NATIONAL STEEL CO
Form 6-K
June 04, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of June, 2013
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

Av. Brigadeiro Faria Lima 3400, 20º andar
São Paulo, SP, Brazil
04538-132
(Address of principal executive office)

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

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL

Version: 1

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

Company Information / Capital Breakdown

Number of Shares	**Current Quarter**
(Units)	**03/31/2013**
Paid-in Capital	
Common	1,457,970,108
Preferred	0
Total	1,457,970,108
Treasury Shares	
Common	0
Preferred	0
Total	0

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	***Description***	**Current Quarter 3/31/2013**	**YTD Previous Year 12/31/2012**
1	Total assets	46,709,581	46,925,534
1.01	Current assets	8,005,202	8,386,446
1.01.01	Cash and cash equivalents	2,568,908	2,995,757
1.01.03	Trade receivables	2,169,665	2,032,431
1.01.04	Inventories	2,703,999	2,704,302
1.01.08	Other current assets	562,630	653,956
1.02	Non-current assets	38,704,379	38,539,088
1.02.01	Long-term receivables	3,987,156	3,526,732
1.02.01.06	Deferred taxes	2,184,991	1,869,775
1.02.01.09	Other non-current assets	1,802,165	1,656,957
1.02.02	Investments	22,842,004	23,356,506
1.02.03	Property, plant and equipment	11,856,487	11,636,182
1.02.04	Intangible assets	18,732	19,668

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ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	***Description***	**Current Quarter 3/31/2013**	**YTD Previous Year 12/31/2012**
2	Total liabilities and shareholders' equity	46,709,581	46,925,534
2.01	Current liabilities	7,151,562	5,700,760
2.01.01	Payroll and related taxes	127,325	130,014
2.01.02	Trade payables	1,280,802	1,193,726
2.01.03	Taxes payable	169,594	118,365
2.01.04	Borrowings and financing	3,675,018	2,621,503
2.01.05	Other payables	1,634,552	1,383,179
2.01.06	Provisions	264,271	253,973
2.01.06.01	Provision for tax, social security, labor and civil risks	264,271	253,973
2.02	Non-current liabilities	31,771,779	32,607,877
2.02.01	Borrowings and financing	20,593,354	21,518,489
2.02.02	Other payables	9,012,459	8,927,096
2.02.04	Provisions	2,165,966	2,162,292
2.02.04.01	Provision for tax, social security, labor and civil risks	347,429	344,951
2.02.04.02	Other provisions	1,818,537	1,817,341
2.02.04.02.03	Provisions for environmental liabilities and asset decommissioning	408,400	400,487
2.02.04.02.04	Employee Benefits	565,556	565,556
2.02.04.02.05	Provision for losses on investments	844,581	851,298
2.03	Shareholders' equity	7,786,240	8,616,897
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	3,130,543	3,690,543
2.03.04.01	Legal reserve	336,190	336,190
2.03.04.02	Statutory reserve	2,794,353	2,794,353
2.03.04.08	Additional dividends and interest on capital proposed		560,000
2.03.05	Retained earnings/accumulated losses	27,326	
2.03.08	Other comprehensive income	88,341	386,324

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ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	Description	Current Quarter 1/1/2013 to 3/31/2013	YTD Current Year 1/1/2012 to 3/31/2012
3.01	Net revenue from sales and/or services	2,853,215	2,409,456
3.02	Cost of sales and/or services	-2,205,276	-1,887,154
3.03	Gross profit	647,939	522,302
3.04	Operating expenses/income	-372,878	-25,660
3.04.01	Selling expenses	-109,267	-68,204
3.04.02	General and administrative expenses	-76,129	-77,351
3.04.04	Other operating income	3,518	27,929
3.04.05	Other operating expenses	-78,527	-95,600
3.04.06	Share of profits (losses) of investees	-112,473	187,566
3.05	Profit before finance income (costs) and taxes	275,061	496,642
3.06	Finance income (costs)	-465,239	-501,229
3.06.01	Finance income	25,033	46,787
3.06.02	Finance costs	-490,272	-548,016
3.06.02.01	Net exchange gains (losses) on financial instruments	116,213	176,646
3.06.02.02	Finance costs	-606,485	-724,662
3.07	Loss before taxes on income	-190,178	-4,587
3.08	Income tax and social contribution	217,504	115,281
3.09	Profit from continuing operations	27,326	110,694
3.11	Profit for the period	27,326	110,694
3.99	Earnings per share - (R$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.01874	0.07592
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.01874	0.07592

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	**Description**	**Current Quarter 1/1/2013 to 3/31/2013**	**YTD Current Year 1/1/2012 to 3/31/2012**
4.01	Profit for the period	27,326	110,694
4.02	Other comprehensive income	-297,983	230,187
4.02.01	Cumulative translation adjustments for the period	-43,239	-30,022
4.02.03	Available-for-sale assets, net of taxes	-254,744	260,209
4.03	Comprehensive income for the period	-270,657	340,881

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	**Description**	**YTD Current Year 01/01/2013 to 3/31/2013**	**YTD Previous Year 01/01/2012 to 12/31/2012**
6.01	Net cash generated by (used in) operating activities	64,520	-382,601
6.01.01	Cash generated from operations	597,942	546,209
6.01.01.01	Profit for the period	27,326	110,694
6.01.01.02	Accrued charges on borrowings and financing	562,367	648,814
6.01.01.04	Depreciation/ depletion / amortization	236,615	221,585
6.01.01.05	Share of profits of investees	112,473	-187,566
6.01.01.06	Deferred income tax and social contribution	-217,504	-115,281
6.01.01.07	Provision for tax, social security, labor, civil and environmental risks	12,909	12,724
6.01.01.08	Inflation adjustment and exchange differences, net	-111,209	-176,646
6.01.01.09	Gain on derivative transactions	1,197	3,519
6.01.01.14	Other provisions	-26,502	28,366
6.01.02	Changes in assets and liabilities	-533,422	-928,810
6.01.02.01	Trade receivables - third parties	-82,148	-6,493
6.01.02.02	Receivables from related parties	-97,255	-356,833
6.01.02.03	Inventories	79,918	55,276
6.01.02.05	Recoverable taxes	20,113	17,826
6.01.02.06	Judicial deposits	8,296	-2,606
6.01.02.07	Dividends received from subsidiaries	870	15,655
6.01.02.09	Trade payables	-107,040	-51,380
6.01.02.10	Payroll and related taxes	23,808	20,676
6.01.02.11	Taxes	5,847	18,766
6.01.02.12	Taxes in installments - REFIS	-25,893	-95,480
6.01.02.13	Payables to related parties	-1,183	1,067
6.01.02.14	Tax, social security, labor, civil and environmental liabilities	412	370
6.01.02.15	Interest paid	-339,791	-526,719
6.01.02.16	Interest received - related parties	2,203	
6.01.02.17	Interest on swap paid	-1,050	-3,817
6.01.02.18	Other liabilities	-20,529	-18,118
6.02	Net cash used in investing activities	-440,840	-647,537
6.02.01	Investments/advances for future capital increase	-15,942	-258,542
6.02.02	Purchase of property, plant and equipment	-279,829	-369,530

6.02.04	Purchase of intangible assets	-12	
6.02.05	Related parties loans	-159,367	-19,465
6.02.06	Receipt of intercompany loans	14,310	
6.03	Net cash generated by (used in) financing activities	-56,422	59,717
6.03.01	Borrowings and financing raised	350,078	939,181
6.03.03	Amortization of borrowings	-87,649	-851,188
6.03.04	Amortization of related parties borrowings	-18,909	-28,262
6.03.05	Dividends and interest on capital paid	-299,942	-14
6.04	Exchange differences on translating cash and cash equivalents	5,893	79
6.05	Decrease in cash and equivalents	-426,849	-970,342
6.05.01	Cash and cash equivalents at the beginning of the period	2,995,757	2,073,244
6.05.02	Cash and cash equivalents at the end of the period	2,568,908	1,102,902

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ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings/ (accumulated losses)	compre
5.01	Opening balances	4,540,000	30	3,690,543		
5.03	Adjusted opening balances	4,540,000	30	3,690,543		
5.04	Capital transactions with shareholders			-560,000		
5.04.08	Approval of prior year’s proposed dividends			-560,000		
5.05	Total comprehensive income				27,326	-
5.05.01	Profit for the year				27,326	
5.05.02	Other comprehensive income					-
5.05.02.04	Cumulative translation adjustments for the period					
5.05.02.06	Available-for-sale financial assets, net of taxes					-
5.07	Closing balances	4,540,000	30	3,130,543	27,326	

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Parent Company Statements / Statement of Changes in Shareholders´ Equity - 1/1/2012 to 03/31/2012 (R$ thousand)

Code	**Description**	**Paid-in capital**	**Capital reserve, granted options and treasury shares**	**Earnings reserve**	**Retained earnings/ (accumulated losses)**	**compre**
5.01	Opening balances	1,680,947	30	7,671,620		-1
5.03	Adjusted opening balances	1,680,947	30	7,671,620		-1
5.04	Capital transactions with shareholders				-118,190	
5.04.07	Interest on capital				-118,190	
5.05	Total comprehensive income				110,694	
5.05.01	Profit for the year				110,694	
5.05.02	Other comprehensive income					
5.05.02.04	Cumulative translation adjustments for the period					
5.05.02.09	Available-for-sale assets, net of taxes					
5.07	Closing balances	1,680,947	30	7,671,620	-7,496	-1

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

Code	Description	YTD Current year 1/1/2013 to 03/31/2012	YTD Previous year 1/1/2012 to 03/31/2012
7.01	Revenues	3,591,649	3,056,052
7.01.01	Sales of products and services	3,540,704	3,052,345
7.01.02	Other revenues/(expenses)	46,088	
7.01.04	Allowance for doubtful debts	4,857	3,707
7.02	Raw materials acquired from third parties	-2,402,536	-1,971,952
7.02.01	Costs of sales and services	-2,109,794	-1,760,504
7.02.02	Materials, eletric power, outside services and other	-292,742	-204,933
7.02.03	Impairment of assets		-6,515
7.03	Gross value added	1,189,113	1,084,100
7.04	Retentions	-236,615	-221,585
7.04.01	Depreciation, amortization and depletion	-236,615	-221,585
7.05	Wealth created	952,498	862,515
7.06	Value added received as transfer	-112,630	233,806
7.06.01	Share of profits of subsidiaries	-112,473	187,566
7.06.02	Finance income/exchange gains	25,033	46,787
7.06.03	Other	-25,190	-547
7.07	Wealth for distribution	839,868	1,096,321
7.08	Wealth distributed	839,868	1,096,321
7.08.01	Personnel	250,808	249,276
7.08.01.01	Salaries and wages	194,351	187,175
7.08.01.02	Benefits	41,909	39,809
7.08.01.03	Severance pay fund (FGTS)	14,548	22,292
7.08.02	Taxes, Fees and Contributions	93,909	187,727
7.08.02.01	Federal	55,623	122,183
7.08.02.02	State	33,178	56,998
7.08.02.03	Municipal	5,108	8,546
7.08.03	Lenders and lessors	467,825	548,624
7.08.03.01	Interest	606,310	773,287
7.08.03.02	Leases	2,941	991
7.08.03.03	Other	-141,426	-225,654
7.08.04	Shareholders	27,326	110,694
7.08.04.01	Interest on capital		118,190

7.08.04.03	(Accumulated losses)/Retained earningsfor the year	27,326	-7,496

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	***Description***	**Current Quarter 3/31/2013**	**YTD Previous Year 12/31/2012**
1	Total assets	52,712,029	53,283,269
1.01	Current assets	18,120,456	19,098,586
1.01.01	Cash and cash equivalents	11,332,139	11,891,821
1.01.03	Trade receivables	2,514,625	2,661,417
1.01.04	Inventories	3,386,368	3,393,193
1.01.08	Other current assets	887,324	1,152,155
1.02	Non-current assets	34,591,573	34,184,683
1.02.01	Long-term receivables	4,234,557	3,920,971
1.02.01.02	Investments measured at amortized cost	118,648	116,753
1.02.01.06	Deferred taxes	2,521,107	2,177,079
1.02.01.09	Other non-current assets	1,594,802	1,627,139
1.02.02	Investments	10,588,232	10,839,787
1.02.03	Property, plant and equipment	18,890,009	18,519,064
1.02.04	Intangible assets	878,775	904,861

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Consolidated Financial Statements / Balance Sheet - Liabilities
(R$ thousand)

