

NATIONAL STEEL CO
Form 6-K/A
December 18, 2017

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K/A

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

For the month of December, 2017
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes _____ No

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:**
1

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**Version:
1**

Company Information / Capital Breakdown

	Current Quarter
	09/30/2016
Number of Shares (Units)	
Paid-in Capital	
Common	1,387,524,047
Preferred	0
Total	1,387,524,047
Treasury Shares	
Common	30,391,000
Preferred	0
Total	30,391,000

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

Code	Description	Current Quarter 09/30/2016	Previous Year 12/31/2015
1	Total Assets	41,729,469	44,570,369
1.01	Current assets	7,686,024	8,842,440
1.01.01	Cash and cash equivalent	2,400,313	1,885,199
1.01.02	Financial investments	125,378	763,599
1.01.02.02	Financial investments at amortized cost	125,378	763,599
1.01.03	Trade receivables	2,147,621	2,467,523
1.01.04	Inventory	2,270,159	2,850,744
1.01.08	Other current assets	742,553	875,375
1.01.08.01	Non-current assets available-for-sale	157,792	0
1.01.08.03	Others	584,761	875,375
1.02	Non-current assets	34,043,445	35,727,929
1.02.01	Long-term assets	1,280,892	1,281,470
1.02.01.09	Other non-current assets	1,280,892	1,281,470
1.02.02	Investments in affiliates	23,292,619	25,517,369
1.02.03	Property, plant and equipment	9,411,399	8,866,348
1.02.04	Intangible assets	58,535	62,742

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

Code	Description	Current Quarter 09/30/2016	Previous Year 12/31/2015
2	Total liabilities	41,729,469	44,570,369
2.01	Current liabilities	3,605,010	4,272,372
2.01.01	Payroll and related taxes	156,077	141,496
2.01.02	Trade payables	1,003,260	742,364
2.01.03	Tax payables	74,245	5,814
2.01.04	Borrowings and financing	1,844,487	2,879,073
2.01.05	Other payables	413,812	411,699
2.01.06	Provisions	78,627	91,926
2.01.06.01	Provision for tax, social security, labor and civil risks	78,627	91,926
2.01.07	Liabilities over non-current assets held for sale and discontinued operations	34,502	0
2.01.07.01	Liabilities over non-current assets held for sale	34,502	0
2.02	Non-current liabilities	31,521,973	34,334,488
2.02.01	Long term Borrowings and financing	28,337,424	31,109,017
2.02.02	Other payables	82,699	126,450
2.02.03	Deferred Taxes	663,870	666,081
2.02.04	Provisions	2,437,980	2,432,940
2.02.04.01	Provision for tax, social security, labor and civil risks	562,644	564,372
2.02.04.02	Other provisions	1,875,336	1,868,568
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	252,355	259,115
2.02.04.02.04	Pension and healthcare plan	514,367	514,367
2.02.04.02.05	Provision for losses on investments	1,108,614	1,095,086
2.03	Consolidated Shareholders' equity	6,602,486	5,963,509
2.03.01	Share Capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04.02	Earnings reserves	238,976	238,976
2.03.04.09	Treasury shares	(238,976)	(238,976)
2.03.05	Accumulated profit/(losses)	(1,219,797)	(367,214)
2.03.08	Other comprehensive income	3,282,253	1,790,693

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESEITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:****1****Parent Company Financial Statements / Statements of Income
(R\$ thousand)**

Code	Description	Current	Same quarter YTD previous		
		Quarter 07/01/2016 to 09/30/2016	Year to date 01/01/2016 to 09/30/2016	previous year 07/01/2015 to 09/30/2015	year 01/01/2015 to 09/30/2015
3.01	Revenues from sale of goods and rendering of services	2,288,121	6,457,435	3,118,708	9,047,587
3.02	Costs from sale of goods and rendering of services	(1,825,749)	(5,370,811)	(2,472,690)	(6,929,971)
3.03	Gross profit	462,372	1,086,624	646,018	2,117,616
3.04	Operating expenses/income	156,167	(1,337,554)	2,232,878	2,479,680
3.04.01	Selling expenses	(141,831)	(448,060)	(185,331)	(479,481)
3.04.02	General and administrative expenses	(87,854)	(283,481)	(96,783)	(272,153)
3.04.04	Other operating income	152,150	156,720	16,403	28,672
3.04.05	Other operating expenses	(79,648)	(269,116)	(102,664)	(509,351)
3.04.06	Equity in income of affiliates and join ventures	313,350	(493,617)	2,601,253	3,711,993
3.05	Profit before finance income (expenses) and taxes	618,539	(250,930)	2,878,896	4,597,296
3.06	Finance income (expenses)	(713,121)	(600,636)	(3,287,418)	(5,871,010)
3.06.01	Finance income	65,651	152,322	726,759	1,133,815
3.06.02	Finance expenses	(778,772)	(752,958)	(4,014,177)	(7,004,825)
3.06.02.01	Net exchange differences over financial instruments	(119,842)	2,014,530	(2,985,847)	(4,334,953)
3.06.02.02	Finance expenses	(658,930)	(2,767,488)	(1,028,330)	(2,669,872)
3.07	Profit (loss) before taxes	(94,582)	(851,566)	(408,522)	(1,273,714)
3.08	Income tax and social contribution	3,321	5,769	(123,263)	512,980
3.09	Profit (loss) from continued operations	(91,261)	(845,797)	(531,785)	(760,734)
3.10	Profit (loss) from discontinued operations	(6,984)	(6,786)	(728)	6,009
3.11	Consolidated Profit (loss) for the year	(98,245)	(852,583)	(532,513)	(754,725)

3.99.01.01	Common shares	(0.07240)	(0.62822)	(0.39238)	(0.55611)
3.99.02.01	Common shares	(0.07240)	(0.62822)	(0.39238)	(0.55611)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:**
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**Parent Company Financial Statements / Statement of Comprehensive Income
(R\$ thousand)**

Code	Description	Current	Same quarter YTD previous		
		Quarter	Year to date	previous year	year
		07/01/2016 to	01/01/2016 to	07/01/2015 to	01/01/2015 to
		09/30/2016	09/30/2016	09/30/2015	09/30/2015
4.01	Consolidated (loss) profit for the year	(98,245)	(852,583)	(532,513)	(754,725)
4.02	Other comprehensive income	661,630	1,491,560	(1,026,861)	(1,040,896)
4.02.01	Actuarial gains over pension plan of affiliates	29	143	-	(96)
4.02.02	Actuarial gains (losses) on defined benefit pension plan	-	-	-	348
4.02.03	Income tax and social contribution on actuarial gains (losses) in pension plan	-	-	-	(118)
4.02.04	Cumulative translation adjustments for the year	73,956	(386,136)	550,919	719,875
4.02.05	Available-for-sale assets	647,552	775,405	(445,407)	(443,153)
4.02.06	Income tax and social contribution on available-for-sale assets	-	-	-	(767)
4.02.07	Available-for-sale assets from investments in affiliates, net of taxes	-	-	-	(20,817)
4.02.08	Impairment of available-for-sale assets	-	-	81,016	178,867
4.02.09	Income tax and social contribution on impairment of available-for-sale assets	-	-	-	(33,269)
4.02.10	(Loss) / gain on the percentage change in investments	740	1,324	245	202
4.02.11	Gain (loss) on cash flow hedge accounting	(56,324)	1,016,560	(1,171,346)	(1,517,306)
4.02.12	Income tax and social contribution on cash flow hedge accounting	-	-	-	117,626

4.02.13	Realization of cash flow hedge accounting reclassified to income statement	5,949	26,472	-	-
4.02.14	Gain (Loss) on net investment hedge from investments in affiliates	(10,272)	57,792	(42,288)	(42,288)
4.03	Consolidated comprehensive income for the year	563,385	638,977	(1,559,374)	(1,795,621)

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ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:**
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**Parent Company Financial Statements / Statement of Cash Flows – Indirect Method
(R\$ thousand)**

Code	Description	Year to date YTD previous year	
		01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015
6.01	Net cash from operating activities	1,418,549	282,033
6.01.01	Cash from operations	(393,672)	3,532,689
6.01.01.01	Profit (loss) for the period	(852,583)	(754,725)
6.01.01.03	Finance charges in borrowing	1,909,151	2,510,054
6.01.01.04	Finance charges in lending	(27,919)	(15,749)
6.01.01.05	Depreciation, depletion and amortization	418,828	651,952
6.01.01.06	Equity in gain (loss) of affiliates	493,617	(3,718,002)
6.01.01.07	Deferred tax	(5,820)	(593,287)
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	(15,027)	84,671
6.01.01.09	Exchange differences, net	(2,320,143)	5,144,844
6.01.01.11	Impairment of available-for-sale assets	-	178,867
6.01.01.12	Write-off of PPE and Intangible assets	20,751	3,935
6.01.01.13	Provision for environmental liabilities and decommissioning of assets	(6,760)	(2,014)
6.01.01.14	Business combination gains	(28,013)	-
6.01.01.15	Others	20,246	42,143
6.01.02	Changes in assets and liabilities	1,812,221	(3,250,656)
6.01.02.01	Trade receivables - third parties	(118,462)	(19,562)
6.01.02.02	Trade receivables - related parties	430,601	(1,412,278)
6.01.02.03	Inventories	580,585	(94,391)
6.01.02.04	Receivables - related parties	36,264	78,255
6.01.02.05	Tax assets	250,807	(155,883)
6.01.02.06	Judicial deposits	27,745	(27,112)
6.01.02.07	Dividends received - related parties	2,313,552	12,215
6.01.02.09	Trade payables	261,063	220,235
6.01.02.10	Payroll and related taxes	20,000	65,289
6.01.02.11	Taxes in installments – REFIS	71,734	55,410
6.01.02.13	Payables to related parties	(2,986)	74,645
6.01.02.15	Interest paid	(2,023,675)	(2,079,553)
6.01.02.16	Interest received - Related Parties	-	651
6.01.02.18	Others	(35,007)	31,423

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6.02	Net cash used in investing activities	(434,870)	(1,453,885)
6.02.01	Advance for future capital increase	(222,374)	(28,083)
6.02.02	Purchase of property, plant and equipment	(878,908)	(1,597,232)
6.02.03	Cash from incorporation of affiliates	-	129,745
6.02.04	Capital reduction in joint venture	-	486,758
6.02.07	Intercompany loans granted	(56,547)	(43,475)
6.02.09	Intercompany loans received	-	5,546
6.02.10	Exclusive funds	84,738	220,274
6.02.11	Financial Investments, net of redemption	638,221	(627,418)
6.03	Net cash used in financing activities	(469,845)	378,601
	Borrowings and financing, net of transaction		
6.03.01	cost	(26,018)	934,396
6.03.02	Borrowings and financing, related parties	40,239	1,725,595
6.03.03	Funding Forfeiting/ Drawee Risk	78,240	625,117
6.03.04	Payment Forfeiting / Drawee Risk	(300,321)	(861,617)
6.03.05	Amortization of borrowings and financing	(221,693)	(938,239)
	Amortization of borrowings and financing -		
6.03.06	related parties	(40,239)	(547,429)
	Payments of dividends and interests on		
6.03.07	shareholder's equity	(53)	(549,832)
6.03.08	Treasury shares	-	(9,390)
	Exchange rate on translating cash and cash		
6.04	equivalents	1,280	-
	Increase (decrease) in cash and cash		
6.05	equivalents	515,114	(793,251)
	Cash and equivalents at the beginning of the		
6.05.01	year	1,885,199	3,146,393
6.05.02	Cash and equivalents at the end of the year	2,400,313	2,353,142

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version: 1**

Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2016 to 09/30/2016 (R\$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000	30	-	(367,214)	1,790,693	5,963,509
5.03	Adjusted opening balances	4,540,000	30	-	(367,214)	1,790,693	5,963,509
5.05	Total comprehensive income	-	-	-	(852,583)	1,491,560	638,977
5.05.01	Profit (loss) for the period	-	-	-	(852,583)	-	(852,583)
5.05.02	Other comprehensive income	-	-	-	-	1,491,560	1,491,560
5.05.02.04	Translation adjustments for the year	-	-	-	-	(386,136)	(386,136)
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	143	143
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	775,405	775,405
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	1,324	1,324
5.05.02.11	(Loss) / gain on cash flow hedge	-	-	-	-	1,016,560	1,016,560

	accounting, net of taxes						
	Realization of cash flow hedge						
5.05.02.11	reclassified to the income statement	-	-	-	-	26,472	26,472
	(Loss) / gain on						
5.05.02.12	foreign investments	-	-	-	-	57,792	57,792
5.07	Closing balance	4,540,000	30	-	(1,219,797)	3,282,253	6,602,486

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESEITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:****1****Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2015 to 09/30/2015 (R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000	30	1,131,298	-	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000	30	1,131,298	-	25,140	5,696,468
5.04	Capital transactions with shareholders	-	-	(284,390)	-	-	(284,390)
5.04.04	Treasury shares acquired	-	-	(9,390)	-	-	(9,390)
5.04.06	Dividends	-	-	(275,000)	-	-	(275,000)
5.05	Total comprehensive income	-	-	-	(754,725)	(1,040,896)	(1,795,621)
5.05.01	Profit for the period	-	-	-	(754,725)	-	(754,725)
5.05.02	Other comprehensive income	-	-	-	-	(1,040,896)	(1,040,896)
5.05.02.04	Translation adjustments for the period	-	-	-	-	719,875	719,875
5.05.02.08	(Actuarial (losses) gains on pension plan, net of taxes	-	-	-	-	134	134
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	(319,139)	(319,139)
5.05.02.10	(Loss) / gain on the percentage	-	-	-	-	202	202

	change in investments					
5.05.02.11	(Loss) gain on cash flow hedge accounting, net of taxes	-	-	-	(1,399,680)	(1,399,680)
5.05.02.12	(Loss) / gain on net investment hedge	-	-	-	(42,288)	(42,288)
5.07	Closing balances	4,540,000	30	846,908	(754,725)	(1,015,756)
						3,616,457

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESEITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:****1****Parent Company Financial Statements / Statement of Value Added
(R\$ thousand)**

