NATIONAL STEEL CO
Form 6-K
March 29, 2011

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 March, 2011
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____

CSN POSTS RECORD NET REVENUE OF R$14.5 BILLION IN 2010

São Paulo, Brazil, March 28, 2011

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its results for the fourth quarter of 2010 (4Q10) and full year 2010, in accordance with Brazilian accounting principles and international financial reporting standards (IFRS), and denominated in Brazilian Reais (R$). All comments presented herein refer to the Company s consolidated results and comparisons refer to the third quarter of 2010 (3Q10) and full year 2009, respectively, unless otherwise stated. The Real/U.S. Dollar exchange rate on December 31, 2010 was R$1.666.

Executive Summary

- Net revenue totaled R$14.5 billion in 2010, 32% up on the previous year and a new record;
- The gross margin reached 47% in 2010, an 11 p.p. improvement over 2009;
- Annual gross profit amounted to R$6.8 billion, 71% up on the year before;
- Adjusted EBITDA came to R$6.4 billion in 2010, an increase of 76% over the previous year.
- The adjusted EBITDA margin stood at 44%, 11 p.p. higher than in 2009;
- Mining revenue reached the record amount of R$3.6 billion, 84% up on 2009;
- Iron ore sales totaled 25.3 million tonnes in 2010, the Company s highest-ever figure and a 13% improvement over the year before;
- Consolidated steel product sales volume on the domestic market, where margins are historically higher, accounted for 86% of total annual sales volume;
- In 2010, the Company s consolidated investments totaled R$3.6 billion;
- The net debt/ adjusted EBITDA ratio closed the year at 1.55x, 0.19x less than at the end of 2009;
- CSN is a highly liquid company, with a cash position of R$10.2 billion.

Consolidated Highlights	4Q09	3Q10	4Q10	2009	2010	4Q10 x 3Q10 (Var%)	4Q10 x 4Q09 (Var%)	2010 x 2009 (Var%)
Net Revenue	3,057	3,949	3,444	10,978	14,451	-13%	13%	32%
Gross Profit	1,317	1,949	1,516	3,956	6,764	-22%	15%	71%
Adjusted EBITDA	1,219	1,836	1,442	3,621	6,355	-21%	18%	76%
Adjusted EBITDA Margin	40%	46%	42%	33%	44%	-4 p.p.	2 p.p.	11 p.p.
Net Income (R$ MM)	743	738	450	2,615	2,516	-39%	-39%	-4%
Net Debt (R$ MM)	6,297	9,284	9,850	6,297	9,850	6%	56%	56%

At the close of 2010

BM&FBovespa: CSNA3 R$26.67/share

NYSE: SID US$16.67/ADR (1 ADR = 1 share)

Total no. of shares = 1,483,033,685

Market cap: R$38.9 billion/US$24.3 billion

(excludes treasury shares)

Investor Relations Team

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Economic and Sector Scenario

The recovery of the global economy is being led by the emerging countries. The IMF expects global growth of 3% to 4% in 2010, with the developed countries averaging between 1% and 2%, and the emerging nations between 6% and 8%. On the other hand, inflationary pressure in the developed economies remains under control, despite the upturn in food and commodity prices, while inflation indices in the emerging countries are high due to the substantial increase in economic activity and the higher commodity prices.

- USA:

The U.S. economy recovered towards the end of 2010 and the country closed the year with GDP growth of 2.9%, the biggest figure since 2005, mainly due to the government s fiscal incentives, higher exports and the resumption of private investments.

Nevertheless, unemployment remained high, recording 9.4% in December 2010, equivalent to around 14 million people out of work. A total of 900,000 jobs were created last year.

Several economists expect higher growth in 2011, according to a recent survey by the *Wall Street Journal*. The main expectations are: GDP growth of 3.5%, inflation remaining flat at 2% with no increase in interest rates and unemployment below 9%.

The auto industry should be one of the main growth drivers leading manufacturers estimate vehicle sales of more than 13 million units in 2011.