Code	***Description***	**Current Quarter 3/31/2013**	**YTD Previous Year 12/31/2012**
2	Total liabilities and shareholders' equity	52,712,029	53,283,269
2.01	Current liabilities	7,039,603	6,550,899
2.01.01	Payroll and related taxes	191,818	184,963
2.01.02	Trade payables	1,827,730	2,025,461
2.01.03	Taxes payable	332,130	272,766
2.01.04	Borrowings and financing	2,665,999	2,169,122
2.01.05	Other payables	1,697,039	1,582,040
2.01.06	Provisions	324,887	316,547
2.01.06.01	Provision for tax, social security, labor and civil risks	324,887	316,547
2.02	Non-current liabilities	37,501,229	37,724,857
2.02.01	Borrowings and financing	26,784,462	27,135,582
2.02.02	Other payables	9,128,736	9,009,049
2.02.03	Deferred taxes	222,893	238,241
2.02.04	Provisions	1,365,138	1,341,985
2.02.04.01	Provision for tax, social security, labor and civil risks	386,812	371,697
2.02.04.02	Other provisions	978,326	970,288
2.02.04.02.03	Provisions for environmental liabilities and asset decommissioning	412,735	404,697
2.02.04.02.04	Employee Benefits	565,591	565,591
2.03	Shareholders' equity	8,171,197	9,007,513
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	3,130,543	3,690,543
2.03.04.01	Legal reserve	336,190	336,190
2.03.04.02	Statutory reserve	2,794,353	2,794,353
2.03.04.08	Additional dividends and interest on capital proposed	-	560,000
2.03.05	Retained earnings/accumulated losses	27,326	-
2.03.08	Other comprehensive income	88,341	386,324
2.03.09	Non-controlling interests	384,957	390,616

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

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

Code	**Description**	**Current Quarter 1/1/2013 to 3/31/2013**	**YTD Current Year 1/1/2012 to 3/31/2012**
3.01	Net revenue from sales and/or services	3,641,983	3,435,484
3.02	Cost of sales and/or services	-2,851,577	-2,424,308
3.03	Gross profit	790,406	1,011,176
3.04	Operating expenses/income	-388,785	-312,005
3.04.01	Selling expenses	-201,250	-132,345
3.04.02	General and administrative expenses	-109,586	-106,674
3.04.04	Other operating income	4,256	5,470
3.04.05	Other operating expenses	-98,900	-114,248
3.04.06	Share of profits (losses) of investees	16,695	35,792
3.05	Profit before finance income (costs) and taxes	401,621	699,171
3.06	Finance income (costs)	-527,283	-638,664
3.06.01	Finance income	37,820	97,365
3.06.02	Finance costs	-565,103	-736,029
3.06.02.01	Net exchange gains (losses) on financial instruments	-28,685	-65,006
3.06.02.02	Finance costs	-536,418	-671,023
3.07	(Loss) profit before taxes on income	-125,662	60,507
3.08	Income tax and social contribution	141,978	32,128
3.09	Profit from continuing operations	16,316	92,635
3.11	Consolidated profit for the period	16,316	92,635
3.11.01	Attributed to owners of the Company	27,326	110,694
3.11.02	Attributed to non-controlling interests	-11,010	-18,059
3.99	Earnings per share - (R$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.01874	0.07592
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares	0.01874	0.07592

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ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	**Description**	**Current Quarter 1/1/2013 to 3/31/2013**	**YTD Current Year 1/1/2012 to 3/31/2012**
4.01	Profit for the period	16,316	92,635
4.02	Other comprehensive income	-297,983	230,187
4.02.01	Cumulative translation adjustments for the period	-43,239	-30,022
4.02.03	Available-for-sale assets, net of taxes	-254,744	260,209
4.03	Comprehensive income for the period	-281,667	322,822
4,03.01	Attributed to owners of the Company	-270,657	340,881
4,03.02	Attributed to non-controlling interests	-11,010	-18,059

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	**Description**	**YTD Current Year 01/01/2013 to 3/31/2013**	**YTD Previous Year 01/01/2012 to 12/31/2012**
6.01	Net cash generated by operating activities	-215,773	-6,678
6.01.01	Cash generated from operations	476,061	649,917
6.01.01.01	Profit for the period	16,316	92,635
6.01.01.02	Accrued charges on borrowings and financing	479,972	583,291
6.01.01.03	Depreciation/ depletion / amortization	294,273	254,663
6.01.01.04	Share of profits of subsidiaries	-16,695	-35,792
6.01.01.05	Deferred income tax and social contribution	-219,813	-112,812
6.01.01.06	Provisions for tax, social security, labor, civil and environmental risks	10,845	12,246
6.01.01.07	Inflation adjustment and exchange gains (losses), net	-135,767	-204,206
6.01.01.08	Gain on derivative transactions	-5,870	21,795
6.01.01.09	Residual value of writen-off long-lived assets	1,832	685
6.01.01.12	Other provisions	50,968	37,412
6.01.02	Changes in assets and liabilities	-691,834	-656,595
6.01.02.01	Trade receivables	101,032	-41,133
6.01.02.02	Inventories	-114,993	168,859
6.01.02.03	Receivables from related parties	89,316	-204,179
6.01.02.04	Recoverable Taxes	-19,924	20,093
6.01.02.05	Judicial deposits	7,624	-4,905
6.01.02.07	Trade payables	-224,050	56,541
6.01.02.08	Payroll and related taxes	36,962	21,892
6.01.02.09	Taxes	-10,553	90,545
6.01.02.10	Taxes in installments - REFIS	-25,921	-95,696
6.01.02.11	Payables to related parties	-1,232	2,542
6.01.02.12	Tax, social security, labor, civil and environmental liabilities	13,280	-430
6.01.02.13	Interest paid	-511,146	-604,874
6.01.02.14	Interest on swap paid	-1,219	-29,356
6.01.02.15	Other liabilities	-31,010	-36,494
6.02	Net cash used in investing activities	-233,055	-1,261,953
6.02.01	Investments		-60,206
6.02.02	Purchase of property, plant and equipment	-440,442	-793,903
6.02.03	Cash from acquisition of subsidiaries		14,880
6.02.04	Receipt/payment in derivative transactions	207,417	-121,707

6.02.05	Acquisition of subsidiaries		-300,545
6.02.06	Purchase of intangible assets	-30	-472
6.03	Net cash used in financing activities	-49,453	-71,809
6.03.01	Borrowings and financing raised	349,329	1,601,181
6.03.02	Amortization of borrowings	-104,264	-866,039
6.03.03	Amortization of principal - acquisition of subsidiaries		-806,937
6.03.04	Dividends and interest on capital paid	-299,942	-14
6.03.05	Capital contribution by non-controlling shareholders	5,424	
6.04	Exchange differences on translating cash and cash equivalents	-61,401	-23,774
6.05	Decrease in cash and equivalents	-559,682	-1,364,214
6.05.01	Cash and cash equivalents at the beginning of the period	11,891,821	13,440,690
6.05.02	Cash and cash at the end of the period	11,332,139	12,076,476

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

ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL **Version: 1**

Consolidated Financial Statements / Statement of Changes in Shareholders´ Equity - 1/1/2013 to 03/31/2013 (R$ thousand)

Code	**Description**	**Paid-in capital**	**Capital reserve, granted options and treasury shares**	**Earnings reserve**	**Retained earnings/ (accumulated losses)**	**compre**
5.01	Opening balances	4,540,000	30	3,690,543		
5.03	Adjusted opening balances	4,540,000	30	3,690,543		
5.04	Capital transactions with shareholders			-560,000		
5.04.08	Approval of prior year's proposed dividends			-560,000		
5.05	Total comprehensive income				27,326	-
5.05.01	Profit for the year				27,326	
5.05.02	Other comprehensive income					-
5.05.02.04	Cumulative translation adjustments for the period					
5.05.02.06	Available-for-sale financial assets, net of taxes					-
5.06	Internal changes in shareholders' equity					
5.06.04	Non-controlling interests in subsidiaries					
5.07	Closing balances	4,540,000	30	3,130,543	27,326	

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Consolidated Financial Statements / Statement of Changes in Shareholders´ Equity - 1/1/2012 to 03/31/2012 (R$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings/ (accumulated losses)	compre
5.01	Opening balances	1,680,947	30	7,671,620		-1
5.03	Adjusted opening balances	1,680,947	30	7,671,620		-1
5.04	Capital transactions with shareholders				-118,190	
5.04.07	Interest on capital				-118,190	
5.05	Total comprehensive income				110,694	
5.05.01	Profit for the year				110,694	
5.05.02	Other comprehensive income					
5.05.02.04	Cumulative translation adjustments for the period					
5.05.02.09	Available-for-sale financial assets, net of taxes					
5.06	Internal changes in shareholders' equity					
5.06.04	Non-controlling interests in subsidiaries					
5.07	Closing balances	1,680,947	30	7,671,620	-7,496	-1

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ITR — Quarterly Financial Information - March 31, 2013 – CIA SIDERURGICA NACIONAL

Version: 1

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

Code	Description	YTD Current year 1/1/2013 to 03/31/2012	YTD Previous year 1/1/2012 to 03/31/2012
7.01	Revenues	4,451,468	4,164,086
7.01.01	Sales of products and services	4,401,707	4,155,912
7.01.02	Other revenues/(expenses)	44,918	2,975
7.01.04	Allowance for doubtful debts	4,843	5,199
7.02	Raw materials acquired from third parties	-3,011,736	-2,524,210
7.02.01	Costs of sales and services	-2,589,917	-2,189,385
7.02.02	Materials, eletric power, outside services and other	-421,940	-327,625
7.02.03	Impairment of assets	121	-7,200
7.03	Gross value added	1,439,732	1,639,876
7.04	Retentions	-294,273	-254,663
7.04.01	Depreciation, amortization and depletion	-294,273	-254,663
7.05	Wealth created	1,145,459	1,385,213
7.06	Value added received as transfer	-512,269	-376,728
7.06.01	Share of profits of subsidiaries	16,695	35,792
7.06.02	Finance income/exchange gains	37,820	97,365
7.06.03	Other	-566,784	-509,885
7.07	Wealth for distribution	633,190	1,008,485
7.08	Wealth distributed	633,190	1,008,485
7.08.01	Personnel	357,754	332,301
7.08.01.01	Salaries and wages	285,134	261,556
7.08.01.02	Benefits	54,543	46,418
7.08.01.03	Severance pay fund (FGTS)	18,077	24,327
7.08.02	Taxes, Fees and Contributions	256,837	359,735
7.08.02.01	Federal	161,528	248,912
7.08.02.02	State	87,255	100,279
7.08.02.03	Municipal	8,084	10,544
7.08.03	Lenders and lessors	2,283	223,814
7.08.03.01	Interest	528,004	688,887
7.08.03.02	Leases	4,159	2,020
7.08.03.03	Other	-529,880	-467,093
7.08.04	Shareholders	16,316	92,635
7.08.04.01	Interest on capital	0	118,190
7.08.04.03	(Accumulated losses)/Retained earningsfor the year	27,326	-7,496
7.08.04.04	Non-controlling interests	-11,010	-18,059

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Economic Scenario

The outlook for global economic activity is one of moderate and volatile growth, pushed by the emerging nations. The United States continues to stand out among the mature economies and should record growth similar to that in 2012. In March, the global manufacturing Purchasing Managers Index (PMI) moved up for the third consecutive month, reaching 51.2 points, versus 50.9 in February.

According to the figures released in April, the IMF expects global growth of 3.3% in 2013, slightly higher than the 3.2% recorded last year.

USA

U.S. GDP grew by an annualized 2.5% in 1Q13, versus 0.4% in 4Q12. According to the FED, industrial production recorded annualized growth of 5.0% at the end of the first quarter, the highest figure since 1Q12, accompanied by capacity utilization of 78.5%. The manufacturing PMI recorded 51.3 points in March, moving up for the fourth consecutive month.

Thanks to controlled inflation, the FED is able to maintain its policy of stimulating the economy by keeping interest rates down, projecting for 2013 GDP growth between 2.3% and 2.8%.

Europe

Eurozone GDP is expected to shrink in 2013, not only in the peripheral nations but also in the central ones, despite moderate growth forecasted for certain countries, such as Germany. The European Central Bank expects a decline on GDP between 0.1% and 0.9% for the year as a whole, albeit with a gradual recovery in economic activity in the second half, driven by improved exports, although domestic demand is likely to remain sluggish.

The manufacturing industry continued to fall in March with deteriorating business conditions, and the manufacturing PMI recording 46.8 points, the lowest level in three months, remaining below expansion since August 2011.

Eurozone unemployment averaged 12.1% in March, in line with February’s figure, equivalent to 19 million people out of work. Greece and Spain recorded the highest rate, around 27%, versus 5.4% in Germany.