Code	Description	Year to date 01/01/2016 to 09/30/2016	Previous year 01/01/2015 to 09/30/2015
7.01	Revenues	8,039,004	10,792,661
7.01.01	Sales of products and rendering of services	8,062,255	10,729,818
7.01.02	Other revenues	(14,491)	82,703
7.01.04	Allowance for (reversal of) doubtful debts	(8,760)	(19,860)
7.02	Raw materials acquired from third parties	(6,173,207)	(7,758,535)
7.02.01	Cost of sales and services	(5,584,069)	(6,236,049)
7.02.02	Materials, electric power, outsourcing and other	(575,846)	(1,347,066)
7.02.03	Impairment/recovery of assets	(13,292)	3,447
7.02.04	Others	-	(178,867)
7.02.04.01	Impairment of available-for-sale assets	-	(178,867)
7.03	Gross value added	1,865,797	3,034,126
7.04	Retentions	(418,828)	(651,952)
7.04.01	Depreciation, amortization and depletion	(418,828)	(651,952)
7.05	Wealth created	1,446,969	2,382,174
7.06	Value added received	(637,080)	5,959,392
7.06.01	Equity in income of affiliates	(493,617)	3,711,993
7.06.02	Finance income	152,322	1,133,815
7.06.03	Others	(295,785)	1,113,584
7.06.03.01	Others and exchange gains	(295,785)	

			1,113,584
7.07	Wealth for distribution	809,889	8,341,566
7.08	Wealth distributed	809,889	8,341,566
7.08.01	Personnel	835,872	1,067,905
7.08.01.01	Salaries and wages	647,165	817,157
7.08.01.02	Benefits	142,510	197,830
7.08.01.03	Severance payment (FGTS)	46,197	52,918
7.08.02	Taxes, fees and contributions	364,392	(82,830)
7.08.02.01	Federal	296,926	(188,833)
7.08.02.02	State	67,465	99,758
7.08.02.03	Municipal	1	6,245
7.08.03	Remuneration on third-party capital	455,422	8,117,225
7.08.03.01	Interest	2,767,491	2,668,737
7.08.03.02	Leases	7,983	7,505
7.08.03.03	Others	(2,320,052)	5,440,983
7.08.03.03.01	Others and exchange losses	(2,320,052)	5,440,983
7.08.04	Remuneration on Shareholders' capital	(852,583)	(754,725)
7.08.04.03	Retained earnings (accumulated losses)	(852,583)	(754,725)
7.08.05	Others	6,786	(6,009)
7.08.05.01	Gain (loss) on discontinued operations	6,786	(6,009)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:**
1

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

Code	Description	Current Quarter 09/30/2016	Previous Year 12/31/2015
1	Total Assets	44,152,623	47,339,409
1.01	Current assets	12,127,269	16,430,691
1.01.01	Cash and cash equivalent	5,091,372	7,861,052
1.01.02	Financial investments	341,684	763,599
1.01.02.02	Financial investments at amortized cost	341,684	763,599
1.01.03	Trade receivables	1,859,630	1,578,277
1.01.04	Inventory	3,799,306	4,941,314
1.01.08	Other current assets	1,035,277	1,286,449
1.01.08.01	Non-current assets available for sale	157,792	-
1.01.08.03	Others	877,485	1,286,449
1.02	Non-current assets	32,025,354	30,908,718
1.02.01	Long-term assets	1,625,437	1,661,987
1.02.01.06	Deferred tax assets	70,650	78,066
1.02.01.09	Other non-current assets	1,554,787	1,583,921
1.02.02	Investments	5,078,288	3,998,239
1.02.03	Property, plant and equipment	18,013,518	17,826,226
1.02.04	Intangible assets	7,308,111	7,422,266

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version:**
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**Consolidated Financial Statements / Balance Sheet – Liabilities
(R\$ thousand)**

Code	Description	Current Quarter 09/30/2016	Previous Year 12/31/2015
2	Total liabilities	44,152,623	47,339,409
2.01	Current liabilities	5,034,019	5,082,199
2.01.01	Payroll and related taxes	286,640	256,840
2.01.02	Trade payables	1,580,180	1,293,008
2.01.03	Tax payables	220,453	457,391
2.01.04	Borrowings and financing	1,831,210	1,874,681
2.01.05	Other payables	970,386	1,073,017
2.01.06	Provisions	110,648	127,262
2.01.06.01	Provision for tax, social security, labor and civil risks	110,648	127,262
2.01.07	Liabilities over non-current assets held for sale and discontinued operations	34,502	-
2.01.07.01	Liabilities over non-current assets held for sale	34,502	-
2.02	Non-current liabilities	31,333,687	35,165,922
2.02.01	Long term Borrowings and financing	28,497,797	32,407,834
2.02.02	Other payables	131,539	131,284
2.02.03	Deferred tax liabilities	1,157,103	1,072,033
2.02.04	Provisions	1,547,248	1,554,771
2.02.04.01	Provision for tax, social security, labor and civil risks	704,087	711,472
2.02.04.02	Other provisions	843,161	843,299
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	328,793	328,931
2.02.04.02.04	Pension and healthcare plan	514,368	514,368
2.03	Consolidated Shareholders' equity	7,784,917	7,091,288
2.03.01	Share Capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	238,976	238,976
2.03.04.09	Treasury shares	(238,976)	(238,976)
2.03.05	Accumulated profit/(losses)	(1,219,797)	(367,214)
2.03.08	Other comprehensive income	3,282,253	1,790,693
2.03.09	Profit attributable to the non-controlling interests	1,182,431	1,127,779

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	Description	Current	Year to date	Same quarter	YTD previous
		Quarter	previous year	Year	year
		07/01/2016 to	07/01/2016 to	07/01/2015 to	07/01/2015 to
		09/30/2016	09/30/2016	09/30/2015	09/30/2015
3.01	Revenues from sale of goods and rendering of services	4,469,240	12,630,353	3,933,604	11,609,223
3.02	Costs from sale of goods and rendering of services	(3,157,057)	(9,470,412)	(2,993,905)	(8,851,521)
3.03	Gross profit	1,312,183	3,159,941	939,699	2,757,702
3.04	Operating expenses/income	(498,862)	(1,840,607)	246,828	(664,836)
3.04.01	Selling expenses	(405,411)	(1,247,971)	(409,430)	(1,018,483)
3.04.02	General and administrative expenses	(117,792)	(382,114)	(120,037)	(339,764)
3.04.04	Other operating income	168,600	202,617	29,602	48,125
3.04.05	Other operating expenses	(170,376)	(501,612)	(114,659)	(569,554)
3.04.06	Equity in income of affiliates and jointly operations	26,117	88,473	861,352	1,214,840
3.05	Profit before finance income (expenses) and taxes	813,321	1,319,334	1,186,527	2,092,866
3.06	Finance income (expenses)	(750,292)	(1,845,256)	(1,549,045)	(3,193,295)
3.06.01	Finance income	140,423	522,995	105,446	202,296
3.06.02	Finance expenses	(890,715)	(2,368,251)	(1,654,491)	(3,395,591)
3.06.02.01	Net exchange differences over financial instruments	(67,202)	102,278	(644,421)	(717,071)
3.06.02.02	Finance expenses	(823,513)	(2,470,529)	(1,010,070)	(2,678,520)
3.07	Profit (loss) before taxes				

		63,029	(525,922)	(362,518)	(1,100,429)
3.08	Income tax and social contribution	(122,796)	(264,617)	(169,405)	338,978
3.09	Profit (loss) from continued operations	(59,767)	(790,539)	(531,923)	(761,451)
3.10	Profit (loss) from discontinued operations	(6,984)	(6,786)	(728)	6,009
3.11	Consolidated Profit (loss) for the year	(66,751)	(797,325)	(532,651)	(755,442)
3.11.01	Profit attributable to the controlling interests	(98,245)	(852,583)	(532,513)	(754,725)
3.11.02	Profit attributable to the non-controlling interests	31,494	55,258	(138)	(717)
3.99.01.01	Common shares	(0.07240)	(0.62822)	(0.39238)	(0.55611)
3.99.02.01	Common shares	(0.07240)	(0.62822)	(0.39238)	(0.55611)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version: 1**

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

Code	Description	Current	Same quarter YTD previous		
		Quarter 07/01/2016 to 09/30/2016	Year to date previous year 01/01/2016 to 09/30/2016	Year 07/01/2015 to 09/30/2015	Year 01/01/2015 to 09/30/2015
4.01	Consolidated profit (loss) for the year	(66,751)	(797,325)	(532,651)	(755,442)
4.02	Other comprehensive income	661,630	1,491,560	(1,026,861)	(1,040,896)
4.02.01	Actuarial gains over pension plan of affiliates	29	143	-	-
4.02.02	Actuarial gains (losses) on defined benefit pension plan	-	-	-	202
4.02.03	Income tax and social contribution on actuarial (losses) gains in pension plan	-	-	-	(68)
4.02.04	Cumulative translation adjustments for the year	73,956	(386,136)	550,919	719,875
4.02.05	Available-for-sale assets	647,552	775,405	(445,407)	(474,694)
4.02.06	Income tax and social contribution on available-for-sale assets	-	-	-	9,957
4.02.07	Impairment of available-for-sale assets	-	-	81,016	178,867
4.02.08	Income tax and social contribution on impairment of available-for-sale assets	-	-	-	(33,269)
4.02.09	(Loss) / gain on the percentage change in investments	740	1,324	245	202
4.02.10	Gain (loss) on cash flow hedge accounting	(56,324)	1,016,560	(1,171,346)	(1,517,306)
4.02.11	Income tax and social contribution on cash flow hedge accounting	-	-	-	117,626
4.02.12			57,792		

	Gain (Loss) on net investment hedge			(10,272)		(42,288)	(42,288)
4.02.13	Realization of cash flow hedge accounting reclassified to income statement	5,949	26,472			-	-
4.03	Consolidated comprehensive income for the year	594,879	694,235			(1,559,512)	(1,796,338)
4.03.01	Attributed to controlling Shareholders	563,385	638,977			(1,559,374)	(1,795,621)
4.03.02	Attributed to non-controlling Shareholders	31,494	55,258			(138)	(717)

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

Code	Description	Year to date	YTD previous year
		01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015
6.01	Net cash from operating activities	(225,880)	1,417,451
6.01.01	Cash from operations	1,110,102	4,834,421
6.01.01.01	Profit (loss) attributable to the controlling interests	(852,583)	(754,725)
6.01.01.03	Profit (loss) attributable to the non-controlling interests	55,258	(717)
6.01.01.04	Finance charges in borrowing	2,230,131	2,489,354
6.01.01.05	Finance charges in lending	(42,379)	(25,168)
6.01.01.06	Depreciation, depletion and amortization	956,715	857,137
6.01.01.07	Equity in gain (loss) of affiliates	(88,473)	(1,215,784)
6.01.01.08	Deferred tax	133,416	(543,095)
6.01.01.09	Provision for tax, social security, labor, civil and environmental risks	(23,999)	123,438
6.01.01.10	Exchange differences, net	(1,140,319)	3,647,017
6.01.01.11	Gain (loss) of derivative financial instruments	362	3,775
6.01.01.12	Impairment of available-for-sale assets	-	178,867
6.01.01.13	Write-down of PPE and Intangible assets	61,791	4,773
6.01.01.14	Gain on repurchase of debt securities	(146,214)	-
6.01.01.15	Gain resulted from business combination	(28,013)	-
6.01.01.16	Provision for environmental liabilities and decommissioning of assets	(138)	(2,417)
6.01.01.17	Others	(5,453)	71,966
6.01.02	Changes in assets and liabilities	(1,335,982)	(3,416,970)
6.01.02.01	Trade receivables - third parties	(302,616)	(602,122)
6.01.02.02	Trade receivables - related parties	(1,097)	(82,273)
6.01.02.03	Inventories	1,112,678	(530,308)
6.01.02.04	Receivables - related parties	6,449	-

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6.01.02.05	Tax assets	330,029	(200,825)
6.01.02.06	Judicial deposits	25,556	(40,980)
6.01.02.08	Trade payables	286,655	342,768
6.01.02.09	Payroll and related taxes	28,739	94,574
6.01.02.10	Taxes in installments – REFIS	(247,674)	32,735
6.01.02.11	Payables to related parties	376	1,032
6.01.02.13	Interest paid	(2,494,408)	(2,472,131)
6.01.02.15	Interest received - Related Parties	-	8,627
6.01.02.17	Others	(80,669)	31,933
6.02	Net cash used in investing activities	(1,733,091)	(213,236)
6.02.02	Advance for future capital increase	(190,435)	-
6.02.03	Purchase of property, plant and equipment	(1,179,636)	(1,703,793)
6.02.04	Capital reduction in joint venture	-	466,758
6.02.05	Receivable/payable from derivative financial instruments	(713,049)	1,216,913
6.02.06	Acquisition of intangible assets	(7)	(440)
6.02.08	Intercompany loans granted	(32,118)	(43,475)
6.02.09	Intercompany loans received	-	443,345
6.02.10	Financial Investments, net of redemption	421,915	(592,544)
6.02.11	Cash and cash equivalents from discontinued operations	(40,702)	-
6.02.12	Cash and cash equivalents in control acquisition (business combination)	941	-
6.03	Net cash used in financing activities	(754,658)	(2,286,202)
6.03.01	Borrowings and financing, net of transaction cost	(27,089)	937,005
6.03.02	Funding Forfaiting / Drawee Risk	78,240	625,117
6.03.03	Payment Forfaiting / Drawee Risk	(300,321)	(861,617)
6.03.04	Amortization of borrowings and financing	(354,337)	(2,333,975)
6.03.06	Amortization of borrowings and financing - related parties	-	(52,839)
6.03.07	Payments of dividends and interests on shareholder's equity	(53)	(549,832)
6.03.08	Treasury shares	-	(9,390)
6.03.09	Buyback of debt securities	(151,098)	(40,671)
6.04	Exchange rate on translating cash and cash equivalents	(56,051)	(4,672)
6.05	Increase (decrease) in cash and cash equivalents	(2,769,680)	(1,086,659)
6.05.01	Cash and equivalents at the beginning of the year	7,861,052	8,686,021
6.05.02	Cash and equivalents at the end of the year	5,091,372	7,599,362

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Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 09/30/2016
(R\$ thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-con	inter
5.01	Opening balances	4,540,000	30	-	(367,214)	1,790,693	5,963,509	1,	
5.03	Adjusted opening balances	4,540,000	30	-	(367,214)	1,790,693	5,963,509	1,	
5.05	Total comprehensive income	-	-	-	(852,583)	1,491,560	638,977		
5.05.01	Profit (loss) for the year	-	-	-	(852,583)	-	-852,583		
5.05.02	Other comprehensive income	-	-	-	-	1,491,560	1,491,560		
5.05.02.04	Translation adjustments for the year	-	-	-	-	(386,136)	(386,136)		
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	143	143		
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	775,405	775,405		
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	1,324	1,324		

5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	-	-	-	-	1,016,560	1,016,560	
5.05.02.12	Realization of cash flow hedge reclassified to the income statement	-	-	-	-	26,472	26,472	
5.05.02.13	(Loss) / gain on net investment hedge, net of taxes	-	-	-	-	57,792	57,792	
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	
5.06.04	Non-controlling interests in affiliates	-	-	-	-	-	-	
5.07	Closing balance	4,540,000	30	-	(1,219,797)	3,282,253	6,602,486	1,