- Europe:

The growth pace in Europe continues to slow, chiefly due to the fiscal squeeze and the discomfort over sovereign debt, especially in Italy, Spain, Greece and Ireland. The high level of debt in these countries has led to uncertainties regarding the solvency of their banking sectors and fears of a possible moratorium. According to CRU, these four nations hold 64% of all loans granted to financial institutions in the Eurozone.

Eurozone unemployment is still running at 10%, or around 15 million people, one of the highest levels in the last 12 years. However, this is expected to improve in the coming months thanks to a possible upturn in exports, especially in Germany, and higher consumer spending.

For the first time in more than two years, inflation exceeded the 2% target stipulated by the European Central Bank, reaching 2.2% in December, with the exceptionally cold weather pushing up food and energy prices. In 2011, commodity and energy prices should continue to exert inflationary pressure, although the ECB maintained the inflationary target at 2%.

According to CRU, the Eurozone should record GDP growth of 1.7% in 2010 and 1.6% in 2011. Germany stands out in the European scenario and has been maintaining the economic leadership in the region, with its GDP expected to grow 2.5% in 2011.

- Asia:

After fueling the recovery from the global financial crisis, China has gone through a monetary squeeze cycle in an attempt to break the growth of inflation, which closed the year at 4.6%.

Throughout 2010, the government adopted measures to contain growth by increasing interest rates and reserve requirements, limiting credit and introducing energy-saving targets. Despite their restrictive nature, however, all these measures are designed to ensure that the Chinese economy grows in a sustainable manner.

China GDP grew by 10.3% in 2010, 2% above the Chinese government s target, and the country overtook Japan as the world s second largest economy, with GDP of US$5.9 trillion.

On the exchange front, China has let the yuan appreciate by around 6% against the dollar since June 2010, effectively ending its two-year-long rate-fixing between the two currencies, making the yuan more flexible.

China has an ambitious urbanization project which will absorb substantial investments through 2025, by which time it expects to have 221 cities with at least one million inhabitants each. The Chinese real estate market is exceptionally buoyant, with property prices recording annual double-digit growth.

- Brazil:

Brazil s economic performance in 2010 put it among the emerging country leaders, thanks to the increased employment rate, higher individual income and the expansion of credit.

The year s highlight was the creation of jobs in various sectors of the economy2.52 million in all, a massive 115% more than in 2009. In December 2010, the IBGE (Brazilian Institute of Geography and Statistics) recorded unemployment of 5.3%, the lowest since the historical series began in 2002. This decline, plus the increase in earnings, helped push up consumption. IBGE figures show that the real wage bill increased by 8.6% year-on-year in December 2010, impacting retail sales which climbed by 10.9% in 2010, the best result for nine years.

However, productive sector investments were unable to keep pace, resulting in increased inflationary pressure. The IPCA consumer price index moved up by 5.91%, 1.41 p.p. above the midpoint of the Central Bank s target band, mainly pushed by services and food.

The government imposed restrictive monetary measures in an attempt to control the inflationary upturn. The National Monetary Council increased reserve requirements and the minimum credit card payment term, while the COPOM (Monetary Policy Committee) unanimously raised the SELIC base rate by 0.5p.p. to 11.75% p.a.

The total volume of financial system credit reached R$1.7 trillion in 2010, 21% up on 2009, while the credit/GDP ratio moved up to 47% and default fell throughout the year.

The restrictions on consumer financing and more expensive bank borrowing may alter market expectations vis-à-vis a monetary squeeze in 2011, possibly impacting investments and economic growth.

GDP growth totaled 7.5% in 2010, the highest figure since the introduction of the *Plano Real* in 1994 and the outlook for the coming years is also promising, underlining an exceptional moment for Brazil s economy. According to the Central Bank s FOCUS report, GDP growth should average 4.2% in 2011 and 2012.

According to the IBGE, industrial output grew by 10.5% in 2010, another outstanding macroeconomic indicator. The sectors that contributed most to this performance were capital goods and consumer durables, especially vehicles and home appliance, as well as typically exporting sectors, led by commodities.

International capital movements continue to pressure the Real. Despite the government measures throughout the year, the Real appreciated strongly against the dollar. At the beginning of the year, the FOCUS report estimated a year-end exchange rate of around R$1.80; however, the actual rate was R$1.67. In February 2011, foreign reserves reached the record level of US$300 billion.