In the UK, first-quarter GDP edged up by 0.3% over 4Q12, when it dipped by the same amount. Annualized inflation remained at 2.8% in March, the highest figure since May 2012, and the Bank of England expects inflation to reach 3% in 2013, remaining above the target of 2% until the beginning of 2016.

Asia

In China, positive highlights were manufacturing PMI, which stood at 51.6 points in March, higher than the 50.4 points in February and the fifth consecutive monthly upturn, together with industrial output and retail sales, which climbed in 1Q13 by 9.5% and 10.3% in relation to the same period in 2012.

Despite the favorable figures, the growth of the Chinese economy presents signs of a slight slowdown. First-quarter GDP moved up by 7.7% over 1Q12, less than the year-on-year upturn of 7.9% recorded in 4Q12. For 2013, the country’s Central Bank is maintaining its GDP growth target of 7.5%.

In Japan, some indicators are pointing to an improvement in economic activity. In January, industrial production inched up by 0.3%, while consumer confidence recorded 44.3 points in February, the highest figure since the beginning of 2007. Fueled by the expansionist policy and the recent depreciation of the yen, the recovery of exports had a positive impact on manufacturing PMI, which reached 50.4 points in March, the first expansion since May 2012.

Brazil

For 2013, the Central Bank's FOCUS report expects GDP growth of 3%, pulled by household consumption, low unemployment and the increase in average real earnings. However, growth is not diffused throughout the entire economy, with highlight for the demand in the services sector.

First-quarter industrial output grew by 0.8% over the previous three months, while in the last twelve months it recorded a decline of 2.0%.

Inflation measured by the IPCA consumer price index recorded 6.59% in the 12 months through March 2013, exceeding the target of 6.50% set by the Monetary Policy Committee (COPOM). This contributed for the COPOM to raise the Selic base rate to 7.50% at its last meeting in April.

On the foreign exchange front, the real appreciated by 1.5% against the U.S. dollar in 1Q13, closing March at R$2.01/US$, while foreign reserves totaled US$377 billion.

Macroeconomic Projections

	2013	2014
IPCA (%)	5.80	5.80
Commercial dollar (final) – R$	2.01	2.05
SELIC (final - %)	8.25	8.25
GDP (%)	3.00	3.50
Industrial Production (%)	2.53	3.55

Source: FOCUS BACEN Base: May 10, 2013

Adoption of IFRS 10/11

As of January 1, 2013, the Company adopted IFRS 10 – Consolidated Financial Statements, corresponding to CPC 36 (R3) – *Demonstrações Financeiras Consolidadas*, approved by the CVM in December 2012, and IFRS 11 – Joint Arrangements, corresponding to CPC 19 (R2) - *Negócios em Conjunto*, approved by the CVM in November 2012. As a result, given that the proportional consolidation method is no longer permitted, the Company has ceased to consolidate its jointly-owned subsidiaries Namisa, MRS Logística and CBSI, and now accounts for them under the equity method. The main impacts are on net revenue, cost of goods sold, gross profit, financial result, equity result and net income. For comparability purposes, the consolidated financial statements for the quarters ended March 31, 2012 and December 31, 2012 were reclassified to reflect this alteration.

Net Revenue

CSN recorded consolidated net revenue of R$3,642 million in 1Q13, 18% down on the R$4,444 million recorded in 4Q12, mainly due to lower iron ore sales.

Cost of Goods Sold (COGS)

In 1Q13, consolidated COGS came to R$2,852 million, 14% less than the R$3,315 million posted in the previous quarter, also mainly due to lower iron ore sales.

Selling, General, Administrative and Other Operating Expenses

SG&A expenses totaled R$311 million in the first quarter, 21% down on the R$395 million recorded in 4Q12, essentially due to lower iron ore freight costs.

In 1Q13, the “Other Operating Expenses” totaled R$95 million, 34% down on the other expenses of R$145 million posted in 4Q12, chiefly due to the reduction in corporate expenses.

The Company uses Adjusted EBITDA to measure the performance of its various segments and their operating cash flow generation capacity. It comprises net income before the net financial result, income and social contribution taxes, depreciation and amortization, equity income and other operating revenue (expenses). However, although it is used to measure segment results, EBITDA is not a measure recognized by Brazilian accounting practices or International Financial Reporting Standards (IFRS), has no standard definition and therefore should not be compared to similar indicators adopted by other companies.

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Adjusted EBITDA considers the Company's proportional interest in Namisa, MRS Logística and CBSI and is on a comparable basis with the amounts published in 2012.

Adjusted EBITDA totaled R$902 million in 1Q13, 26% down on 4Q12, chiefly due to the contribution from the mining, steel, logistics and energy segments.

The adjusted consolidated EBITDA margin stood at 25% in 1Q13, 2 p.p. less than in 4Q12.

Financial Result and Net Debt

The 1Q13 net financial result was negative by R$527 million, chiefly due to the following factors:

§ Interest on loans and financing totaling R$480 million;

§ Expenses of R$6 million with the monetary restatement of tax payment installments;

§ Monetary and foreign exchange variations of R$31 million, including the result of derivative operations;

§ Other financial expenses totaling R$48 million.

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

Equity Result

The effect of equity result on the Company’s consolidated income statement totaled R$17 million in 1Q13, due to the adoption of IFRS 10 (CPC 36) and IFRS 11 (CPC 19).

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Consolidated Net Income

CSN posted consolidated net income of R$16 million in 1Q13 due to the operating results described above.

Investments reflect the Company's proportional interest in Namisa, MRS Logística and CBSI and are on a comparable basis with the amounts published in 2012.

CSN invested R$509 million in 1Q13, R$280 million of which in the parent company, mostly in the following projects:

ü Expansion of the Casa de Pedra mine and Itaguaí Port: R$54 million;

ü Construction of the long steel plant: R$101 million.

The remaining R$229 million went to subsidiaries and joint subsidiaries, as follows:

ü Transnordestina Logística: R$82 million;

ü MRS: R$61 million;

ü Namisa: R$2 million.

Working capital closed 1Q13 at R$1,666 million, R$17 million up on the R$1,649 million recorded at the end of 2012, chiefly due to increased inventories, partially offset by the reduction in accounts receivable. The average inventory turnover period increased by four days, while the average supplier payment and receivables period fell by three days and two days, respectively.

In the last 12 months, working capital fell by R$783 million, basically due to the increase in the suppliers line, thanks to improved payment management and the reduction in accounts receivable.

WORKING CAPITAL (R$ MM)	1Q13	4Q12	1Q12	Change 1Q13 x 4Q12	Change 1Q13 x 1Q12
Assets	4,100	4,040	4,123	60	(23)
Accounts Receivable	1,506	1,646	1,623	(140)	(117)
Inventory (*)	2,583	2,388	2,498	195	85
Advances to Taxes	12	6	2	6	10
Liabilities	2,435	2,392	1,673	43	762
Suppliers	1,881	1,892	1,154	(11)	727
Salaries and Social Contribution	192	185	166	7	27
Taxes Payable	332	273	330	59	2
Advances from Clients	30	41	24	(11)	7
Working Capital	1,666	1,649	2,449	17	(783)

TURNOVER RATIO Average Periods	1Q13	4Q12	1Q12	Change 1Q13 x 4Q12	Change 1Q13 x 1Q12
Receivables	30	32	35	(2)	(5)
Supplier Payment	59	62	43	(3)	16
Inventory Turnover	82	78	94	4	(12)
Cash Conversion Cycle	53	48	86	5	(33)

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

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Results by Segment

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

Steel	Mining	Logistics	Cement	Energy
Pres. Vargas Steel Mill	Casa de Pedra	Railways:	Volta Redonda	CSN Energia
Porto Real	Namisa (60%)	- MRS	Arcos	Itasa
Paraná	Tecar	- Transnordestina		
LLC	ERSA	Port:		
Lusosider		- Sepetiba Tecon		
Prada (Distribution and Packaging)				
Metalic				
SWT				

The information on CSN’s five business segments is derived from the accounting data, together with allocations and the apportionment of costs among the segments.

Results by segment reflect the Company’s proportional interest in Namisa, MRS Logística and CBSI and are on a comparable basis with the amounts published in 2012.

Net Revenue by Segment (R$ million)

Adjusted EBITDA by Segment (R$ million)

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R$ million								**1Q13**
Consolidated Results	**Steel**	**Mining**	**Logistics (Port)**	**Logistics (Railways)**	**Energy**	**Cement**	**Corporate/ Eliminations**	**Consolidated**
Net Revenue	**2,947**	**747**	**39**	**225**	**47**	**98**	**(461)**	**3,642**
Domestic Market	2,313	87	39	225	47	98	(218)	2,592
Foreign Market	634	659	-	-	-	-	(243)	1,050
Cost of Goods Sold	(2,456)	(454)	(21)	(171)	(41)	(67)	358	(2,852)
Gross Profit	**492**	**293**	**19**	**55**	**6**	**30**	**(103)**	**790**
Selling, General and Administrative Expenses	(158)	(17)	(6)	(22)	(5)	(14)	(89)	(311)
Depreciation	194	51	2	31	4	7	(2)	287
Proportional EBITDA of Jointly Controlled Companies							135	135
Adjusted EBITDA	**528**	**326**	**15**	**63**	**5**	**24**	**(59)**	**902**
Adjusted EBITDA Margin	**18%**	**44%**	**38%**	**28%**	**11%**	**24%**		**25%**

R$ million								**4Q12**
Consolidated Results	**Steel**	**Mining**	**Logistics (Port)**	**Logistics (Railways)**	**Energy**	**Cement**	**Corporate/ Eliminations**	**Consolidated**
Net Revenue	**2,835**	**1,301**	**42**	**271**	**61**	**98**	**(165)**	**4,444**
Domestic Market	2,237	241	42	271	61	98	(95)	2,856

Foreign Market	597	1,060	-	-	-	-	(70)	1,587
Cost of Goods Sold	(2,305)	(769)	(21)	(188)	(47)	(67)	83	(3,315)
Gross Profit	**529**	**532**	**21**	**83**	**13**	**32**	**(82)**	**1,129**
Selling, General and Administrative Expenses	(149)	(9)	(5)	(24)	(5)	(16)	(186)	(395)
Depreciation	184	49	2	36	4	7	21	302
Proportional EBITDA of Jointly Controlled Companies							186	186
Adjusted EBITDA	**564**	**572**	**18**	**94**	**12**	**23**	**(61)**	**1,222**
Adjusted EBITDA Margin	**20%**	**44%**	**42%**	**35%**	**20%**	**23%**		**27%**

Scenario

According to the World Steel Association (WSA) global crude steel production totaled 389 million tonnes in 1Q13, 6% higher than in 4Q12, with China being responsible for 192 million tonnes, 10% up in the same period and a new record.

Existing global capacity use increased from 73% in December 2012 to 79% in March 2013. In this scenario, the WSA expects global apparent steel consumption of 1.45 billion tonnes in 2013, 2.9% more than the year before, with China accounting for 669 million tonnes, 3.5% more than in 2012 and 46% of the total.

According to the Brazilian Steel Institute (IABr), domestic crude steel production came to 8.3 million tonnes in 1Q13, 4% down year-on-year, while rolled flat output totaled 3.6 million tonnes, up by 1%.

Apparent domestic flat steel consumption amounted to 3.2 million tonnes in the first quarter, 4% down on 1Q12. Domestic sales of 2.9 million tonnes moved up by 2%, while imports of 0.4 million tonnes fell by 36%. On the other hand, exports climbed by 73% to 0.5 million tonnes.

The IABr expects domestic sales growth of 7.7% in 2013, fueled by various government measures, and apparent steel consumption of 26.4 million tonnes, 4.3% more than in 2012.

Automotive

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 828,000 units in 1Q13, 12% up on 1Q12, with sales of 830,000 units, up by 1.5%.

In April, the government opted to extend the IPI tax reduction on vehicle sales until the end of 2013, aiming at encouraging consumption. FENABRAVE (the Vehicle Distributors' Association) expects car and light commercial vehicle sales to increase by 3.0% in 2013, while ANFAVEA estimates growth of between 3.5% and 4.5%.

Construction

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials increased by 1.7% year-on-year in 1Q13.

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ABRAMAT estimates annual sales growth of 4.5% in 2013, sustained by the policy of encouraging household consumption, the maintenance of employment and earnings levels and increasing investments in infrastructure.

Home Appliances

Sales of white goods between December 2012 and February 2013 increased by an average of 22.6% over the same period the year before, benefiting from the reduction in the IPI tax, which the government is expected to extend until June 2013 in order to maintain sector activity.

Eletros (the Home Appliance and Consumer Electronics Manufacturers' Association) expects home appliance sales to move up by 9% in 2013.