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Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 09/30/2015 (R\$thousand)

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000	30	1,131,298	-	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000	30	1,131,298	-	25,140	5,696,468
5.04	Capital transactions with shareholders	-	-	(284,390)	-	-	(284,390)
5.04.04	Treasury shares acquired	-	-	(9,390)	-	-	(9,390)
5.04.06	Dividends	-	-	(275,000)	-	-	(275,000)
5.05	Total comprehensive income	-	-	-	(754,725)	(1,040,896)	(1,795,621)
5.05.01	Profit for the period	-	-	-	(754,725)	-	(754,725)
5.05.02	Other comprehensive income	-	-	-	-	(1,040,896)	(1,040,896)
5.05.02.04	Translation adjustments for the period	-	-	-	-	719,875	719,875
5.05.02.08	(Actuarial (losses) gains on pension plan, net	-	-	-	-	134	134

	of taxes						
	Available-for-sale						
5.05.02.09	assets, net of	-	-	-	-	(319,139)	(319,139)
	taxes						
5.05.02.10	(Loss) / gain on	-	-	-	-	202	202
	the percentage						
	change in						
	investments						
5.05.02.11	(Loss) gain on	-	-	-	-	(1,399,680)	(1,399,680)
	hedge						
	accounting, net						
	of taxes						
5.05.02.12	(Loss) / gain on	-	-	-	-	(42,288)	(42,288)
	net investment						
	hedge						
5.06	Internal changes	-	-	-	-	-	-
	in shareholders'						
	equity						
5.06.04	Non-controlling	-	-	-	-	-	-
	interests in						
	subsidiaries						
5.07	Closing balances	4,540,000	30	846,908	(754,725)	(1,015,756)	3,616,457

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

Code	Description	Year to date 01/01/2016 to 09/30/2016	Previous year 01/01/2015 to 09/30/2015
7.01	Revenues	14,377,707	13,543,497
7.01.01	Sales of products and rendering of services	14,404,107	13,470,385
7.01.02	Other revenues	(13,914)	94,272
7.01.04	Allowance for (reversal of) doubtful debts	(12,486)	(21,160)
7.02	Raw materials acquired from third parties	(9,917,875)	(9,564,670)
7.02.01	Cost of sales and services	(8,108,324)	(7,489,862)
7.02.02	Materials, electric power, outsourcing and other	(1,766,300)	(1,899,244)
7.02.03	Impairment/recovery of assets	(43,251)	3,303
7.02.04	Others	-	(178,867)
7.02.04.01	Impairment of available-for-sale assets	-	(178,867)
7.03	Gross value added	4,459,832	3,978,827
7.04	Retentions	(956,715)	(853,477)
7.04.01	Depreciation, amortization and depletion	(956,715)	(853,477)
7.05	Wealth created	3,503,117	3,125,350
7.06	Value added received	(527,636)	4,681,917
7.06.01	Equity in income of affiliates	88,473	1,214,840
7.06.02	Finance income	522,995	202,296
7.06.03	Others	(1,139,104)	3,264,781
7.06.03.01	Others and exchange gains	(1,139,104)	3,264,781
7.07	Wealth for distribution	2,975,481	7,807,267
7.08	Wealth distributed	2,975,481	7,807,267
7.08.01	Personnel	1,521,714	1,530,257
7.08.01.01	Salaries and wages	1,218,725	1,214,437
7.08.01.02	Benefits	232,519	249,484
7.08.01.03	Severance payment (FGTS)	70,470	66,336
7.08.02	Taxes, fees and contributions	1,007,978	375,547
7.08.02.01	Federal	839,706	150,673
7.08.02.02	State	153,521	208,565
7.08.02.03	Municipal	14,751	16,309
7.08.03	Remuneration on third-party capital	1,236,328	6,662,914
7.08.03.01	Interest	2,470,533	2,677,387
7.08.03.02	Leases	17,214	11,226
7.08.03.03	Others	(1,251,419)	3,974,301
7.08.03.03.01	Others and exchange losses	(1,251,419)	3,974,301
7.08.04	Remuneration on Shareholders' capital	(797,325)	(755,442)

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7.08.04.03	Retained earnings (accumulated losses)	(852,583)	(754,725)
7.08.04.04	Non-controlling interests in retained earnings	55,258	(717)
7.08.05	Others	6,786	(6,009)
7.08.05.01	Gain (loss) on discontinued operations	6,786	(6,009)

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Comments on the Company's Consolidated Statement

Restatements of Results for the Third Quarter of 2016

Company Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its consolidated results for the third quarter of 2016 (3Q16), which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting norms, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's 3Q16 consolidated results and comparisons refer to the second quarter of 2016 (2Q16) and the third quarter of 2015 (3Q15), unless otherwise stated. The Real/U.S. Dollar exchange rate was R\$3.2456 on September 30, 2016 and R\$3.2092 on June 30, 2016.

Operational and Financial Highlights during 3Q16

- **R\$1,239 million EBITDA generated**, a 45% increase over 2Q16, with 26.2% EBITDA Margin.
- The **Gross Profit registered RS1,312 million** during 3Q16, 42% higher than 2Q16. The **gross margin reached 29%**, 7p.p. above 2Q16.
- **Steel EBITDA of R\$552 million**, with 19% EBITDA margin, 49% higher than 2Q16, showing the recovery of the steel sector in the domestic market.
- Increase in **steel sales in the domestic market**. 62% participation vs. 53% during 2Q16.
- **8% steel price increase in the domestic market.**
- **Iron Ore Sales of 10.2Mt**, 10% higher than 2Q16.
- **Iron ore FOB price reached US\$39/t**, 28% higher than 2Q16.
- **Mining EBITDA of R\$599 million**, with 46% EBITDA Margin, 64% higher than 2Q16.
- **The leverage fell by 0.9x**, closing the quarter at 7.4x, versus 8.3x in 2Q16, thanks to increased EBITDA generation in the last 12 months.

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Steel Sales (thousand t)	1,191	1,253	1,172	(6%)	(2%)
- Domestic Market	58%	53%	62%	9%	4%
- Overseas Subsidiaries	39%	40%	34%	(6%)	(5%)
- Exports	3%	7%	4%	(3%)	1%
Iron Ore Sales (Thousand t)¹	7,585	9,267	10,230	10%	35%
- Domestic Market	0%	7%	11%	4%	11%
- Exports	100%	93%	89%	(4%)	(11%)
Consolidated Results (R\$ million)					
Net Revenue	3,934	4,164	4,469	7%	14%
COGS	(2,994)	(3,240)	(3,157)	(3%)	5%
Gross Profit	940	924	1,312	42%	39%
Selling, General and Administrative Expenses	(529)	(497)	(523)	5%	(1%)
Adjusted EBITDA ²	853	855	1,239	45%	45%
Adjusted Net Debt ³	23,417	25,873	25,842	-	10%
Adjusted Cash Position	12,236	5,678	5,663	-	(54%)
Net Debt / Adjusted EBITDA	6.5x	8.3x	7.4x	(0.9x)	0.8x

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

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

³ Adjusted Net Debt and Adjusted Cash and Cash Equivalents included 33.27% of the stake in MRS, 60% of the interest in Namisa and 50% of the stake in CBSI until November 2015. As of

December 2015, they included 100% of Congonhas Minérios, 37.27% of MRS and 50% of CBSI, excluding Forfeiting and drawee risk operations.

CSN's Consolidated Results

- **Net revenue** totaled R\$4,469 million in 3Q16, 7% up on 2Q16, thanks to higher revenue from the mining segment.
- **COGS** amounted to R\$3,157 million, 3% down on the previous three months. The quarter-over-quarter reduction was chiefly due to the greater dilution of fixed costs in steel production.
- Third-quarter **gross profit** came to R\$1,312 million, 42% higher than in 2Q16. The gross margin stood at 29%, up by 8 p.p. compared to 2Q16.
- **Selling, general and administrative expenses** totaled R\$523 million, 5% more than in 2Q16, mainly due to the 10% upturn in distribution costs.
- **Other operating income (expenses)** was a negative R\$1.8 million in 3Q16, versus a negative R\$171 million negative in 2Q16.
- **The proportional net financial result** was negative by R\$770 million, due to: i) financial expenses (excluding the exchange variation) of R\$847 million; ii) the negative exchange variation result of R\$74 million; and (iii) the result was partially offset by the financial revenue of R\$151 million.

Financial Result - IFRS	(1,549)	(198)	(750)
(+) Financial Result of Joint-Venture	770	(23)	(20)
(+) Namisa	800	-	-
(+) MRS	(29)	(24)	(20)
(+) Metalic	-	1	1
(=) Proporcional Financial Result¹	(779)	(221)	(770)
Financial Revenues	123	150	151
Financial Expenses	(901)	(371)	(921)

Financial Expenses (ex-exchange rates variation)	(1,034)	(849)	(847)
Result with Exchange Rate Variation	134	478	(74)
Monetary and Exchange Rate Variation	(1,751)	1,220	(136)
Hedge Accounting	1,214	(595)	61
Notional Amount of Derivatives Contracted	671	(146)	2

¹ The proportional financial result considered stakes of 60% in Namisa, 37.27% in MRS and 50% in CBSI until November 2015 and stakes of

100% in Congonhas Minérios, 34.94% in MRS and 50% in CBSI as of December 2015.

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- CSN's **equity result** was a positive R\$26 million in 3Q16, versus a positive R\$17 million in 2Q16, chiefly due to MRS's equity result, as shown below:

Namisa	867	-	-
MRS Logística	17	32	42
CBSI	-	-	1
TLSA	(9)	(4)	(6)
Arvedi Metalfer BR	(5)	-	2
Eliminações	(8)	(9)	(13)
Unrealized Profit		(2)	(1)
Share of profits (losses) of investees	861	17	26

- CSN recorded a third-quarter **net loss** of R\$67 million, versus net profit of R\$46 million in 2Q16.

Profit (loss) for the Period	(533)	46	(67)	-	(84%)
Discontinued operations, net	-	-	7	-	-
Depreciation	285	303	311	2%	9%
Income Tax and Social Contribution	169	28	123	332%	(17%)
Finance Income	1,549	198	750	280%	(52%)

EBITDA (ICVM 527)	1,470	575	1,125	95%	(23%)
Other Operating Income (Expenses)	85	171	2	(99%)	(98%)
Share of Profit (Loss) of Investees	(861)	(17)	(26)	56%	(97%)
Proportionate EBITDA of Joint Ventures	159	125	138	11%	(13%)
Adjusted EBITDA¹	853	855	1,239	45%	45%

¹ The Company discloses adjusted EBITDA excluding interests in investments and other operating revenue (expenses) in the belief that these items should not be considered when calculating recurring operating cash flow.

- **Adjusted EBITDA** amounted to R\$1,239 million in 3Q16, 45% up on both the quarter before, accompanied by an adjusted EBITDA margin of 26.2%, 6,8p.p. higher than in 2Q16.

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Adjusted EBITDA (R\$ million) and Adjusted EBITDA Margin (%)

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

Debt

The adjusted amounts of EBITDA, Debt and Cash included the stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and the stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI, as of December 2015. On June 30, 2016, consolidated net debt totaled R\$25,842 million, while the net debt/EBITDA ratio stood at 7.36x, based on LTM adjusted EBITDA.

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Foreign Exchange Exposure

The FX exposure of our consolidated balance sheet on September 30, 2016 was US\$1,826 million, as shown in the table below. It is important to mention that the net FX exposure includes a liability totaling US\$1.0 billion in the Loans and Financing line related to the Perpetual Bonds, which, due to its nature, will not require disbursements for the settlement of the principal amount in the foreseeable future.

The hedge accounting adopted by CSN correlates projected export inflows in dollars with part of the scheduled debt payments in the same currency. Therefore, the exchange variation of the dollar-denominated debt is temporarily booked under shareholders' equity, being recorded in P&L when revenues in USD from exports are received.

Cash and cash equivalents overseas	802	851
Accounts Receivable	307	298
Others	10	14
Total Assets	1,119	1,163
Borrowings and Financing	(4,437)	(4,393)
Accounts Payable	(6)	(18)
Other Liabilities	(7)	(12)
Total Liabilities		

	(4,450)	(4,423)
Foreign Exchange Exposure	(3,332)	(3,261)
Notional Amount of Derivatives Contracted, Net	-	(98)
Cash Flow Hedge Accounting	1,541	1,533
Net Foreign Exchange Exposure	(1,791)	(1,826)
Perpetual Bonds	1,000	1,000
Net Foreign Exchange Exposure Perpetual Bonds	(791)	(826)

Capex

CSN invested R\$467 million in 2Q16 and R\$1,180 million in 9M16, led by:

- Investments in the new clinker kiln in Arcos-MG, allowing the cement segment to generate competitive margins and scale gains in the Southeast region due to self-sufficiency in clinker production.

Steel	173	136	133
Mining	473	61	56
Cement	139	261	157
Logistics	19	13	36
Others	0	3	13
Total Investment IFRS	804	467	383

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Working Capital

The working capital applied to the Company's business totaled R\$2,666 million in 3Q16, R\$133 million less than in 2Q16, chiefly due the declined of R\$106 million in the inventory turnover and the R\$210 million upturn in accounts receivable. On a same comparison basis, the average receivable period increased by 3 days, and the payment periods increased 10 days respectively, while inventory turnover down on 3 days.

Assets	6,371	4,874	4,953	8	(1,418)
Accounts Receivable	2,302	1,579	1,789	210	(513)
Inventory Turnover	3,838	3,108	3,002	(106)	(836)
Advances to Taxes:	231	186	162	(24)	(69)
Liabilities	2,392	2,074	2,287	213	(105)
Suppliers:	1,724	1,345	1,690	344	(34)
Salaries and Social Contribution	282	260	287	27	5
Taxes Payable	328	418	248	(170)	(80)
Advances from Clients	59	51	63	12	4
Working Capital	3,979	2,799	2,666	(133)	(1,313)
Receivables	46	31	34	3	(12)
Supplier Payment	53	39	49	10	(4)
Inventory Turnover	118	90	87	(3)	(31)
Cash Conversion Cycle	111	82	72	(10)	(39)

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:

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

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

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Net Revenue	2,867	1,307	50	355	140	68	(318)	4,469
Domestic Market	1,893	145	50	355	140	68	(551)	2,100
Foreign Market	974	1,162	-	-	-	-	233	2,369
Cost of Goods Sold	(2,300)	(811)	(37)	(237)	(131)	(49)	407	(3,157)
Gross Profit	567	497	13	119	9	19	89	1,312
Selling, General and Administrative Expenses	(183)	(15)	(8)	(24)	(20)	(7)	(267)	(523)
Depreciation	169	118	3	57	15	4	(56)	311
Proportional EBITDA of Jointly Controlled Companies	-	-	-	-	-	-	138	138
Adjusted EBITDA	552	599	9	152	4	17	(95)	1,239

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Net Revenue	2,878	1,016	45	337	109	66	(287)	4,164
Domestic Market	1,607	77	45	337	109	66	(472)	1,769
Foreign Market	1,271	939	-	-	-	-	185	2,395
Cost of Goods Sold	(2,459)	(743)	(34)	(227)	(102)	(48)	373	(3,239)
Gross Profit	419	273	11	111	7	18	86	924
Selling, General and Administrative Expenses	(214)	(13)	(3)	(27)	(17)	(6)	(218)	(497)
Depreciation	164	105	3	56	17	4	(48)	303
Proportional EBITDA of Jointly Controlled Companies	-	-	-	-	-	-	125	125
Adjusted EBITDA	369	365	11	141	7	16	(54)	855

Steel

According to preliminary figures from the World Steel Association (WSA), global crude steel production totaled 1,197 million tonnes in 9M16, 0.5% down on the same period last year.