Macroeconomic Projections

	2011	**2012**
IPCA (%)	5.88	4.80
Commercial dollar (final) R$	1.70	1.75
SELIC (final - %)	12.50	11.25
GDP (%)	4.03	4.40
Industrial Production (%)	4.00	4.70

Source: FOCUS BACEN Base: March 18, 2011

Adoption of IFRS

CSN s consolidated financial statements are presented in accordance with international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB), and in accordance with Brazilian accounting practices, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. These practices are in full convergence with the international rules.

Net Revenue

Consolidated net revenue totaled R$14,451 million in 2010, a 32% improvement over the R$10,978 million posted in the previous year and a new Company record.

In the fourth quarter, consolidated net revenue came to R$3,444 million, 13% down on the R$3,949 million recorded in the quarter before and 13% more than the R$3,057 million reported in 4Q09.

Cost of Goods Sold (COGS)

In 2010, consolidated COGS amounted to R$7,687 million, 9% up on the R$7,022 million posted in 2009.

In 4Q10, consolidated COGS totaled R$1,929 million, 4% less than the R$2,000 million registered in 3Q10 and 11% more than the R$1,740 million posted in 4Q09.

Selling, General, Administrative and Other Operating Expenses

In 2010, CSN recorded a net expense of R$551 million in the Other Revenue and Expenses line, versus revenue of R$721 million in 2009. The R$1,272 million reduction was chiefly due to the positive non-recurring effects of the reverse merger of Big Jump Energy Participações S.A. by Namisa and the adherence of CSN and its subsidiaries to the REFIS tax repayment program in 2009.

In 4Q10, the Company recorded a net expense of R$180 million under Other Revenue and Expenses , R$56 million more than in 3Q10, primarily due to the booking of additional provisions for environmental contingencies. In comparison with 4Q09, the net expense increased by R$354 million, due to the positive impact of the REFIS adherence in that quarter.

In 2010, SG&A expenses totaled R$1,215 million, 9% up on 2009, reflecting the stronger sales efforts in 2010.

In 4Q10, SG&A expenses came to R$282 million, 11% down on 3Q10, basically due to reduced steel product sales volume, and 10% less than in 4Q09.

EBITDA

Adjusted EBITDA as presented in this release comprises net income before the financial result, income taxes, depreciation and amortization and other operating revenues (expenses), the latter operating item being excluded due to its non-recurring nature.

Adjusted EBITDA totaled R$6,355 million in 2010, 76% up on the R$3,621 million recorded in 2009, accompanied by an adjusted EBITDA margin of 44%, 11 p.p. more than the 33% adjusted margin reported the year before.

In the fourth quarter, adjusted EBITDA amounted to R$1,442 million, 21% down on the R$1,836 million adjusted EBITDA posted in 3Q10 and 18% more than the R$1,219 million registered in the same period in 2009.

The adjusted EBITDA margin stood at 42% in 4Q10, 4 p.p. down on the 46% adjusted margin in 3Q10 and 2 p.p. up on the 40% recorded in 4Q09.

Differences when comparing adjusted EBITDA and adjusted EBITDA margin previously released in BRGAAP and current figures released in IRFS are presented below (in R$ million):

Reconciliation - Adjusted EBITDA and Adjusted EBITDA Margin	1Q09	2Q09	3Q09	4Q09	2009
Adjusted EBITDA (BRGAAP Reported)	683	728	992	1,204	3,607
Effect of convergence of accounting practice	0	(13)	11	15	14
Adjusted EBITDA (IFRS)	683	715	1,003	1,219	3,621
Adjusted EBITDA (BRGAAP Reported)	28%	29%	33%	39%	33%
Adjusted EBITDA Margin (IFRS)	28%	29%	34%	40%	33%
Reconciliation - Adjusted EBITDA and Adjusted EBITDA Margin	**1Q10**	**2Q10**	**3Q10**	**4Q10**	**2010**
Adjusted EBITDA (BRGAAP Reported)	1,304	1,796	1,832	-	-
Effect of convergence of accounting practice	(15)	(8)	4	-	-
Adjusted EBITDA (IFRS)	1,289	1,788	1,836	1,442	6,355
Adjusted EBITDA (BRGAAP Reported)	41%	46%	46%	-	-
Adjusted EBITDA Margin (IFRS)	40%	46%	46%	42%	44%