Distribution

According to INDA (the Brazilian Steel Distributors' Association), domestic flat steel sales by distributors totaled 1.0 million tonnes in the first quarter, 5% down on 4Q12 and 3% less than in 1Q12.

Purchases by the associated network reached 1.1 million tonnes in 1Q13, flat over 4Q12 and 1Q12. Inventories closed March at around 1.0 million tonnes, 3% higher than in February, with a turnover of 2.8 months.

INDA expects flat steel sales by distributors to grow by between 5% and 6% in 2013.

Sales Volume

CSN sold 1.6 million tonnes of steel in 1Q13, 3% more than in 4Q12 and a new first-quarter record. Of this total, 77% was sold on the domestic market, 21% by overseas subsidiaries and 2% went to direct exports.

Domestic Sales Volume

Domestic sales totaled 1.2 million tonnes, 2% up on the 4Q12 figure.

Foreign Sales Volume

Foreign sales totaled 362,000 tonnes of steel products in 1Q13, 6% up on the previous quarter. Of this total, the overseas subsidiaries sold 327,000 tonnes, 189,000 of which by SWT. Direct exports came to 35,000 tonnes.

Prices

Net revenue per tonne averaged R$1,867 in 1Q13, 1% higher than the 4Q12 average of R$1,849.

Net Revenue

Net revenue from steel operations totaled R$2,947 million, 4% up on 4Q12, chiefly due to higher sales volume.

Cost of Goods Sold (COGS)

Steel segment COGS stood at R$2.456 million in 1Q13, 7% more than the previous quarter, due to higher sales volume and the use of slabs acquired from third parties.

Adjusted EBITDA

Adjusted steel segment EBITDA totaled R$528 million in 1Q13, 6% down on 4Q12, basically due to the factors mentioned above, accompanied by an adjusted EBITDA margin of 18%.

Production

The Presidente Vargas Steelworks (UPV) produced 1.0 million tonnes of crude steel in 1Q13. In the same period, slab purchases from third parties came to 118,000 tonnes and rolled steel output totaled 1.1 million tonnes.

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Production (in thousand t)	1Q13	4Q12	1Q12	Change	
				1Q13 x 4Q12	1Q13 x 1Q12
Crude Steel (P. Vargas Mill)	1,047	1,143	1,200	-8%	-13%
Purchased Slabs from Third Parties	118	137	0	-14%	
Total Crude Steel	**1,165**	**1,280**	**1,200**	**-9%**	**-3%**
Total Rolled Products	**1,089**	**1,257**	**1,114**	**-13%**	**-2%**

Production Costs (Parent Company)

In 1Q13, the Presidente Vargas Steelworks' total production costs came to R$1,671 million, R$47 million less than in 4Q12, with the following variations:

- **Raw Materials:** reduction of R$21 million, due to the decline in steel production, which reduced raw material consumption;
- **Labor:** reduction of R$11 million;
- **Other Production Costs:**decline of R$9 million;
- **Depreciation:** reduction of R$6 million.

Scenario

In 1Q13, the seaborne iron ore market was marked by record steel output in China. Strong iron ore demand by the Chinese steel plants at the beginning of the year, together with reduced seaborne supply helped push up prices. In the first quarter the Platts Fe62% CFR China index averaged US$148.40/dmt, 21% up on the previous three months.

The iron-ore quality premium hovered between US$2.30 and US$2.70/dmt per 1% of Fe content, while freight costs on the Tubarão/Qingdao route averaged US$17.81/wmt.

In 1Q13, Brazilian exports accounted for 27.5% of the seaborne market, totaling 68 million tonnes, 30.3% less than in the previous three months.

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Iron Ore Sales

In 1Q13, sales of finished iron ore products totaled 4.1 million tonnes, 35% less than in the previous quarter, all of which was sold abroad. Of this total, 2.2 million tonnes were sold by Namisa[1].

Considering CSN's 60% interest in Namisa, consolidated iron ore sales came to 3.3 million tonnes, 43% down on 4Q12.

The Company's own consumption stood at 1.3 million tonnes.

[1] Sales volumes include 100% of the stake in NAMISA.

Net Revenue

Net revenue from mining operations totaled R$747 million in 1Q13, 43% less than in 4Q12, due to the reduction in sales volume, partially offset by the upturn in iron ore prices.

Cost of Goods Sold (COGS)

Mining COGS came to R$454 million in 1Q13, 41% down on 4Q12, chiefly due to the reduction in sales volume.

Adjusted EBITDA

Adjusted first-quarter EBITDA came to R$326 million, accompanied by an adjusted EBITDA margin of 44%, identical to the 4Q12 figure.

Scenario

Railway Logistics

According to the ANTF (National Rail Transport Association), Brazil's rail network transported 481 million tonnes of cargo in 2012, 6 million more than in 2011. The concessionaires invested around R$4.9 billion in the rail system throughout the year, 6.6% up on the year before.

For the next three years, the ANTF expects cargo volume to move up by 24.7%, equivalent to 600 million tonnes, with investments of around R$16 billion.

Port Logistics

According to ANTAQ (National Waterway Transport Agency), Brazil’s port installations handled around 904 million tonnes gross in 2012, 2% up on the previous year.

Bulk solids totaled 554 million tonnes, 2% more than in 2011, while container handling came to 8.2 million TEUs[1], growth of 4%.

[1] TEU (Twenty-Foot Equivalent Unit) – transportation unit equivalent to a standard 20-feet intermodal container

Analysis of Results

Railway Logistics

In 1Q13, net revenue from railway logistics totaled R$225 million, COGS stood at R$171 million and adjusted EBITDA came to R$63 million, with an adjusted EBITDA margin of 28%.

Port Logistics

In 1Q13, net revenue from port logistics came to R$39 million, COGS totaled R$21 million and adjusted EBITDA stood at R$15 million, accompanied by an adjusted EBITDA margin of 38%.

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

Scenario

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 16 million tonnes in 1Q13, 1.9% down on 1Q12. LTM sales through March 2013 totaled 68 million tonnes, 3.3% more than in the previous 12-month period.

Analysis of Results

In 1Q13, cement sales totaled 456,000 tonnes, net revenue came to R$98 million, COGS amounted to R$67 million and adjusted EBITDA stood at R$24 million, with a margin of 24%.

Scenario

According to the Energy Research Company (EPE), Brazilian electricity consumption grew by 2.5% year-on-year in 1Q13, led by the residential and commercial segments, which recorded respective growth of 6.6% and 6.1%. Industrial consumption, however, fell by 2.4%.

In the 12 months through March 2013, consumption increased by 3.2% over the previous 12-month period, with growth of 7.8% and 5.8% in the commercial and residential segments, respectively, and a 1.2% decline in the industrial segment.

Analysis of Results

In 1Q13, net revenue from energy sales amounted to R$47 million, COGS totaled R$41 million and adjusted EBITDA came to R$5 million, accompanied by an adjusted EBITDA margin of 11%.

CSN's shares depreciated by 26% in 1Q13, versus the Ibovespa's 8% decline in the same period. On the NYSE, CSN's ADRs fell by 23%, while the Dow Jones climbed by 11%.

Daily traded volume in CSN's shares on the BM&FBovespa averaged R$59.1 million in 1Q13, 7% more than the R$55.3 million recorded in 4Q12. On the NYSE, daily traded volume in CSN's ADRs averaged US$27.6 million, 24% down on the previous quarter's average of US$36.2 million.

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

Capital Markets - CSNA3 / SID / IBOVESPA / DOW JONES	1Q13	4Q12
N# of shares	**1,457,970,108**	**1,457,970,108**
Market Capitalization		
Closing price (R$/share)	8.76	11.86
Closing price (US$/share)	4.48	5.81
Market Capitalization (R$ million)	12,779	17,292
Market Capitalization (US$ million)	6,532	8,464
Total return including dividends and interest on equity		
CSNA3 (%)	-26%	4%
SID (%)	-23%	3%
Ibovespa	-8%	3%
Dow Jones	11%	-2%
Volume		
Average daily (thousand shares)	5,526	4,958
Average daily (R$ Thousand)	59,109	55,292
Average daily (thousand ADRs)	5,175	6,746
Average daily (US$ Thousand)	27,592	36,171

Source: Economática

Shareholder Payments

The Annual Shareholders’ Meeting of April 30, 2013 ratified the payment of dividends totaling R$300 million, paid on January 7, 2013, and interest on equity totaling R$560 million, R$123 million of which paid in April 2013.

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

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

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

- **Steel:**

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

- **Mining:**

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

- **Cement:**

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

- **Logistics**

Railroads:

CSN has equity interests in two railroad companies: MRS Logística, which manages the former Southeast Network of Rede Ferroviária Federal S.A. (RFFSA), and Transnordestina Logística, which operates the former Northeast Network of the RFFSA in the states of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas.

Ports:

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

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

- **Energy:**

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

For further details on the Group's strategic investments and segments, see Note 25 - Business Segment Reporting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated interim financial statements have been prepared and are being presented in accordance with the Accounting Pronouncements Committee (CPC 21 – Interim Financial Statements and Consolidated Interim Financial Statements) and in accordance with International Accounting Standards (IAS 34 – Interim Financial Reporting) issued by the International Accounting Standards Board (IASB).

The individual interim financial statements have been prepared in accordance with the standards issued by the CPC (Accounting Pronouncements Committee) and the CVM (Brazilian Securities Commission) applicable to the preparation of the financial statements.

The preparation of interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes to this report and refer to allowance losses on doubtful debts, allowance for inventories losses, provision for labor, civil, tax, environmental and social security risks, depreciation, amortization, depletion, provision for impairment, deferred taxes, financial instruments and employee benefits. Actual results may differ from these estimates.

The financial statements are presented in thousands of Brazilian reais (R$). Depending on the applicable IFRS standard, the measurement criterion used in preparing the interim financial statements considers the historical cost, net realizable value, fair value or recoverable amount. When both IFRSs and CPCs include the option between acquisition cost and any other measurement criterion (for example, systematic remeasurement), we used the cost criterion.

The individual and consolidated interim financial statements were approved by the Board of Directors on May 14, 2013.

(b) Consolidated interim financial statements

The accounting policies have been consistently applied to all consolidated companies.

The consolidated interim financial statements for the period ended March 31, 2013 and the year ended December 31, 2012 include the following direct and indirect subsidiaries and jointly controlled entities, as well as the exclusive funds Diplic, Mugen and Vértice:

- **Companies**

Companies	**Equity interests (%)** 3/31/2013	12/31/2012	**Main activities**
Direct interest in subsidiaries: full consolidation			
CSN Islands VII Corp.	100.00	100.00	Financial transactions
CSN Islands VIII Corp.	100.00	100.00	Financial transactions
CSN Islands IX Corp.	100.00	100.00	Financial transactions
CSN Islands X Corp.	100.00	100.00	Financial transactions
CSN Islands XI Corp.	100.00	100.00	Financial transactions
CSN Islands XII Corp.	100.00	100.00	Financial transactions
International Investment Fund	100.00	100.00	Equity interests and financial trans
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 i
CSN Metals S.L.U.	100.00	100.00	Equity interests and financial trans
CSN Americas S.L.U.	100.00	100.00	Equity interests and financial trans
CSN Steel S.L.U.	100.00	100.00	Equity interests and financial trans
TdBB S.A	100.00	100.00	Dormant company
Sepetiba Tecon S.A.	99.99	99.99	Port services
Mineração Nacional S.A.	99.99	99.99	Mining and equity interests
Florestal Nacional S.A.	99.99	99.99	Reforestation
Estanho de Rondônia S.A.	99.99	99.99	Tin mining
Cia Metalic Nordeste	99.99	99.99	Manufacture of packaging and dist
Companhia Metalúrgica Prada	99.99	99.99	Manufacture of packaging and dist
CSN Cimentos S.A.	99.99	99.99	Cement manufacturing
CSN Gestão de Recursos Financeiros Ltda.	99.99	99.99	Dormant company
Congonhas Minérios S.A.	99.99	99.99	Mining and equity interests
CSN Energia S.A.	99.99	99.99	Sale of electric power
Transnordestina Logística S.A.	75.92	76.13	Railroad logistics
FTL - Ferrovia Transnordestina Logística S.A. (1)	99.99	99.99	Railroad logistics
Indirect interest in subsidiaries: full consolidation			
CSN Aceros S.A.	100.00	100.00	Equity interests
Companhia Siderúrgica Nacional LLC	100.00	100.00	Steel
CSN Europe Lda.	100.00	100.00	Financial transactions, product sal
CSN Ibéria Lda.	100.00	100.00	Financial transactions, product sal
CSN Portugal, Unipessoal Lda.	100.00	100.00	Financial transactions and product
Lusosider Projectos Siderúrgicos S.A.	100.00	100.00	Equity interests
Lusosider Aços Planos, S. A.	99.94	99.94	Steel and equity interests
CSN Acquisitions, Ltd.	100.00	100.00	Financial transactions and equity i
CSN Resources S.A.	100.00	100.00	Financial transactions and equity i
CSN Holdings (UK) Ltd	100.00	100.00	Financial transactions and equity i
CSN Handel GmbH	100.00	100.00	Financial transactions, product sal
Companhia Brasileira de Latas	59.17	59.17	Sale of cans and containers in gen
Rimet Empreendimentos Industriais e Comerciais S. A.	58.96	58.96	Production and sale of steel contai

