

NATIONAL STEEL CO  
Form 6-K  
May 24, 2016

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

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**FORM 6-K**

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

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

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**COMPANHIA SIDERÚRGICA NACIONAL**

(Exact name of registrant as specified in its charter)

**National Steel Company**

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes  No

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

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

**Version: 1**

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**Company Information / Capital Breakdown**

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

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

<i>Code</i>	<i>Description</i>	<b>Current Quarter 03/31/2016</b>	<b>YDT Previous Year 12/31/2015</b>
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>	<b>YDT</b>	
		<b>Current Quarter 03/31/2016</b>	<b>Previous Year 12/31/2015</b>
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)**

<b>Code</b>	<b>Description</b>	<b>YTD</b>	
		<b>Current Quarter 01/01/2016 to 3/31/2016</b>	<b>Previous Year 01/01/2015 to 3/31/2015</b>
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)**

<b>Code</b>	<b>Description</b>	<b>Capital reserve, granted Paid-in options capital and treasury shares</b>	<b>Retained Earnings (comprehensive income reserves)</b>	<b>Other Shareholders' equity losses</b>
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	1,652,354
5.05.02.04	Translation adjustments for the year	0	0	-1,130,536
5.05.02.06	Actuarial gains on defined benefit pension plan, net of taxes	0	0	-183,286
5.05.02.07	Available-for-sale assets, net of taxes	0	0	0
5.05.02.08	Loss on Cash Flow Hedge Accounting, net of taxes	0	0	32,353
5.05.02.09	Realization on Cash Flow Hedge Accounting, reclassified to statement of income	0	0	53,423
5.05.02.10	Loss on net investment hedge accounting	0	0	12,697
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)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, granted options and treasury shares</b>	<b>Earnings reserves accumulated</b>	<b>Retained earnings comprehensive income Shareholders' equity</b>	<b>Other Shareholders' equity</b>
5.01	Opening balances	4,540,000	301,131,298	25,696,468	25,696,468	
5.03	Adjusted opening balances	4,540,000	301,131,298	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	0
5.05.01	Profit for the period	0	0	392,056	392,056	0
5.05.02	Other comprehensive income	0	0	0	0	363,363,013
5.05.02.04	Translation adjustments for the period	0	0	0	0	176,776,771
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	0	468,468,363
5.05.02.08	Loss on hedge accounting, net of taxes	0	0	0	0	-282,282,246
5.07	Closing balances	4,540,000	30	846,908	392,056	368,153,147

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 1/1/2016 to 3/31/206</b>	<b>YTD Prior Year 01/01/2015 to 3/31/2015</b>
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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**Consolidated Financial Statements / Balance Sheet - Assets  
(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>Current Quarter 03/31/2016</b>	<b>YTD Previous Year 12/31/2015</b>
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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**Consolidated Financial Statements / Balance Sheet – Liabilities  
(R\$ thousand)**

<i>Code</i>	<i>Description</i>	<b>YTD</b>	
		<b>Current Quarter 03/31/2016</b>	<b>Previous Year 12/31/2015</b>
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



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**Version: 1**

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 01/01/2016 to 03/31/2016</b>	<b>YTD Previous Year 01/01/2015 to 03/31/2015</b>
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



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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 01/01/2016 to 03/31/2016</b>
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

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**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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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



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**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		-183,220
	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	1,729,049 6		8,318,890

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**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 amortization 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

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**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

<b>Steel Sales (thousand t)</b>	<b>1,407</b>	<b>1,130</b>	<b>1,246</b>	<b>10%</b>	<b>(11%)</b>
- Domestic Market	63%	57%	52%	(5%)	(11%)
- Overseas Subsidiaries	34%	37%	42%	5%	8%
- Exports	6%	6%	6%	0%	0%
<b>Iron Ore Sales (thousand t)<sup>1</sup></b>	<b>5,442</b>	<b>6,656</b>	<b>8,295</b>	<b>25%</b>	<b>52%</b>
- Domestic Market	1%	7%	13%	6%	12%
- Exports	99%	93%	87%	(6%)	(12%)
<b>Consolidated Results (R\$ Million)</b>					
Net Revenue	4,010	3,678	3,844	5%	(4%)
Gross Profit	985	767	926	21%	(6%)
Adjusted EBITDA <sup>2</sup>	911	686	733	7%	(20%)
Adjusted Net Debt <sup>3</sup>	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

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

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

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

<b>Financial Result - IFRS</b>	<b>(870)</b>	<b>(183)</b>	<b>(943)</b>
<b>(+) Financial Result of Joint-Venture</b>	<b>500</b>	<b>(48)</b>	<b>(25)</b>
(+) Namisa	520	(34)	-
(+) MRS	(20)	(15)	(25)
<b>(=) Proporcional Financial Result<sup>1</sup></b>	<b>(370)</b>	<b>(231)</b>	<b>(968)</b>
<b>Financial Revenues</b>	63	<b>289</b>	<b>251</b>
<b>Financial Expenses</b>	(433)	<b>(531)</b>	<b>(1.219)</b>
<b>Financial Expenses (ex-exchange rates variation)</b>	(878)	<b>(483)</b>	<b>(890)</b>
<b>Result with Exchange Rate Variation</b>	445	<b>(48)</b>	<b>(329)</b>
Monetary and Exchange Rate Variation	(482)	245	949
Hedge Accounting	428	(140)	(566)
Notional Amount of Derivatives Contracted	500	(153)	(713)
<b>Others</b>	-	12	-

<sup>1</sup> 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%
<b>Share of profits (losses) of investees</b>	<b>398</b>	<b>(55)</b>	<b>45</b>	<b>-</b>	<b>(89%)</b>

- 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.