According to the Brazilian Steel Institute – IABr (also preliminary figures), domestic production came to 8.0 million tonnes, 8% up on the previous three months, giving a year-to date total of 22.9 million tonnes, 9% less than in the first nine months of 2015. Domestic production of rolled products stood at 5.6 million tonnes in the third quarter, 8% more than in 2Q16, giving

15.8 million tonnes in the first nine months, a 9.3% year-on-year reduction. Apparent consumption through September totaled 13.7 million tonnes, 19.1% less than in 9M15, with domestic sales of 12.6 million tonnes, down by 11.7%. In the same period, imports declined by 57.8% to 1.2 million tonnes, while exports edged up by 0.2% to 10.1 million tonnes.

According to INDA (the Brazilian Steel Distributors' Association), 3Q16 steel purchases sales by distributors increased by 12.8% year-on-year, while sales fell by 3.2%, totaling 751.4 million and 755.3 million tonnes, respectively. Inventories closed the quarter at 895,300 tonnes, 3.4% up on the previous month, representing 3.6 months of sales.

Automotive

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 1.6 million units in the first nine months of 2016, 18% down on 9M15. In the same period, new car, light commercial vehicle, truck and bus licensing fell by 23% to 1.5 million units. The association estimates a reduction in annual vehicle sales of up to 19% over 2015.

Construction

According to SECOVI-SP (the São Paulo Residential Builders' Association), residential real estate launches in the city of São Paulo totaled 8,007 units in 2016 through August, 37.5% down on the 12,802 units launched in the same period last year.

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According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials in the first nine months fell by 11.8% YoY.

Home Appliances

According to the Brazilian Institute of Geography and Statistics (IBGE), home appliance production in the year through September fell by 7.2% over the same period last year and by 11.6% in the last 12 months, reflecting the low level of business and consumer confidence.

Results from CSN's Steel Operation

- **Total steel product sales** came to 1,172,000 tonnes in 3Q16, 6% down on 2Q16. Of this total, 62% went to the domestic market, 34% were sold by our subsidiaries abroad and 4% went to exports.

- Third-quarter **domestic steel sales** totaled 730,000 tonnes 9% up on 2Q16, 682,000 tonnes of which flat steel and 49,000 tonnes long steel.

- Third-quarter **foreign sales** amounted to 441,000 tonnes, 24% down on 2Q16. Of this total, the oversea subsidiaries sold 398,000 tonnes, 159,000 of which by LLC, 159,000 by SWT and 80,000 by Lusosider, while direct exports came to 44,000 tonnes.

- In 3Q16, CSN maintained its high **share of coated products** as a percentage of total sales volume, in line with its strategy of adding more value to the product mix. Total sales of coated products such as galvanized items and tin plate accounted for 59% of flat steel sales, in line with 2Q16, considering all the markets in which the Company operates. In the **foreign market**, the share of coated products moved up from 85% to 88% in 3Q16.

- **Net revenue** totaled R\$2,867 million in 3Q16, in line with the previous quarter, primarily due to the upturn in domestic sales volume and higher prices for the

period. Net average revenue per tonne stood at R\$2,382, 7% higher than 2Q16.

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- The parent company's **production cost** reached R\$1,446 million in 3Q16, 33% up on 2Q16, mainly due to increased output of slabs and rolled products, which moved up by 48% and 25%, respectively.
- The **slab production cost** came to R\$1,114/t, 13% down on 2Q16.
- **Adjusted EBITDA** amounted to R\$552 million in 3Q16, 49% up on the R\$369 million recorded in 2Q16, accompanied by a 6p.p. increase in the adjusted EBITDA margin from 13% to 19%.
- The **parent company's slab** production totaled 738,000 tonnes in 3Q16, 48% up on 2Q16, while flat rolled steel output came to 835,000 tonnes, 25% up on 2Q16.

Total Slabs (UPV + Third Parties)	1,084	510	857	68%	(21%)
Crude Steel Production	1,023	500	738	48%	(28%)
Third Parties Slabs	61	10	119	-	95%
Total Rolled Products	989	668	835	25%	(16%)

Mining

In 3Q16, the seaborne iron ore market continued to be influenced by the healthy fundamentals of the Chinese steel segment. The policies to stimulate the economy introduced at the beginning of the year continued to fuel the real estate market and investments in infrastructure, which are the main drivers of the country's steel consumption. At the same time, the decommissioning of obsolete blast furnaces reduced the supply base, increasing the pricing power of the remaining plants. As a result, prices and margins remained healthy, encouraging steel production and the use of iron ore. Given this scenario, the commodity's price averaged US\$58.60/dmt (Platts, Fe62%, N. China) in 3Q16, 5.4% up on the previous quarter.

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Maritime freight costs on Route CI-C3 (Tubarão-Qingdao) averaged US\$10.02/t in 3Q16, 18.9% up on 2Q16. The combination of scrapped ships and increased seaborne volume of iron ore resulted in higher fleet utilization and more chartering of capsized vessels. The route price was also influenced by the upturn in oil prices.

Results from CSN's Mining Operations

- In 3Q16, **iron ore production** totaled 8.6 million tonnes, in line with 2Q16.
- Third-quarter **iron ore purchases** came to 797,000 tonnes, 42% down on 2Q16.
- **Iron ore sales** came to 10.2 million tonnes in 3Q16, 10% up on 2Q16. Shipped iron ore volume totaled 8.7 million tonnes, 5% down on 2Q16. During 3Q16, 1.1 million tonnes from Congonhas Minérios were sold to CSN's Presidente Vargas Plant.

Iron Ore Production ¹	7,941	8,537	8,553	0%	8%
Third Parties Purchase	1,587	1,376	797	(42%)	(50%)
Total Production + Purchase	9,528	9,913	9,350	(6%)	(2%)
UPV Sale	1,412	695	1,114	60%	(21%)
Third Parties Sales Volume	7,585	8,572	9,116	6%	20%
Total Sales	8,997	9,267	10,230	10%	14%

¹ Production and sales volumes include 100% of the stake in NAMISA until November/15 and 100% of the interest in Congonhas in December/15.

- **Net revenue** from mining operations totaled R\$1.3 billion, 29% up on 2Q16. The upturns were due to a combination of increased total iron ore sales volume, which came to 10.2 million tonnes this quarter, and higher average prices.
- Mining segment **COGS** came to R\$811 million in 3Q16, 9% up to 2Q16. Congonhas Minérios recorded a Chinese delivery cost excluding depreciation of US\$32.4/wmt, 15% increase on the previous quarter, mainly due to higher seaborne freight charges, which register an average of US\$12.88/t during 3Q16, against US\$10.86 during 2Q16.
- **Adjusted EBITDA** stood at R\$599 million in 3Q16, 64% up on 2Q16, with an adjusted EBITDA margin of 46%, 10p.p. more than in 2Q16, chiefly due to the increase in FOB export prices and higher total sales volume.

Congonhas Minérios Iron Ore Cost Excluding Depreciation

(US\$/wmt delivered to China)

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Logistics

Railway Logistics: In 3Q16, **net revenue** came to R\$355 million, generating **EBITDA** of R\$152 million and **an EBITDA margin** of 43%.

Port Logistics: In the third quarter, Sepetiba Tecon handled 34,000 containers, in addition to 127,000 tonnes of steel products and 5,000 tonnes of general cargo. **Net revenue** totaled R\$50 million, generating **EBITDA** of R\$9 million, accompanied by an **EBITDA margin** of 18%.

Containers Volume (thousand units)	44	32	34	9%	(22%)
Steel Products Volume (thousand t)	304	197	127	(36%)	(58%)
General Cargo Volume (thousand t)	87	1	5	-	-

Cement

According to the IBGE's Monthly Industrial Survey (PIM-PF), Brazil's cement production fell by 15.8% year-on-year in September, in line with the performance of the construction industry.

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 43 million tonnes in 9M16, 13% less than in the same period the year before. For 2016 as a whole, SNIC estimates a sales decline of between 12% and 13%.

Results of CSN's Cement Operations

In 3Q16, **cement sales** amounted to 850,000 tonnes, 43% up on 2Q16, while **net revenue** came to R\$140 million. **EBITDA** totaled R\$4 million, accompanied by an **EBITDA margin** of 3%.

Total Production	627	606	860	42%	37%
Total Sales	582	594	850	43%	46%

Energy

According to the Energy Research Company (EPE), Brazilian electricity consumption totaled 344TWh in 2016 through September, 0.9% less than in the same period of 2015. Consumption in the industrial and commercial segments fell by 3.7% and 1.6%, respectively, while residential consumption climbed by 1.8%.

Results from CSN's Energy Operations

In 3Q16, **net revenue** from energy operations totaled R\$68 million, **EBITDA** stood at R\$17 million and the **EBITDA margin** came to 25%.

Capital Market

CSN's shares appreciated by 16% in 3Q16, while the Ibovespa increased by 13% in the same period. Daily traded volume on the BM&FBovespa averaged R\$76.2 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) moved up by 13%, versus the Dow Jones' 1% appreciation. On the NYSE, daily traded volume of CSN's ADRs averaged US\$6.0 million.

Number of shares in thousand	1,387,524
Market Capitalization	
Closing price (R\$/share)	9.09
Closing price (US\$/ADR)	2.76
Market Capitalization (R\$ million)	12,613
Market Capitalization (US\$ million)	3,886
Total return including dividends and interest on equity	
CSNA3	16%
SID	13%
Ibovespa	13%
Dow Jones	1%
Volume	
Average daily (thousand shares)	7,943
Average daily (R\$ thousand)	76,184
Average daily (thousand ADRs)	2,039
Average daily (US\$ thousand)	6,019
Source: <i>Bloomberg</i>	

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	3Q15	2Q16	3Q16	Change 3Q16 x 2Q16	Change 3Q16 x 3Q15
Flat Steel	645	626	682	56	37
Slabs	-	0	-	(0)	-
Hot Rolled	233	225	233	8	(0)
Cold Rolled	128	117	129	12	1
Galvanized	195	203	218	15	23
Tin Plates	88	81	102	21	14
Long Steel UPV	41	43	49	6	8
DOMESTIC MARKET	686	669	730	62	44

	3Q15	2Q16	3Q16	3Q16 x 2Q16	3Q16 x 3Q15
Flat Steel	351	365	282	(83)	(69)
Hot Rolled	68	29	16	(13)	(52)
Cold Rolled	47	25	19	(6)	(28)
Galvanized	198	259	212	(46)	14
Tin Plates	38	52	35	(17)	(3)
Long Steel (profiles)	154	219	159	(60)	5
FOREIGN MARKET	505	584	441	(143)	(64)

	3Q15	2Q16	3Q16	3Q16 x 2Q16	3Q16 x 3Q15
Flat Steel	996	991	964	(27)	(32)
Slabs	-	0	-	(0)	-
Hot Rolled	301	254	249	(5)	(52)
Cold Rolled	175	143	148	5	(27)
Galvanized	393	462	431	(31)	38
Tin Plates	126	133	136	4	10

Long Steel UPV	41	43	49	6	8
Long Steel (profiles)	154	219	159	(60)	5
TOTAL MARKET	1,191	1,253	1,172	(81)	(19)

SALES VOLUME PARENT COMPANY (thousand tonnes)

	3Q15	2Q16	3Q16	3Q16 x 2Q16	Change 3Q16 x 3Q15
Flat Steel	721	627	693	66	(28)
Slabs	-	0	-	(0)	-
Hot Rolled	270	223	240	17	(30)
Cold Rolled	139	114	129	15	(10)
Galvanized	223	209	229	20	6
Tin Plates	89	81	95	14	6
Long Steel UPV	41	43	49	6	8
DOMESTIC MARKET	762	670	742	72	(20)
	3Q15	2Q16	3Q16	3Q16 x 2Q16	3Q16 x 3Q15
Flat Steel	378	252	119	(133)	(259)
Hot Rolled	177	69	-	(69)	(177)
Cold Rolled	63	3	-	(3)	(63)
Galvanized	101	125	83	(42)	(18)
Tin Plates	38	55	36	(19)	(2)
Long Steel (profiles)	-	-	-	-	-
FOREIGN MARKET	378	252	119	(133)	(259)
	3Q15	2Q16	3Q16	3Q16 x 2Q16	3Q16 x 3Q15
Flat Steel	1,099	879	813	(67)	(287)
Slabs	-	0	-	(0)	-
Hot Rolled	447	292	240	(52)	(207)
Cold Rolled	202	117	129	12	(73)
Galvanized	324	334	312	(22)	(12)
Tin Plates	126	136	131	(5)	5
Long Steel UPV	41	43	49	6	8
Long Steel (profiles)	-	-	-	-	-
TOTAL MARKET	1,140	922	861	(61)	(279)

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

1. DESCRIPTION OF BUSINESS

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

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

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

- **Steel:**

The Company’s main industrial facility is the Presidente Vargas steelworks (“UPV”), located in the city of Volta Redonda, State of Rio de Janeiro. This segment consolidates production, distribution and sale of flat

steel, long steel, metallic containers and galvanized steel. In addition to the facilities in Brazil, CSN has operations in the United States, Portugal and Germany, all of them are in line with the plan to achieve new markets and perform excellent services for final consumers. Its steel has been used in home appliances, civil construction and automobile industries.

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- **Mining:**

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

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

From November 30, 2015 the Company has transferred its mining assets, together with its logistical infrastructure, which includes the mine Casa de Pedra and the right to operate the terminal TECAR, to its subsidiary CSN Mineração S.A ("CSN Mineração") (former Congonhas Minérios S.A). On the same date, the Company acquired from the Asian Consortium 40% stake in Namisa. In other hand, the Asian Consortium taken a 12.48% stake in CSN Mineração S.A.