Companhia de Embalagens Metálicas MMSA	58.98	58.98	Production and sale of cans and re
Empresa de Embalagens Metálicas - LBM Ltda.	58.98	58.98	Sales of containers and holding int
Empresa de Embalagens Metálicas - MUD Ltda.	58.98	58.98	Production and sale of household a
Empresa de Embalagens Metálicas - MTM do Nordeste	58.98	58.98	Production and sale of cans and re
Companhia de Embalagens Metálicas - MTM	58.98	58.98	Production and sale of cans and re
CSN Steel Comercializadora, S.L.U.	100.00	100.00	Financial transactions, product sal
CSN Steel Holdings 1, S.L.U.	100.00	100.00	Financial transactions, product sal
CSN Steel Holdings 2, S.L.U.	100.00	100.00	Financial transactions, product sal
Stalhwerk Thüringen GmbH	100.00	100.00	Production and sale of long steel a
CSN Steel Sections UK Limited	100.00	100.00	Financial transactions, product sal
CSN Steel Sections Czech Republic s.r.o.	100.00	100.00	Financial transactions, product sal
CSN Steel Sections Polska Sp.Z.o.o	100.00	100.00	Financial transactions, product sal
Direct interest in jointly controlled entities: proportionate consolidation			
Itá Energética S.A.	48.75	48.75	Electric power generation
CGPAR - Construção Pesada S.A.	50.00	50.00	Mining support services and equity
Consórcio da Usina Hidrelétrica de Igarapava	17.92	17.92	Electric power consortium
Direct interest in jointly controlled entities: equity method			
Nacional Minérios S.A.	60.00	60.00	Mining and equity interests
MRS Logística S.A.	27.27	27.27	Railroad transportation
Aceros Del Orinoco S.A.	22.73	22.73	Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50.00	50.00	Provision of services
Indirect interest in jointly controlled entities: equity method			
Namisa International Minérios SLU	60.00	60.00	Financial transactions, product sal
Namisa Europe, Unipessoal Lda.	60.00	60.00	Equity interests and sales of produ
Namisa Handel GmbH	60.00	60.00	Financial transactions, product sal
MRS Logística S.A.	6.00	6.00	Railroad transportation
Aceros Del Orinoco S.A.	9.08	9.08	Dormant company
Direct interest is associates: equity method			
Arvedi Metalfer do Brasil S.A.	20.00	20.00	Steel and equity interests

(1) New corporate name of TFNE - Transnordestina Ferrovias do Nordeste S.A., changed on February 15, 2013.

- **Exclusive funds**

Exclusive funds	Equity interests (%) 3/31/2013	12/31/2012	Main activities
Direct interest: full consolidation			
DIPLIC - Private credit balanced mutual fund	100.00	100.00	Investment fund
Mugen - Private credit balanced mutual fund	100.00	100.00	Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund

In preparing the consolidated interim financial statements we have adopted the following consolidation procedures:

Unrealized gains on transactions with subsidiaries and jointly controlled entities are eliminated to the extent of CSN's equity interests in the related entity in the consolidation process. Unrealized losses are eliminated in the same manner as unrealized gains, although only to the extent that there are indications of impairment. The base date of the interim financial statements of the subsidiaries and jointly controlled entities is the same as that of the Company, and their accounting policies are in line with the policies adopted by the Company.

- **Subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to determine the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are actually exercisable or convertible are taken into consideration when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date when control is transferred to the Company and are deconsolidated from the date when such control ceases.

- **Joint controlled entities**

Jointly controlled entities are all entities over which the Group holds control shared with one or more other parties.

The investments in jointly controlled entities subsidiaries are accounted for by the equity method and are not consolidated. Some subsidiaries have been qualified as joint operations. See note 3 for further details.

- **Associates**

Associates are all entities over which the Company has significant influence but not control, generally through a shareholding of 20% to 50% of the voting rights. Investments in associates are accounted for under the equity method of accounting and are initially recognized at cost.

- **Transactions and non-controlling interests**

The Company treats transactions with non-controlling interests as transactions with owners of Company equity. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in shareholders' equity. Gains and losses on disposals to non-controlling interests are also recognized directly in shareholders' equity, in line item “Valuation adjustments to equity”.

When the Company no longer holds control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest in an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(c) Individual interim financial statements

In the individual interim financial statements, interests in subsidiaries and associates are accounted for under the equity method of accounting. The same adjustments are made both to the individual financial statements and the consolidated interim financial statements. In the case of CSN, the accounting practices adopted in Brazil, applied to the individual financial statements, differ from IFRS applicable to the separate financial statements only with respect to the measurement of investments in subsidiaries and associates by the equity method of accounting, which under IFRSs must be measured at cost or fair value.

(d) Foreign currencies

i. Functional and presentation currency

Items included in the interim financial statements of each one of the Company's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("functional currency"). The consolidated interim financial statements are presented in Brazilian reais (R$), which is the Company's functional currency and the Group's presentation currency.

ii. Balances and transactions

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. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at exchange rates in effect as of March 31, 2013 of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when they are recognized in shareholders' equity as qualifying cash flow hedges and qualifying net investment hedges.

The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of March 31, 2013, US$1 is equivalent to R$2.0138 (R$2.0435 as of December 31, 2012), €1 is equivalent to R$2.5853 (R$2.6954 as of December 31, 2012), and ¥1 is equivalent to R$0.02142 (R$0.02372 as of December 31, 2012).

All other foreign exchange gains and losses, including foreign exchange gains and losses related to loans and cash and cash equivalents, are presented in the income statement as finance income or costs.

Changes in the fair value of monetary securities denominated in foreign currency, classified as available-for-sale, are segregated into translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Exchange differences related to changes in amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in shareholders' equity.

Exchange differences on non-monetary financial assets and liabilities classified as measured at fair value through profit or loss are recognized in profit or loss as part of the gain or loss on the fair value. Exchange differences on non-monetary financial assets, such as investments in shares classified as available-for-sale, are included in comprehensive income in shareholders' equity.

Starting 2012, in view of the changes in operations of the subsidiary Namisa Europe, its functional currency changed from the US dollar to the Brazilian real.

iii. Group companies

The results and financial position of all the Group’s entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities in each balance sheet presented have been translated at the exchange rate at the end of the reporting period;

- Income and expenses of each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates in effect at the transaction dates, in which case income and expenses are translated at the rate in effect at the transaction dates); and

• All resulting exchange differences are recognized as a separate component in other comprehensive income.

On consolidation, exchange differences resulting from the translation of monetary items with characteristics of net investment in foreign operations are recognized in shareholders' equity. When a foreign operation is partly disposed of or sold, exchange differences previously recorded in other comprehensive income are recognized in the income statement as part of the gain or loss on sale.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks and other short-term highly liquid investments redeemable within 90 days from the end of the reporting period, readily convertible into a known amount of cash and subject to an insignificant risk of change in value. Certificates of deposit that can be redeemed at any time without penalties are considered as cash equivalents.

(f) Trade receivables

Trade receivables are initially recognized at fair value, including the related taxes and expenses. Foreign currency-denominated trade receivables are adjusted at the exchange rate in effect at the end of the reporting period. The allowance for on doubtful debts were recognized in an amount considered sufficient to cover any losses. Management’s assessment takes into consideration the customer’s history and financial position, as well as the opinion of our legal counsel regarding the collection of these receivables for recognizing the allowance.

(g) Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average cost method on the acquisition of raw materials. The costs of finished products and work in process comprise raw materials, labor and other direct costs (based on the normal production capacity). Net realizable value represents the estimated selling price in the normal course of business, less estimated costs of completion and costs necessary to make the sale. Estimated losses for slow-moving or obsolete inventories are recognized when considered appropriate.

Stockpiled inventories are accounted for as processed when removed from the mine. The cost of finished products comprises all direct costs necessary to transform stockpiled inventories into finished products.

(h) Investments

Investments in subsidiaries, jointly controlled entities and associates are accounted for under the equity method of accounting and are initially recognized at cost. The gains or losses are recognized in profit or loss as operating revenue (or expenses) in the individual interim financial statements. In the case of foreign exchange differences arising on translating foreign investments that have a functional currency different from the Company’s, changes in investments due exclusively to foreign exchange differences, as well as adjustments to pension plans and available-for-sale investments that impact the subsidiaries’ shareholders' equity, are recognized in line item “Cumulative translation adjustments”, in the Company’s shareholders' equity, and are only recognized in profit or loss when the investment is disposed of or written off due to impairment loss. Other investments are recognized and maintained at cost or fair value.

When necessary, the accounting policies of subsidiaries and jointly controlled entities are changed to ensure consistency and uniformity of criteria with the policies adopted by the Company.

(i) Business combination

The acquisition method is used to account for each business combination conducted by the Company. The consideration transferred for acquiring a subsidiary is the fair value of the assets transferred, liabilities incurred and equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, where applicable. Acquisition-related costs are recognized in profit or loss for the year, as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes non-controlling interests in the acquiree according to the proportional non-controlling interest held in the fair value of the acquiree’s new assets (see note 4).

(j) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition, formation or construction, less accumulated depreciation or depletion and any impairment loss. Depreciation is calculated under the straight-line method based on the remaining economic useful lives of assets, as mentioned in note 11. The depletion of mines is calculated based on the quantity of ore mined. Land is not depreciated since their useful life is considered indefinite. However, if the tangible assets are mine-specific, that is, used in the mining activity, they are depreciated over the shorter of the normal useful lives of such assets or the useful life of the mine. The Company recognizes in the carrying amount of property, plant and equipment the cost of replacement, reducing the carrying amount of the part that it is replacing if it is probable that future economic benefits embodied therein will revert to the Company, and if the cost of the asset can be reliably measured. All other costs are expensed as incurred. Borrowing costs related to funds obtained for construction in progress are capitalized until these projects are completed.

If some components of property, plant and equipment have different useful lives, these components are separately recognized as property, plant and equipment items.

Gains and losses on disposal are determined by comparing the sale value less the residual value and are recognized in ‘Other operating income (expenses)’.

Mineral rights acquired are classified as other assets in property, plant and equipment.

Exploration expenditures are recognized as expenses until the viability of mining activities is established; after this period subsequent development costs are capitalized. Exploration and valuation expenditures include:

- Research and analysis of exploration area historical data;
- Topographic, geological, geochemical and geophysical studies;
- Determine the mineral asset’s volume and quality/grade of deposits;
- Examine and test the extraction processes and methods;

- Topographic surveys of transportation and infrastructure needs;
- Market studies and financial studies.

The costs for the development of new mineral deposits or capacity expansion in mines in operation are capitalized and amortized using the produced (extracted) units method based on the probable and proven ore quantities.

The development stage includes:

- Drillings to define the ore body;
- Access and draining plans;
- Advance removal of overburden (top soil and waste material removed prior to initial mining of the ore body) and waste material (non-economic material mixed with the ore body).

Stripping costs (the costs associated with the removal of overburdened and other waste materials) incurred during the development of a mine, before production commences, are capitalized as part of the depreciable cost of developing the property. Such costs are subsequently amortized over the useful life of the mine based on proven and probable reserves.

Post-production stripping costs are included in the cost of the inventory produced (that is extracted), at each mine individually during the period that stripping costs are incurred.

The Company holds spare parts that will be used to replace parts of property, plant and equipment and that will increase the asset's useful life and the useful life of which exceeds 12 months. These parts are classified in property, plant and equipment and not in inventories.

(k) Intangible assets

Intangible assets comprise assets acquired from third parties, including through business combinations and/or those internally generated.

These assets are recognized at cost of acquisition or formation, less amortization calculated on a straight-line basis based on the exploration or recovery periods.

Intangible assets with indefinite useful lives and goodwill based on expected future profitability are not amortized.