<b>Profit (loss) for the Period</b>	<b>392</b>	<b>2,371</b>	<b>(831)</b>	<b>-</b>	<b>-</b>
(-) Depreciation	264	308	310	1%	17%
(+) Income Tax and Social Contribution	(503)	527	122	(77%)	-
(+) Finance Income	870	183	943	416%	8%
<b>EBITDA (ICVM 527)</b>	<b>1,023</b>	<b>3,389</b>	<b>544</b>	<b>(84%)</b>	<b>(47%)</b>
(+) 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%
<b>Adjusted EBITDA</b>	<b>911</b>	<b>686</b>	<b>733</b>	<b>7%</b>	<b>(20%)</b>

- 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.

<sup>1</sup> 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
<b>Total Assets</b>	<b>1,795</b>	<b>1,610</b>
Borrowings and Financing	(4,569)	(4,466)
Accounts Payable	(20)	(7)
Other Liabilities	(25)	(6)
<b>Total Liabilities</b>	<b>(4,615)</b>	<b>(4,479)</b>

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

<sup>1</sup>As 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.

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

<sup>3</sup>IFRS 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	-	-	-
<b>Total Investment IFRS</b>	<b>338</b>	<b>464</b>	<b>330</b>

## 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.

<b>Assets</b>	<b>5,145</b>	<b>5,869</b>	<b>5,664</b>	<b>(205)</b>	<b>519</b>
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
<b>Liabilities</b>	<b>2,306</b>	<b>2,703</b>	<b>2,587</b>	<b>(115)</b>	<b>281</b>
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
<b>Working Capital</b>	<b>2,839</b>	<b>3,166</b>	<b>3,077</b>	<b>(90)</b>	<b>238</b>
Receivables	36	30	36	6	-
Supplier Payment	46	52	48	(4)	2
Inventory Turnover	92	127	113	(14)	21
<b>Cash Conversion Cycle</b>	<b>82</b>	<b>105</b>	<b>101</b>	<b>(4)</b>	<b>19</b>

## Results by Segment

The Company maintains integrated operations in five business segments: steel, mining<sup>3</sup>, logistics, cement and energy. The main assets and/or companies comprising each segment are presented below<sup>2</sup>:

<sup>1</sup> Namisa's former assets.

<sup>2</sup> 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.

<sup>3</sup> 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.



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

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

## 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.

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

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

Shipped Volume	6,282	7,939	6,988	<b>(12%)</b>	<b>11%</b>
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- **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%.

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

<sup>2</sup> *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.

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

Closing price (US\$/ADR)	1.97
Market Capitalization (R\$ million)	9,921
Market Capitalization (US\$ million)	2,733
<b>Total return including dividends and interest on equity</b>	
CSNA3	78.8%
SID	101.9%
Ibovespa	15.5%
Dow Jones	1.5%
<b>Volume</b>	
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*

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**(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	
<b>Direct interest in subsidiaries: full consolidation</b>			
CSN Islands VII Corp.	100.00	100.00	Financial transactions
CSN Islands IX Corp.	100.00	100.00	Financial transactions
CSN Islands XI Corp.	100.00	100.00	Financial transactions
CSN Islands XII Corp.	100.00	100.00	Financial transactions
CSN Minerals S.L.U.	100.00	100.00	Equity interests
CSN Export Europe, S.L.U.	100.00	100.00	Financial transactions 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

S.A. Nordeste Logística S.A.	99.99	99.99	Port services
<b>Indirect interest in subsidiaries: full consolidation</b>			
Companhia Siderúrgica Nacional LLC	100.00	100.00	Steel
CSN Europe Lda.	100.00	100.00	Financial transactions, 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
<b>Direct interest in joint operations: proportionate consolidation</b>			
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
<b>Direct interest in joint ventures: equity method</b>			
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
<b>Indirect interest in joint ventures: equity method</b>			
MRS Logística S.A.	16.30	16.30	Railroad transportation
<b>Direct interest in associates: equity method</b>			
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**

<b>Exclusive funds</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>03/31/2016</b>	<b>12/31/2015</b>	
<b>Direct interest: full consolidation</b>			
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
<b>Cash generated by operating activities</b>			
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		
<b>Net cash generated by operating activities</b>	<b>1,642,006</b>	<b>96,118</b>	
<b>Cash used in investing activities</b>	<b>413,490</b>		
<b>Cash generated by financing activities</b>			
Forfeiting funding / drawee risk		15,136	
Forfeiting amortization / drawee risk		(111,254)	
Others	(1,852,855)		
<b>Net cash used in financing activities</b>	<b>(1,852,855)</b>	<b>(96,118)</b>	
<b>Exchange rate changes on cash and cash equivalents</b>	<b>182,123</b>		
<b>Increase in cash and cash equivalents</b>	<b>384,764</b>		

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

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

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

Private securities are short-term investments in Bank Deposit Certificates (CDBs) with yields pegged to the Interbank Deposit Certificate (CDI) fluctuation, and government securities are basically repurchase agreements backed by National Treasury Notes and National Treasury Bills. The funds are managed by BNY Mellon Serviços Financeiros 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
<b>Trade receivables</b>				
<b>Third parties</b>				
Domestic market	946,045	772,617	512,785	425,108
Foreign market	889,451	818,562	199,576	250,588
	<b>1,835,496</b>	<b>1,591,179</b>	<b>712,361</b>	<b>675,696</b>
Allowance for doubtful debts	(165,188)	(151,733)	(123,764)	(112,502)
	<b>1,670,308</b>	<b>1,439,446</b>	<b>588,597</b>	<b>563,194</b>
Related parties (Note 17 b)	75,241	61,366	1,064,915	1,140,172
	<b>1,745,549</b>	<b>1,500,812</b>	<b>1,653,512</b>	<b>1,703,366</b>
<b>Other receivables</b>				
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
	<b>70,557</b>	<b>77,465</b>	<b>768,914</b>	<b>764,157</b>
	<b>1,816,106</b>	<b>1,578,277</b>	<b>2,422,426</b>	<b>2,467,523</b>

