

NATIONAL STEEL CO  
Form 6-K  
September 13, 2016

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 6-K**

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

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

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**COMPANHIA SIDERÚRGICA NACIONAL**

(Exact name of registrant as specified in its charter)

**National Steel Company**

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes  No

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

ITR — Quarterly Financial Information -  
June 30, 2016 – CIA SIDERURGICA  
NACIONAL

Version: 1

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**Company Information / Capital Breakdown**

<b>Number of Shares</b>	<b>Current Quarter</b>
<b>(Units)</b>	<b>06/30/2016</b>
<b>Paid-in Capital</b>	
<b>Common</b>	1,387,524,047
<b>Preferred</b>	0
<b>Total</b>	1,387,524,047
<b>Treasury Shares</b>	
<b>Common</b>	30,391,000
<b>Preferred</b>	0
<b>Total</b>	30,391,000

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

Code	Description	Current Quarter	Previous Year
		06/30/2016	12/31/2015
1	Total assets	41,399,607	45,605,526
1.01	Current assets	7,745,548	8,842,440
1.01.01	Cash and cash equivalents	2,596,560	1,885,199
1.01.02	Financial investments	0	763,599
1.01.02.02	Financial investments measured at amortized cost	0	763,599
1.01.03	Trade receivables	2,245,449	2,467,523
1.01.04	Inventories	2,233,580	2,850,744
1.01.08	Other current assets	669,959	875,375
1.02	Non-current assets	33,654,059	36,763,086
1.02.01	Long-term receivables	4,330,913	4,510,431
1.02.01.06	Deferred taxes	3,105,030	3,228,961
1.02.01.09	Other non-current assets	1,225,883	1,281,470
1.02.02	Investments	20,018,260	23,323,565
1.02.03	Property, plant and equipment	9,245,398	8,866,348
1.02.04	Intangible assets	59,488	62,742

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
2	Total liabilities	41,399,607	45,605,526
2.01	Current liabilities	3,533,932	4,272,372
2.01.01	Payroll and related taxes	142,050	141,496
2.01.02	Trade payables	748,094	742,364
2.01.03	Taxes payable	57,989	5,814
2.01.04	Borrowings and financing	2,174,927	2,879,073
2.01.05	Other payables	325,240	411,699
2.01.06	Provisions	85,632	91,926
2.01.06.01	Provision for tax, social security, labor and civil risks	85,632	91,926
2.02	Non-current liabilities	30,286,578	33,668,407
2.02.01	Borrowings and financing	27,903,434	31,109,017
2.02.02	Other payables	88,404	126,450
2.02.04	Provisions	2,294,740	2,432,940
2.02.04.01	Provision for tax, social security, labor and civil risks	544,323	564,372
2.02.04.02	Other provisions	1,750,417	1,868,568
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	249,486	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	986,564	1,095,086
2.03	Consolidated Shareholders' equity	7,579,097	7,664,747
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,104,804	2,104,804
2.03.04.01	Legal reserve	424,536	424,536
2.03.04.02	Statutory reserve	1,895,494	1,895,494
2.03.04.04	Earnings reserves to realize	23,750	23,750
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/Losses	-893,927	0
2.03.08	Other comprehensive income	1,828,190	1,019,913



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

Code	Description	Current QuarterYear To Date		Same Quarter Previous Year	YTD Previous Year
		04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
3.01	Net revenue from sales and/or services	2,191,674	4,169,314	2,870,847	5,928,879
3.02	Cost of sales and/or services	-1,906,666	-3,545,062	-2,267,849	-4,457,281
3.03	Gross profit	285,008	624,252	602,998	1,471,598
3.04	Operating expenses/income	-641,816	-1,520,490	-760,491	253,539
3.04.01	Selling expenses	-137,596	-306,229	-148,232	-294,150
3.04.02	General and administrative expenses	-72,367	-195,627	-90,806	-175,370
3.04.04	Other operating income	1,730	4,570	8,547	12,269
3.04.05	Other operating expenses	-86,926	-189,468	-204,927	-406,687
3.04.06	Equity in income of affiliates	-346,657	-833,736	-325,073	1,117,477
3.05	Profit before finance income (costs) and taxes	-356,808	-896,238	-157,493	1,725,137
3.06	Finance income (costs)	380,363	112,485	-555,237	-2,583,592
3.06.01	Finance income	68,242	86,671	-87,637	407,056
3.06.02	Finance expenses	312,121	25,814	-467,600	-2,990,648
3.06.02.01	Net exchange difference on financial instruments	1,091,248	2,134,372	310,866	-1,349,106
3.06.02.02	Finance expenses	-779,127	-2,108,558	-778,466	-1,641,542
3.07	Profit (loss) before taxes on income	23,555	-783,753	-712,730	-858,455
3.08	Income tax and social contribution	-80,792	-110,174	98,462	636,243
3.09	Profit (loss) from continuing operations	-57,237	-893,927	-614,268	-222,212
3.11	Profit (loss) for the year	-57,237	-893,927	-614,268	-222,212
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				

3.99.01.01	Common shares	-0.04217	-0.65869	-0.45262	-0.16373
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**Parent Company Statements / Statement of Comprehensive Income  
(R\$ thousand)**

Code	Description	Current Quarter	Year to date	Same Quarter Previous Year	YTD Previous Year
		04/1/2016 to 06/30/2016	1/1/2016 to 06/30/2016	4/1/2015 to 06/30/2015	1/1/2015 to 06/30/2015
4.01	Profit for the year	-57,237	-893,927	-614,268	-222,212
4.02	Other comprehensive income	393,141	808,277	-377,048	-14,035
4.02.01	Actuarial (losses) gains on defined benefit plan from investments in subsidiaries, net of taxes	29	114	-221	-96
4.02.02	Actuarial (losses) gains on defined benefit	0	0	348	348
4.02.03	Income tax and social contribution on actuarial (losses) gains on defined benefit	0	0	-118	-118
4.02.04	Cumulative translation adjustments for the year	-284,651	-467,937	-7,815	168,956
4.02.05	Available-for-sale assets	95,500	127,853	-594,881	2,254
4.02.06	Income tax and social contribution on available-for-sale assets	0	0	202,259	-767
4.02.07	Available-for-sale assets from investments in subsidiaries, net of taxes	0	0	-89,516	-20,817
4.02.08	Impairment of available-for-sale assets	0	0	89,434	97,851
4.02.09	Income tax and social contribution on impairment of available-for-sale assets	0	0	-30,407	-33,269
4.02.10	(Loss) / gain on the percentage change in investments	584	584	-43	-43
4.02.11	(Loss) gain on cash flow hedge accounting	538,461	1,072,884	81,685	-345,960
4.02.12		-13,808	-13,808	-27,773	117,626

	Income tax and social contribution on cash flow hedge accounting				
4.02.13	Realization of cash flow hedge reclassified to the income statement	7,826	20,523	0	0
4.02.14	(Loss) gain on net investment hedge	49,200	68,064	0	0
4.03	Comprehensive income for the year	335,904	-85,650	-991,316	-236,247

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

<b>Code</b>	<b>Description</b>	<b>Year To Date 01/01/2016 to 06/30/2016</b>	<b>YTD Previous Year 01/01/2015 to 6/30/2015</b>
6.01	Net cash generated by operating activities	1,096,182	330,933
6.01.01	Cash generated from operations	-871,793	1,998,343
6.01.01.01	Profit (loss) for the year	-893,927	-222,212
6.01.01.02	Charges on borrowings and financing	1,257,102	1,575,442
6.01.01.03	Charges on loans and financing granted	-17,550	-9,535
6.01.01.04	Depreciation, depletion and amortization	275,222	424,556
6.01.01.05	Equity in income (losses) of affiliates	833,736	-1,117,477
6.01.01.06	Deferred income tax and social contribution	110,123	-642,283
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	-26,343	146,453
6.01.01.09	Inflation adjustment and exchange differences, net	-2,436,646	1,720,814
6.01.01.11	Impairment of available-for-sale assets	0	97,851
6.01.01.12	Residual value of permanent assets written off	20,729	3,907
6.01.01.14	Other provisions	5,761	20,827
6.01.02	Changes in assets and liabilities	1,967,975	-1,667,410
6.01.02.01	Trade receivables - third parties	-66,349	-172,718
6.01.02.02	Trade receivables - related parties	272,198	-158,525
6.01.02.03	Inventories	617,162	-328,120
6.01.02.04	Receivables - related parties / Dividends	-7,350	-1,550
6.01.02.05	Recoverable taxes	199,099	-59,206
6.01.02.06	Judicial deposits	32,595	-13,396
6.01.02.07	Dividends received - related parties	2,300,090	0
6.01.02.10	Trade payables	5,618	277,095
6.01.02.11	Payroll and related taxes	-135	-24,717
6.01.02.12	Taxes in installments - REFIS	55,379	-27,922