- **Goodwill**

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition of a business and the net fair values of the assets and liabilities of the acquiree. Goodwill on acquisitions of subsidiaries is recognized as 'Intangible assets' in the consolidated financial statements. In the individual balance sheet, goodwill is included in investments. Negative goodwill is recognized as a gain in profit for the period at the acquisition date. Goodwill is annually tested for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a Cash-Generating Unit (CGU) include the carrying amount of goodwill related to the CGU sold.

Goodwill is allocated to CGUs for impairment testing purposes. The allocation is made to Cash-Generating Units or groups of Cash-Generating Units that are expected to benefit from the business combination from which the goodwill arose, and the unit is not greater than the operating segment.

- **Software**

Software licenses purchased are capitalized based on the costs incurred to purchase the software and make it ready for use. These costs are amortized on a straight-line basis over the estimated useful lives of 1 to 5 years.

(l) Impairment *of* non-financial assets

Assets with infinite useful lives, such as goodwill, are not subject to amortization and are annually tested for impairment. Assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized at the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset less costs to sell and its value in use. For impairment testing purposes, assets are grouped at their lowest levels for which there are separately identifiable cash flows (Cash Generating Units, or CGUs). Non-financial assets, except goodwill, that are considered impaired are subsequently reviewed for possible reversal of the impairment at the reporting date.

(m) Employee benefits

i. Employee benefits

Defined contribution plans

A defined contribution plan is as a post-employment benefit plan whereby an entity pays fixed contributions to a separate entity (pension fund) and will not have any legal or constructive obligation to pay additional amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in the income statement for the periods during which services are provided by employees. Contributions paid in advance are recognized as an asset on condition that either cash reimbursement or reduction in future payments is available. Contributions to a defined contribution plan that is expected to mature twelve (12) months after the end of the period in which the employee provides services are discounted to their present values.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation regarding defined pension benefit plans is calculated individually for each plan by estimating the value of the future benefit that the employees accrue as return for services provided in the current period and in prior periods; such benefit is discounted to its present value. Any unrecognized costs of past services and the fair values of any plan assets are deducted. The discount rate is the yield presented at the end of the reporting period for top line debt securities whose maturity dates approximate the terms and conditions of the Company’s obligations and which are denominated in the same currency as the one in which it is expected that the benefits will be paid. The calculation is made annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit for the Company, the asset to be recognized is limited to the total amount of any unrecognized costs of past services and the present value of the economic benefits available in the form of future plan reimbursements or reduction in future contributions to the plan. In calculating the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any Company plan. An economic benefit is available to the Company if it is realizable during the life of the plan or upon settlement of the plan’s liabilities.

The Company and some of its subsidiaries offered a postretirement healthcare benefit to its employees. The right to these benefits is usually contingent to their remaining in employment until the retirement age and the completion of the minimum length of service. The expected costs of these benefits are accumulated during the employment period, and were calculated using the same accounting method used for defined benefit pension plans. These obligations are annually valued by qualified independent actuaries.

When the benefits of a plan are increased, the portion of the increased benefit related to past services of employees is recognized on a straight-line basis over the average period until the benefits become vested. When the benefits become immediately vested, the expense is recognized in profit or loss.

The Company has chosen to recognize all actuarial gains and losses resulting from defined benefit plans immediately in other comprehensive income, subsequently transferred to retained earnings or accumulated losses. If the plan is extinguished, actuarial gains and losses are recognized in profit or loss.

The other changes required by IAS 19 (revised) (CPC 33 R1) will be disclosed in the financial statements for the year ended December 31, 2013, when the actuarial report prepared by an independent actuary will be updated.

ii. Profit sharing and bonus

Employee profit sharing and executives’ variable compensation are linked to the achievement of operating and financial targets. The Company recognizes a liability and an expense substantially allocated to production cost and, where applicable, to general and administrative expenses when such goals are met.

(n) Provisions

Provisions are recognized when: (i) the Company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle a present obligation, and (iii) the amount can be reliably measured. Provisions are determined discounting the expected future cash flows based on a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the specific risks of the liability.

(o) Concessions

The Company has government concessions and their payments are classified as operating leases.

(p) Issued capital

Common shares are classified in shareholders' equity.

Incremental costs directly attributable to the issue of new shares or options are shown in shareholders' equity as a deduction from the proceeds, net of taxes.

When any Group company buys Company shares (treasury shares), the amount paid, including any directly attributable additional costs (net of income tax), is deducted from shareholders' equity attributable to owners of the Company until the shares are canceled or reissued. When these shares are subsequently reissued, any amount received, net of any directly attributable additional transaction costs and the related income tax and social contribution effects, is included in shareholders' equity attributable to owners of the Company.

(q) Revenue recognition

Operating revenue from the sale of goods in the normal course of business is measured at the fair value of the consideration received or receivable. Revenue is recognized when there is convincing evidence that the most significant risks and rewards of ownership of goods have been transferred to the buyer, it is probable that future economic benefits will flow to the entity, the associated costs and possible return of goods can be reliably estimated, there is no continued involvement with the goods sold, and the amount of the operating revenue can be reliably measured. If it is probable that discounts will be granted and the value thereof can be reliably measured, then the discount is recognized as a reduction of the operating revenue as sales are recognized. Revenue from services provided is recognized as it is realized.

The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract. For international sales, this timing depends on the type of term of the contract.

(r) Finance income and finance costs

Finance income includes interest income from funds invested (including available-for-sale financial assets), dividend income (except for dividends received from investees accounted for under the equity method in Company), gains on disposal of available-for-sale financial assets, changes in the fair value of financial assets measured at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized in profit or loss under the effective interest method. Dividend income is recognized in profit or loss when the Company's right to receive payment has been established. Distributions received from investees accounted for under the equity method reduce the investment value.

Finance costs comprise interest expenses on borrowings, net of the discount to present value of the provisions, dividends on preferred shares classified as liabilities, losses in the fair value of financial instruments measured at fair value through profit or loss, impairment losses recognized in financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are measured through profit or loss under the effective interest method.

Foreign exchange gains and losses are reported on a net basis.

(s) Income tax and social contribution

Current and deferred income tax and social contribution are calculated based on the tax laws enacted or substantially enacted by the end of the reporting period, including in the countries where the Group entities operate and generate taxable profit. Management periodically assesses the positions assumed in the tax calculations with respect to situations where applicable tax regulations are open to interpretations. The Company recognizes provisions, when appropriate, based on the estimated payments to tax authorities.

The income tax and social contribution expense comprises current and deferred taxes. The current and deferred taxes are recognized in profit or loss unless they are related to business combinations or items recognized directly in shareholders' equity.

Current tax is the expected tax payable or receivable on taxable profit or loss for the year at tax rates that have been enacted or substantially enacted by the end of the reporting period and any adjustment to taxes payable in relation to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognized for the following temporary differences: initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect either the accounting or taxable profit or loss, and differences associated with investments in subsidiaries and controlled entities when it is probable that they will not reverse in the foreseeable future. Moreover, a deferred tax liability is not recognized for taxable temporary differences resulting in the initial recognition of goodwill. The deferred tax is measured at the rates that are expected to be applied on temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of the reporting period.

Current income tax and social contribution are carried at their net amounts by the taxpayer, in liabilities when there are amounts payable or in assets when prepaid amounts exceed the total amount due at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for all tax losses, tax credits, and deductible temporary differences to the extent that it is probable that taxable profits will be available against which those tax losses, tax credits, and deductible temporary differences can be utilized.

Deferred income tax and social contribution assets are reviewed at the end of each reporting period and reduced to the extent that their realization is no longer probable.

(t) Earnings per share

Basic earnings per share are calculated by means of the profit/loss for the year attributable to owners of the Company and the weighted average number of common shares outstanding in the related period. Diluted earnings per share are calculated by means of the average number of shares outstanding, adjusted by instruments potentially convertible into shares, with diluting effect, in the reported periods. The Company does not have any instruments potentially convertible into shares and, accordingly, diluted earnings per share are equal to basic earnings per share.

(u) Environmental and restoration costs

The Company recognizes a provision for the costs of recovery of areas and fines when a loss is probable and the amounts of the related costs can be reliably measured. Generally, the period for providing for the amount to be used in recovery coincides with the end of a feasibility study or the commitment to adopt a formal action plan.

Expenses related to compliance with environmental regulations are charged to profit or loss or capitalized, as appropriate. Capitalization is considered appropriate when the expenses refer to items that will continue to benefit the Company and that are basically related to the acquisition and installation of equipment to control and/or prevent pollution.

(v) Research and development

All these costs are recognized in the income statement when incurred, except when they meet the criteria for capitalization. Research and development expenditures recognized as expense for the period ended March 31, 2013, amounted to R$1,592 (R$1,342 at March 31, 2012).

(w) Financial instruments

i) Financial assets

Financial assets are classified into the following categories: measured at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for- sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

- **Financial assets measured at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for active and frequent trading. Derivatives are also categorized as held for trading and, accordingly, are classified in this category unless they have been designed as cash flow hedging instruments. Assets in this category are classified in current assets.

- **Loans and receivables**

This category includes loans and receivables that are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They are included in current assets, except those with maturity of more than 12 months after the end of the reporting period (which are classified as non-current assets). Loans and receivables include loans to associates, trade receivables and cash and cash equivalents, except short-term investments. Cash and cash equivalents are recognized at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

- **Held-to-maturity assets**

These are basically financial assets acquired with the positive intent and ability to hold to maturity. Held-to-maturity investments are initially recognized at their value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any impairment loss.

- **Available-for-sale financial assets**

These are non-derivative financial assets, designated as available-for-sale, that are not classified in any other category. They are included in non-current assets when they are strategic investments of the Company, unless Management intends to dispose of the investment within up to 12 months from the end of the reporting period. Available-for-sale financial assets are recognized at fair value.

- **Recognition and measurement**

Regular purchases and sales of financial assets are recognized at the trading date - the date on which the Company undertakes to buy or sell the asset. Investments are initially recognized at their fair value, plus transaction costs for all financial assets not classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at their fair value and the transaction costs are charged to the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred, in the latter case, provided that the Company has transferred significantly all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses resulting from changes in the fair value of financial assets at fair value through profit or loss are presented in the income statement under “finance income” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other finance income when the Company’s right to receive the dividends has been established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are segregated into translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Exchange differences on monetary securities are recognized in profit or loss, while exchange differences on non-monetary securities are recognized in shareholders' equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income and are only recognized in profit or loss when the investment is sold or written off as a loss.

Interest on available-for-sale securities, calculated under the effective interest method, is recognized in the income statement as part of other income. Dividends from available-for-sale equity instruments, such as shares, are recognized in the income statement as part of other finance income when the Company's right to receive payments has been established.

The fair values of publicly quoted investments are based on current purchase prices. If the market for a financial asset (and for instruments not listed on a stock exchange) is not active, the Company establishes the fair value by using valuation techniques. These techniques include the use of recent transactions contracted with third parties, reference to other instruments that are substantially similar, analysis of discounted cash flows, and pricing models that make maximum use of market inputs and relies as little as possible on entity-specific inputs.

ii) Impairment of financial assets

The Company assesses of the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

- **Assets measured at amortized cost**

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and such loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used by CSN to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or counterparty;

- a breach of contract, such as default or delinquency in interest or principal payments;

- the issuer, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower a concession that the lender would not otherwise consider;

- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of such assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- Adverse changes in the payment status of borrowers in the portfolio;

- National or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate to measure an impairment loss is the current effective interest rate determined pursuant to the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed and recognized in the consolidated income statement.

- **Assets classified as available-for-sale**

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. Determining what is considered a “significant” or “prolonged” decline requires judgment. For this judgment we assess, among other factors, the historical changes in the equity prices, the duration and proportion in which the fair value of the investment is lower than its cost, and the financial health and short-term prospects of the business for the investee, including factors such as: industry and segment performance, changes in technology, and operating and financial cash flows. If there is any of this evidence of impairment of available-for-sale financial assets, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recorded in profit or loss—is reclassified from shareholders' equity and recognized in the income statement. Impairment losses recognized in the income statement as available-for-sale instruments are not reversed through the income statement.

CSN tested for impairment its available-for-sale investment in Usiminas shares (see note 14).

iii) Financial liabilities

Financial liabilities are classified into following categories: measured at fair value through profit or loss and other financial liabilities. Management determines the classification of its financial liabilities at the time of initial recognition.

- **Financial liabilities measured at fair value through profit or loss**

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or designated as at fair value through profit or loss.

Derivatives are also classified as trading securities, unless they have been designated as effective hedging instruments.

- **Other financial liabilities**

Other financial liabilities are measured at amortized cost using the effective interest method.