(\*) 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:

		<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>	
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	
	<b>1,835,496</b>	<b>1,591,179</b>	<b>712,361</b>	<b>675,696</b>	

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(151,733)</b>	<b>(127,223)</b>	<b>(112,502)</b>	<b>(93,536)</b>
Estimated losses	(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
<b>Closing balance</b>	<b>(165,188)</b>	<b>(151,733)</b>	<b>(123,764)</b>	<b>(112,502)</b>

## 6. INVENTORIES

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
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)
	<b>4,494,832</b>	<b>4,941,314</b>	<b>2,834,277</b>	<b>2,850,744</b>

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

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



## 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	
	<b>1,081,362</b>	<b>1,286,449</b>	<b>1,591,047</b>	<b>1,583,921</b>	<b>774,510</b>

(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
<b>Investments under the equity method</b>						
<b>Subsidiaries</b>						
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
				<b>39,686,083</b>	<b>22,194,707</b>	<b>17,491,376</b>
<b>Joint-venture e Joint-operation</b>						
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
				<b>6,129,345</b>	<b>4,014,968</b>	<b>2,773,482</b>
<b>Associates</b>						
Arvedi Metalfer do Brasil	27,239,971		20.00	54,402	53,363	1,039
				<b>54,402</b>	<b>53,363</b>	<b>1,039</b>
<b>Classified as available-for-sale</b>						
Usiminas						482,426
Panatlântica						21,601
						<b>504,027</b>
<b>Other investments</b>						
Profits on subsidiaries' inventories						(39,425)
Others						65,019
						<b>25,594</b>
<b>Total investments</b>						<b>20,795,518</b>
<b>Classification of investments in the balance sheet</b>						
Investments in assets						22,042,470
Investments with negative equity						(1,246,952)
						<b>20,795,518</b>

(\*) 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**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>Opening balance of investments</b>	<b>3,998,227</b>	<b>13,665,453</b>	<b>23,323,565</b>	<b>24,199,129</b>
<b>Opening balance of loss provisions</b>			<b>(1,095,086)</b>	<b>(1,088,559)</b>
Investment balance of Namisa 11/30/15		(10,160,981)		
Capital increase/acquisition of shares		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		
<b>Closing balance of investments</b>	<b>4,084,727</b>	<b>3,998,227</b>	<b>22,042,470</b>	<b>23,323,565</b>
<b>Balance of provision for investments</b>			<b>(1,246,952)</b>	<b>(1,095,086)</b>
<b>Total</b>	<b>4,084,727</b>	<b>3,998,227</b>	<b>20,795,518</b>	<b>22,228,479</b>

(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:

	<b>03/31/2016</b>	<b>Consolidated 03/31/2015</b>
<b>Equity income of affiliates and joint ventures</b>		
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)	
	<b>53,864</b>	<b>403,264</b>
<b>Eliminations</b>		
To cost of sales	(13,462)	(7,919)
To net revenues		668
To taxes	4,577	2,465
<b>Equity in results</b>	<b>44,979</b>	<b>398,478</b>

**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				
Equity interest (%)	MRS Logística 34.94%	<i>Joint-Venture</i> CBSI 50.00%	Transnordestina Logística 56.92%	<i>Joint-Operation</i> Itá Energética 48.75%	CGPAR 50.00%
<b>Balance sheet</b>					
<b>Current assets</b>					
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
<b>Total current assets</b>	<b>1,105,471</b>	<b>24,414</b>	<b>182,504</b>	<b>37,517</b>	<b>57,417</b>
<b>Non-current assets</b>					
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
<b>Total non-current assets</b>	<b>6,827,505</b>	<b>4,413</b>	<b>7,356,215</b>	<b>567,454</b>	<b>43,322</b>
<b>Total Assets</b>	<b>7,932,976</b>	<b>28,827</b>	<b>7,538,719</b>	<b>604,971</b>	<b>100,739</b>
<b>Current liabilities</b>					
Borrowings and financing	786,707		43,752		9,511
Other current liabilities	762,374	24,408	290,520	88,997	55,946
<b>Total current liabilities</b>	<b>1,549,081</b>	<b>24,408</b>	<b>334,272</b>	<b>88,997</b>	<b>65,457</b>
<b>Non-current liabilities</b>					
Borrowings and financing	2,664,076		4,763,654		10,571
Other non-current liabilities	571,375	2,500	220,001	2,347	480
<b>Total non-current liabilities</b>	<b>3,235,451</b>	<b>2,500</b>	<b>4,983,655</b>	<b>2,347</b>	<b>11,051</b>
<b>Shareholders' equity</b>	<b>3,148,444</b>	<b>1,919</b>	<b>2,220,792</b>	<b>513,627</b>	<b>24,231</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,932,976</b>	<b>28,827</b>	<b>7,538,719</b>	<b>604,971</b>	<b>100,739</b>

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%
<b>Statements of Income</b>					
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)
<b>Profit / (loss) for the period</b>	<b>164,236</b>	<b>2,832</b>	<b>(12,276)</b>	<b>4,696</b>	<b>3,027</b>