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6.01.02.14	Payables to related parties	-22,840	41,557
6.01.02.16	Interest paid	-1,324,899	-1,205,227
6.01.02.17	Interest received	0	651
6.01.02.19	Other	-92,593	4,668
6.02	Net cash used in investing activities	27,083	-51,015
6.02.01	Investments / Advances for future capital increase	-212,939	-18,452
6.02.02	Purchase of property, plant and equipment	-608,265	-828,458
6.02.03	Cash reduction of subsidiaries and joint ventures	0	129,745
6.02.04	Capital reduction in subsidiary and joint venture	0	486,758
6.02.08	Intercompany loans granted	0	-25,143
6.02.09	Intercompany loans received	0	5,546
6.02.10	Exclusive funds	84,688	198,989
6.02.11	Financial Investments, net of redemption	763,599	0
6.03	Net cash used in financing activities	-389,838	-1,184,399
6.03.01	Borrowings and financing, net of transaction cost	-26,018	595,000
6.03.02	Borrowings and financing - related parties	40,239	0
6.03.03	Forfeiting capitalization / drawee Risk	78,240	386,143
6.03.04	Forfeiting amortization / drawee Risk	-257,631	-562,948
6.03.05	Amortization of principal on borrowings and financing	-184,429	-585,436
6.03.06	Amortization of principal on borrowings and financing - related parties	-40,239	-457,936
6.03.07	Payments of dividends and interests on shareholder's equity	0	-549,832
6.03.08	Treasury shares	0	-9,390
6.04	Exchange differences on translating cash and cash equivalents	-22,066	0
6.05	Increase (decrease) in cash and cash equivalents	711,361	-904,481
6.05.01	Cash and equivalents at the beginning of the year	1,885,199	3,146,393
6.05.02	Cash and equivalents at the end of the year	2,596,560	2,241,912

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**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2016 to 06/30/2016  
(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		302,104,804	0	1,019,913	7,664,747
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	114	114
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	1,079,599	1,079,599
5.05.02.12	(Loss) / gain on net investment	0	0	0	0	68,064	68,064

	hedge, net of taxes					
5.07	Closing balance	4,540,000	302,104,804	-893,927	1,828,190	7,579,097

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**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2015 to 06/30/2015  
(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	0	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000		30 1,131,298	0	25,140	5,696,468
5.04	Capital transactions with shareholders	0	0	-284,390	0	0	-284,390
5.04.04	Treasury Shares Acquired	0	0	-9,390	0	0	-9,390
5.04.06	Dividends	0	0	-275,000	0	0	-275,000
5.05	Total comprehensive income	0	0	0	-222,212	-14,035	-236,247
5.05.01	Profit for the year	0	0	0	-222,212	0	-222,212
5.05.02	Other comprehensive income	0	0	0	0	-14,035	-14,035
5.05.02.04	Translation adjustments for the year	0	0	0	0	168,956	168,956
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	134	134
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	45,252	45,252
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	-43	-43

5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	-228,334	-228,334
5.07	Closing balance	4,540,000	30	846,908	-222,212	11,105	5,175,831



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

<b>Code</b>	<b>Description</b>	<b>Year To Date 01/01/2016 to 06/30/2016</b>	<b>YTD Prior Year 01/01/2015 to 06/30/2015</b>
7.01	Revenues	5,137,596	7,173,036
7.01.01	Sales of products and services	5,161,434	7,128,823
7.01.02	Other revenues	-14,507	62,125
7.01.04	Allowance for (reversal of) doubtful debts	-9,331	-17,912
7.02	Raw materials acquired from third parties	-4,128,170	-5,054,210
7.02.01	Cost of sales and services	-3,658,296	-3,996,450
7.02.02	Materials, electric power, outside services and other	-467,883	-954,824
7.02.03	Impairment/recovery of assets	-1,991	-5,085
7.02.04	Other	0	-97,851
7.02.04.01	Impairment of available-for-sale assets	0	-97,851
7.03	Gross value added	1,009,426	2,118,826
7.04	Retentions	-275,222	-424,556
7.04.01	Depreciation, amortization and depletion	-275,222	-424,556
7.05	Wealth created	734,204	1,694,270
7.06	Value added received as transfer	-1,065,919	2,126,557
7.06.01	Equity in income of affiliates	-833,736	1,117,477
7.06.02	Finance income	86,671	407,056
7.06.03	Other	-318,854	602,024
7.06.03.01	Other and exchange gains	-318,854	602,024
7.07	Wealth for distribution	-331,715	3,820,827
7.08	Wealth distributed	-331,715	3,820,827
7.08.01	Personnel	562,304	679,471
7.08.01.01	Salaries and wages	429,873	518,615
7.08.01.02	Benefits	99,496	127,447
7.08.01.03	Severance pay fund (FGTS)	32,935	33,409
7.08.02	Taxes, fees and contributions	340,260	-226,792
7.08.02.01	Federal	290,835	-293,008
7.08.02.02	State	49,425	62,039
7.08.02.03	Municipal	0	4,177
7.08.03	Remuneration on third-party capital	-340,352	3,590,360

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7.08.03.01	Interest	2,108,926	1,641,127
7.08.03.02	Leases	5,215	4,874
7.08.03.03	Other	-2,454,493	1,944,359
7.08.03.03.01	Other and exchange losses	-2,454,493	1,944,359
7.08.04	Remuneration on Shareholders capital	-893,927	-222,212
7.08.04.03	Retained earnings (accumulated losses)	-893,927	-222,212

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
1	Total assets	44,329,737	48,649,974
1.01	Current assets	11,925,609	16,430,691
1.01.01	Cash and cash equivalents	5,249,156	7,861,052
1.01.02	Financial investments	212,810	763,599
1.01.02.02	Financial investments measured at amortized cost	212,810	763,599
1.01.03	Trade receivables	1,688,377	1,578,277
1.01.04	Inventories	3,834,048	4,941,314
1.01.08	Other current assets	941,218	1,286,449
1.02	Non-current assets	32,404,128	32,219,283
1.02.01	Long-term receivables	4,708,126	4,890,948
1.02.01.06	Deferred taxes	3,175,554	3,307,027
1.02.01.09	Other non-current assets	1,532,572	1,583,921
1.02.02	Investments	4,400,282	3,998,227
1.02.03	Property, plant and equipment	17,953,537	17,871,599
1.02.04	Intangible assets	5,342,183	5,458,509

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
2	Total liabilities	44,329,737	48,649,974
2.01	Current liabilities	4,511,055	5,325,571
2.01.01	Payroll and related taxes	261,743	256,840
2.01.02	Trade payables	1,194,942	1,293,008
2.01.03	Taxes payable	727,095	700,763
2.01.04	Borrowings and financing	1,337,872	1,874,681
2.01.05	Other payables	865,285	1,073,017
2.01.06	Provisions	124,118	127,262
2.01.06.01	Provision for tax, social security, labor and civil risks	124,118	127,262
2.02	Non-current liabilities	31,149,356	34,588,740
2.02.01	Borrowings and financing	29,004,967	32,407,834
2.02.02	Other payables	137,032	131,284
2.02.03	Deferred taxes	478,257	494,851
2.02.04	Provisions	1,529,100	1,554,771
2.02.04.01	Provision for tax, social security, labor and civil risks	690,707	711,472
2.02.04.02	Other provisions	838,393	843,299
2.02.04.02.03	Provision for environmental liabilities and asset retirement obligations	324,025	328,931
2.02.04.02.04	Pension and healthcare plan	514,368	514,368
2.03	Consolidated Shareholders' equity	8,669,326	8,735,663
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,104,804	2,104,804
2.03.04.01	Legal reserve	424,536	424,536
2.03.04.02	Statutory reserve	1,895,494	1,895,494
2.03.04.04	Earnings reserves to realize	23,750	23,750
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/Losses	-893,927	0
2.03.08	Other comprehensive income	1,828,190	1,019,913
2.03.09	Non-controlling interests	1,090,229	1,070,916



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

Code	Description	Current	Year To	Same	YTD
		Quarter	Date	Quarter	Previous
		04/01/2016	01/01/2016	04/01/2015	01/01/2015
		to	to	to	to
		06/30/2016	06/30/2016	06/30/2015	06/30/2015
3.01	Net revenue from sales and/or services	4,349,346	8,193,149	3,687,140	7,697,392
3.02	Cost of sales and/or services	-3,426,907	-6,344,665	-2,847,095	-5,872,628
3.03	Gross profit	922,439	1,848,484	840,045	1,824,764
3.04	Operating expenses/income	-651,166	-1,343,279	-688,079	-913,813
3.04.01	Selling expenses	-394,183	-844,604	-311,344	-612,174
3.04.02	General and administrative expenses	-104,230	-264,341	-109,897	-219,742
3.04.04	Other operating income	11,746	34,018	12,562	18,524
3.04.05	Other operating expenses	-182,927	-331,759	-235,578	-455,077
3.04.06	Equity in income of affiliates	18,428	63,407	-43,822	354,656
3.05	Profit before finance income (costs) and taxes	271,273	505,205	151,966	910,951
3.06	Finance income (costs)	-204,483	-1,147,497	-771,695	-1,641,395
3.06.01	Finance income	140,729	383,883	43,477	99,613
3.06.02	Finance Expenses	-345,212	-1,531,380	-815,172	-1,741,008
3.06.02.01	Net exchange difference on financial instruments	487,675	169,435	-7,223	-72,466
3.06.02.02	Finance E	-832,887	-1,700,815	-807,949	-1,668,542
3.07	Profit (loss) before taxes on income	66,790	-642,292	-619,729	-730,444
3.08	Income tax and social contribution	-109,505	-231,715	5,136	507,653
3.09	Profit (loss) from continuing operations	-42,715	-874,007	-614,593	-222,791
3.11	Consolidated profit (loss) for the year	-42,715	-874,007	-614,593	-222,791
3.11.01	Attributed to controlling Shareholders	-57,237	-893,927	-614,268	-222,212
3.11.02	Attributed to non-controlling Shareholders	14,522	19,920	-325	-579
3.99	Earnings per share - (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0.04217	-0.65869	-0.45262	-0.16373



