

NATIONAL STEEL CO  
Form 6-K  
December 01, 2009

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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 November, 2009**

**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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**FEDERAL PUBLIC SERVICE****CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION  
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****September 30,  
2009****Accounting  
Practices  
Adopted in  
Brazil****REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.****01.01 IDENTIFICATION**

|  |   |  |
|--|---|--|
| 1 - CVM<br>CODE<br><b>00403-0</b>                        | 2 - COMPANY NAME<br><b>COMPANHIA SIDERÚRGICA NACIONAL</b> | 3 - CNPJ (Corporate<br>Taxpayer s ID)<br><b>33.042.730/0001-04</b> |
| 4 - NIRE (Corporate Registry ID)<br><b>33-3-00011595</b> |   |  |

**01.02 HEAD OFFICE**

|  |                            |                        |                    |            |
|--|----------------------------|------------------------|--------------------|------------|
| 1 - ADDRESS<br>RUA SÃO JOSÉ, 20 GR, 1602 PARTE |                            | 2 - DISTRICT<br>CENTRO |                    |            |
| 3 - ZIP CODE<br>20010-020                      | 4 - CITY<br>RIO DE JANEIRO |                        | 5 - STATE<br>RJ    |            |
| 6 - AREA CODE<br>21                            | 7 - TELEPHONE<br>2141-1800 | 8 - TELEPHONE<br>-     | 9 - TELEPHONE<br>- | 10 - TELEX |
| 11 - AREA CODE<br>21                           | 12 - FAX<br>2141-1809      | 13 - FAX<br>-          | 14 - FAX<br>-      |            |
| 15 - E-MAIL<br>invrel@csn.com.br               |                            |                        |                    |            |

**01.03 INVESTOR RELATIONS OFFICER (Company Mailing Address)**

|  |                            |                    |                            |            |
|--|----------------------------|--------------------|----------------------------|------------|
| 1- NAME<br>PAULO PENIDO PINTO MARQUES                  |                            |                    |                            |            |
| 2 - ADDRESS<br>AV. BRIGADEIRO FARIA LIMA, 3400 20º AND |                            |                    | 3 - DISTRICT<br>ITAIM BIBI |            |
| 4 - ZIP CODE<br>04538-132                              | 5 - CITY<br>SÃO PAULO      |                    | 6 - STATE<br>SP            |            |
| 7 - AREA CODE<br>11                                    | 8 - TELEPHONE<br>3049-7100 | 9 - TELEPHONE<br>- | 10 - TELEPHONE<br>-        | 11 - TELEX |
| 12 - AREA CODE<br>11                                   | 13 - FAX<br>3049-7212      | 14 - FAX<br>-      | 15 - FAX<br>-              |            |
| 16 - E-MAIL<br>paulopenido@csn.com.br                  |                            |                    |                            |            |

**01.04 REFERENCE AND AUDITOR INFORMATION**

| CURRENT YEAR  |            | CURRENT QUARTER |               |           | PREVIOUS QUARTER   |               |           |
|---|------------|-----------------|---------------|-----------|--|---------------|-----------|
| 1 - BEGINNING   | 2 - END    | 3 - QUARTER     | 4 - BEGINNING | 5 - END   | 6 - QUARTER  | 7 - BEGINNING | 8 - END   |
| 1/1/2009  | 12/31/2009 | 3               | 7/1/2009      | 9/30/2009 | 2  | 4/1/2009      | 6/30/2009 |
| 09 - INDEPENDENT ACCOUNTANT<br>KPMG AUDITORES INDEPENDENTES |            |                 |               |           | 10 - CVM CODE<br>00418-9   |               |           |
| 11. TECHNICIAN IN CHARGE<br>ANSELMO NEVES MACEDO            |            |                 |               |           | 12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S ID)<br>033.169.788-28 |               |           |

**01.05 CAPITAL STOCK**

| Number of Shares<br>(In thousands) | 1- CURRENT QUARTER<br>9/30/2009 | 2- PREVIOUS QUARTER<br>6/30/2009 | 3 SAME QUARTER<br>PREVIOUS YEAR<br>9/30/2008 |
|------------------------------------|---------------------------------|----------------------------------|--|
| <b>Paid-in Capital</b>             |                                 |                                  |  |
| 1 Common                           | 755,180                         | 793,404                          | 804,204                                      |
| 2 Preferred                        | 0                               | 0                                | 0  |
| 3 Total                            | 755,180                         | 793,404                          | 804,204                                      |
| <b>Treasury Shares</b>             |                                 |                                  |  |
| 4 Common                           | 26,195                          | 34,734                           | 34,734                                       |
| 5 Preferred                        | 0                               | 0                                | 0  |
| 6 Total                            | 26,195                          | 34,734                           | 34,734                                       |

**01.06 COMPANY PROFILE**

|  |
|--|
| 1 - TYPE OF COMPANY<br>Commercial, Industry and Other Types of Company           |
| 2 - STATUS<br>Operational  |
| 3 - NATURE OF OWNERSHIP<br>Private National                                      |
| 4 - ACTIVITY CODE<br>1060 Metallurgy and Steel Industry                          |
| 5 - MAIN ACTIVITY<br>MANUFACTURING, TRANSFORMATION AND TRADING OF STEEL PRODUCTS |
| 6 - CONSOLIDATION TYPE<br>Total  |
| 7 - TYPE OF REPORT OF INDEPENDENT AUDITORS<br>Unqualified                        |

**01.07 COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

|          |                                    |                     |
|----------|------------------------------------|---------------------|
| 1 - ITEM | 2 - CNPJ (Corporate Taxpayer s ID) | 3 - COMPANY<br>NAME |
|----------|------------------------------------|---------------------|