## 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 (*)
<b>Balance at December 31, 2015</b>	<b>264,289</b>	<b>2,696,126</b>	<b>11,109,272</b>	<b>38,986</b>	<b>3,199,386</b>	<b>563,540</b>
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)
<b>Balance at December 31, 2015</b>	<b>264,289</b>	<b>2,696,126</b>	<b>11,109,272</b>	<b>38,986</b>	<b>3,199,386</b>	<b>563,540</b>
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	
<b>Balance at March 31, 2016</b>	<b>261,047</b>	<b>2,657,880</b>	<b>10,871,644</b>	<b>37,541</b>	<b>3,490,597</b>	<b>561,548</b>
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)
<b>Balance at March 31, 2016</b>	<b>261,047</b>	<b>2,657,880</b>	<b>10,871,644</b>	<b>37,541</b>	<b>3,490,597</b>	<b>561,548</b>





	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Parent Other (*)
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
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)
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
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
<b>Balance at March 31, 2016</b>	<b>83,350</b>	<b>863,045</b>	<b>6,016,254</b>	<b>17,042</b>	<b>1,944,367</b>	<b>71,751</b>
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)
<b>Balance at March 31, 2016</b>	<b>83,350</b>	<b>863,045</b>	<b>6,016,254</b>	<b>17,042</b>	<b>1,944,367</b>	<b>71,751</b>

(\*) 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
<b>Logistics</b>			43,784	35,457

	Current investments for maintenance of current operations.				<b>43,784</b>	<b>35,457</b>
<b>Mining</b>						
	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
					<b>1,455,510</b>	<b>1,403,629</b>
<b>Steel</b>						
	Equipment supply for use in the steel operation.	2008	2016		93,493	105,697
	Expansion of the service center/Mogi.	2013	2015/2016 (3)		15,022	14,950
	Current investments for maintenance of current operations.			(4)	453,514	375,579
					<b>562,029</b>	<b>496,226</b>
<b>Cement</b>						
	Construction of cement plants.	2011	2016 (5)		1,420,913	1,254,897
	Current investments for maintenance of current operations.				8,361	9,177
					<b>1,429,274</b>	<b>1,264,074</b>
<b>Total of construction in progress</b>					<b>3,490,597</b>	<b>3,199,386</b>

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

(2) Estimated completion date of phase 60 Mtpa;

(3) Estimated completion date of Mogi Service Center;

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

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

The estimated useful lives are as follows:

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

#### 9.a) Depreciation and amortization expense:

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
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
	<b>309,836</b>	<b>264,498</b>	<b>135,525</b>	<b>206,329</b>
Other operating expenses (*)	12,108	9,004		
	<b>321,944</b>	<b>273,502</b>	<b>135,525</b>	<b>206,329</b>

(\*) 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.

	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Software</b>	<b>Trademarks and patents</b>	<b>Rights and licenses</b>	<b>Other</b>
<b>Balance at December 31, 2015</b>	<b>4,098,465</b>	<b>413,387</b>	<b>75,236</b>	<b>143,636</b>	<b>727,390</b>	<b>39</b>
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)					
<b>Balance at December 31, 2015</b>	<b>4,098,465</b>	<b>413,387</b>	<b>75,236</b>	<b>143,636</b>	<b>727,390</b>	<b>39</b>
Effect of foreign exchange differences		(18,361)	(37)	(6,640)		(18)
Acquisitions and expenditures			6			
Amortization		(11,491)	(2,841)			
<b>Balance at March 31, 2016</b>	<b>4,098,465</b>	<b>383,535</b>	<b>72,364</b>	<b>136,996</b>	<b>727,390</b>	<b>37</b>
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)					
<b>Balance at March 31, 2016</b>	<b>4,098,465</b>	<b>383,535</b>	<b>72,364</b>	<b>136,996</b>	<b>727,390</b>	<b>37</b>

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

	<b>03/31/2016</b>	<b>Consolidated 12/31/2015</b>	<b>03/31/2016</b>	<b>Parent Company 12/31/2015</b>
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
<b>FOREIGN CURRENCY</b>						
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	
		<b>976,278</b>	<b>1,079,593</b>	<b>15,327,653</b>	<b>17,304,280</b>	<b>2,104,970</b>
<b>LOCAL CURRENCY</b>						
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	
		<b>509,873</b>	<b>821,791</b>	<b>15,329,722</b>	<b>15,180,296</b>	<b>453,570</b>
<b>Total borrowings and financing</b>		<b>1,486,151</b>	<b>1,901,384</b>	<b>30,657,375</b>	<b>32,484,576</b>	<b>2,558,540</b>
Transaction costs and issue premiums		(26,374)	(26,703)	(96,318)	(76,742)	(21,727)
<b>Total borrowings and financing + transaction costs</b>		<b>1,459,777</b>	<b>1,874,681</b>	<b>30,561,057</b>	<b>32,407,834</b>	<b>2,536,813</b>

(\*) 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:

		<b>Consolidated</b>		<b>Parent Company</b>
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%		
	<b>30,657,375</b>	<b>100%</b>	<b>29,642,288</b>	<b>100%</b>

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

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>34,282,515</b>	<b>30,354,058</b>	<b>33,988,090</b>	<b>29,560,826</b>
Funding transactions		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
<b>Closing balance</b>	<b>32,020,834</b>	<b>34,282,515</b>	<b>32,089,736</b>	<b>33,988,090</b>

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

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

- **Amortization**

	<b>Transaction</b>	<b>Payment of principal</b>	<b>Consolidated Debt charges</b>
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
<b>Total</b>	<b>215,756</b>	<b>932,279</b>