Financial Result and Net Debt

The 2010 net financial result was negative by R$1,911 million, chiefly due to the following factors:

§ Interest on loans and financing totaling R$1,808 million;

§ Negative monetary and foreign exchange variations of R$354 million, including the result of derivative operations;

§ The monetary restatement of tax provisions totaling R$284 million.

These negative effects were partially offset by returns on financial investments and other financial revenue (expenses), totaling R$535 million, basically due to the upturn in cash and cash equivalents.

The 4Q10 net financial result was negative by R$538 million, mainly as a result of the following:

§ Interest on loans and financing totaling R$507 million;

§ Negative monetary and foreign exchange variations of R$146 million, including the result of derivative operations;

§ The monetary restatement of tax provisions totaling R$66 million.

These negative effects were partially offset by returns on financial investments and other financial revenue (expenses), totaling R$181 million, also chiefly due to the increase in cash and cash equivalents.

On December 31, 2010, the consolidated net debt stood at R$9.8 billion, R$0.5 billion more than the R$9.3 billion recorded on September 30, 2010. The main factors contributing to the upturn were:

- Investments of R$1.2 billion in fixed assets;
- A R$0.5 billion effect related to the cost of debt;
- Other negative impacts amounting to R$0.2 billion

These effects were partially offset by adjusted EBITDA of R$1.4 billion in 4Q10.

The net debt/adjusted EBITDA ratio closed 4Q10 at 1.55x, based on annual adjusted EBITDA of R$6.4 billion, virtually stable when compared to the 1.51x recorded at the end of the previous quarter.

On July 14, 2010, CSN, through its wholly-owned subsidiary CSN Resources S.A., issued bonds worth US$1 billion at 6.5% p.a. and maturing in July 2020, in accordance with U.S. Rule 144A and Regulation S. The issue price was 99.096% and the bonds were guaranteed by CSN.

On September 16, 2010, CSN, through its wholly-owned subsidiary CSN Islands XII Corp., issued bonds worth US$1 billion at 7.0% p.a., in accordance with U.S. Rule 144A and Regulation S. The bonds are guaranteed by CSN and the proceeds were primarily used to settle the US$750 million perpetual bonds issued by CSN Islands X Corp in 2005, with a return of 9.50% p.a.

The chart below shows the maturities of CSN s loans, financings and debentures on December 31, 2010:

Consolidated Net Income

CSN posted 2010 net income of R$2,516 million, 4% down on 2009.

The improved results in the steel and mining segments were offset by the increase in other operating expenses, due to non-recurring gains recorded in 2009 and the upturn in financial expenses in 2010.

Differences when comparing Net Income previously released in BRGAAP and current figures released in IRFS are presented below (in R$ million):

Reconciliation - Net Income	1Q09	2Q09	3Q09	4Q09	2009
Net Income (BRGAAP Reported)	369	335	1,150	745	2,599
Adjustments	5	7	6	(2)	16
Net Income (IFRS)	374	342	1,156	743	2,615
Reconciliation - Net Income	**1Q10**	**2Q10**	**3Q10**	**4Q10**	**2010**
Net Income (BRGAAP Reported)	482	894	720	-	-
Adjustments	(33)	(15)	18	-	-
Net Income (IFRS)	449	879	738	450	2,516

Capex

CSN invested R$3,636 million in 2010, R$2,201 million of which in or by subsidiaries and jointly-controlled companies, allocated as follows:

ü Transnordestina Logística: R$1,371 million;

ü CSN Aços Longos: R$275 million;

ü CSN Cimentos: R$249 million;

ü MRS Logística: R$199 million.

The remaining R$1,435 million went to the parent company, mostly in the following projects:

ü Maintenance and repairs: R$483 million;

ü Expansion of the Casa de Pedra mine: R$275 million;

ü Expansion of the Port of Itaguaí: R$139 million;

ü Technological improvements: R$125 million.