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

Code	Description	Current Quarter	Year to date	Same Quarter Previous Year	YTD Previous Year
		04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
4.01	Consolidated profit for the year	-42,715	-874,007	-614,593	-222,791
4.02	Other comprehensive income	393,141	808,277	-377,048	-14,035
4.02.01	Actuarial gains on defined benefit plan from investments in subsidiaries	29	114	0	0
4.02.02	Actuarial gains (losses) on defined benefit pension plan	0	0	0	202
4.02.03	Income tax and social contribution on actuarial (losses) gains on defined benefit pension plan	0	0	9	-68
4.02.04	Cumulative translation adjustments for the year	-284,651	-467,937	-7,815	168,956
4.02.05	Available-for-sale assets	95,500	127,853	-677,690	-29,287
4.02.06	Income tax and social contribution on available-for-sale assets	0	0	195,552	9,957
4.02.07	Impairment of available-for-sale assets	0	0	89,434	97,851
4.02.08	Income tax and social contribution on impairment of available-for-sale assets	0	0	-30,407	-33,269
4.02.09	(Loss) / gain on the percentage change in investments	584	584	-43	-43
4.02.10	Gain (loss) on cash flow hedge accounting	538,461	1,072,884	81,685	-345,960
4.02.11	Income tax and social contribution on cash flow hedge accounting	-13,808	-13,808	-27,773	117,626
4.02.12	Realization of cash flow hedge accounting reclassified to	7,826	20,523	0	0



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	income statement				
4.02.13	Gain (Loss) on net investment hedge	49,200	68,064	0	0
4.03	Consolidated comprehensive income for the year	350,426	-65,730	-991,641	-236,826
4.03.01	Attributed to controlling Shareholders	335,904	-85,650	-991,316	-236,247
4.03.02	Attributed to non-controlling Shareholders	14,522	19,920	-325	-579

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

Code	Description	Year to Date	YTD Previous
		01/01/2016 to 06/30/2016	Year 01/01/2015 to 06/30/2015
6.01	Net cash generated by operating activities	-730,946	1,178,068
6.01.01	Cash generated from operations	-205,285	2,958,173
6.01.01.01	Profit (loss) for the year	-893,927	-222,212
6.01.01.02	Charges on borrowings and financing	19,920	-579
6.01.01.03	Charges on loans and financing granted	1,485,733	1,583,962
6.01.01.04	Depreciation, depletion and amortization	-26,838	-8,659
6.01.01.05	Equity in income (losses) of affiliates	637,392	561,655
6.01.01.06	Deferred income tax and social contribution	-63,407	-354,656
6.01.01.07	Provision for tax, social security, labor, civil and environmental risks	144,589	-599,697
6.01.01.08	Inflation adjustment and exchange differences, net	-23,909	183,442
6.01.01.09	Impairment of available-for-sale assets	-1,359,310	1,633,246
6.01.01.10	Residual value of permanent assets written off	362	2,658
6.01.01.11	Other provisions	0	97,851
6.01.01.16	Changes in assets and liabilities	26,988	4,553
6.01.01.17	Trade receivables - third parties	-146,214	0
6.01.01.20	Trade receivables - related parties	-6,664	76,609
6.01.02	Inventories	-525,661	-1,780,105
6.01.02.01	Receivables - related parties / Dividends	-112,548	-262,503
6.01.02.02	Recoverable taxes	-8,526	-29,283
6.01.02.03	Judicial deposits	1,107,265	-253,368
6.01.02.05	Dividends received - related parties	235,524	19,757
6.01.02.06	Trade payables	24,624	-23,068
6.01.02.08	Payroll and related taxes	-96,459	267,110
6.01.02.09	Taxes in installments - REFIS	4,580	-17,311
6.01.02.10	Payables to related parties	41,413	-128,492
6.01.02.12	Interest paid	4,212	13,657
6.01.02.14	Interest received	-1,583,668	-1,362,278
6.01.02.15	Other	0	651
6.01.02.17	Net cash used in investing activities	-142,078	-4,977
6.02	Investments / Advances for future capital increase	-1,177,389	185,918

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6.02.02	Purchase of property, plant and equipment	-190,435	0
6.02.03	Cash reduction of subsidiaries and joint ventures	-797,054	-900,637
6.02.07	Capital reduction in subsidiary and joint venture	0	466,758
6.02.09	Intercompany loans granted	-715,547	551,882
6.02.10	Intercompany loans received	-6	-201
6.02.11	Exclusive funds	0	-25,143
6.02.12	Financial Investments, net of redemption	0	58,385
6.02.13	Net cash used in financing activities	525,653	34,874
6.03	Borrowings and financing, net of transaction cost	-671,439	-2,199,780
6.03.01	Borrowings and financing - related parties	-26,950	599,071
6.03.03	Forfeiting capitalization / drawee Risk	78,240	386,143
6.03.04	Forfeiting amortization / drawee Risk	-257,631	-562,948
6.03.05	Amortization of principal on borrowings and financing	-307,395	-1,969,314
6.03.06	Amortization of principal on borrowings and financing - related parties	0	-52,839
6.03.07	Payments of dividends and interests on shareholder's equity	0	-549,832
6.03.08	Treasury shares	0	-9,390
6.03.09	Buyback of debt securities	-157,703	-40,671
6.04	Exchange differences on translating cash and cash equivalents	-32,122	-5,799
6.05	Increase (decrease) in cash and cash equivalents	-2,611,896	-841,593
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	5,249,156	7,844,428

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**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 06/30/2016  
(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		302,104,804	0	1,019,913	7,664,747	1,
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747	1,
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650	
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927	
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277	
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937	
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	114	114	
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853	
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584	
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	1,079,599	1,079,599	
5.05.02.12		0	0	0	0	68,064	68,064	

	(Loss) / gain on net investment hedge, net of taxes							
5.06	Internal changes in shareholders' equity	0	0	0	0	0	0	0
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0	0
5.07	Closing balance	4,540,000	302,104,804	-893,927	1,828,190	7,579,097		1,

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**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 06/30/2015  
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders'Non-con equity inter
5.01	Opening balances	4,540,000	301,131,298		0	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000	301,131,298		0	25,140	5,696,468
5.04	Capital transactions with shareholders	0	0	-284,390	0	0	-284,390
5.04.04	Treasury shares acquired	0	0	-9,390	0	0	-9,390
5.04.06	Dividend Total	0	0	-275,000	0	0	-275,000
5.05	comprehensive income	0	0	0	-222,212	-14,035	-236,247
5.05.01	Profit for the period	0	0	0	-222,212	0	-222,212
5.05.02	Other comprehensive income	0	0	0	0	-14,035	-14,035
5.05.02.04	Translation adjustments for the period (Actuarial (losses) gains on	0	0	0	0	168,956	168,956
5.05.02.08	defined benefit pension plan, net of taxes	0	0	0	0	134	134
5.05.02.09	Available-for-sale assets, net of	0	0	0	0	45,252	45,252

5.05.02.10	taxes (Loss) / gain on the percentage change in investments	0	0	0	0	-43	-43
5.05.02.11	(Loss) gain on hedge accounting, net of taxes	0	0	0	0	-228,334	-228,334
5.06	Internal changes in shareholders' equity	0	0	0	0	0	0
5.06.04	Non-controlling interests in subsidiaries	0	0	0	0	0	0
5.07	Closing balances	4,540,000	30	846,908	-222,212	11,105	5,175,831