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

- **Cement:**

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

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- **Logistics**

Railroads:

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

Ports:

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

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

- **Energy:**

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

The note 26 - "Segment Information" details the financial information per each of CSN's business segment.

- **Going Concern**

The interim financial statements have been prepared based on the normal continuity of its business. Negotiations in progress to postpone part of the debts do not compromise the Company's operating continuity (going concern), and the Management does not have any other relevant operational restructuring plan that implies a change to the conclusion of the operational continuity (going concern). Further disclosures on the bases for evaluating the operational continuity (going concern) were made in the disclosures of this subject included in the financial statements of December 31, 2016, approved by Management on the same date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.a) Basis of preparation

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

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

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These condensed interim financial statements do not include all requirements of annual or full financial statements and, accordingly, should be read together with the Company's financial statements for the year ended December 31, 2016, which restated the year ended December 31, 2015 as comparative information in the financial statements.

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

Note 2 - Summary of significant accounting policies

Note 3 – Business Combination

Note 10 – Investments

Note 18 - Provision for tax, social security, labor, civil, environmental risks and judicial deposits

Note 28 - Employee benefits

Note 30 – Commitments

The consolidated and parent company interim financial statements for the period ended September 30, 2016, were restated on November 14, 2016 and are being restated, for the second time, as presented in note 2.e, under the approval by the Board of Directors on October 27, 2017.

2.b) Basis of presentation

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of September 30, 2016, US\$1 is equivalent to R\$3.2462 (R\$3.9048 as of December 31, 2015), €1 is equivalent to R\$3.6484 (R\$4.2504 as of December 31, 2015), according to the rates obtained from Central Bank of Brazil website.

2.c) Basis of consolidation

The accounting practices were treated uniformly in all the consolidated companies. The consolidated condensed interim financial statements for the period ended September 30, 2016 and the year ended December 31, 2015 include the following direct and indirect subsidiaries and jointly controlled entities, as well as the exclusive funds as described below:

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• **Companies**

Companies	Equity interests (%)		Core business
	09/30/2016	12/31/2015	
Direct interest in subsidiaries: full consolidation			
CSN Islands VII Corp.	100.00	100.00	Financial transaction
CSN Islands IX Corp.	100.00	100.00	Financial transaction
CSN Islands XI Corp.	100.00	100.00	Financial transaction
CSN Islands XII Corp.	100.00	100.00	Financial transaction
CSN Minerals S.L.U.	100.00	100.00	Equity interests
CSN Export Europe, S.L.U.	100.00	100.00	Financial transaction
CSN Metals S.L.U.	100.00	100.00	Equity interests and
CSN Americas S.L.U.	100.00	100.00	Equity interests and
CSN Steel S.L.U.	100.00	100.00	Equity interests and
TdBB S.A (*)	100.00	100.00	Equity interests
Sepetiba Tecon S.A.	99.99	99.99	Port services
Minérios Nacional S.A. (1)	99.99	99.99	Mining and Equity
Companhia Florestal do Brasil	99.99	99.99	Reforestation
Estanho de Rondônia S.A.	99.99	99.99	Tin Mining
Cia Metalic Nordeste (2)		99.99	Manufacture of con
Companhia Metalúrgica Prada	99.99	99.99	Manufacture of con
CSN Gestão de Recursos Financeiros Ltda. (*)	99.99	99.99	Management of fur
Congonhas Minérios S.A.	87.52	87.52	Mining and Equity
CSN Energia S.A.	100.00	99.99	Sale of electric pow
FTL - Ferrovia Transnordestina Logística S.A.	89.79	89.79	Railroad logistics
Nordeste Logística S.A.	99.99	99.99	Port services
CGPAR - Construção Pesada S.A. (3)	100.00		Mining support ser
Indirect interest in subsidiaries: full consolidation			
Companhia Siderúrgica Nacional LLC	100.00	100.00	Steel
CSN Europe Lda.	100.00	100.00	Financial transaction

CSN Ibéria Lda.	100.00	100.00	Financial transaction
Lusosider Projectos Siderúrgicos S.A.	99.94	99.94	Equity interests and
Lusosider Aços Planos, S. A.	99.99	99.99	Steel and Equity in
CSN Acquisitions, Ltd. (4)		100.00	Financial transaction
CSN Resources S.A.	100.00	100.00	Financial transaction
CSN Holdings (UK) Ltd (4)		100.00	Financial transaction
CSN Handel GmbH (5)		87.52	Financial transaction
Companhia Brasileira de Latas	100.00	100.00	Sale of cans and co
Companhia de Embalagens Metálicas MMSA	99.67	99.67	Production and sal
Companhia de Embalagens Metálicas - MTM	99.67	99.67	Production and sal
CSN Steel Holdings 1, S.L.U.	100.00	100.00	Financial transaction
CSN Productos Siderúrgicos S.L.	100.00	100.00	Financial transaction
Stalwerk Thüringen GmbH	100.00	100.00	Production and sal
CSN Steel Sections UK Limited (*)	100.00	100.00	Sale of long steel
CSN Steel Sections Polska Sp.Z.o.o	100.00	100.00	Financial transaction
CSN Asia Limited	100.00	100.00	Commercial repres
Namisa International Minérios SLU	87.52	87.52	Financial transaction
Namisa Europe, Unipessoal Lda.	87.52	87.52	Equity interests, pr
CSN Mining GmbH (6)	87.52	87.52	Financial transaction
CSN Mining Asia Limited (7)	87.52	87.52	Commercial repres
Direct interest in joint operations: proportionate consolidation			
Itá Energética S.A.	48.75	48.75	Electric power gen
CGPAR - Construção Pesada S.A. (3)		50.00	Mining support ser
Consórcio da Usina Hidrelétrica de Igarapava	17.92	17.92	Electric power cons
Direct interest in joint ventures: equity method			
MRS Logística S.A.	18.64	18.64	Railroad transporta
Aceros Del Orinoco S.A.	31.82	31.82	Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50.00	50.00	Equity interests and
Transnordestina Logística S.A.	49.02	56.92	Railroad logistics
Indirect interest in joint ventures: equity method			
MRS Logística S.A.	16.30	16.30	Railroad transporta
Direct interest in associates: equity method			
Arvedi Metalfer do Brasil S.A.	20.00	20.00	Metallurgy and Equ
Cia Metalic Nordeste (2)	100.00		Manufacture of cor

(*) They are dormant (or not active) Companies. Consequently, they are not presented in note 10.a, where is disclosed the information about companies evaluated by the equity method and classified as available-for-sale.

(1) New corporate name of Mineração Nacional, amended in March 2016;

(2) Company considered as available for sale on September, 2016 as disclosed in note 4;

(3) Control acquired as of September, 2016 as disclose in note 3;

(4) Company liquidated in January 2016;

- (5) Company incorporated by CSN Mining GmbH (subsidiary with indirect interest) on January 2016;
- (6) New corporate name of Namisa Handel GmbH, amended in February 2016;
- (7) New corporate name of Namisa Asia Limited amended in August 2016.

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- **Exclusive funds**

Exclusive funds	Equity interests (%)		Core business
	09/30/2016	12/31/2015	
Direct interest: full consolidation			
Diplic II - Private credit balanced mutual fund	100.00		Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund
VR1 - Private credit balanced mutual fund	100.00	100.00	Investment fund
Diplic - Private credit balanced mutual fund (1)		100.00	Investment fund
BB Steel - Private credit balanced mutual fund (1)		100.00	Investment fund

(1) Multimarket investment fund fully redeemed.

2.d) Restatement of accounting balances

- **Forfaiting**

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

- **Drawee risk**

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

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

a) Statements of cash flows at September 30, 2015

	As Originally Reported	Reclassifications	Consolidated 09/30/2015 Statement of Cash Flow adjusted	As Originally Reported	Reclassifications	Par St C
Cash generated by operating activities						
Loss(Profit) for the year attributed to controlling shareholders	(754,725)		(754,725)	(754,725)		
Trade payables	100,868	241,900	342,768	(21,665)	241,900	
Interests paid	(2,466,731)	(5,400)	(2,472,131)	(2,074,153)	(5,400)	
Others	4,301,539		4,301,539	2,896,076		
Net cash generated by operating activities	1,180,951	236,500	1,417,451	45,533	236,500	
Net cash used in investing activities	(213,236)		(213,236)	(1,453,885)		
Cash generated by financing activities						
Funding Forfaiting /		625,117	625,117		625,117	

Drawee risk Payment Forfeiting / Drawee risk Others	(2,049,702)	(861,617)	(861,617)	615,101	(861,617)
Net cash used in financing activities	(2,049,702)	(236,500)	(2,286,202)	615,101	(236,500)
Exchange differences on cash and cash equivalents	(4,672)		(4,672)		
Increase (decrease) in cash and cash equivalents	(1,086,659)		(1,086,659)	(793,251)	

b) Statement of income and statement of comprehensive income at September 30, 2015

The Company has not restated the others statements of September 30, 2015 since the changes in those tables were not material.

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2.e) Restatement of the quarterly financial information for the nine-month period ended September 30, 2016, previously restated on November 14, 2016.

In addition to the detailed review of the business combination transaction explained in item (a) below, the Company's management performed a thorough review of various components and transactions, including the studies that support the recognition and maintenance of the amounts of long-lived assets, such as investments in subsidiaries and associates, goodwill, property, plant and equipment and tax credits. As a result of this review, a long-lived asset whose realization depends on projections with observable assumptions was revalued and its expected realization was adjusted. Accordingly, the financial statements for the year ended December 31, 2015, originally dated March 28, 2016 and restated on November 14, 2016 due to adjustments in non-controlling interests, were restated for the second time as a result of the detailed review mentioned above, which resulted in material adjustments to the following items:

- (a) Business combination between CSN Mineração and NAMISA; and
- (b) Expected realization of income tax and social contribution tax credits.

We present below further details on the adjustments that led management to opt for the second restatement of the financial statements for the year ended December 31, 2015.

a. Business Combination

The Company is restating the balances of the financial statements for the year ended December 31, 2015, as a result of a detailed review of all aspects of the business combination occurred on November 30, 2015, by which the Company's mining activities were restructured and concentrated on a primary entity, CSN Mineração S.A. This review occurred after the first restatement, on November 14, 2016, of those financial statements resulting from a change in the interpretation of the gains attributed to owners and to non-controlling, as disclosed in note 2.a.b, of those financial statements.

Within this context, the Company identified errors in certain assumptions used in the fair value determination of the entities involved in the transaction, Nacional Minérios S.A. (NAMISA) and CSN Mineração, as well as in the accounting for the clause of the Investment Agreement signed in December 2014 that approached the treatment to be given to NAMISA's assets excluded from the transaction, Fernandinho, Cayman and Pedras Pretas ("excluded assets"). As per that clause, Fernandinho, Cayman and Pedras Pretas assets included in the fair value determination of NAMISA shall be transferred directly to any entity other than CSN Mineração. By mistake, those assets were included within the net assets of NAMISA contributed to CSN Mineração and, in a subsequent act, were transferred from CSN Mineração to another entity, Minérios Nacional S.A (current corporate name of Mineração Nacional S.A.). And finally, the review appointed to a change in the interpretation of the determination of the gain or loss in the pre-existing relationship between the acquirer and the acquiree entities as established in the accounting pronouncement CPC15/IFRS3.

The Company opted to restate the year ended December 31, 2015 as comparative information in the financial statements for the year ended December 31, 2016. Thus, the reasons that led the Company to restate the business combination performed in 2015 are described in detail in Note 2 (ab) to the financial statements for the year ended December 31, 2016, which are being approved on the same date.

b. Estimated losses of deferred income tax and social contribution credits

The Company is restating the balances of deferred income tax and social contribution credits of its financial statements for the year ended December 31, 2015 after the technical review, during 2016, of the negative and positive aspects that supported their maintenance. The main change in the decision for this restatement is the exclusion of the sale of certain non-core assets from the studies of recovery of credits, reducing the future taxable base of projections, and the higher weight attributed to the observable evidence of tax losses existing in the last years, according to the interpretation given by accounting standard IAS 12 / CPC 32. As established in the standard, in the case of existence of recent history of successive losses or losses alternated in several years, this becomes the primary evidence for assessing the maintenance or

recording of tax credits to offset against future taxable profits, with the study of projections of these profits remaining as a source of secondary evidences and with lower weight in the assessment.

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Thus, the Company elected to maintain in assets an amount of tax losses and negative basis of social contribution equivalent to 30% of the deferred income tax liability balance, an amount that will be used as the deferred tax liability becomes current income tax payable. With this, the total credits arising from temporary differences were accrued and maintained in inventory of credits in the Company's tax books for future utilization. This system of maintenance of tax credits equivalent to 30% of the deferred income tax liability will remain until a new history of taxable profits is formed and the studies of projections of future profits become again primary evidences for the recording of tax credits, when the Company will recognize the temporary differences and higher amounts of tax losses and negative basis of social contribution losses that will be utilized to offset income tax payable arising from future taxable profits.