## 12. FINANCIAL INSTRUMENTS

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

					03/31/2016	
<b>Consolidated</b>	<b>Notes</b>	<b>Available for sale</b>	<b>Fair value through profit or loss</b>	<b>Loans and receivables - effective interest rate</b>	<b>Other liabilities - amortized cost method</b>	<b>Balances</b>
<b>Assets</b>						
<b>Current</b>						
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
<b>Total</b>			<b>10,861</b>	<b>8,050,621</b>		<b>8,061,482</b>
<b>Non-current</b>						
Other trade receivables	7			11,249		11,249
Investments	8	504,027				504,027
Loans - related parties	7			386,128		386,128
<b>Total</b>		<b>504,027</b>		<b>397,377</b>		<b>901,404</b>
<b>Total assets</b>		<b>504,027</b>	<b>10,861</b>	<b>8,447,998</b>		<b>8,962,886</b>
<b>Liabilities</b>						
<b>Current</b>						
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
<b>Total</b>			<b>40,027</b>		<b>3,186,361</b>	<b>3,226,388</b>
<b>Non-current</b>						
Borrowings and financing	11				30,657,375	30,657,375
<b>Total</b>					<b>30,657,375</b>	<b>30,657,375</b>

**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
<b>Assets</b>					
<b>Current</b>					
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial instruments				118,592	118,592
Trading securities	10,861		10,861	10,778	10,778
<b>Non-current</b>					
<b>Available-for-sale financial assets</b>					
Investments	504,027		504,027	471,674	471,674
<b>Total assets</b>	<b>514,888</b>		<b>514,888</b>	<b>482,452</b>	<b>118,592</b>
<b>Liabilities</b>					
<b>Current</b>					
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial instruments		40,027	40,027	26,257	26,257
<b>Total liabilities</b>		<b>40,027</b>	<b>40,027</b>	<b>26,257</b>	<b>26,257</b>

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

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

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
	<b>176,606,000</b>		<b>482,426</b>		<b>450,073</b>		<b>32,353</b>

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:

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

- **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	
<b>Total forward dollar</b>			<b>1,435,000</b>		<b>(39,164)</b>	<b>(39,164)</b>	<b>1,435,000</b>	<b>110,075</b>	
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)
<b>Total dollar-to-euro swap</b>			<b>36,550</b>	<b>130,145</b>	<b>(131,008)</b>	<b>(863)</b>	<b>58,150</b>	<b>227,024</b>	<b>(219,37)</b>
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)
<b>Total Fixed rate-to-CDI interest rate swap</b>							<b>345,000</b>	<b>435,464</b>	<b>(461,72)</b>
Itaú BBA		Real					30,000	33,396	(33,23)
HSBC		Real					120,000	133,508	(132,80)
<b>Total interest rate- to-CDI swap</b>							<b>150,000</b>	<b>166,904</b>	<b>(166,03)</b>
				<b>130,145</b>	<b>(170,172)</b>	<b>(40,027)</b>		<b>939,467</b>	<b>(847,13)</b>

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&amp;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)
				<b>40,027</b>		<b>40,027</b>	<b>(689,044)</b>
						<b>12/31/2015</b>	<b>03/31/2015</b>
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&amp;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
	<b>118,592</b>	<b>118,592</b>	<b>26,257</b>	<b>26,257</b>	<b>481,479</b>

(\*) 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
<b>Total</b>						<b>1,566,000 (16,667) (12,697)</b>

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

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

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

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

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

	<b>12/31/2015</b>	<b>Movement</b>	<b>Realizat</b>
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)	
<b>Cash flow hedge accounting</b>	<b>1,361,210</b>	<b>(534,423)</b>	<b>(12,6</b>

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)	
<b>Total</b>					<b>96,000</b>	<b>(1,284)</b>

(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
<b>Fair value of net investment hedge in foreign operations</b>	<b>20,148</b>	<b>(18,864)</b>		<b>1,284</b>

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)
<b>Consolidated exchange position</b> (including exchange derivatives above)	<b>114,589</b>	<b>Dollar</b>	<b>(447)</b>	<b>101,953</b>	<b>203,906</b>
Net Investment hedge accounting	96,000	Euro	3,600	97,293	194,590
Currency position	(85,799)	Euro	(3,217)	(86,955)	(173,913)
<b>Consolidated exchange position</b> (including exchange derivatives above)	<b>10,201</b>	<b>Euro</b>	<b>383</b>	<b>10,338</b>	<b>20,677</b>
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.

<b>Changes in interest rates</b>	<b>% p.a</b>	<b>Probable scenario (*)</b>	<b>Impact on profit or loss</b>	
			<b>Scenario 1</b>	<b>Scenario 2</b>
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.