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

Code	Description	Year to Date	Previous Year
		1/1/2016 to 6/30/2016	01/01/2015 to 6/30/2015
7.01	Revenues	9,298,317	9,068,252
7.01.01	Sales of products and services	9,322,360	9,025,572
7.01.02	Other revenues	-14,552	62,929
7.01.04	Allowance for (reversal of) doubtful debts	-9,491	-20,249
7.02	Raw materials acquired from third parties	-6,694,416	-6,401,935
7.02.01	Cost of sales and services	-5,434,217	-5,019,457
7.02.02	Materials, electric power, outside services and other	-1,259,658	-1,278,681
7.02.03	Impairment/recovery of assets	-541	-5,946
7.02.04	Other	0	-97,851
7.02.04.01	Impairment of available-for-sale assets	0	-97,851
7.03	Gross value added	2,603,901	2,666,317
7.04	Retentions	-637,392	-561,655
7.04.01	Depreciation, amortization and depletion	-637,392	-561,655
7.05	Wealth created	1,966,509	2,104,662
7.06	Value added received as transfer	-748,600	5,022,318
7.06.01	Equity in income of affiliates	63,407	354,656
7.06.02	Finance income	383,883	99,613
7.06.03	Other	-1,195,890	4,568,049
7.06.03.01	Other and exchange gains	-1,195,890	4,568,049
7.07	Wealth for distribution	1,217,909	7,126,980
7.08	Wealth distributed	1,217,909	7,126,980
7.08.01	Personnel	1,024,077	958,691
7.08.01.01	Salaries and wages	818,711	752,281
7.08.01.02	Benefits	155,793	163,045
7.08.01.03	Severance pay fund (FGTS)	49,573	43,365
7.08.02	Taxes, fees and contributions	723,217	81,827
7.08.02.01	Federal	612,055	-64,711
7.08.02.02	State	101,022	136,130
7.08.02.03	Municipal	10,140	10,408
7.08.03	Remuneration on third-party capital	344,622	6,309,253



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7.08.03.01	Interest	1,701,183	1,314,562
7.08.03.02	Leases	10,041	7,373
7.08.03.03	Other	-1,366,602	4,987,318
7.08.03.03.01	Other and exchange losses	-1,366,602	4,987,318
7.08.04	Remuneration on Shareholders capital	-874,007	-222,791
7.08.04.03	Retained earnings (accumulated losses)	-893,927	-222,212
7.08.04.04	Non-controlling interests in retained earnings	19,920	-579

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

**1. DESCRIPTION OF BUSINESS**

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

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

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

• **Steel:**

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

• **Mining:**

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

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

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

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

• **Cement:**

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

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

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

• **Energy:**

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.a) Basis of preparation**

The consolidated condensed 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.

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

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

Note 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

Note 29 - Commitments

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The consolidated and parent company interim financial statements were approved by the Board of Directors on August 15, 2016.

## **2.b) Basis of presentation**

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of June 30, 2016, US\$1 is equivalent to R\$3.2098 (R\$3.9048 as of December 31, 2015), €1 is equivalent to R\$3.5414 (R\$4.2504 as of December 31, 2015).

## **2.c) Basis of consolidation**

The accounting practices were treated uniformly in all the consolidated companies. The consolidated condensed interim financial statements for the period ended June 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:





• **Companies**

Companies	Equity interests (%)	
	06/30/2016	12/31/2015 Core business
<b>Direct interest in subsidiaries: full consolidation</b>		
CSN Islands VII Corp.	100.00	100.00 Financial transactions
CSN Islands IX Corp.	100.00	100.00 Financial transactions
CSN Islands XI Corp.	100.00	100.00 Financial transactions
CSN Islands XII Corp.	100.00	100.00 Financial transactions
CSN Minerals S.L.U.	100.00	100.00 Equity interests
CSN Export Europe, S.L.U.	100.00	100.00 Financial transactions
CSN Metals S.L.U.	100.00	100.00 Equity interests and F
CSN Americas S.L.U.	100.00	100.00 Equity interests and F
CSN Steel S.L.U.	100.00	100.00 Equity interests and F
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 inter
Companhia Florestal do Brasil	99.99	99.99 Reforestation
Estanho de Rondônia S.A.	99.99	99.99 Tin Mining
Cia Metalic Nordeste	99.99	99.99 Manufacture of conta
Companhia Metalúrgica Prada	99.99	99.99 Manufacture of conta
CSN Gestão de Recursos Financeiros Ltda. (*)	99.99	99.99 Management of funds
Congonhas Minérios S.A.	87.52	87.52 Mining and Equity inter
CSN Energia S.A.	99.99	99.99 Sale of electric power
FTL - Ferrovia Transnordestina Logística S.A.	89.79	89.79 Railroad logistics
Nordeste Logística S.A.	99.99	99.99 Port services
<b>Indirect interest in subsidiaries: full consolidation</b>		
Companhia Siderúrgica Nacional LLC	100.00	100.00 Steel
CSN Europe Lda.	100.00	100.00 Financial transactions
CSN Ibéria Lda.	100.00	100.00 Financial transactions
Lusosider Projectos Siderúrgicos S.A.	99.94	99.94 Equity interests and p
Lusosider Aços Planos, S. A.	99.99	99.99 Steel and Equity inter
CSN Acquisitions, Ltd. (2)		100.00 Financial transactions
CSN Resources S.A.	100.00	100.00 Financial transactions
CSN Holdings (UK) Ltd (2)		100.00 Financial transactions
CSN Handel GmbH (3)	-	87.52 Financial transactions
Companhia Brasileira de Latas	100.00	100.00 Sale of cans and com

Companhia de Embalagens Metálicas MMSA	99.67	99.67 Production and sale of
Companhia de Embalagens Metálicas - MTM	99.67	99.67 Production and sale of
CSN Steel Holdings 1, S.L.U.	100.00	100.00 Financial transactions
CSN Productos Siderúrgicos S.L.	100.00	100.00 Financial transactions
Stalwerk Thüringen GmbH	100.00	100.00 Production and sale of
CSN Steel Sections UK Limited (*)	100.00	100.00 Sale of long steel
CSN Steel Sections Polska Sp.Z.o.o	100.00	100.00 Financial transactions
CSN Asia Limited	100.00	100.00 Commercial represen
Namisa International Minérios SLU	87.52	87.52 Financial transactions
Namisa Europe, Unipessoal Lda.	87.52	87.52 Equity interests, prod
CSN Mining GmbH (4)	87.52	87.52 Financial transactions
Namisa Asia Limited	87.52	87.52 Commercial represen

**Direct interest in joint operations: proportionate consolidation**

Itá Energética S.A.	48.75	48.75 Electric power genera
CGPAR - Construção Pesada S.A.	50.00	50.00 Mining support servic
Consórcio da Usina Hidrelétrica de Igarapava	17.92	17.92 Electric power consor

**Direct interest in joint ventures: equity method**

MRS Logística S.A.	18.64	18.64 Railroad transportatio
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 p
Transnordestina Logística S.A.	51.81	56.92 Railroad logistics

**Indirect interest in joint ventures: equity method**

MRS Logística S.A.	16.30	16.30 Railroad transportatio
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**Direct interest in associates: equity method**

Arvedi Metalfer do Brasil S.A.	20.00	20.00 Metallurgy and Equity
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(\*) They are Dormant Companies therefore they do not appear in the note 9.a, where is disclosed business information under the equity method.

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

(2) Company liquidated in January 2016;

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

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

- **Exclusive funds**

<b>Exclusive funds</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>06/30/2016</b>	<b>12/31/2015</b>	
<b>Direct interest: full consolidation</b>			
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 an yearly interest rate from 1.25% to 3.28%, maturing in 12 months.

- **Drawee risk**

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

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

## a) Statements of cash flows at June 30, 2015

	<b>Published</b>		<b>Consolidated</b>
	<b>Balances</b>	<b>Reclassifications</b>	<b>06/30/2015</b>
			<b>Restated Cash flows</b>
<b>Cash generated by operating activities</b>			
Profit for the year attributable to the controlling shareholders	(222,212)		(222,212)
Trade payables	86,589	180,521	267,110
Paid Interests	(1,358,562)	(3,716)	(1,362,278)
Others	2,495,448		2,495,448
<b>Net cash generated by operating activities</b>	<b>1,001,263</b>	<b>176,805</b>	<b>1,178,060</b>
<b>Cash used in investing activities</b>	<b>185,918</b>		<b>185,918</b>
<b>Cash generated by financing activities</b>			
Forfaiting funding / drawee risk		386,143	386,143
Forfaiting amortization / drawee risk		(562,948)	(562,948)
Others	(2,022,975)		(2,022,975)
<b>Net cash used in financing activities</b>	<b>(2,022,975)</b>	<b>(176,805)</b>	<b>(2,199,788)</b>
<b>Exchange rate changes on cash and cash equivalents</b>	<b>(5,799)</b>		<b>(5,799)</b>
<b>Increase in cash and cash equivalents</b>	<b>(841,593)</b>		<b>(841,593)</b>

	<b>Published</b>		<b>Parent</b>
	<b>balances</b>	<b>Reclassifications</b>	<b>Restated</b>
<b>Cash generated by operating activities</b>			
Profit for the year attributable to the controlling shareholders	(222,212)		(222,212)
Trade payables	96,574	180,521	277,095
Paid Interests	(1,201,511)	(3,716)	(1,205,227)
Others	1,481,277		1,481,277
<b>Net cash generated by operating activities</b>	<b>154,128</b>	<b>176,805</b>	<b>330,935</b>
<b>Cash used in investing activities</b>	<b>(51,015)</b>		<b>(51,015)</b>