The adjustments in items (a) and (b) that generated the restatement of the financial statements for the year ended December 31, 2015, which consequently impacted the six-month period ended September 30, 2016 are detailed in the table below:

- **Balance Sheet**

- **September 2016**

**Consolidated
09/30/3016**

	As Originally Reported	Reclassifications	Restated	As Original Reported
ASSETS				
Current	12,127,269		12,127,269	7,686,02
Non- current	33,134,046	(1,108,692)	32,025,354	34,839,07
Long term receivables	4,652,525	(3,027,088)	1,625,437	4,310,56
Investments	5,078,276	12	5,078,288	21,058,57
Property, Plant and Equipment	18,058,891	(45,373)	18,013,518	9,411,39
Intangible	5,344,354	1,963,757	7,308,111	58,53
TOTAL ASSETS	45,261,315	(1,108,692)	44,152,623	42,525,09
LIABILITIES				
Current	5,406,604	(372,585)	5,034,019	3,605,01
Non- current	30,671,949	661,738	31,333,687	30,858,10
Shareholders' Equity	9,182,762	(1,397,845)	7,784,917	8,061,98
Common stock	4,540,000		4,540,000	4,540,00
Capital reserves	30		30	3
Earnings reserves	2,464,701	(2,464,701)		2,464,70
Comprehensive Income	2,088,372	1,193,881	3,282,253	2,088,37
Accumulated losses	(1,031,122)	(188,675)	(1,219,797)	(1,031,122)
Non- controlling interest	1,120,781	61,650	1,182,431	
Total Liabilities + Shareholders' Equity	45,261,315	(1,108,692)	44,152,623	42,525,09

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• **December 2015**

	As Originally Reported	Reclassifications	Consolidated 12/31/2015 Restated	As Originally Reported	Reclassifications	Pa Comp 12/31/ Restate
<u>ASSETS</u>						
Current	16,430,691		16,430,691	8,842,440		8,842,440
Non-Current	32,219,283	(1,310,565)	30,908,718	36,763,086	(1,035,157)	35,727,929
Long - term receivables	4,890,948	(3,228,961)	1,661,987	4,510,431	(3,228,961)	1,281,470
Investments	3,998,227	12	3,998,239	23,323,565	2,193,804	25,517,006
Property, Plant and Equipment	17,871,599	(45,373)	17,826,226	8,866,348		8,866,348
Intangible	5,458,509	1,963,757	7,422,266	62,742		62,742
Total Assets	48,649,974	(1,310,565)	47,339,409	45,605,526	(1,035,157)	44,570,369
<u>LIABILITIES</u>						
Current	5,325,571	(243,372)	5,082,199	4,272,372		4,272,372
Non-current	34,588,740	577,182	35,165,922	33,668,407	666,081	34,334,510
Shareholders ' equity	8,735,663	(1,644,375)	7,091,288	7,664,747	(1,701,238)	5,963,757
Commom stock	4,540,000		4,540,000	4,540,000		4,540,000
Capital reserves	30		30	30		30

Earnings reserves	2,464,701	(2,464,701)		2,464,701	(2,464,701)	
Comprehensive income	660,016	1,130,677	1,790,693	660,016	1,130,677	1,790,693
Accumulated Losses		(367,214)	(367,214)		(367,214)	(367,214)
Non- controlling Interest	1,070,916	56,863	1,127,779			
Total Liabilities + Shareholders ' Equity	48,649,974	(1,310,565)	47,339,409	45,605,526	(1,035,157)	44,570,372

- **Statement of Income**

	As originally reported	Reclassifications	Consolidated 09/30/ Restated
Net Revenue	12,630,353		12,630,353
Cost of goods sold	(9,470,412)		(9,470,412)
Operating Income (expenses)	(1,840,607)		(1,840,607)
Selling Expenses	(1,247,971)		(1,247,971)
General and administrative expenses	(382,114)		(382,114)
Equity Results	88,473		88,473
Other Operating income (expenses), net	(298,995)		(298,995)
Income before financial results	1,319,334		1,319,334
Financial results, net	(1,908,517)	63,261	(1,845,256)
Income before income tax and social contribution	(589,183)	63,261	(525,922)
Income tax and social contribution	(384,682)	120,065	(264,617)
Profit (loss) from continued operations	(973,865)	183,326	(790,539)
Profit (loss) from discontinued operations	(6,786)		(6,786)
Net income (loss) for the year	(980,651)	183,326	(797,325)
Attributable to:			
Participation of controlling interest	(1,031,122)	178,539	(852,583)
Participation of non-controlling interest	50,471	4,787	55,258
	(980,651)	183,326	(797,325)

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• **Statement of Value Added**

	As originally reported	Reclassifications	Consolidated 09/30/2016 Restated
Revenues	14,377,707		14,377,707
Inputs acquired from third parties	(9,917,875)		(9,917,875)
Gross added value	4,459,832		4,459,832
Withholdings	(956,715)		(956,715)
Net added value	3,503,117		3,503,117
Added value received on transfer	(527,636)		(527,636)
Equity in earnings of subsidiaries	88,473		88,473
Others	(616,109)		(616,109)
VALUE ADDED TOTAL TO BE DISTRIBUTED	2,975,481		2,975,481
Staff and Charges	1,521,714		1,521,714
Taxes, Fees and Contributions	1,128,044	(120,066)	1,007,978
Remuneration of third-party capital	1,299,588	(63,260)	1,236,328
Remuneration of shareholders' equity	(980,651)	183,326	(797,325)
Profit (Loss) for the year	(1,031,122)	178,539	(852,583)
Non-controlling interest	50,471	4,787	55,258
Others	6,786		6,786
Profit (loss) from discontinued operation	6,786		6,786
DISTRIBUTION OF VALUE ADDED	2,975,481		2,975,481

• **Statement of Changes in Equity**

	Paid in Capital	Capital reserve, granted options and treasure shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehe incom
As Originally Reported 09/30/2016	4,540,000	30	2,464,701	(1,031,122)	2,08
Reclassifications			(2,464,701)	(188,675)	1,19
Restated 09/30/2016	4,540,000	30		(1,219,797)	3,28

- **Statement of Cash Flows**

The Company did not restate the balances of the December cash flow statement because the change had no material effect.

3. BUSINESS COMBINATION – CONTROL AQUISITION OF CGPAR CONSTRUÇÃO PESADA S.A. (“CGPAR”)

On September 30, 2016, CSN acquired 50% shares of CGPAR previously held by GPA Construção Pesada e Mineração Ltda., increasing its participation to 100% of the shares representative of the company’s capital stock. The total amount paid was R\$ 1.00 (One Real).

The consideration paid reflects an agreement to solve a legal dispute involving contractual and commercial issues, as well as to release dividends declared in the previous fiscal years.

In this operation, the amounts were preliminary recognized in the financial statements as of September 30, 2016 and reviewed according the final report issued by independent appraisers as of December 31, 2016. The final impacts resulting from the preliminary valuation were evaluated by Management as immaterial, being recognized only in the financial statement as of December 31, 2016, which resulted in a gain from a bargain purchase of R\$ 25,379, compared to a preliminary goodwill of R\$ 1,784, according note (b), below:

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a) Determination of the purchase price

Description	09/30/2016	Updated Report	Ref.
Fair value of the equity interest held by the acquiring company in CGPAR immediately prior to the combination	36,621	49,726	(i)
Consideration paid in CGPAR acquisition	-		(ii)
Purchase price considered for the business combination	36,621	49,726	

(i) Fair value of 50% stake in CGPAR held immediately before the acquisition.

(ii) Amount related to the consideration paid for the acquiring company was R\$ 1.00 (One real).

CSN held 50% of CGPAR' shares immediately before the conclusion of the control acquisition. These shares were accounted for using the equity method.

According to the item 41 of the CPC15/IFRS 3, these shares became part of the consideration paid and must be measured by their fair value on the acquisition date. A gain or loss resulting from the difference between the fair value and the book value, immediately before the acquisition, must be recognized in profit or loss. Thus, the CGPAR's fair value evaluation was prepared using the discounted cash flow method, considering a current business plan before the transaction.

The results are presented in the following table:

Premises	09/30/2016	Updated Report
Fair value as of September 30, 2016 (equity value)	73,242	99,452
Fair value attributed to 50% equity interest prior acquisition (a)	36,621	49,726
<u>Accounting Balances</u>		
On September 30, 2016 - the equity interest prior acquisition (b)	8,608	8,608
Gain in the valuation of the 50% interest by the fair value of the equity interest prior to the acquisition (a)-(b) (Note 24)	28,013	41,118

b) Gain from a bargain purchase generated from the control acquisition of CGPAR

According to the item 32 of the IFRS 3, the acquirer must recognize the goodwill resulted from the future economic benefits or a gain from a bargain purchase at the acquisition date. The fair value of assets acquired and liabilities assumed (Purchase Price Allocation – PPA) was calculated as follows:

Item	09/30/2016	R\$ (Million) Updated Report Shareholders' Equity Acquired
Purchase price	36,621	49,726
Fair value of assets and liabilities acquired	34,837	75,105
Goodwill / (Gain from a bargain purchase)	1,784	(25,379)

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In the following table, is presented the allocation of fair value for 100% of the assets acquired and liabilities assumed on September 30, 2016, by its preliminary values, and on December 31, 2016 after the issuance of the independent appraisers' report.

	09/30/2016				Updated Report Total Fair Value
	Carrying amount	Fair Value Adjustments	Total Fair Value	Carrying amount	
Assets					
Cash	1,881		1,881	1,881	1,881
Trade receivables	27,101		27,101	27,101	27,101
Other Assets	3,608		3,608	3,608	3,608
property, plant and equipment	16,281	21,231	37,512	16,281	57,889
Intangible	93		93	93	93
Total assets acquired	48,964	21,231	70,195	48,964	106,853
Borrowings	15,089		15,089	15,089	15,089
Accounts payable	12,123		12,123	12,123	12,123
Deferred income tax and social contribution		3,609	3,609		22,609
Other Liabilities	4,537		4,537	4,537	4,537
Total liabilities acquired	31,749	3,609	35,358	31,749	54,358
Shareholders' Equity Acquired	17,215	17,622	34,837	17,215	52,495

The initial accounting for CGPAR's acquisition was provisionally recorded at the end of the period of these financial statements. At the date of the conclusion of these financial statements, the necessary market

assessments, the contractual obligations and other calculations had not been finalized and, as a consequence, had only been elaborated based on the management's best estimate of probable values.

4. NON CURRENT ASSETS HELD FOR SALE AND RESULTS FROM DISCONTINUED OPERATIONS

On August 23, 2016 the Company concluded a negotiation and signed a contract with Can-Pack S.A. to sell its 100% shares of the subsidiary Cia. Metalic do Nordeste, which is a player in the metallic packaging business. The agreement has been previously disclosed in the statement of material fact. The transaction's base value was US\$ 98 million, subject to adjustments provided for in the contract.

The closing of the transaction is subject to the fulfillment of certain contractual conditions previously established and considered common in this type of transaction.

In this context, on September 30, 2016, after meeting the requirements from CPC 31/IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), the Company reclassified the carrying amounts from "investments" to "assets held for sale" and the results generated in 2016 and 2015 to "discontinued operations".

The main assets and liabilities, as well as the results and cash flows from the discontinuing operations, are summarized as follows:

4.a) Assets and liabilities:

		09/30/2016
Assets	Liabilities	
	Current	
Current assets	111,720 liabilities	14,622
Cash and cash equivalents	40,702 Payroll and related taxes	1,887
Trade receivables	39,927 Trade payables	3,530
Inventories	29,430 Taxes payable	6,425
Other current assets	1,661 Other payables	2,780
Non-current assets	46,072 Non-current liabilities	19,880

Judicial deposits	819	Taxes payable	12,950
Other non-current assets	4	Provision for tax	6,711
Property, plant and equipment	45,017	Other payables	219
Intangible assets	232		
TOTAL ASSESTS	157,792	TOTAL LIABILITIES	34,502

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4.b) Results from discontinued operations

	09/30/2016	09/30/2015
Net revenue	74,786	85,050
Cost of sales	(72,084)	(71,814)
Gross profit	2,702	13,236
Selling expenses	(3,109)	(4,529)
General and administrative expenses	(4,972)	(4,643)
Other operating expenses, net	(3,142)	(343)
Profit/ (Loss) before financial result	(8,521)	3,721
Finance income (costs), net	1,735	3,010
Profit/(Loss) before taxes on income	(6,786)	6,731
Income tax and social contribution		(722)
Profit / (loss) for the period	(6,786)	6,009

4.c) Cash flow from discontinued operations

	09/30/2016	09/30/2015
Net cash generated/(used) by operating activities	22,659	(25,668)
Net cash generated/(used) by investments activities	(234)	(1,622)
Net cash generated/(used) by financing activities		(20,000)
Increase (decrease) in cash and cash equivalents of the year	22,425	(47,290)
Cash and cash equivalents at the beginning of the year	18,277	65,567
Cash and cash equivalents at the end of the year	40,702	18,277

5. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Current				
Cash and cash equivalents				
Cash and banks	561,641	434,014	93,247	37,003
Short-term investments				
In Brazil:				
Government securities	15,476	165,520	15,236	164,311
Private securities	2,009,524	945,420	1,832,228	570,284
	2,025,000	1,110,940	1,847,464	734,595
Abroad:				
<i>Time deposits</i>	2,504,731	6,316,098	459,602	1,113,601
Total short-term investments	4,529,731	7,427,038	2,307,066	1,848,196
Cash and cash equivalents	5,091,372	7,861,052	2,400,313	1,885,199

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

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

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

6. FINANCIAL INVESTMENTS

	09/30/2016	12/31/2015	09/30/2016	12/31/2015
CDB - Letter of guarantee from Caixa Economica Federal (FINEP) (1)	24,932		24,932	
Gouvernement securities (2)	101,529	763,599	100,446	763,599
Time Deposit (3)	215,223			
	341,684	763,599	125,378	763,599

1. Financial investments linked to Bank Certificates of Deposit (CDBs), issued by Caixa Econômica Federal, to be used as a collateral to a bank guarantee letter (FINEP).

2. Investment in Treasury Financial Letters (LFT) managed by its exclusive funds that have been qualified as a margin deposits for future contracts traded at BM&F Bovespa and detailed in note 13(b) and LFT's for investments.

3. Financial investments used as collateral to letters of credit issued by Banco do Brasil. The credit was directed to acquire cement manufacturing plants located in northeast and south regions.

7. TRADE RECEIVABLES

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Trade receivables				
Third parties				
Domestic market	979,728	772,617	623,053	425,108
Foreign market	876,906	818,562	109,629	250,588
	1,856,634	1,591,179	732,682	675,696
Allowance for doubtful debts	(170,067)	(151,733)	(121,262)	(112,502)
	1,686,567	1,439,446	611,420	563,194
Related parties (Note 19 b)	103,693	61,366	791,263	1,140,172
	1,790,260	1,500,812	1,402,683	1,703,366
Other receivables				

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Dividends receivable (Note 19 b) (*)	26,902	27,817	721,145	737,668
Advances to employees	30,402	40,190	18,933	24,465
Other receivables	12,066	9,458	4,860	2,024
	69,370	77,465	744,938	764,157
	1,859,630	1,578,277	2,147,621	2,467,523

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

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In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$238,903 as of September 30, 2016 (R\$232,275 as of December 31, 2015), less the trade receivables.