The Company holds the following non-derivative financial liabilities: borrowings, financing and debentures, and trade payables.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off recognized amounts and the intention to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

iv) Derivative instruments and hedging activities

- **Derivatives measured at fair value through profit or loss**

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are immediately recognized in the income statement under “Other gains (losses), net”. Even though the Company uses derivatives for hedging purposes, it does not apply hedge accounting.

- **Foreign exchange gains or losses on translation foreign operations**

Gains and losses accumulated in shareholders' equity are included in the income statement when the foreign operation is partially disposed of or sold.

(x) Segment information

An operating segment is a component of the Group committed to the business activities from which it can obtain revenues and incur expenses, including revenues and expenses related to transactions with any other components of the Group. All the operating results of operating segments are reviewed regularly by the Executive Officers of CSN to make decisions regarding funds to be allocated to the segment and assessment of its performance, and for which there is distinct financial information available (see Note 25).

(y) Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received, when they will be recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs the grants are intended to compensate.

The Company has state tax incentives in the North and Northeast regions that are recognized in profit or loss as a reduction of the corresponding costs, expenses and taxes.

(z) New standards and interpretations issued and not yet adopted

The information on the recently issued accounting standards and interpretations did not change significantly as compared to the one disclosed in note 2 to the financial statements for the year ended December 31, 2012 disclosed on March 28, 2013, except for the applications of IFRSs 10 and 11 described in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The Company applied, beginning January 1, 2013, IFRS 10 *Consolidated Financial Statements*, equivalent to CPC 36 (R3) - “Demonstrações Consolidadas” approved by the CVM in December 2012, which establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities, and IFRS 11 *Joint Arrangements*, equivalent to CPC 19(R2) - "Negócios em Conjunto" approved by the CVM in November 2012, which requires a new valuation of joint arrangements, focusing on the rights and obligations of the arrangement, instead of its form. IFRS 10 supersedes the consolidation requirements of SIC-12 *Consolidation of Special Purpose Entities* and IAS 27 *Separate and Consolidated Financial Statements*. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Joint Ventures - Non-Monetary Contributions by Venturers*.

Accordingly, as the proportionate consolidation method for entities qualified as joint ventures is no longer allowed, the Company no longer consolidates its jointly controlled entities Nacional Minérios S.A., MRS Logística S.A., and CBSI - Companhia Brasileira de Serviços de Infraestrutura, and started to account for these entities by the equity method of accounting.

For purposes of comparison, the balances as of December 31, 2012 and March 31, 2012 and the opening balance as of January 1, 2012 have been adjusted taking into account said changes in accounting policy, and are being presented for comparative purposes in the notes to the financial statements, as shown below:

i. Balance sheet as of December 31, 2012

	12/31/2012		
	Published balance sheet	**Adoption of IFRS 10 and IFRS 11**	**Adjusted balance sheet**
ASSETS			
Current assets			
Cash and cash equivalents	14,444,875	(2,553,054)	11,891,821
Trade receivables	1,794,566	866,851	2,661,417
Inventories	3,580,025	(186,832)	3,393,193
Other current assets	1,302,479	(150,324)	1,152,155
Total non-current assets	**21,121,945**	**(2,023,359)**	**19,098,586**
Non-current assets			
Long-term receivables			
Short-term investments	116,753		116,753
Deferred taxes	2,372,501	(195,422)	2,177,079
Other non-current assets	1,648,056	(20,917)	1,627,139
	4,137,310	**(216,339)**	**3,920,971**
Investments	**2,351,774**	**8,488,013**	**10,839,787**
Property, plant and equipment	**20,408,747**	**(1,889,683)**	**18,519,064**
Intangible assets	**1,275,452**	**(370,591)**	**904,861**
Total non-current assets	**28,173,283**	**6,011,400**	**34,184,683**
TOTAL ASSETS	**49,295,228**	**3,988,041**	**53,283,269**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Payroll and related taxes	241,291	(56,328)	184,963
Trade payables	1,957,789	67,672	2,025,461
Taxes payable	336,348	(63,582)	272,766
Borrowings and financing	2,295,409	(126,287)	2,169,122
Other payables	1,221,350	360,690	1,582,040
Provisions for tax, social security, labor, civil and environmental risks	355,889	(39,342)	316,547
Total current liabilities	**6,408,076**	**142,823**	**6,550,899**
Non-current liabilities			
Borrowings and financing	27,856,350	(720,768)	27,135,582
Other payables	4,388,451	4,620,598	9,009,049
Deferred taxes	284,110	(45,869)	238,241
Provisions for tax, social security, labor, civil and environmental risks	371,697		371,697
Employee Benefits	565,591		565,591
Other provisions	413,440	(8,743)	404,697
Total non-current liabilities	**33,879,639**	**3,845,218**	**37,724,857**

Shareholders' equity			
Issued capital	4,540,000		4,540,000
Reserves	3,690,573		3,690,573
Valuation adjustments to equity	386,324		386,324
Non-controlling interests	390,616		390,616
Total shareholders' equity	**9,007,513**		**9,007,513**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**49,295,228**	**3,988,041**	**53,283,269**

ii. Income statement for the period ended March 31, 2012

			3/31/2012
	Published balance sheet	**Adoption of IFRS 10 and IFRS 11**	**Adjusted balance sheet**
Net revenue from sales and/or services	3,895,739	(460,255)	3,435,484
Cost of sales and/or services	(2,752,606)	328,298	(2,424,308)
Gross profit	**1,143,133**	**(131,957)**	**1,011,176**
Operating expenses/income	**(426,884)**	**114,879**	**(312,005)**
Selling expenses	(180,995)	48,650	(132,345)
General and administrative expenses	(133,812)	27,138	(106,674)
Share of profits (losses) of investees		35,792	35,792
Other operating income (expenses), net	(112,077)	3,299	(108,778)
Operating profit before finance income (costs)	**716,249**	**(17,078)**	**699,171**
Finance income (costs), net	(628,161)	(10,503)	(638,664)
Profit before income tax and social contribution	**88,088**	**(27,581)**	**60,507**
Income tax and social contribution	4,547	27,581	32,128
Profit for the period	**92,635**		**92,635**
Attributable to:			
Owners of the Company	110,694		110,694
Non-controlling interests	(18,059)		(18,059)

iii. Balance sheet as of January 1, 2012

	1/1/2012		
	Published balance sheet	**Adoption of IFRS 10 and IFRS 11**	**Adjusted balance sheet**
<u>**ASSETS**</u>			
Current assets			
Cash and cash equivalents	15,417,393	(1,976,703)	13,440,690
Trade receivables	1,616,206	530,456	2,146,662
Inventories	3,734,984	(216,077)	3,518,907
Other current assets	1,175,723	(118,006)	1,057,717
Total non-current assets	**21,944,306**	**(1,780,330)**	**20,163,976**
Non-current assets			
Long-term receivables			
Short-term investments	139,679		139,679
Deferred taxes	1,840,773	(367,034)	1,473,739
Other non-current assets	2,876,269	54,574	2,930,843
	4,856,721	**(312,460)**	**4,544,261**
Investments	**2,088,225**	**7,929,231**	**10,017,456**
Property, plant and equipment	**17,377,076**	**(1,612,581)**	**15,764,495**
Intangible assets	**603,374**	**(372,395)**	**230,979**
Total non-current assets	**24,925,396**	**5,631,795**	**30,557,191**
TOTAL ASSETS	**46,869,702**	**3,851,465**	**50,721,167**
<u>**LIABILITIES AND SHAREHOLDERS' EQUITY**</u>			
Current liabilities			
Payroll and related taxes	202,469	(37,527)	164,942
Trade payables	1,232,075	(129,475)	1,102,600
Taxes payable	325,132	(6,817)	318,315
Borrowings and financing	2,702,083	(104,038)	2,598,045
Other payables	1,728,445	210,754	1,939,199
Provisions for tax, social security, labor, civil and environmental risks	292,178	(33,264)	258,914
Other provisions	14,565	(6,432)	8,133
Total current liabilities	**6,496,947**	**(106,799)**	**6,390,148**
Non-current liabilities			
Borrowings and financing	25,186,505	(634,863)	24,551,642
Other payables	5,593,520	4,616,753	10,210,273
Deferred taxes	37,851	(18,088)	19,763
Provisions for tax, social security, labor, civil and environmental risks	346,285		346,285
Employee Benefits	469,050		469,050
Other provisions	322,374	(5,538)	316,836
Total non-current liabilities	**31,955,585**	**3,958,264**	**35,913,849**

Shareholders' equity			
Issued capital	1,680,947		1,680,947
Reserves	7,671,650		7,671,650
Valuation adjustments to equity	(1,366,776)		(1,366,776)
Non-controlling interests	431,349		431,349
Total shareholders' equity	**8,417,170**		**8,417,170**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**46,869,702**	**3,851,465**	**50,721,167**

4. BUSINESS COMBINATION

- **Stahlwerk Thüringen GmbH ("SWT") and Gallardo Sections**

On January 31, 2012, through its wholly-owned subsidiary CSN Steel S.L., CSN completed the acquisition of all the shares ("Shares") of the Spanish companies (a) Dankerena Guipúzcoa, S.L. (currently named CSN Steel Holdings 2, S.L.U.) and Grupo Alfonso Gallardo Thüringen, S.L.U. (currently named CSN Steel Holdings 1, S.L.U.), holding companies that together hold 100% of the capital of the German company Stahlwerk Thüringen GmbH ("SWT"), a producer of long steel located in Unterwellenborn, Germany, specialized in the production of shapes and with installed capacity of 1.1 million metric tons of steel/year; and (b) Gallardo Sections S.L.U. (currently named CSN Steel Comercializadora, S.L.U.), a trader of SWT products, all previously held by Grupo Alfonso Gallardo, S.L.U. ("AG Group").

This acquisition helps CSN to strengthen its role in the long steel segment, by strengthening its portfolio of world class assets.

As mentioned in note 2(i), the acquisition method was used to account for identifiable assets acquired and liabilities assumed.

The purchase price of R$301,192 (€131,790), including the final adjustment to the purchase price of R$1,943 (€850), was allocated between identified assets acquired and liabilities assumed, measured at fair value. In the purchase price identification process, the Company considered the adjustments presented below and the starting point was the transaction amount of R$1,104,648 (€483,350)

	Amounts in R$
Transaction price	1,104,648
Net debt	(857,031)
Provisions	(11,782)
Tax credits	13,498
Working capital	51,859
(=) Purchase price	**301,192**

The transaction costs are represented by consulting services and lawyers' fees totaling R$20,879, which have been included in the income statement, in general and administrative expenses, as incurred.

The tables below show the allocation of identifiable assets acquired and liabilities assumed recognized at the acquisition date, the purchase price considered in the acquisition of SWT and Gallardo Sections, and the calculation of the resulting goodwill.

The fair value adjustments made based on the corporate balance sheet to prepare the opening balance sheet were adjusted after the completion of the valuation report in December 2012.

Assets acquired	**Carrying amounts**	**Fair value adjustments**	**Total fair value**
Current assets (*)	400,387		400,387
Non-current assets (**)	191,956	786,988	978,944
Current liabilities	(262,203)		(262,203)
Non-current liabilities (***)	(842,526)	(209,005)	(1,051,531)
Total assets acquired	**(512,386)**	**577,983**	**65,597**

(*) Includes R$14,880 in cash and cash equivalents.

(**) Comprising mainly the fair value adjustment to property, plant and equipment amounting to R$392,817. Total fair value of property, plant and equipment was measured at R$582,478 (see note 11).

(***) Refers to the deferred income tax on the fair value adjustments.

Goodwill arising on acquisition

(+) Purchase price	301,192
(-) Fair value of assets acquired and liabilities assumed	65,597
(=) Goodwill arising on acquisition	**235,595**

Goodwill arising on the acquisition was mainly based on expected future earnings, as described in note 12.

5. CASH AND CASH EQUIVALENTS

			Consolidated		**Parent Company**
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Current					
Cash and cash equivalents					
Cash and banks	**196,958**	**205,056**	**99,908**	**93,543**	**25,897**
Short-term investments					
In Brazil:					
Government securities	617,902	862,299	646,594	517,608	769,447
Private securities	280,310	540,688	1,619,816	115,335	340,720
	898,212	**1,402,987**	**2,266,410**	**632,943**	**1,110,167**
Abroad:					
Time deposits	10,236,969	10,283,778	11,074,372	1,842,422	1,859,693
Total short-term investments	**11,135,181**	**11,686,765**	**13,340,782**	**2,475,365**	**2,969,860**
Cash and cash equivalents	**11,332,139**	**11,891,821**	**13,440,690**	**2,568,908**	**2,995,757**

The funds available in the Company and subsidiaries set up in Brazil are basically invested in investment funds, classified as exclusive, with repurchase agreements backed by government and private bonds with immediate liquidity.