**Cash generated by financing activities**

Forfaiting funding / drawee risk		386,143
Forfaiting amortization / drawee risk		(562,948)
Others	(1,007,594)	
<b>Net cash used in financing activities</b>	<b>(1,007,594)</b>	<b>(176,805)</b>

**Exchange rate changes on cash and cash equivalents**

<b>Increase in cash and cash equivalents</b>	<b>(904,481)</b>	
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**b) Statement of income and statement of comprehensive income at June 30, 2015**

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

**3. CASH AND CASH EQUIVALENTS**

	<b>06/30/2016</b>	<b>Consolidated 12/31/2015</b>	<b>06/30/2016</b>	<b>Parent Company 12/31/2015</b>
<b>Current</b>				
<b>Cash and cash equivalents</b>				
<b>Cash and banks</b>	<b>678,446</b>	<b>434,014</b>	<b>34,050</b>	<b>37,003</b>
<b>Short-term investments</b>				
<b>In Brazil:</b>				
Government securities	370,365	165,520	368,807	164,311
Private securities	1,926,191	945,420	1,729,034	570,284
	<b>2,296,556</b>	<b>1,110,940</b>	<b>2,097,841</b>	<b>734,595</b>
<b>Abroad:</b>				
<i>Time deposits</i>	2,274,154	6,316,098	464,669	1,113,601
<b>Total short-term investments</b>	<b>4,570,710</b>	<b>7,427,038</b>	<b>2,562,510</b>	<b>1,848,196</b>
<b>Cash and cash equivalents</b>	<b>5,249,156</b>	<b>7,861,052</b>	<b>2,596,560</b>	<b>1,885,199</b>

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

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

#### **4. SHORT-TERM INVESTMENTS**

Financial investments that guarantee letters of credit issued by Banco do Brazil; those credits have been applied in the acquisition of the northeast and the south cement plants. The carrying amount of these investments on June 30, 2016 is R\$212,810.

The Company used to have investments in public and private securities managed by its exclusive funds that had been qualified as guarantees for the forward dollar contracts traded at BM&F Bovespa, the details are disclosed in note 12 (b). The mentioned derivative operations were fully settled in April 2016 and the respective financial investments used as guarantees were reclassified to cash and cash equivalents. The carrying amounts of these financial investments on December 31, 2015 totaled to 763,599.



**5. TRADE RECEIVABLES**

	<b>06/30/2016</b>	<b>Consolidated 12/31/2015</b>	<b>06/30/2016</b>	<b>Parent Company 12/31/2015</b>
<b>Trade receivables</b>				
<b>Third parties</b>				
Domestic market	922,521	772,617	540,766	425,108
Foreign market	784,429	818,562	143,782	250,588
	<b>1,706,950</b>	<b>1,591,179</b>	<b>684,548</b>	<b>675,696</b>
Allowance for doubtful debts	(167,066)	(151,733)	(121,833)	(112,502)
	<b>1,539,884</b>	<b>1,439,446</b>	<b>562,715</b>	<b>563,194</b>
Related parties (Note 17 b)	82,602	61,366	933,505	1,140,172
	<b>1,622,486</b>	<b>1,500,812</b>	<b>1,496,220</b>	<b>1,703,366</b>
<b>Other receivables</b>				
Dividends receivable (Note 17 b) (*)	26,902	27,817	730,062	737,668
Advances to employees	31,676	40,190	19,066	24,465
Other receivables	7,313	9,458	101	2,024
	<b>65,891</b>	<b>77,465</b>	<b>749,229</b>	<b>764,157</b>
	<b>1,688,377</b>	<b>1,578,277</b>	<b>2,245,449</b>	<b>2,467,523</b>

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

In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$280,506 as of June 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:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Current	1,263,653	1,049,033	406,039	423,801
Past-due up to 180 days	268,173	353,443	163,173	118,488
Past-due over 180 days	175,124	188,703	115,336	133,407
	<b>1,706,950</b>	<b>1,591,179</b>	<b>684,548</b>	<b>675,696</b>

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(151,733)</b>	<b>(127,223)</b>	<b>(112,502)</b>	<b>(93,536)</b>
Estimated losses	(51,578)	(35,631)	(47,266)	(26,288)
Recovery of receivables	36,245	11,121	37,935	4,504
Incorporation of CSN Cimentos and assets				2,818
Spin-off to Congonhas				
<b>Closing balance</b>	<b>(167,066)</b>	<b>(151,733)</b>	<b>(121,833)</b>	<b>(112,502)</b>

**6. INVENTORIES**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Finished goods	1,073,932	1,912,868	704,856	1,078,554
Work in progress	744,122	1,007,630	524,164	746,614
Raw materials	850,563	1,062,557	525,637	563,119
Storeroom supplies	947,575	962,078	506,825	489,816
Iron ore	309,313	95,461	8,741	6,912
Advances to suppliers	7,626	12,147	4,231	6,191
Provision for losses	(99,083)	(111,427)	(40,874)	(40,462)
	<b>3,834,048</b>	<b>4,941,314</b>	<b>2,233,580</b>	<b>2,850,744</b>

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(111,427)</b>	<b>(112,581)</b>	<b>(40,462)</b>	<b>(88,056)</b>
Reversal / (losses) for slow-moving and obsolescence(note22)	12,344	1,154	(412)	15,835
Drop down of assets to Congonhas				31,759
<b>Closing balance</b>	<b>(99,083)</b>	<b>(111,427)</b>	<b>(40,874)</b>	<b>(40,462)</b>

**7. OTHER CURRENT AND NON-CURRENT ASSETS**

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

	<b>Consolidated</b>				<b>Cur</b>
	<b>Current</b>		<b>Non-current</b>		
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>
Judicial deposits (note 15)			346,495	328,542	
Credits with the PGFN (1)			45,185	87,761	
Recoverable taxes (2)	813,021	996,679	394,060	445,926	562,131

Prepaid expenses	81,390	119,456	22,089	28,119	40,339
Actuarial asset - related party (note 17 b)			99,580	114,433	
Derivative financial instruments (note 12 I)		118,592			
Exclusive funds					
Securities held for trading (note 12 I)	12,882	10,778			12,752
Iron ore inventory (3)			144,499	144,499	
Northeast Investment Fund – FINOR			10,888	10,888	
Other receivables (note 12 I)			13,311	6,877	
Loans with related parties (note 17 b)			400,053	373,214	
Other receivables from related parties (note 17 b)	9,209	9,420	32,770	29,020	54,737
Others	24,716	31,524	23,642	14,642	
	<b>941,218</b>	<b>1,286,449</b>	<b>1,532,572</b>	<b>1,583,921</b>	<b>669,959</b>

(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.

## 8. INVESTMENTS

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

- **Reduce of financial leverage**

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

- **Transnordestina**

The joint venture Transnordestina is in pre-operational phase and will continue as such until the completion of railway number II (Malha 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 delay in completion of 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 as well as to the operational continuity of the project.

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

Companies	Number of shares held by CSN in units Common Preferred		% Direct equity interest	Participation in			06/30/2016	
				Assets	Liabilities	Shareholders' equity	Profit / (loss) for the period	% Direct equity interest
<b>Investments under the equity method</b>								
<b>Subsidiaries</b>								
CSN Islands VII Corp.	20,001,000		100.00	6,310,398	6,345,212	(34,814)	(74,813)	100.0
CSN Islands IX Corp.	3,000,000		100.00	948	3	945	(1,384)	100.0
CSN Islands X Corp. (*)								
CSN Islands XI Corp.	50,000		100.00	2,517,658	2,466,501	51,157	29,165	100.0
CSN Islands XII Corp.	1,540		100.00	2,262,421	3,214,171	(951,750)	143,336	100.0
CSN Minerals S.L.U.	3,500		100.00	3,926,850	11,106	3,915,744	(835,350)	100.0
CSN Export Europe, S.L.U.	3,500		100.00	713,717	93,522	620,195	(201,146)	100.0
CSN Metals S.L.U.	16,504,020		100.00	625,744	24,672	601,072	(189,903)	100.0
CSN Americas S.L.U.	3,500		100.00	1,627,041	163,935	1,463,106	(234,309)	100.0
CSN Steel S.L.U.	22,042,688		100.00	2,606,050	1,581,876	1,024,174	333,219	100.0
Septiba Tecon S.A.	254,015,052		99.99	397,287	130,303	266,984	9,927	99.9
Mineração Nacional S.A.	65,020,211		99.99	498,972	165,602	333,370	(7,460)	99.9
Estanho de Rondônia S.A.	108,655,326		99.99	32,769	17,473	15,296	(6,995)	99.9
Cia Metalic Nordeste	92,459,582		99.99	163,360	33,087	130,273	198	99.9
	313,651,399		99.99	758,767	578,528	180,239	(32,694)	99.9