					<b>Consolidated</b>
	<b>Less than one year</b>	<b>From one to two years</b>	<b>From two to five years</b>	<b>Over five years</b>	<b>Total</b>
<b>At March 31, 2016</b>					
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:

	<b>Closing Balance</b>	<b>03/31/2016 Fair value</b>	<b>Closing Balance</b>	<b>12/31/2015 Fair value</b>
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:

	<b>Current</b>		<b>Consolidated Non-current</b>		<b>Current</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
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
	<b>1,046,262</b>	<b>1,073,017</b>	<b>148,318</b>	<b>131,284</b>	<b>456,961</b>	<b>411,690</b>

(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:

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

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

	<b>Consolidated</b>		<b>Parent</b>
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>
<b>Loss before income tax and social contribution</b>	<b>(709,082)</b>	<b>(110,715)</b>	<b>(807,308)</b>
Tax rate	34%	34%	34%
<b>Income tax and social contribution at combined statutory rate</b>	<b>241,088</b>	<b>37,643</b>	<b>274,485</b>
<b>Adjustment to reflect the effective rate:</b>			
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
<b>Income tax and social contribution in profit for the period</b>	<b>(122,210)</b>	<b>502,517</b>	<b>(29,382)</b>
<b>Effective tax rate</b>	<b>-17%</b>	<b>454%</b>	<b>-4%</b>

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

**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:

	<b>Opening balance 12/31/2015</b>	Co
<b>Deferred tax assets</b>		
Income tax losses	226,245	
Social contribution tax losses	93,031	
<b>Temporary differences</b>	<b>2,987,751</b>	
- 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	
<b>Non-current assets</b>	<b>3,307,027</b>	
<b>Deferred tax liabilities</b>		
<b>Temporary differences</b>	<b>494,851</b>	
- 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)
<b>Non-current liabilities</b>	<b>494,851</b>



	Opening balance 12/31/2015	Co
<b>Deferred tax assets</b>		
Income tax losses	226,246	
Social contribution tax losses	93,031	
<b>Temporary differences</b>	<b>2,909,684</b>	
- 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	
<b>Non-current assets</b>	<b>3,228,961</b>	

(\*) 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 1<sup>st</sup> 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
<b>Income tax and social contribution</b>				
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
	<b>(202,019)</b>	<b>(202,103)</b>	<b>(201,464)</b>	<b>(20</b>

## 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				
	<b>855,259</b>	<b>838,734</b>	<b>324,444</b>	<b>328,542</b>	<b>678,166</b>	<b>656,298</b>	<b>253,720</b>	<b>263,046</b>

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
	<b>838,734</b>	<b>30,708</b>	<b>32,857</b>	<b>(47,040)</b>	<b>855,259</b>

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
	<b>656,298</b>	<b>27,401</b>	<b>28,791</b>	<b>(34,324)</b>	<b>678,166</b>

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

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

**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**

	<b>Current</b>		<b>Non-current</b>		<b>Consolidated Total</b>	
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>
<b>Assets</b>						
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
	<b>114,127</b>	<b>98,603</b>	<b>526,895</b>	<b>516,667</b>	<b>641,022</b>	<b>615,270</b>
<b>Liabilities</b>						
<b>Other payables (Note 13)</b>						
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
	<b>131,909</b>	<b>74,241</b>	<b>514,608</b>	<b>514,368</b>	<b>646,517</b>	<b>588,609</b>
	<b>31/03/2016</b>	<b>31/03/2015</b>				
<b>P&amp;L</b>						
<b>Revenues</b>						

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

- **By company**

	Assets			Liabilities			Sales	Purchases
	Current	Non-current	Total	Current	Non-current	Total		
<b>Joint-venture and Joint-operation</b>								
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)
	<b>35,557</b>	<b>368,237</b>	<b>403,794</b>	<b>130,676</b>	<b>240</b>	<b>130,916</b>	<b>5</b>	<b>(234,461)</b>
<b>Other related parties</b>								
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)
	<b>78,570</b>	<b>111,747</b>	<b>190,317</b>	<b>647</b>	<b>514,368</b>	<b>515,015</b>	<b>162,480</b>	<b>(5,473)</b>
<b>Associates</b>								
Arvedi Metalfer do Brasil S.A.		46,911	46,911	586		586	6,309	
<b>Total at 03/31/2016</b>	<b>114,127</b>	<b>526,895</b>	<b>641,022</b>	<b>131,909</b>	<b>514,608</b>	<b>646,517</b>	<b>168,794</b>	<b>(239,934)</b>
<b>Total at 12/31/2015</b>	<b>98,603</b>	<b>516,667</b>	<b>615,270</b>	<b>74,241</b>	<b>514,368</b>	<b>588,609</b>	<b>725,285</b>	<b>(1,103,428)</b>
<b>Total at 03/31/2015</b>							<b>209,015</b>	<b>(270,801)</b>

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



- **By transaction**

	<b>Current</b>		<b>Non-current</b>		<b>Parent</b>
	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>03/31/2016</b>	<b>12/31/2015</b>	<b>T</b>
<b>Assets</b>					
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	248,865
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
	<b>2,649,605</b>	<b>3,432,822</b>	<b>700,418</b>	<b>684,109</b>	<b>3,350,022</b>
<b>Liabilities</b>					
<b>Borrowings and financing</b>					
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
<b>Other payables (Note 13)</b>					
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
	<b>1,631,270</b>	<b>1,669,302</b>	<b>11,586,443</b>	<b>12,669,457</b>	<b>13,217,711</b>
	<b>03/31/2016</b>	<b>03/31/2015</b>			
<b>P&amp;L</b>					
<b>Revenues</b>					
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)	
	<b>560,062</b>	<b>(537,531)</b>