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

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Current	1,343,867	1,049,033	388,460	423,801
Past-due up to 180 days	240,647	353,443	136,807	118,488
Past-due over 180 days	272,120	188,703	207,415	133,407
	1,856,634	1,591,179	732,682	675,696

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

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Opening balance	(151,733)	(127,223)	(112,502)	(93,536)
Estimated losses	(21,641)	(35,631)	(13,513)	(26,288)
Recovery of receivables		11,121		

	3,307		4,753	4,504
Incorporation of CSN Cimentos and Spin-off assets to Congonhas				2,818
Closing balance	(170,067)	(151,733)	(121,262)	(112,502)

8. INVENTORIES

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Finished goods	1,093,532	1,912,868	752,056	1,078,554
Work in progress	702,244	1,007,630	482,337	746,614
Raw materials	824,945	1,062,557	486,293	563,119
Spare Parts	881,658	962,078	470,844	489,816
Iron ore	279,075	95,461	28,905	6,912
Advances to suppliers	102,178	12,147	100,566	6,191
(-) Provision for losses	(84,326)	(111,427)	(50,842)	(40,462)
	3,799,306	4,941,314	2,270,159	2,850,744

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

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Opening balance	(111,427)	(112,581)	(40,462)	(88,056)
Reversal / (losses) for slow-moving and obsolescence (note 24)	27,101	1,154	(10,380)	15,835
Drop down of assets to Congonhas				31,759
Closing balance	(84,326)	(111,427)	(50,842)	(40,462)

9. OTHER CURRENT AND NON-CURRENT ASSETS

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

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	Current		Consolidated Non-current		Current
	09/30/2016	12/31/2015	09/30/2016	12/31/2015	
Judicial deposits (note 17)			345,351	328,542	
Credits with the PGFN (1)			46,007	87,761	
Recoverable taxes (2)	746,422	996,679	366,154	445,926	542,268
Prepaid expenses	70,822	119,456	21,253	28,119	16,080
Actuarial asset - related party (note 19 b)			93,066	114,433	
Derivative financial instruments (note 14 I)	558	118,592			
Exclusive funds (note 19b)					
Securities held for trading (note 14 I)	13,037	10,778			12,883
Iron ore inventory (3)			144,499	144,499	
Northeast Investment Fund – FINOR			10,888	10,888	
Asset held for sale - Metalic (note 4)	157,792				157,792
Other receivables (note 14 I)			15,825	6,877	
Loans with related parties (note 19 b and 14 I)			447,689	373,214	
Other receivables from related parties (note 19 b)	6,677	9,420	32,395	29,020	13,530
Others	39,969	31,524	31,660	14,642	
	1,035,277	1,286,449	1,554,787	1,583,921	742,553

(1) Refers to the excess of judicial deposit originated by the 2009 REFIS (Tax Debt Refinancing Program). After the settlement of the tax debt refinancing program, the amount related to one of the lawsuits was fully redeemed through a judicial authorization.

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

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

10. INVESTMENTS

The information related to the description of activities of subsidiaries, jointly controlled entities, associates and other investments did not have changes in relation to that disclosed in the Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of September 30, 2016.

- **Transnordestina**

The joint venture Transnordestina Logistica S.A. is in pre-operational phase and will continue as such until the completion of railway number II (rail network II). Approved construction schedule established the completion of the construction by January 2017. The said schedule is currently under review and being discussed with the government authorities, however, the Company's management believes that any change in the completion date for the project will not cause a substantial negative impact on the expected return on the investment. After analyzing this matter, Company's management has concluded for proper of use the accounting basis of operational continuity (going concern) in the preparation of the quarterly financial information.

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

Companies	Number of shares held by CSN (In units)		% Direct equity Interest
	Common	Preferred	
Investments under the equity			
Subsidiaries			
CSN Islands VII Corp.	20,001,000		100.00
CSN Islands IX Corp.	3,000,000		100.00
CSN Islands X Corp.	(1)		
CSN Islands XI Corp.	50,000		100.00
CSN Islands XII Corp.	1,540		100.00
CSN Minerals S.L.U.	3,500		100.00
CSN Export Europe, S.L.U.	3,500		100.00
CSN Metals S.L.U.	16,504,020		100.00
CSN Americas S.L.U.	3,500		100.00
CSN Steel S.L.U.	22,042,688		100.00
Sepetiba Tecon S.A.	254,015,052		99.99
Mineração Nacional S.A.	66,393,587		99.99
Fair value - Mineração	(2)		
Estanho de Rondônia S.A.	121,861,697		99.99
Cia Metalic Nordeste	(3)		
Companhia Metalúrgica Prada	313,651,399		99.99
CSN Cimentos S.A.	(4)		
CSN Mineração S.A.	(5)	158,419,480	87.52
CSN Energia S.A.		43,150	100.00
		353,190,644	89.79

FTL - Ferrovia Transnordestina Logística S.A.			
Companhia Florestal do Brasil	38,364,462		99.99
Nordeste Logística	99,999		99.99
CGPAR - Construção Pesada S.A. (6)	100,000		100.00
Fair Value + Goodwill CGPAR (6)			

Joint-venture and Joint-operation

Nacional Minérios S.A. (4)			
Itá Energética S.A.	253,606,846		48.75
MRS Logística S.A.	26,611,282	2,673,312	18.64
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,876,146		50.00
Transnordestina Logística S.A.	22,761,085	1,397,545	49.02
Fair Value allocated to TLSA on loss of control			

Associates

Arvedi Metalfer do Brasil	27,239,971		20.00
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Classified as available for sale (note 14 I)

Usiminas
Panatlântica

Other investments

Profit on subsidiaries inventories
Others

Total investments**Classification of investments in the balance sheet**

Investments assets
Investments with negative equity

(1) Company extinguished in 2015;

(2) Fair Value of mining rights and property, plant and equipment arising from the business combination;

(3) Investment reclassified to non-current assets held for sale as detailed in note 4.

(4) Company incorporated in 2015

(5) The amounts presented reflect the off-book adjustments made at the company CSN Mineração.

(6) Control acquisition as described in note 3, measured by the fair value at the acquisition date and generating i) goodwill of R\$ 1,784 arising from the expected future economic benefits; ii) property, plant and equipment amounting to R\$ 21,231.

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

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

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
	Restated	Restated	Restated	Restated
Opening balance of investments	3,998,239	13,665,453	25,517,369	24,199,129
Opening balance of loss provisions			(1,095,086)	(1,088,559)
Investment balance of Namisa 11.30.15		(10,160,981)		
Capital increase/acquisition of shares	190,435	3,575	203,297	490,842
Acquisition of 4,16% shares of Congonhas Minérios				2,732,605
Capital reduction		(466,758)		(546,796)
Dividends (1)		(54,464)	(2,296,553)	(3,985,128)
Comprehensive income (2)	776,881	(967,447)	448,527	(426,622)
Comprehensive income - Business Combination				2,943,638
Capital Contribution - transfer of excluded assets				(547,494)
Equity pickup (3)	122,822	1,192,034	(493,617)	5,604,950
Incorporation of subsidiary - CSN Cimentos				(1,061,005)
Transfer of shares – Namisa and MRS		786,812		(6,173,113)
Transfer of assets - Casa de Pedra and Tecar				156,723
Fair Value of assets – Mineração Nacional				2,123,507
Reclassification from Metalic's investments on September 30, 2016 to held for sale			(123,290)	
Reclassification of Metalic's result for the year to discontinued operations			(6,786)	
Acquisition of a 50% stake in CGPAR (note 3)			8,608	
			23,015	

Fair value + goodwill - control acquisition - CGPAR (note 3)				
Fair value amortization - Investment in MRS	(8,810)			
Others	(1,279)	15	(1,479)	
Closing balance of investments	5,078,288	3,998,239	23,292,619	25,517,369
Balance of provision for investments with negative equity			(1,108,614)	(1,095,086)
Total	5,078,288	3,998,239	22,184,005	24,422,283

(1) In 2016 refers to the allocation of dividends from subsidiaries CSN Energia, Itá Energética, CGPAR Construção Pesada, CSN Minerals, CSN Export, CSN Steel, CSN Metals and CSN Americas.

(2) Refers to the mark-to-market of investments classified as available for sale and translation to the reporting currency of the foreign investments (the functional currency of which is not the Brazilian Reais, actuarial gain/loss and gain/loss on net investment hedge from investments measured by equity method.

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

	09/30/2016	Consolidated 09/30/2015
Equity in results of affiliated companies and joint -venture		
Nacional Minérios S.A.		1,214,794
MRS Logística S.A.	135,480	55,544
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,942	(1,973)
Transnordestina	(17,122)	(23,158)
Arvedi Metalfer do Brasil	1,795	(7,582)
Others	727	652
	122,822	1,238,277
Eliminations		
To cost of sales	(33,712)	(29,678)
To net revenues		(4,403)
To taxes	11,462	
Others		
Fair value amortization - Investment in MRS	(8,810)	
Others	(3,289)	10,644
Equity in results adjusted	88,473	1,214,840

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10.c) Joint ventures and joint operations financial information

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

Equity interest (%)	<i>Joint-Venture</i>			<i>Joint-Operation</i>
	MRS Logística 34.94%	CBSI 50.00%	Transnordestina Logística 49.02%	Itá Energética 48.75%
Balance sheet				
Current assets				
Cash and cash equivalents	504,463	1,346	2,164	11,2
Advance to suppliers	14,020	787	47,675	3
Other current assets	604,622	21,274	87,580	16,9
Total current assets	1,123,105	23,407	137,419	28,5
Non-current assets				
Other non-current assets	695,592	488	257,885	45,1
Investments, PP&E and intangible assets	6,161,674	3,731	7,342,795	508,8
Total non-current assets	6,857,266	4,219	7,600,680	554,0
Total Assets	7,980,371	27,626	7,738,099	582,5
Current liabilities				
Borrowings and financing	780,904		42,573	
Other current liabilities	861,229	23,847	182,647	56,1
Total current liabilities	1,642,133	23,847	225,220	56,1
Non-current liabilities				
Borrowings and financing	2,397,192		4,952,025	

Other non-current liabilities	593,155	667	-	2,3
Total non-current liabilities	2,990,347	667	4,952,025	2,3
Shareholders' equity	3,347,891	3,112	2,560,854	523,9
Total liabilities and shareholders' equity	7,980,371	27,626	7,738,099	582,5

	<i>Joint-Venture</i>			<i>01/01/2016 to 09/30/20</i>
Equity interest (%)	MRS Logística	CBSI	Transnordestina Logística	Joint-Operation Itá Energética
	34.94%	50.00%	49.02%	48.75%
Statements of Income				
Net revenue	2,469,568	90,745		130,8
Cost of sales and services	(1,635,014)	(78,333)		(68,28
Gross profit	834,554	12,412	-	62,5
(Expenses) and operating revenues	(92,797)	(6,399)	(19,083)	(40,15
Finance income (costs), net	(183,580)	(1,339)	(13,131)	4
Income before income tax and social contribution	558,177	4,674	(32,214)	22,7
Current and deferred income tax and social contribution	(194,663)	(790)		(7,73
Profit / (loss) for the period	363,514	3,884	(32,214)	15,0

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11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures
Balance at December 31, 2014	216,458	2,432,450	10,499,676	36,633
Cost	216,458	3,021,437	16,791,750	167,410
Accumulated depreciation		(588,987)	(6,292,074)	(130,777)
Balance at December 31, 2014	216,458	2,432,450	10,499,676	36,633
Effect of foreign exchange differences	16,418	51,910	230,588	1,453
Acquisitions	1,841	9,710	242,656	3,292
Capitalized interest				
Write - offs			(2,507)	(49)
Depreciation		(103,387)	(1,005,848)	(6,214)
Transfers to other asset categories	22,623	95,524	880,652	81
Transfers to intangible assets				
Business combination, fair value of the acquires assets	6,199	208,757	229,906	3,534
Update of the ARO estimation				
Others		(5,723)	(2,879)	
Balance at December 31, 2015 (restated)	263,539	2,689,241	11,072,244	38,730
Cost	263,539	3,429,573	18,601,088	182,830
Accumulated depreciation		(740,332)	(7,528,844)	(144,100)
Balance at December 31, 2015 (restated)	263,539	2,689,241	11,072,244	38,730
Effect of foreign exchange differences	(9,907)	(29,608)	(119,769)	(679)
Acquisitions	4	100	119,039	461
Capitalized interest (notes 25 and 29)				
Write - offs (note 24)	(129)	(2,346)	(7,383)	(7)
Depreciation		(86,346)	(805,110)	(4,364)
Transfer to other asset categories	14,951	112,781	896,118	92
Transfer to intangible assets				
Acquisition of control - (CGPAR)(note 3)			7,377	189
Added value - Acquisition of control of CGPAR (note 3)			21,231	
Transfer of Metallic - held for sale (note 4)	(373)	(13,466)	(30,440)	(208)
Others		(294)	(3,819)	(45)
Balance at September 30, 2016 (restated)	268,085	2,670,062	11,149,488	34,169

Cost	268,085	3,469,184	19,268,157	178,267
Accumulated depreciation		(799,122)	(8,118,669)	(144,098)
Balance at September 30,2016 (restated)	268,085	2,670,062	11,149,488	34,169

	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures
Balance at December 31, 2014	110,181	1,786,572	8,882,070	29,000
Cost	110,181	2,003,303	13,877,027	136,000
Accumulated depreciation		(216,731)	(4,994,957)	(107,000)
Balance at December 31, 2014	110,181	1,786,572	8,882,070	29,000
Acquisitions			203,870	2,000
Incorporation of subsidiaries	1,400	214,879	175,298	5,000
Transfers of the assets related to Casa de Pedra and Tecar	(50,854)	(1,287,945)	(3,332,850)	(9,200)
Capitalized interest				
Write - offs			(91)	(1,000)
Depreciation		(57,055)	(782,928)	(4,600)
Transfers to other asset categories	22,623	218,343	959,632	
Transfers to intangible assets				
Others		(5,723)	(1,281)	
Balance at December 31, 2015	83,350	869,071	6,103,720	17,000
Cost	83,350	1,025,848	10,677,122	118,000
Accumulated depreciation		(156,777)	(4,573,402)	(100,600)
Balance at December 31, 2015	83,350	869,071	6,103,720	17,000
Acquisitions			82,129	
Capitalized interest (note 25 and 29)				
Write - offs (note 24)		(34)	(17)	
Depreciation		(19,029)	(389,006)	(2,100)
Transfers to other asset categories		81,990	461,339	
Transfers to intangible assets				
Others			(33)	
Balance at September 30, 2016	83,350	931,998	6,258,132	15,000
Cost	83,350	1,107,970	11,219,656	118,000
Accumulated depreciation		(175,972)	(4,961,524)	(102,300)
Balance at September 30, 2016	83,350	931,998	6,258,132	15,000

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

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

				Consolidated	
	Project description	Start date	Completion date	09/30/2016	12/31/2015
Logistics	Current investments for maintenance of current operations.			89,094	35,457
				89,094	35,457
Mining	Expansion of Casa de Pedra mine capacity production.	2007	2016/2017 ⁽¹⁾	699,684	709,945
	Expansion of TECAR export capacity.	2009	2020 ⁽²⁾	242,710	390,920
	Current investments for maintenance of current operations.			313,447	302,764
				1,255,841	1,403,629
Steel	Equipment supply for use in the steel operation.	2008	2016	91,660	105,697
	Expansion of the service center/Mogi.	2013	2015/2016 ⁽³⁾	258	14,950
	Current investments for maintenance of current operations.			316,839 ⁽⁴⁾	375,579
				408,757	496,226
Cement	Construction of cement plants.	2011	2020 ⁽⁵⁾	1,664,846	1,254,897

Current investments for maintenance of current operations.	64,478	9,177
	1,729,324	1,264,074
Construction in progress	3,483,016	3,199,386

- (1) Estimated completion date of the Central Plant Step 1;
- (2) Estimated completion date of phase 60 Mtpa;
- (3) Estimated completion date of Mogi Service Center;
- (4) Refers substantially to the reforming of batteries for coke ovens;
- (5) Estimated completion date of the unit Arcos / Minas Gerais.