Companhia Metalúrgica Prada CSN Cimentos S.A. (**)									
Congonhas Minérios S.A.	158,419,480		87.52	12,270,781	4,884,453	7,386,328	136,178	87.5	
CSN Energia S.A.	43,149		99.99	72,774	13,684	59,090	12,879	99.9	
FTL - Ferrovia Transnordestina Logística S.A.	353,190,644		89.79	522,854	192,006	330,848	904	89.7	
Companhia Florestal do Brasil	35,454,849		99.99	34,878	3,600	31,278	(964)	99.9	
Nordeste Logística	99,999		99.99	100	55	45	(55)	99.9	
				<b>35,343,369</b>	<b>19,919,789</b>	<b>15,423,580</b>	<b>(919,267)</b>		
<b>Joint-venture e Joint-operation</b>									
Nacional Minérios S.A. (**)									
Itá Energética S.A.	253,606,846		48.75	286,475	33,732	252,743	4,639	48.7	
MRS Logística S.A.	26,611,282	2,673,312	18.64	1,478,595	875,810	602,785	46,531	18.6	
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,876,146		50.00	12,893	11,914	979	1,417	50.0	
CGPAR - Construção Pesada S.A.	50,000		50.00	42,636	30,944	11,692	3,091	50.0	
Transnordestina Logística S.A.	22,761,085	1,397,545	51.81	3,965,311	2,704,425	1,260,886	(10,742)	56.9	
Fair Value allocated to TLSA due to control loss						659,105			
				<b>5,785,910</b>	<b>3,656,825</b>	<b>2,788,190</b>	<b>44,936</b>		
<b>Associates</b>									
Arvedi Metalfer do Brasil	27,239,971		20.00	52,862	49,436	3,426	(44)	20.0	
				<b>52,862</b>	<b>49,436</b>	<b>3,426</b>	<b>(44)</b>		
<b>Classified as available-for-sale</b>									
Usiminas						769,488			
Panatlântica						20,474			
						<b>789,962</b>			
<b>Other investments</b>									

Profits on subsidiaries' inventories	(37,001)	45,041
Others	63,539	(4,402)
	<b>26,538</b>	<b>40,639</b>
<b>Total investments</b>	<b>19,031,696</b>	<b>(833,736)</b>

**Classification of investments in the balance sheet**

Investments in assets	20,018,260
Investments with negative equity	(986,564)
	<b>19,031,696</b>

(\*) Company extinguished in 2015;

(\*\*) Company incorporated in 2015;

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



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

	Consolidated			Parent Co
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
<b>Opening balance of investments</b>	<b>3,998,227</b>	<b>13,665,453</b>	<b>23,323,565</b>	<b>24,100,000</b>
<b>Opening balance of loss provisions</b>			<b>(1,095,086)</b>	<b>(1,095,086)</b>
Investment balance of Namisa 11.30.15		(10,160,981)		
Capital increase/acquisition of shares	190,435	3,575	201,263	4,000,000
Acquisition of Congonhas Minérios shares - 4,16%				2,700,000
Capital reduction		(466,758)		(500,000)
Dividends (1)	194	(54,464)	(2,291,507)	(3,900,000)
Comprehensive income (2)	128,558	(967,447)	(271,322)	(400,000)
Comprehensive income - Business Combination				1,900,000
Equity pickup (3)	84,344	1,192,034	(833,736)	5,900,000
Incorporation of subsidiary - CSN Cimentos				(1,000,000)
Drop down of MRS assets to Congonhas		786,800		(6,100,000)
Transfer of assets - Casa de Pedra e Tecar				1,000,000
Others	(1,476)	15	(1,481)	
<b>Closing balance of investments</b>	<b>4,400,282</b>	<b>3,998,227</b>	<b>20,018,260</b>	<b>23,300,000</b>
<b>Balance of provision for investments with negative equity</b>			<b>(986,564)</b>	<b>(1,095,086)</b>
<b>Total</b>	<b>4,400,282</b>	<b>3,998,227</b>	<b>19,031,696</b>	<b>22,204,914</b>

(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

	<b>06/30/2016</b>	<b>Consolidated 06/30/2015</b>
<b>Equity in results of affiliated companies</b>		
Nacional Minérios S.A.		347,498
MRS Logística S.A.	93,038	38,734
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,417	(2,263)
Transnordestina	(10,742)	(14,490)
Arvedi Metalfer do Brasil	(44)	(1,329)
Others	675	
	<b>84,344</b>	<b>368,150</b>
<b>Eliminations</b>		
To cost of sales	(23,414)	(18,258)
To net revenues		(2,188)
To taxes	7,961	6,952
<b>Others</b>	<b>(5,484)</b>	
<b>Equity in results</b>	<b>63,407</b>	<b>354,656</b>

**8.c) Joint ventures and joint operations financial information**

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

	06/30/2016							
	Equity interest (%)	Joint-Venture			Joint-Operation			
	MRS Logística 34.94%	CBSI 50.00%	Transnordestina Logística 51.81%	Itá Energética 48.75%	CGPAR 50.00%	MRS Logística 34.94%	CBSI 50.00%	
<b>Balance sheet</b>								
<b>Current assets</b>								
Cash and cash equivalents	578,179	1,500	30,793	7,769	7,784	671,475	3,300	
Advances to suppliers	10,178	958	35,992	79	60	6,854	2,000	
Other current assets	540,078	19,224	87,680	17,130	38,264	657,000	22,700	
<b>Total current assets</b>	<b>1,128,435</b>	<b>21,682</b>	<b>154,465</b>	<b>24,978</b>	<b>46,108</b>	<b>1,335,329</b>	<b>26,300</b>	
<b>Non-current assets</b>								
Advances to suppliers								
Other non-current assets	675,618	275	260,863	45,261	17,486	533,897	1,000	
Investments, PP&E and intangible assets	6,128,579	3,829	7,237,600	517,402	21,677	6,191,459	4,600	
<b>Total non-current assets</b>	<b>6,804,197</b>	<b>4,104</b>	<b>7,498,463</b>	<b>562,663</b>	<b>39,163</b>	<b>6,725,356</b>	<b>4,800</b>	

<b>Total Assets</b>	<b>7,932,632</b>	<b>25,786</b>	<b>7,652,928</b>	<b>587,641</b>	<b>85,271</b>	<b>8,060,685</b>	<b>31,1</b>
<b>Current liabilities</b>							
Borrowings and financing	770,913		48,237		9,063	844,296	
Other current liabilities	772,484	23,008	190,123	66,911	44,302	893,883	28,7
<b>Total current liabilities</b>	<b>1,543,397</b>	<b>23,008</b>	<b>238,360</b>	<b>66,911</b>	<b>53,365</b>	<b>1,738,179</b>	<b>28,7</b>
<b>Non-current liabilities</b>							
Borrowings and financing	2,576,007		4,841,095		8,522	2,772,462	
Other non-current liabilities	579,298	820	140,002	2,283		564,407	1,3
<b>Total non-current liabilities</b>	<b>3,155,305</b>	<b>820</b>	<b>4,981,097</b>	<b>2,283</b>	<b>8,522</b>	<b>3,336,869</b>	<b>1,3</b>
<b>Shareholders' equity</b>	<b>3,233,930</b>	<b>1,958</b>	<b>2,433,471</b>	<b>518,447</b>	<b>23,384</b>	<b>2,985,637</b>	<b>1,0</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,932,632</b>	<b>25,786</b>	<b>7,652,928</b>	<b>587,641</b>	<b>85,271</b>	<b>8,060,685</b>	<b>31,1</b>

**01/01/2016 a 06/30/2016**  
**Joint-Operation**

<b>Equity interest (%)</b>	<b>MRS Logística 34.94%</b>	<b>CBSI 50.00%</b>	<b>Joint-Venture Transnordestina Logística 51.81%</b>	<b>Itá Energética 48.75%</b>	<b>CGPAR 50.00%</b>	<b>MRS Logística 27.27%</b>	<b>CE 50.00%</b>
<b>Statements of Income</b>							
Net revenue	1,581,554	61,199		85,757	65,570	1,470,683	76,6
Cost of sales and services	(1,061,738)	(52,815)		(45,887)	(47,683)	(1,016,883)	(75,5)
Gross profit	519,816	8,384		39,870	17,887	453,800	1,0
Operating (expenses) income	(3,613)	(4,385)	(11,011)	(25,964)	(7,615)	(110,658)	(5,0)
Finance income (costs), net	(129,168)	(891)	(8,586)	494	(412)	(125,965)	(5)
Income before income tax and social contribution	387,035	3,108	(19,597)	14,400	9,860	217,177	(4,5)
Current and deferred income tax	(137,397)	(274)		(4,884)	(3,679)	(74,503)	

and social  
contribution  
**Profit / (loss)**  
**for the period**

249,638

2,834

(19,597)