CSN invested R$1,164 million in 4Q10, R$684 million of which in or by subsidiaries and jointly-controlled companies, allocated as follows:

ü Transnordestina Logística: R$445 million;

ü MRS Logística: R$111 million;

ü CSN Cimentos: R$42 million;

ü CSN Aços Longos: R$43 million.

The remaining R$481 million went to the parent company, mostly in the following projects:

ü Maintenance and repairs: R$137 million;

ü Expansion of the Port of Itaguaí: R$72 million;

ü Expansion of the Casa de Pedra mine: R$74 million;

ü Technological improvements: R$37 million.

Working Capital

Working capital closed December 2010 at R$2,844 million, R$155 million down on the September 2010 figure, chiefly reflecting the decline in assets due to reductions in Accounts Receivable and Inventories . The increase in inventories of finished and semi-finished products were offset by the reduction in raw material inventories. The average receivables period fell from 32 days at the end of September 2010, to 26 days at the close of December 2010, while the average supplier payment period narrowed from 30 days to 25 days.

Working capital recorded year-on-year growth of R$770 million in 4Q10, basically due to the increase in inventories as a result of the lower sales volume of steel products. The average receivables period declined from 31 days at the end of 2009 to 26 days at the close of 2010, while the average supplier payment period fell from 26 days to 25 days.

WORKING CAPITAL (R$ MM)	4Q09	3Q10	4Q10	Change 4Q10 x 3Q10	Change 4Q10 x 4Q09
Assets	3,130	4,218	3,963	(255)	833
Accounts Receivable	1,186	1,585	1,259	(326)	73
Inventory (*)	1,889	2,541	2,492	(49)	603
Advances to Taxes	55	92	212	120	157
Liabilities	1,057	1,219	1,120	(99)	63
Suppliers	504	634	521	(112)	17
Salaries and Social Contribution	134	189	165	(24)	31
Taxes Payable	333	365	398	33	65
Advances from Clients	85	31	35	4	(50)
Working Capital	2,074	2,999	2,844	(155)	770
TURNOVER RATIO Average Periods	**4Q09**	**3Q10**	**4Q10**	**Change 4Q10 x 3Q10**	**Change 4Q10 x 4Q09**
Receivables	31	32	26	(6)	(5)
Supplier Payment	26	30	25	(5)	(1)
Inventory Turnover	88	109	113	4	25

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

Results by Segment

The Company maintains integrated operations in five business segments: steel, mining, logistics, cement and energy. The main assets of 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 (Distribuição e Embalagens)				
Metalic				

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. CSN s management uses adjusted EBITDA as an indicator to measure recurrent net operating cash flow.

The charts below show the various segments contribution to CSN s overall net revenue and adjusted EBITDA.

The Company s consolidated results by business segment are presented below:

R$ million								2010
Consolidated Results	Steel	Mining	Logistics (Port)	Logistics (Railways)	Energy	Cement	Eliminations/ Corporate	Consolidated
Net Revenue	**9,926**	**3,615**	**119**	**838**	**114**	**202**	**(364)**	**14,451**
Domestic Market	8,763	574	119	838	114	202	(364)	10,247
Foreign Market	1,163	3,041	-	-	-	-	-	4,204
Cost of Goods Sold	(6,095)	(1,187)	(70)	(522)	(42)	(164)	393	(7,687)
Gross Profit	**3,831**	**2,428**	**49**	**317**	**72**	**38**	**29**	**6,764**
Selling, General and Administrative Expenses	(574)	(135)	(17)	(71)	(26)	(43)	(351)	(1,215)
Depreciation	519	146	6	103	23	14	(3)	806
Adjusted EBITDA	**3,776**	**2,439**	**38**	**349**	**69**	**9**	**(325)**	**6,355**
Adjusted EBITDA Margin	**38%**	**67%**	**32%**	**42%**	**61%**	**4%**		**44%**

R$ million						2009
Consolidated Results	Steel	Mining	Logistics	Logistics		Eliminations/