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

(2) Assets: Financial investments classified as current totaled to R\$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
<b>Subsidiaries</b>						
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
Ferrovias 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	-	-	-	-	-	-
	<b>1,708,889</b>	<b>281,652</b>	<b>1,990,541</b>	<b>1,562,674</b>	<b>11,072,076</b>	<b>12,634,720</b>
<b>Joint-venture e Joint-operation</b>						
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
	<b>52,392</b>	<b>230,510</b>	<b>282,902</b>	<b>28,894</b>	-	<b>28</b>
<b>Other related parties</b>	-	-	-	-	-	-
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	-	-	-	-	-	-
	<b>78,127</b>	<b>111,593</b>	<b>189,720</b>	<b>538</b>	<b>514,367</b>	<b>514</b>
<b>Associates</b>	-	-	-	-	-	-
Arvedi Metalfer do Brasil S.A.	-	46,911	46,911	-	-	-
	-	-	-	-	-	-
<b>Exclusive Funds</b>	-	-	-	-	-	-
Diplic, Caixa Vertice, VR1, BB Steel	810,197	29,752	839,949	39,164	-	39
<b>Total at 03/31/2016</b>	<b>2,649,605</b>	<b>700,418</b>	<b>3,350,023</b>	<b>1,631,270</b>	<b>11,586,443</b>	<b>13,217</b>
<b>Total at 12/31/2015</b>	<b>3,432,822</b>	<b>684,109</b>	<b>4,116,931</b>	<b>1,669,302</b>	<b>12,669,457</b>	<b>14,338</b>
<b>Total at 03/31/2015</b>	-	-	-	-	-	-

(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
	<b>39,927</b>		<b>5,821</b>

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

## 18. SHAREHOLDERS' EQUITY

### 18.a) Paid-in capital

Fully subscribed and paid-in capital as of 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:

	<b>03/31/2016</b>			<b>12/31/2015</b>	
	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%
	<b>1,357,133,047</b>	<b>97.81%</b>	<b>100.00%</b>	<b>1,357,133,047</b>	<b>97.81%</b>
Treasury shares	30,391,000	2.19%		30,391,000	2.19%
<b>Total shares</b>	<b>1,387,524,047</b>	<b>100.00%</b>		<b>1,387,524,047</b>	<b>100.00%</b>



**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
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(\* ) 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	
<b>Net Loss/gain of the period</b>		
Attributable to owners of the Company	(836,690)	392,056
Weighted average number of shares	1,357,133	1,357,202
<b>Basic and diluted EPS</b>	(0.61651)	0.28887

**19. PAYMENT TO SHAREHOLDERS**

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

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

**20. NET SALES REVENUE**

Net sales revenue is comprised as follows:

	<b>03/31/2016</b>	<b>Consolidated 03/31/2015</b>	<b>03/31/2016</b>	<b>Parent Company 03/31/2015</b>
<b>Gross revenue</b>				
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
	<b>4,464,187</b>	<b>4,736,648</b>	<b>2,519,921</b>	<b>3,700,996</b>
<b>Deductions</b>				
Cancelled sales and discounts	(68,780)	(38,464)	(61,057)	(31,966)
Taxes on sales	(551,604)	(687,932)	(481,224)	(610,998)
	<b>(620,384)</b>	<b>(726,396)</b>	<b>(542,281)</b>	<b>(642,964)</b>
<b>Net revenue</b>	<b>3,843,803</b>	<b>4,010,252</b>	<b>1,977,640</b>	<b>3,058,032</b>

**21. EXPENSES BY NATURE**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
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)
	<b>(3,528,290)</b>	<b>(3,436,208)</b>	<b>(1,930,289)</b>	<b>(2,419,914)</b>
<b>Classified as:</b>				
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)
	<b>(3,528,290)</b>	<b>(3,436,208)</b>	<b>(1,930,289)</b>	<b>(2,419,914)</b>



**22. OTHER OPERATING INCOME (EXPENSES)**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
<b>Other operating income</b>				
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
	<b>22,272</b>	<b>5,962</b>	<b>2,840</b>	<b>3,722</b>
	-	-	-	-
<b>Other operating expenses</b>				
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)
	<b>(148,832)</b>	<b>(219,499)</b>	<b>(102,542)</b>	<b>(201,760)</b>
<b>Other operating expenses, net</b>	<b>(126,560)</b>	<b>(213,537)</b>	<b>(99,702)</b>	<b>(198,038)</b>



**23. FINANCE INCOME (Expenses)**

	<b>Consolidated</b>			<b>Parent C</b>
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
<b>Finance income</b>				
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	
	<b>243,154</b>	<b>56,136</b>	<b>18,429</b>	
<b>Finance costs</b>				
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)	
	<b>(867,928)</b>	<b>(860,593)</b>	<b>(1,329,431)</b>	
<b>Inflation adjustment and exchange differences, net</b>				
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		
	<b>(318,240)</b>	<b>(65,243)</b>	<b>1,043,124</b>	
<b>Finance income (costs), net</b>	<b>(943,014)</b>	<b>(869,700)</b>	<b>(267,878)</b>	
<b>Statement of gains and (losses) on derivative transactions</b>				
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		
	<b>(688,682)</b>	<b>482,604</b>		
Fixed rate- to- CDI swap	(299)	(1,479)		
CDI -to- fixed rate swap	(63)	354		
	<b>(362)</b>	<b>(1,125)</b>		

**(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		03/3
	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)	1,7
Foreign market	1,308,774	626,215					196,736	2,1
<b>Total net revenue (note 20)</b>	<b>2,809,140</b>	<b>777,288</b>	<b>50,423</b>	<b>303,141</b>	<b>68,149</b>	<b>114,204</b>	<b>(278,542)</b>	<b>3,8</b>
Cost of sales and services	(2,299,907)	(585,117)	(36,040)	(214,370)	(51,113)	(101,191)	369,980	(2,9
<b>Gross profit</b>	<b>509,233</b>	<b>192,171</b>	<b>14,383</b>	<b>88,771</b>	<b>17,036</b>	<b>13,013</b>	<b>91,438</b>	<b>9</b>
General and administrative expenses	(255,318)	(23,755)	(8,278)	(23,881)	(5,946)	(17,657)	(275,697)	(6
Depreciation (note 9 a)	166,229	114,434	3,293	55,695	4,279	12,812	(46,906)	3
Proportionate EBITDA of joint ventures							107,316	1
<b>Adjusted EBITDA</b>	<b>420,144</b>	<b>282,850</b>	<b>9,398</b>	<b>120,585</b>	<b>15,369</b>	<b>8,168</b>	<b>(123,849)</b>	<b>7</b>