Private securities are short-term investments in Bank Deposit Certificates (CDBs) and Debentures with yields pegged to the Interbank Deposit Certificate (CDI) fluctuation, and government securities are basically repurchase agreements backed by National Treasury Bills (LTNs) and Financial Treasury Bills (LFTs). The exclusive funds managed by BTG Pactual Serviços Financeiros S.A. DTVM and Caixa Econômica Federal and their assets collateralize possible losses on investments and transactions carried out. Investments in funds were consolidated.

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

6. TRADE RECEIVABLES

			Consolidated		Parent Company
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Trade receivables					
Third parties					
Domestic market	860,342	776,442	859,996	601,136	521,517
Foreign market	639,971	754,159	575,040	26,799	23,799
Allowance for on doubtful debts	(106,689)	(111,532)	(124,939)	(81,534)	(86,391)
	1,393,624	**1,419,069**	**1,310,097**	**546,401**	**458,925**
Related parties (Note 19 - b and c)	**112,365**	**227,021**	**133,819**	**607,039**	**552,744**
	1,505,989	**1,646,090**	**1,443,916**	**1,153,440**	**1,011,669**
Other receivables					
Dividends receivable (Note 19 - b)	955,450	955,869	655,879	984,684	985,973
Other receivables	53,186	59,458	46,867	31,541	34,789
	1,008,636	**1,015,327**	**702,746**	**1,016,225**	**1,020,762**
	2,514,625	**2,661,417**	**2,146,662**	**2,169,665**	**2,032,431**

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

			Consolidated		Parent Company
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Falling due	1,238,840	1,272,669	1,220,106	483,977	406,543
Overdue until 180 days	116,959	113,793	67,067	33,145	25,052
Overdue above 180 days	144,514	144,139	147,863	110,813	113,721
	1,500,313	**1,530,601**	**1,435,036**	**627,935**	**545,316**

In order to meet the needs of some customers in the domestic market, related to the extension of the payment term for billing of steel, in common agreement with CSN's internal commercial policy and maintenance of its very short-term receipts (up to 14 days), at the request of the customer, transactions are carried out for assignment of receivables without co-obligation negotiated between the customer and banks with common relationship, where CSN assigns the trade notes/bills that it issues to the banks with common relationship.

Due to the characteristics of the transactions for assignment of receivables without co-obligation, after assignment of the customer's trade notes/bills and receipt of the funds from the closing of each transaction, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R$303,028 as of March 31, 2013 (R$224,718 as of December 31, 2012), less the trade receivables.

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

			Consolidated		**Parent Company**
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Opening balance	**(111,532)**	**(124,939)**	**(117,402)**	**(86,391)**	**(101,407)**
Allowance for losses on trade receivables	(3,426)	(11,073)	(20,005)	(2,096)	(6,668)
Recovery of receivables	8,269	24,480	12,468	6,953	21,684
Closing balance	**(106,689)**	**(111,532)**	**(124,939)**	**(81,534)**	**(86,391)**

7. INVENTORIES

	Consolidated			Parent Company	
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Finished products	847,078	980,375	855,020	635,028	755,770
Work in process	646,338	668,170	778,718	554,279	584,952
Raw materials	721,469	722,922	836,760	476,316	477,350
Storeroom supplies	1,011,292	1,018,625	922,141	876,860	885,819
Iron ore	133,021	74,340	79,687	133,022	74,341
Advances to suppliers	134,939	36,921	141,531	118,838	16,414
(-) Allowance for inventory losses	(107,769)	(108,160)	(94,950)	(90,344)	(90,344)
	3,386,368	**3,393,193**	**3,518,907**	**2,703,999**	**2,704,302**

Changes in the allowance for inventory losses are as follows:

	Consolidated			Parent Company	
	3/31/2013	**12/31/2012**	**1/1/2012**	**3/31/2013**	**12/31/2012**
Opening balance	**(108,160)**	**(94,950)**	**(80,571)**	**(90,344)**	**(77,814)**
Allowance for on/reversals of slow-moving inventories and obsolescence	391	(13,210)	(14,379)		(12,530)
Closing balance	**(107,769)**	**(108,160)**	**(94,950)**	**(90,344)**	**(90,344)**

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

As of March 31, 2013, the Company has long-term iron ore inventories amounting to R$144,483, classified in other non-current assets (R$144,483 as of December 31, 2012), as described in note 8.

8. OTHER CURRENT AND NON-CURRENT ASSETS

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

						Consolidated			
		Current			**Non-current**		**Current**		
	3/31/2013	**12/31/2012**	**'1/1/2012**	**3/31/2013**	**12/31/2012**	**'1/1/2012**	**3/31/2013**	**12/31/2012**	**3/31/2**
Judicial deposits (Note 17)				710,267	718,026	938,381			672
Credits with the PGFN (*) (Note 16)				85,345	84,392	806,103			85
Recoverable taxes (**)	416,462	407,297	573,827	168,529	183,092	227,199	258,300	267,172	57
Prepaid expenses	54,683	38,767	19,535	41,660	42,893	47,563	32,254	17,757	20
Actuarial asset - related party				93,546	93,546				93
Unrealized gains on derivatives (Note 14 I)	154,501	239,266	53,045			374,455	143,341	237,525	
Guarantee margin on financial instruments (Note 14 V)	218,911	426,328	407,467				16,855	17,024	
Ore inventory (Note 7)				144,483	144,483	144,483			144
Northeast Investment Fund (FINOR)				8,452	8,452	46,292			8
Trade receivables				7,165	8,983	10,043			10
Receivables from related parties (Note 19 b and c)	22,039	25,671	3,843	324,077	325,214	288,873	111,880	114,478	689
Other	20,728	14,826		11,278	18,058	47,451			20
	887,324	**1,152,155**	**1,057,717**	**1,594,802**	**1,627,139**	**2,930,843**	**562,630**	**653,956**	**1,802**

(*) Refers to the excess judicial deposit originated by the 2009 REFIS (Tax Debt Refinancing Program) as described in note 16.

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

9. INCOME TAX AND SOCIAL CONTRIBUTION

(a) Income tax and social contribution recognized in profit or loss:

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

	Consolidated		Parent Company	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Income tax and social contribution income/(expenses)				
Current	(77,835)	(80,684)		
Deferred	219,813	112,812	217,504	115,281
	141,978	**32,128**	**217,504**	**115,281**

The reconciliation of Company and consolidated income tax and social contribution expenses and income and the result from applying the effective rate on profit before income tax (IRPJ) and social contribution (CSLL) are as follows:

	Consolidated		Parent Company	
	3/31/2013	**3/31/2012**	**3/31/2013**	**3/31/2012**
Profit before income tax and social contribution	**(125,662)**	**60,507**	**(190,178)**	**(4,587)**
Tax rate	34%	34%	34%	34%
Income tax and social contribution at combined statutory rate	**42,725**	**(20,572)**	**64,661**	**1,560**
Adjustment to reflect effective rate:				
Interest on capital benefit	190,400	40,185	190,400	40,185
Equity in subsidiaries			(37,787)	63,408
Income subject to special tax rates or untaxed	(83,214)	(3,742)		
Tax loss carryforwards without recognizing deferred taxes	(11,648)			
Other permanent deductions (add-backs)	3,715	16,257	230	10,128
Income tax and social contribution in profit (loss) for the period	**141,978**	**32,128**	**217,504**	**115,281**
Effective rate	**-113%**	**53%**	**-114%**	**-2,513%**

(b) Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on income tax and social contribution loss carryforwards and related temporary differences between the tax bases of assets and liabilities and the accounting balances of the interim financial statements. They are presented at net amounts when related to a sole jurisdiction.

		Opening balance	
	'1/1/2012	12/31/2012	Compreher
Deferred tax assets			
Income tax loss carryforwards	416,276	818,705	
Social contribution loss carryforwards	154,571	242,606	
Temporary differences	**902,892**	**1,115,768**	
- Provisions for tax, social security, labor, civil and environmental risks	210,725	271,878	
- Allowance for asset impairment losses	58,576	48,190	
- Allowance for inventory impairment losses	29,406	29,638	
- Allowance for gains/(losses) on financial instruments	253,985	363,966	
- Accrued pension and healthcare plan (actuarial liability)	144,066	157,684	
- Accrued supplies and services	67,445	55,072	
- Allowance for doubtful debts	45,342	30,761	
- Goodwill on acquisitions	23,406	(89,402)	
- Unrealized exchange differences (*)	2,143	197,944	
- Other	67,798	50,037	
Non-current assets	**1,473,739**	**2,177,079**	
Deferred tax liabilities			
- Business combination	17,960	225,965	
- Other	1,803	12,276	
Non-current liabilities	**19,763**	**238,241**	

	Opening balance	Moveme
	12/31/2012	Comprehensive incor
Deferred tax assets		
Income tax loss carryforwards	639,247	
Social contribution loss carryforwards	231,805	
Temporary differences	**998,723**	**97,7**
- Provisions for tax, social security, labor, civil and environmental risks	264,958	
- Asset impairment losses	40,035	
- Inventory impairment losses	29,472	
- Gains/(losses) on financial instruments	191,511	97,7
- Actuarial liability (pension and healthcare plan)	157,802	
- Accrued supplies and services	52,379	
- Estimated losses on doubtful debts	29,752	
- Goodwill on merger	10,031	
- Unrealized exchange differences (*)	197,944	
- Other	24,839	
Non-current assets	**1,869,775**	**97,7**

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

Some Group companies recognized tax credits on income tax and social contribution loss carryforwards not subject to statute of limitations and based on the history of profitability and expected future taxable profits determined in technical studies approved by Management.

Since they are subject to significant factors that may change the projections for realization, the carrying amounts of deferred tax assets and projections are reviewed annually. These studies indicate the realization of these tax assets within the term stipulated by the mentioned instruction and the limit of 30% of the taxable profit.

The estimate of recovery of the deferred income tax and social contribution assets is as follows:

	Consolidated	**Parent Company**
Up to 1 year	1,370,791	1,061,149
From 1 to 2 years	425,737	413,903
From 2 to 3 years	464,478	451,930
From 3 to 5 years	260,101	258,009
	2,521,107	**2,184,991**

Certain group companies have tax assets amounting to R$812,001 and R$266,350, related to income tax and social contribution loss carryforwards, for which no deferred taxes were set up, of which R$10,329 expire in 2013, R$739 in 2014, R$29,713 in 2015, and R$49,495 in 2025. The remaining tax assets refer to domestic companies and, therefore, are not subject to statute of limitations.

The undistributed profits of the Company's foreign subsidiaries have been invested and will continue to be indefinitely invested in their operations. These undistributed profits of the Company's foreign subsidiaries amounted to R$6,307,956 as of March 31, 2013 (R$6,307,956 as of December 31, 2012).

(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 Comp**	
	3/31/2013	**12/31/2012**	**3/31/2013**	**12/31/2**
Income tax and social contribution				
Gain/(loss) on defined benefit pension plan	66,155	66,155	65,980	65,

Changes in the fair value of available-for-sale financial assets	(245,932)	(377,164)	(187,452)	(285,
Exchange differences on translating foreign operations	(425,510)	(425,510)	(425,510)	(425,
	(605,287)	**(736,519)**	**(546,982)**	**(644,**

(d) Tax incentives

The Company enjoys Income Tax incentives based on the legislation in effect, such as: Worker Food Program, the Rouanet Law (tax incentives related to cultural activities), Tax Incentives for Audiovisual Activities, and Funds for the Rights of Children and Adolescents. As of March 31, 2013, these tax incentives total R$645 (R$3,366 as of December 31, 2012).

10. INVESTMENTS

a) Direct equity interests in subsidiaries and jointly controlled entities

Companies	Number of shares held by CSN (in units) Common	Preferred	% Direct equity interest	Assets	Liabilities	Shareholders' equity	3/31/2013 Profit (loss) for the period	% Direct equ interes
Subsidiaries								
CSN Islands VII Corp.	20,001,000		100.00	6,887,446	7,005,332	(117,886)	84,826	10
CSN Islands VIII Corp.	2,501,000		100.00	1,300,748	1,281,875	18,873	(34,862)	10
CSN Islands IX Corp.	3,000,000		100.00	823,802	821,926	1,876	3	10
CSN Islands X Corp.	1,000		100.00	50	44,815	(44,765)	461	10
CSN Islands XI Corp.	50,000		100.00	1,518,244	1,511,370	6,874	(22)	10
CSN Islands XII Corp.	1,540		100.00	1,704,318	2,013,651	(309,333)	(29,356)	10
Tangua Inc.								
International Investment Fund								