The estimated useful lives are as follows, in years:

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Buildings	43	43	43	43
Machinery, equipment and facilities	18	18	18	18
Furniture and fixtures	11	11	11	11
Others	14	14	11	11

11.a) Depreciation, amortization and depletion expenses:

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

	Nine months ended		Consolidated Three months ended	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Production costs	905,767	807,217	305,689	277,612
Sales expenses	6,708	6,826	2,299	2,317

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General and Administrative Expenses	10,510	10,008	3,363	3,369
	922,985	824,051	311,351	283,298
Other operating expenses (*)	33,730	29,426	10,426	10,949
	956,715	853,477	321,777	294,247

	Nine months ended		Three months ended	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Production costs	406,700	640,172	139,532	223,487
Sales expenses	5,522	5,577	1,914	1,919
General and Administrative Expenses	6,606	6,203	2,160	1,990
	418,828	651,952	143,606	227,396

**Parent
Company**

(*) Refers to the amortization of intangible assets as described in note 24.

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12. INTANGIBLE ASSETS

	Goodwill	Customer relationships	Software	Trademarks and patents
Balance at December 31, 2014	407,434	347,115	79,867	109,330
Cost	666,768	415,964	153,080	109,330
Accumulated amortization	(150,004)	(68,849)	(73,213)	
Adjustment for accumulated recoverable value	(109,330)			
Balance at December 31, 2014	407,434	347,115	79,867	109,330
Effect of foreign exchange differences		104,136	192	34,230
Acquisitions and expenditures			1,234	
Incorporation of subsidiary - CSN Cimentos				
Transfers of the assets related to Casa de Pedra and Tecar				
Business combination, fair value of assets e goodwill	3,196,588	1,420	3,437	
Transfer of property, plant and equipment			930	
Amortization		(39,395)	(10,423)	
Balance at December 31, 2015 (restated)	3,604,022	413,276	75,237	143,560
Cost	3,974,128	549,302	173,154	143,560
Accumulated amortization	(260,776)	(136,026)	(97,917)	
Adjustment for accumulated recoverable value	(109,330)			
Balance at December 31, 2015 (restated)	3,604,022	413,276	75,237	143,560
Effect of foreign exchange differences		(55,791)	(174)	(20,000)
Acquisitions and expenditures			7	
Transfer of property, plant and equipment			14,822	
Write- offs (note 24)	(13,091)		(3)	
Amortization		(31,923)	(8,696)	
Acquisition of control - CGPAR (note 3)			47	
Goodwill- Acquisition of control of CGPAR (Note 3)	1,784			

Transfer of Metallic - held for sale (note 4)			(232)	
Balance at September 30,2016 (restated)	3,592,715	325,562	81,008	123
Cost	3,836,018	471,703	180,850	123
Accumulated amortization	(133,973)	(146,141)	(99,842)	
Adjustment for accumulated recoverable value	(109,330)			
Balance at September 30,2016 (restated)	3,592,715	325,562	81,008	123

(*) Composed mainly by mineral rights with estimated resources of 1,101 million tons (not audited by independent auditors). Corresponding amortization is recorded based on production volumes.

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

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Software	5	5	5	5
Customer relationships	13	13		

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13. BORROWINGS, FINANCING AND DEBENTURES

As of September 30, 2016 the balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

	Rates p.a. (%)	Consolidated				Cu
		Current liabilities		Non-current liabilities		
		09/30/2016	12/31/2015	09/30/2016	12/31/2015	09/30
FOREIGN CURRENCY						
Prepayment (*)	1% to 3.5%	110,463	207,657	507,489	2,633,137	11
Prepayment (*)	3.51% to 8%	457,016	286,487	4,273,082	3,429,716	50
Perpetual bonds	7%	4,418	5,315	3,246,200	3,904,800	
Fixed rate notes (*)	4.14% to 10%	45,028	175,768	5,507,493	6,910,992	7
Intercompany Bonds (*)	Libor 6M to 3%					14
Forfeiting (**)	Libor + Spread	109,364	288,772			10
Others	1.2% até 8%	97,842	115,594	275,344	425,635	
		824,131	1,079,593	13,809,608	17,304,280	93
LOCAL CURRENCY						
BNDES/FINAME	1.3% + TJLP and Fixed rate of 2.5% to 6% + 1.5%	74,327	55,435	1,002,775	1,018,189	4
Debentures	110.8% to 113.7% CDI	518,195	60,670	1,270,383	1,750,000	51
Prepayment (*)	109.5% to 116.5% CDI and fixed rate of 8%	360,908	522,418	5,280,000	5,200,000	28
CCB	112.5% and 113% CDI	90,793	92,976	7,200,000	7,200,000	9
Drawee Risk (**)			84,063			
Others			6,229		12,107	
		1,044,223	821,791	14,753,158	15,180,296	94
Total Borrowings and Financing (note 14 I)		1,868,354	1,901,384	28,562,766	32,484,576	1,87
Transaction Costs and Issue Premiums		(37,144)	(26,703)	(64,969)	(76,742)	(32)
Total Borrowings and Financing + Transaction Costs		1,831,210	1,874,681	28,497,797	32,407,834	1,84

(*) The balances of Prepayments, Fixed Rate Notes and Intercompany Bonds with related parties of Parent company totaled R\$11,197,675 on September 30, 2016 (R\$13,416,687 on December 31, 2015), see note 19b.

(**) The balances of forfaiting and drawee risk operations totals R\$ 109,364 on September 30, 2016 (R\$372,835 on December 31, 2015).

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13.a) Maturities of borrowings, financing and debentures presented in non-current liabilities

As of September 30, 2016, the breakdown of principal plus interest of long-term liabilities as borrowings, financing and debentures by maturity date is presented as follows:

		Consolidated		Parent Company
2017	442,042	2%	2,023,229	7%
2018	5,630,660	20%	5,711,883	20%
2019	6,929,305	24%	5,301,403	19%
2020	7,459,546	26%	4,649,265	16%
2021	2,214,288	8%	2,803,442	10%
After 2021	2,640,725	9%	7,908,335	28%
Perpetual bonds	3,246,200	11%		
	28,562,766	100%	28,397,557	100%

13.b) Amortization and new borrowings, financing and debentures

The table below presents the capitalizations and amortizations during the year:

	Consolidated		Parent Company	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Opening balance	34,282,515	30,354,058	33,988,090	29,560,826
Funding transactions	7,437	978,206	40,239	2,694,533
Forfaiting funding / Drawee Risk	78,240	924,706	78,240	924,706
Repayment	(664,043)	(2,850,077)	(261,932)	(1,542,921)
Payments - Forfaiting / Drawee Risk	(300,321)	(1,146,306)	(300,321)	(1,146,306)
Payment of charges	(2,492,040)	(2,957,762)	(2,021,307)	(2,656,208)
Payment of charges – Forfaiting / Drawee	(2,368)	(7,064)	(2,368)	(7,064)
Provision of charges	2,391,019	3,052,164	2,002,054	2,996,662
Provision of charges - Forfaiting / Drawee Risk	3,924	2,032	3,924	2,032
Others (1)	(2,975,356)	5,932,558	(3,344,708)	3,161,830
Closing balance	30,329,007	34,282,515	30,181,911	33,988,090

(1) Includes interests and unrealized foreign exchange variances.

In 2016, the Group capitalized and amortized loans as shown below:

- Capitalization**

Transaction	Financial institution	Date	Amount	Consolidated Maturity
Financing - Acquisitions assets - SWT	Kreissparkasse Saalfeld-Rudolstadt	June/16	7,437	January/18
Total			7,437	

- Amortization**

Transaction	Principal	Charges	Consolidated
Fixed Rate Notes	107,048		643,748
Debentures			220,175
Bank Credit Bill			821,637
Export Credit Note	65,000		629,074
Pre - Export Payment	144,218		136,522
BNDES/FINAME	33,146		39,556
Pre - Debt Payment	309,707		
Others	4,924		1,328
Total	664,043		2,492,040

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- **Covenants**

The Company's loan agreements establish the fulfillment of certain non-financial obligations, as well as maintenance of certain parameters and performance indicators, such as disclosure of its audited financial statements according to regulatory deadlines or payment of commission on risk assumption, if the net debt-EBITDA ratio reaches the levels in those agreements.

On December 31, 2016, the Company has provisioned, due to commission over risk assumption, R\$25,311 in consolidated and R\$10,060 in the parent Company financial statements,

14. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes compared to what was disclosed in Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2016.

I - Identification and measurement of financial instruments

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

- Classification of financial instruments**

Consolidated	Notes	Available for sale	Fair value through profit or loss	Loans and receivables	Other liabilities - amortized cost method	09/30/2017 Balances
Assets						
Current						
Cash and cash equivalents	5			5,091,372		5,091,372
Short-term investments - margin deposit	6			341,684		341,684
Trade receivables	7			1,790,260		1,790,260
Derivative financial instruments	9		558			558
Trading securities	9		13,037			13,037
Dividends receivable					26,902	26,902
Total			13,595	7,223,316	26,902	7,263,813
Non-current						
Other trade receivables	9			15,825		15,825
Investments	10	1,437,512				1,437,512
Loans - related parties	9			447,689		447,689
Total		1,437,512		463,514		1,901,126
Total Assets		1,437,512	13,595	7,686,830	26,902	9,164,849
Liabilities						
Current						
Borrowings and financing	13				1,868,354	1,868,354
Derivative financial instruments	14		50			50
Trade payables	-				1,580,180	1,580,180
Dividends and interest on capital	14				464,929	464,929
Total			50		3,913,463	3,913,463
Non-current						
Borrowings and financing	13				28,562,766	28,562,766
Total					28,562,766	28,562,766
Total Liabilities			50		32,476,229	32,476,229

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- **Fair value measurement**

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

Consolidated	Level 1	Level 2	09/30/2016 Balances	Level 1	Level 2	12/31/2015 Balances
Assets						
Current						
Financial assets at fair value through profit or loss						
Derivative financial instruments		558	558		118,592	118,592
Trading securities	13,037		13,037	10,778		10,778
Non-current						
Available-for-sale financial assets						
Investments	1,437,512		1,437,512	471,674		471,674
Total Assets	1,450,549	558	1,451,107	482,452	118,592	601,044
Liabilities						
Current						
Financial liabilities at fair value through profit or loss						
Derivative financial instruments		50	50		26,257	26,257
Total Liabilities		50	50			26,257

26,257

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

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

During March 2016, the Usiminas’ Board of Directors authorized a capital increase amounting to R\$64,882, through the issuance of up to 50,689,310 preferred shares. On April 22, 2016, CSN fully exercised its right of subscription, paying R\$11,603 by 9,064,856 preferred shares. The capital increase has been approved by the Usiminas’ Board of Directors on June 03, 2016.

The Usiminas’ Board of Directors authorized in April 2016 an increase in its share capital in the amount of R\$1,000,000, through the issuance of 200,000,000 common shares. Over again, on May 20, 2016, CSN fully exercised its right of subscription, paying R\$178,832 by 35,766,351 preferred shares. The capital increase has been approved by the Usiminas’ Board of Directors on July 19, 2016.

As of September 30, 2016, there was no impairment recorded and the gain from the change in share price in the period was recorded in other comprehensive income (the impairment recorded as of 30 September, 2015 amounted to R\$ 81,016):

Class of shares	Quantity	09/30/2016		12/31/2015			Variation in the period	
		Share price	Carrying amount	Quantity	Share price	Carrying amount	Share price	Variation in the carrying amount
Common	107,156,651	9.45	1,012,630	71,390,300	4.02	286,989	5.43	725,641
Preferred	114,280,556	3.53	403,411	105,215,700	1.55	163,084	1.98	240,327
	221,437,207		1,416,041			450,073		965,968

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On September 30, 2016, the Company's stake in USIMINAS was 15.19% in the common shares and 20.86% in the preferred shares.

On September 30, 2016 the carrying amounts recorded in other comprehensive income for investments available for sale is R\$732,596 (R\$ (73) as of December 31, 2015).

III - Financial risk management

As of September 30, 2016, there were no changes in the financial risk management policies in relation to those disclosed in the Company's financial statements for the year ended December 31, 2015.

14.a) Foreign exchange and interest rate risks

- **Exchange rate risk**

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

The consolidated net exposure as of September 30, 2016 is as follows:

Foreign Exchange Exposure	(Amounts in US\$'000)	09/30/2016 (Amounts in €'000)
Cash and cash equivalents overseas	850,704	29,999
Trade receivables	297,880	10,591
Other assets	14,055	37,786
Total Assets	1,162,639	78,376
Borrowings and financing	(4,392,998)	(96,651)
Trade payables	(17,990)	(36,378)
Other liabilities	(12,266)	(35,326)
Total Liabilities	(4,423,254)	(168,355)
Foreign exchange exposure	(3,260,615)	(89,979)
Future dollar	(98,000)	
Cash flow hedge accounting	1,532,667	
Foreign investment hedge		96,000
Net foreign exchange exposure	(1,825,948)	6,021
Perpetual Bonds	1,000,000	
Net currency exposure of the Perpetual Notes	(825,948)	6,021

- Interest rate risk**

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

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14.b) Hedging instruments: Derivative and hedge accounting

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

- Portfolio of derivative financial instruments**

Counterparties	Maturity date	Functional Currency	Notional amount	Appreciation (R\$)		Fair value (market) Amounts receivable / (payable)	Notional amount
				Asset position	Liability position		
BM&FBovespa	10/03/2016	Dollar	(98,000)			(50)	1,435,000
Total forward dollar			(98,000)			(50)	1,435,000
BBVA		Dollar					39,450
BNPP	10/07/2016 and 03/09/2017	Dollar	12,334	40,318	(39,760)	558	18,700
Total dollar-to-euro swap			12,334	40,318	(39,760)	558	58,150
Itaú BBA		Real					150,000
HSBC		Real					

					185,000
<i>Deutsche Bank</i>	Real				10,000
Total Fixed rate-to-CDI interest rate swap					345,000
<i>Itaú BBA</i>	Real				30,000
<i>HSBC</i>	Real				120,000
Total interest rate- to-CDI swap					150,000
			40,318	(39,760)	508

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

Instruments	Assets		Liabilities		09/30/2016 Finance Income (expenses), net (note 25)
	Current	Total	Current	Total	
<i>Future Dollar BM&F</i>			50	50	(798,364)
<i>Dollar - to - euro swap</i>	558	558			(6,332)
<i>Fixed rate - to - CDI swap</i>					(299)
<i>CDI - to - fixed rate swap</i>					(63)