**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						
<b>Foreign market</b>	<b>1,308,774</b>	<b>626,215</b>					<b>196,736</b>	<b>2,1</b>
<b>Domestic market</b>	<b>1,500,366</b>	<b>151,073</b>	<b>50,423</b>	<b>303,141</b>	<b>68,149</b>	<b>114,204</b>	<b>(475,278)</b>	<b>1,7</b>
<b>Total</b>	<b>2,809,140</b>	<b>777,288</b>	<b>50,423</b>	<b>303,141</b>	<b>68,149</b>	<b>114,204</b>	<b>(278,542)</b>	<b>3,8</b>

03/3

**Logistics****Corporate**

<b>P&amp;L</b>	<b>Steel</b>	<b>Mining</b>	<b>Port</b>	<b>Railroads</b>	<b>Energy</b>	<b>Cement</b>	<b>expenses/</b>	<b>Consol</b>
							<b>elimination</b>	
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
<b>Total net revenue (note 20)</b>	<b>3,123,107</b>	<b>657,782</b>	<b>46,846</b>	<b>251,174</b>	<b>63,691</b>	<b>100,631</b>	<b>(232,979)</b>	<b>4,0</b>
Cost of sales and services	(2,365,555)	(566,701)	(30,569)	(180,332)	(46,949)	(66,530)	231,103	(3,0)
<b>Gross profit</b>	<b>757,552</b>	<b>91,081</b>	<b>16,277</b>	<b>70,842</b>	<b>16,742</b>	<b>34,101</b>	<b>(1,876)</b>	<b>9</b>
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	
<b>Adjusted EBITDA</b>	<b>683,491</b>	<b>156,032</b>	<b>13,329</b>	<b>92,589</b>	<b>15,441</b>	<b>28,238</b>	<b>(77,970)</b>	<b>9</b>

**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							
<b>Foreign market</b>	<b>1,111,791</b>	<b>619,980</b>					<b>37,700</b>	<b>1,7</b>
<b>Domestic market</b>	<b>2,011,316</b>	<b>37,802</b>	<b>46,846</b>	<b>251,174</b>	<b>63,691</b>	<b>100,631</b>	<b>(270,679)</b>	<b>2,2</b>
<b>Total</b>	<b>3,123,107</b>	<b>657,782</b>	<b>46,846</b>	<b>251,174</b>	<b>63,691</b>	<b>100,631</b>	<b>(232,979)</b>	<b>4,0</b>

(\*) 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:

	<b>03/31/2016</b>	<b>Consolidated 03/31/2015</b>
(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
<b>EBITDA</b>	<b>543,768</b>	<b>1,023,483</b>
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
<b>Adjusted EBITDA (*)</b>	<b>732,665</b>	<b>911,150</b>

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

## 25. GUARANTEES

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

**Currency Maturities**

**Borrowings**

**Tax foreclosure**



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			
<b>Total in R\$</b>			<b>4,627,303</b>	<b>4,639,303</b>	<b>42,721</b>	<b>42,721</b>	<b>26,72</b>
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			
<b>Total in US\$</b>			<b>2,950,000</b>	<b>2,950,000</b>			
CSN Steel S.L.	EUR	1/31/2020	120,000	120,000			
Lusosider Aços Planos	EUR	Indefinite	25,000	25,000			
<b>Total in EUR</b>			<b>145,000</b>	<b>145,000</b>			
<b>Total in R\$</b>			<b>11,086,571</b>	<b>12,135,468</b>	<b>42,721</b>	<b>42,721</b>	<b>26,72</b>
			<b>15,713,874</b>	<b>16,774,771</b>			

## 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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03/31/2016</b>	<b>03/31/2015</b>	<b>03/31/2016</b>	<b>03/31/2015</b>
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	
	<b>77,827</b>	<b>92,295</b>	<b>41,358</b>	<b>81,725</b>

## 28. COMPREHENSIVE INCOME STATEMENT

	03/31/2016	Consolidated 03/31/2015	03/31/2016	Parent Company 03/31/2015
<b>(Loss) Profit for the period</b>	<b>(831,292)</b>	<b>391,802</b>	<b>(836,690)</b>	<b>392,056</b>
<b>Other comprehensive income</b>				
<b>Items that will not be subsequently reclassified to the statement of income</b>				
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)		
	<b>85</b>	<b>125</b>	<b>85</b>	<b>125</b>
<b>Items that could be subsequently reclassified to the statement of income</b>				
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
		<b>8,417</b>		<b>8,417</b>

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			
	<b>415,051</b>	<b>362,888</b>	<b>415,051</b>	<b>362,888</b>
	<b>415,136</b>	<b>363,013</b>	<b>415,136</b>	<b>363,013</b>
<b>Total comprehensive income for the period</b>	<b>(416,156)</b>	<b>754,815</b>	<b>(421,554)</b>	<b>755,069</b>
<b>Attributable to:</b>				
Owners of the Company	(421,554)	755,069	(421,554)	755,069
Non-controlling interests	5,398	(254)		
	<b>(416,156)</b>	<b>754,815</b>	<b>(421,554)</b>	<b>755,069</b>

## 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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