Council for Economic Defense) in relation to the TCD (Performance Commitment Agreement) signed by CSN and the said Council in 2014. The mentioned decision's flexibility was approved by the majority of CADE's Board at the meeting on April 27,2016.

• **Conduct Adjustment Agreement (UPV)**

On April 12, 2016 CSN entered into a Conduct Adjustment Agreement with the Environment Department of the State of Rio de Janeiro, the Environment Control Commission of the State of Rio de Janeiro and the Environment Institute of the State of Rio de Janeiro (INEA) comprising the resolution of all pending environmental issues related to the Presidente Vargas Steelworks (UPV), thereby ensuring the continuation of its operations.

Under the agreement, CSN has committed to invest, up to September 2017, the amount of R\$178 million in improvements on production processes. Besides that, the company has also committed to pay to INEA the amount of R\$ 22million, to be used in environmental programs in region of Volta Redonda.

These related compensations were substantially recorded as provision for contingencies as of March 31, 2016. The other values do not affect the provision for risks, since these are CSN's commitments to invest in improvements to its operating assets.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of

Companhia Siderúrgica Nacional

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Siderúrgica Nacional (the “Company”), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the three-month period ended March 31, 2016, which comprises the balance sheet as of March 31, 2016 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on interim financial information

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

Emphasis of Matter

The individual and consolidated corresponding values, related to the cash flow statement for the three-month period ended march 31, 2015 are being restated accordingly to the matter described at note 2.d).

Other Matters

We have also reviewed the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2016, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards IFRSs, which do not require the presentation of DVA. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

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

São Paulo, May 11, 2016

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

Gilberto Grandolpho

Engagement Partner

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