9,516

6,181

142,674

(4,5

## 9. PROPERTY, PLANT AND EQUIPMENT

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

	Land	Buildings and Infrastructure	Machinery. equipment and facilities	Furniture and fixtures	Construction in progress	Other (*)
<b>Balance at December 31, 2015</b>	<b>264,289</b>	<b>2,696,126</b>	<b>11,109,272</b>	<b>38,986</b>	<b>3,199,386</b>	<b>563,540</b>
Cost	264,289	3,436,458	18,638,117	183,086	3,199,386	811,535
Accumulated depreciation		(740,332)	(7,528,845)	(144,100)		(247,995)
<b>Balance at December 31, 2015</b>	<b>264,289</b>	<b>2,696,126</b>	<b>11,109,272</b>	<b>38,986</b>	<b>3,199,386</b>	<b>563,540</b>
Effect of foreign exchange differences	(11,663)	(34,354)	(137,336)	(800)	(7,800)	(3,149)
Acquisitions	4	100	44,574	392	735,885	23,537
Capitalized interest (notes 23 and 27)					110,875	
Write-offs (note 22)		(34)	(6,997)	(6)	(74)	(6,786)
Depreciation		(57,218)	(535,721)	(2,965)		(13,568)
Transfers to other asset categories		80,110	454,292	61	(532,114)	(2,349)
Transfers to intangible assets					(14,353)	
Others			(542)		(63)	
<b>Balance at June 30, 2016</b>	<b>252,630</b>	<b>2,684,730</b>	<b>10,927,542</b>	<b>35,668</b>	<b>3,491,742</b>	<b>561,225</b>
Cost	252,630	3,458,982	18,814,607	178,690	3,491,742	816,853
Accumulated depreciation		(774,252)	(7,887,065)	(143,022)		(255,628)
<b>Balance at June 30, 2016</b>	<b>252,630</b>	<b>2,684,730</b>	<b>10,927,542</b>	<b>35,668</b>	<b>3,491,742</b>	<b>561,225</b>

	Land	Buildings and Infrastructure	Machinery. equipment and facilities	Furniture and fixtures	Construction in progress	Other (*)
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
Cost	83,350	1,025,848	10,677,122	118,301	1,723,327	159,914
Accumulated depreciation		(156,777)	(4,573,402)	(100,622)		(90,713)

<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
Acquisitions			25,182	165	565,284	17,634
Capitalized interest (notes 23 and 27)					62,942	
Write-offs (note 22)		(34)	(7)	(3)		(7,594)
Depreciation		(12,348)	(255,604)	(1,463)		(3,100)
Transfers to other asset categories		49,193	185,288		(234,481)	
Transfers to intangible assets					(12,544)	
Others			(24)		566	(2)
<b>Balance at June 30, 2016</b>	<b>83,350</b>	<b>905,882</b>	<b>6,058,555</b>	<b>16,378</b>	<b>2,105,094</b>	<b>76,139</b>
Cost	83,350	1,075,172	10,887,384	118,056	2,105,094	176,116
Accumulated depreciation		(169,290)	(4,828,829)	(101,678)		(99,977)
<b>Balance at June 30, 2016</b>	<b>83,350</b>	<b>905,882</b>	<b>6,058,555</b>	<b>16,378</b>	<b>2,105,094</b>	<b>76,139</b>

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

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

	Project description	Start date	Completion date	Consolidated	
				06/30/2016	12/31/2015
<b>Logistics</b>	Current investments for maintenance of current operations.			55,213	35,457
				<b>55,213</b>	<b>35,457</b>
<b>Mining</b>	Expansion of Casa de Pedra Mine capacity production.	2007	2016/2017 (1)	738,528	709,945
	Expansion of TECAR export capacity.	2009	2020 (2)	238,453	390,920
	Current investments for maintenance of current operations.			318,350	302,764
				<b>1,295,331</b>	<b>1,403,629</b>
<b>Steel</b>	Equipment supply for use in the steel operation.	2008	2016	93,493	105,697
	Expansion of the service center/Mogi.	2013	2015/2016 (3)	77	14,950
	Current investments for maintenance of current operations.		(4)	496,232	375,579
				<b>589,802</b>	<b>496,226</b>
<b>Cement</b>	Construction of cement plants.	2011	2016 (5)	1,541,785	1,254,897
	Current investments for maintenance of current operations.			9,611	9,177
				<b>1,551,396</b>	<b>1,264,074</b>
<b>Construction in progress</b>				<b>3,491,742</b>	<b>3,199,386</b>

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

(2) Estimated completion date of phase 60 Mtpa;

(3) Estimated completion date of Mogi Service Center;



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

(5) Estimated completion date of the unit Arcos / Minas Gerais. The estimated useful lives are as follows:

The estimated useful lives are as follows:

	<b>06/30/2016</b>	<b>Consolidated 12/31/2015</b>	<b>06/30/2016</b>	<b>Parent Company 12/31/2015</b>
<b><i>In Years</i></b>				
Buildings	43	43	43	43
Machinery, equipment and facilities	18	18	18	18
Furniture and fixtures	11	11	11	11
Others	14	14	11	11

**9.a) Depreciation, amortization and depletion expenses:**

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

	<b>Six months ended</b>		<b>Consolidated</b>	
			<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Production costs	602,414	531,909	298,503	273,033
Sales expenses	4,527	4,630	2,253	2,330
General and Administrative Expenses	7,147	6,639	3,496	3,317
	<b>614,088</b>	<b>543,178</b>	<b>304,252</b>	<b>278,680</b>
Other operating expenses (*)	23,304	18,477	11,196	9,473
	<b>637,392</b>	<b>561,655</b>	<b>315,448</b>	<b>288,153</b>

	<b>Six months ended</b>		<b>Parent Company</b>	
			<b>Three months ended</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Production costs	267,168	416,685	135,700	214,273
Sales expenses	3,608	3,658	1,798	1,880
General and Administrative Expenses	4,446	4,213	2,199	2,074
	<b>275,222</b>	<b>424,556</b>	<b>139,697</b>	<b>218,227</b>
Other operating expenses (*)				
	<b>275,222</b>	<b>424,556</b>	<b>139,697</b>	<b>218,227</b>

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

**10. INTANGIBLE ASSETS**

The information related to intangible assets did not have relevant changes in relation to that disclosed in the Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it in the condensed interim financial statements as of June 30, 2016.

							Consolidated
	Goodwill	Customer relationships	Software	Trademarks and patents	Rights and Licenses (*)	Others	Total
<b>Balance at December 31, 2015</b>	<b>4,098,465</b>	<b>413,387</b>	<b>75,236</b>	<b>143,636</b>	<b>727,390</b>	<b>395</b>	<b>5,458,809</b>
Cost	4,357,799	549,413	173,154	143,636	727,390	395	5,951,787
Accumulated amortization	(150,004)	(136,026)	(97,918)				(383,948)
Adjustment for accumulated recoverable value	(109,330)						(109,330)
<b>Balance at December 31, 2015</b>	<b>4,098,465</b>	<b>413,387</b>	<b>75,236</b>	<b>143,636</b>	<b>727,390</b>	<b>395</b>	<b>5,458,809</b>
Effect of foreign exchange differences		(65,524)	(125)	(23,959)		(66)	(89,614)
Acquisitions and expenditures			6				6
Transfer of property. Plant and equipment			14,353				14,353
Write-offs (note 22)	(13,091)						(13,091)
Amortization		(22,066)	(5,854)				(27,920)
<b>Balance at June 30, 2016</b>	<b>4,085,374</b>	<b>325,797</b>	<b>83,616</b>	<b>119,677</b>	<b>727,390</b>	<b>329</b>	<b>5,342,083</b>
Cost	4,459,370	458,022	179,464	119,677	727,390	329	5,944,252
Accumulated amortization	(264,666)	(132,225)	(95,848)				(492,739)
Adjustment for accumulated recoverable value	(109,330)						(109,330)
<b>Balance at June 30, 2016</b>	<b>4,085,374</b>	<b>325,797</b>	<b>83,616</b>	<b>119,677</b>	<b>727,390</b>	<b>329</b>	<b>5,342,083</b>

(\*) Composed mainly by mineral rights with estimated resources of 1,101 million tons. Corresponding amortization is recorded based on production volumes.

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

		<b>Consolidated</b>			<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>		<b>06/30/2016</b>	<b>12/31/2015</b>	
Software	5	5		5	5	
Customer relationships	13	13				

## 11. BORROWINGS, FINANCING AND DEBENTURES

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

	<b>Rates p.a. (%)</b>	<b>Current liabilities</b>		<b>Non-current liabilities</b>		<b>Current liabilities</b>	
		<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>FOREIGN CURRENCY</b>							
Prepayment (*)	1% to 3.5%	109,231	207,657	528,547	2,633,137	109,231	
Prepayment (*)	3.51% to 8%	369,012	286,487	4,289,363	3,429,716	439,384	
Perpetual bonds	7%	4,369	5,315	3,209,800	3,904,800		
Fixed rate notes (*)	4.14% to 10%	135,052	175,768	5,445,737	6,910,992	26,634	
Intercompany bonds	Libor 6M to 3%					1,051,237	1,051,237
<i>Forfeiting</i> (**)	Libor + Spread	151,079	288,772			151,079	
Others	1.2% to 8%	98,528	115,594	270,368	425,635		
		<b>867,271</b>	<b>1,079,593</b>	<b>13,743,815</b>	<b>17,304,280</b>	<b>1,777,565</b>	<b>2,102,474</b>
<b>LOCAL CURRENCY</b>							
BNDES/FINAME	1.3% + TJLP 2.5% and fixed 6% + 1.5%	66,393	55,435	1,021,819	1,018,189	39,581	
Debentures	110.8% to 113.7% CDI	156,760	60,670	1,653,333	1,750,000	156,760	
Prepayment (*)	109.5 % to 116.5% CDI and fixed rate of 8%	194,418	522,418	5,460,000	5,200,000	143,347	
CCB	112.5% and 113% CDI	91,390	92,976	7,200,000	7,200,000	91,390	

Drawee risk (**)		84,063				
Others		6,229		12,107		
	<b>508,961</b>	<b>821,791</b>	<b>15,335,152</b>	<b>15,180,296</b>	<b>431,078</b>	
<b>Total borrowings and financing</b>	<b>1,376,232</b>	<b>1,901,384</b>	<b>29,078,967</b>	<b>32,484,576</b>	<b>2,208,643</b>	<b>2,</b>
Transaction costs and issue premiums	(38,360)	(26,703)	(74,000)	(76,742)	(33,716)	(
<b>Total borrowings and financing + transaction costs</b>	<b>1,337,872</b>	<b>1,874,681</b>	<b>29,004,967</b>	<b>32,407,834</b>	<b>2,174,927</b>	<b>2,</b>

(\*) The balances of Pre-export loans, Fixed Rate Notes and Intercompany Bonds from related parties of the parent company totals R\$11,043,554 on June 30, 2016 (R\$13,416,687 on December 31, 2015), see note 17b.

(\*\*) The balances of forfaiting and drawee risk operations totals R\$ 151,079 on June 30, 2016 (R\$372,835 on December 31, 2015).

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

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

		<b>Consolidated</b>		<b>Parent Company</b>
2017	1,111,025	4%	2,668,109	10%
2018	5,602,570	19%	4,774,316	17%
2019	6,896,445	24%	5,271,913	19%
2020	7,408,444	25%	4,621,687	17%
2021	2,208,657	8%	2,788,330	10%
After 2021	2,642,026	9%	7,847,121	27%
Perpetual bonds	3,209,800	11%		
	<b>29,078,967</b>	<b>100%</b>	<b>27,971,476</b>	<b>100%</b>

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

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>34,282,515</b>	<b>30,354,058</b>	<b>33,988,090</b>	<b>29,560,826</b>
Funding transactions	7,437	978,206	40,239	2,694,533
Forfeiting funding / Drawee Risk	78,240	924,706	78,240	924,706
Repayment	(611,239)	(2,850,077)	(224,668)	(1,542,921)
Charges – payments	(257,631)	(1,146,306)	(257,631)	(1,146,306)
Forfeiting payments	(1,582,124)	(2,957,762)	(1,323,355)	(2,656,208)
Forfeiting charges	(1,544)	(7,064)	(1,544)	(7,064)
Provision of charges	1,593,578	3,052,164	1,317,017	2,996,662
Provision charges Forfeiting / Drawee Risk	3,030	2,032	3,030	2,032
Other (1)	(3,169,423)	5,932,558	(3,541,057)	3,161,830
<b>Closing balance</b>	<b>30,342,839</b>	<b>34,282,515</b>	<b>30,078,361</b>	<b>33,988,090</b>

(1) Includes interests and unrealized foreign exchange variances.

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

• **Capitalization**

<b>Transaction</b>	<b>Financial institution</b>	<b>Date</b>	<b>Amount</b>	<b>Consolidated Maturity</b>
Financing	Kreissparkasse Saalfeld-Rudolstadt	June/16	7,437	January 2018
<b>Total</b>			<b>7,437</b>	

• **Amortization**

<b>Transaction</b>	<b>Payment of principal</b>	<b>Consolidated Debt charges</b>
Fixed Rate Notes	105,178	388,450
Debentures		130,306
Bank Credit Bill		539,078
Export Credit Note	65,000	403,811
Pre - Export Payment	116,935	103,112
BNDES/FINAME	16,326	16,589
Pre - Debt Payment	303,844	
Others	3,956	778
<b>Total</b>	<b>611,239</b>	<b>1,582,124</b>

## 12. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes compared to what was disclosed in Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of June 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 - effective interest rate	Other liabilities - amortized cost method	06/30/2016	
						Balances	Available for sale
<b>Assets</b>							
<b>Current</b>							
Cash and cash equivalents	3			5,249,156		5,249,156	
Short-term investments - margin deposit	4			212,810		212,810	
Trade receivables	5			1,622,486		1,622,486	
Derivative financial instruments	7						
Trading securities	7		12,882			12,882	
<b>Total</b>			<b>12,882</b>	<b>7,084,452</b>		<b>7,097,334</b>	



<b>Non-current</b>					
Other trade receivables	7		13,311	13,311	
Investments	8	789,962		789,962	471,
Loans - related parties	7		400,053	400,053	
<b>Total</b>		<b>789,962</b>	<b>413,364</b>	<b>1,203,326</b>	<b>471,</b>
<b>Total assets</b>		<b>789,962</b>	<b>12,882</b>	<b>7,497,816</b>	<b>8,300,660</b>
<b>Liabilities</b>					
<b>Current</b>					
Borrowings and financing	11		1,376,232	1,376,232	
Derivative financial instruments	13				
Trade payables			1,194,942	1,194,942	
Dividends and interest on capital	13		464,982	464,982	
<b>Total</b>			<b>3,036,156</b>	<b>3,036,156</b>	
<b>Non-current</b>					
Borrowings and financing	11		29,078,967	29,078,967	
<b>Total</b>			<b>29,078,967</b>	<b>29,078,967</b>	
<b>Total liabilities</b>			<b>32,115,123</b>	<b>32,115,123</b>	

- **Fair value measurement**

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

<b>Consolidated</b>	<b>Level 1</b>	<b>06/30/2016 Balances</b>	<b>Level 1</b>	<b>Level 2</b>	<b>12/31/2015 Balances</b>
<b>Assets</b>					
<b>Current</b>					
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial instruments				118,592	118,592
Trading securities	12,882	12,882	10,778		10,778
<b>Non-current</b>					
<b>Available-for-sale financial assets</b>					
Investments	789,962	789,962	471,674		471,674
<b>Total assets</b>	<b>802,844</b>	<b>802,844</b>	<b>482,452</b>	<b>118,592</b>	<b>601,044</b>
<b>Liabilities</b>					
<b>Current</b>					
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial instruments				26,257	26,257
<b>Total liabilities</b>				<b>26,257</b>	<b>26,257</b>

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

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

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 June 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 June, 2015 amounted to R\$ 89,433):

Class of shares	06/30/2016			12/31/2015			Variation in the carrying amount
	Quantity	Share price	Closing Balance	Quantity	Share price	Closing Balance	
Common (*)	107,156,651	5.08	544,356	71,390,300	4.02	286,989	257,367
Preferred	114,280,556	1.97	225,133	105,215,700	1.55	163,084	62,049
	<b>221,437,207</b>		<b>769,489</b>			<b>450,073</b>	<b>319,416</b>

(\*) The quantity and carrying amount of the common shares already reflect the approval of the capital increase on July 19, 2016.

As of June 30, 2016, the Company's shareholding equity in USIMINAS was 14.13% in the common shares and 20.86% in the preferred shares. Since July 19, 2016, upon approval of the capital increase in common shares, the Company's shareholding equity in USIMINAS is 15.19% of the common shares and 20.86% are preferred shares.

As of June 30, 2016 the carrying amounts recorded in other comprehensive income for investments available for sale is R\$127,780 (R\$ (73) as of December 31, 2015).

### **III - Financial risk management**

As of June 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.

**12.a) Foreign exchange and interest rate risks****• Exchange rate risk**

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

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

<b>Foreign Exchange Exposure</b>	<b>(Amounts in US\$'000)</b>	<b>06/30/2016 (Amounts in €'000)</b>
Cash and cash equivalents overseas	802,027	56,126
Trade receivables	306,844	9,423
Other assets	9,740	15,840
<b>Total assets</b>	<b>1,118,611</b>	<b>81,389</b>
Borrowings and financing	(4,437,097)	(97,581)
Trade payables	(5,988)	(8,840)
Other liabilities	(7,216)	(81,329)
<b>Total liabilities</b>	<b>(4,450,301)</b>	<b>(187,750)</b>
<b>Foreing exchange exposure</b>	<b>(3,331,690)</b>	<b>(106,361)</b>
Cash flow hedge accounting	1,541,000	
Net Investment hedge accounting		96,000
<b>Net foreign exchange exposure</b>	<b>(1,790,690)</b>	<b>(10,361)</b>