**01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER**

|             |              |                 |          |                        |                      |                         |
|-------------|--------------|-----------------|----------|------------------------|----------------------|-------------------------|
| 1 -<br>ITEM | 2 -<br>EVENT | 3 -<br>APPROVAL | 4 - TYPE | 5 - DATE OF<br>PAYMENT | 6 - TYPE OF<br>SHARE | 7 - AMOUNT<br>PER SHARE |
|-------------|--------------|-----------------|----------|------------------------|----------------------|-------------------------|

**01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR**

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL STOCK (In thousands of reais) | 4 - AMOUNT OF CHANGE (In thousands of reais) | 5 - NATURE OF CHANGE | 7 - NUMBER OF SHARES ISSUED (Thousand) | 8 - SHARE PRICE WHEN ISSUED (In reais) |
|----------|--------------------|---|--|----------------------|--|--|
|----------|--------------------|---|--|----------------------|--|--|

**01.10 - INVESTOR RELATIONS OFFICER**

| 1 - DATE  | 2 - SIGNATURE |
|-----------|---------------|
| 11/4/2009 |               |

**02.01 BALANCE SHEET - ASSETS (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                          | 3 - 9/30/2009 | 4 - 6/30/2009 |
|---------------|--|---------------|---------------|
| 1             | Total Assets                             | 36,401,212    | 34,231,253    |
| 1.01          | Current Assets                           | 11,310,824    | 8,627,663     |
| 1.01.01       | Cash and Cash Equivalents                | 1,320,521     | 100,992       |
| 1.01.02       | Receivable                               | 3,926,316     | 2,600,972     |
| 1.01.02.01    | Clients                                  | 1,308,889     | 1,310,120     |
| 1.01.02.01.01 | Domestic Market                          | 781,069       | 908,221       |
| 1.01.02.01.02 | Foreign Market                           | 823,890       | 683,099       |
| 1.01.02.01.03 | Advance on Export Contracts (ACE)        | (53,343)      | (58,548)      |
| 1.01.02.01.04 | Allowance for Doubtful Accounts          | (242,727)     | (222,652)     |
| 1.01.02.02    | Sundry Receivable                        | 2,617,427     | 1,290,852     |
| 1.01.02.02.01 | Employees                                | 18,596        | 19,853        |
| 1.01.02.02.02 | Corporate Income Tax Recoverable         | 54,757        | 48,642        |
| 1.01.02.02.03 | Deferred Income Tax                      | 316,162       | 321,049       |
| 1.01.02.02.04 | Deferred Social Contribution             | 113,965       | 115,739       |
| 1.01.02.02.05 | Prepaid Income Tax                       | 362,372       | 272,700       |
| 1.01.02.02.06 | Other Taxes                              | 305,325       | 304,578       |
| 1.01.02.02.07 | Proposed Dividends Receivable            | 104,003       | 104,003       |
| 1.01.02.02.08 | Loans with Subsidiaries                  | 1,297,452     | 194           |
| 1.01.02.02.09 | Other Receivable                         | 44,795        | 104,094       |
| 1.01.03       | Inventories                              | 2,084,054     | 2,642,957     |
| 1.01.04       | Other                                    | 3,979,933     | 3,282,742     |
| 1.01.04.01    | Marketable Securities                    | 3,970,344     | 3,270,240     |
| 1.01.04.02    | Prepaid Expenses                         | 9,589         | 12,502        |
| 1.02          | Noncurrent Assets                        | 25,090,388    | 25,603,590    |
| 1.02.01       | Long-Term Assets                         | 3,948,834     | 5,493,639     |
| 1.02.01.01    | Sundry Receivables                       | 929,296       | 944,939       |
| 1.02.01.01.02 | Securities Receivable                    | 67,550        | 81,976        |
| 1.02.01.01.03 | Deferred Income Tax                      | 527,164       | 508,378       |
| 1.02.01.01.04 | Deferred Social Contribution             | 176,549       | 169,699       |
| 1.02.01.01.05 | Other Taxes                              | 158,033       | 184,886       |
| 1.02.01.02    | Receivable from Related Parties          | 2,064,415     | 3,614,265     |
| 1.02.01.02.01 | Associated and Related Companies         | 0             | 0             |
| 1.02.01.02.02 | Subsidiaries                             | 1,353,175     | 1,409,572     |
| 1.02.01.02.03 | Other Related Parties                    | 711,240       | 2,204,693     |
| 1.02.01.03    | Other                                    | 955,123       | 934,435       |
| 1.02.01.03.01 | Judicial Deposits                        | 776,217       | 763,286       |
| 1.02.01.03.03 | Prepaid Expenses                         | 17,390        | 17,760        |
| 1.02.01.03.04 | Other                                    | 161,516       | 153,389       |
| 1.02.02       | Permanent Assets                         | 21,141,554    | 20,109,951    |
| 1.02.02.01    | Investments                              | 13,740,862    | 12,832,015    |
| 1.02.02.01.01 | Interest in Associated/Related Companies | 0             | 0             |



**02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                                     | 3 - 9/30/2009 | 4 - 6/30/2009 |
|---------------|---|---------------|---------------|
| 1.02.02.01.02 | Interest in Associated/Related Companies - Goodwill | 0             | 0             |
| 1.02.02.01.03 | Interest in Subsidiaries                            | 13,740,831    | 12,831,984    |
| 1.02.02.01.04 | Interest in Subsidiaries - Goodwill                 | 0             | 0             |
| 1.02.02.01.05 | Other Investments                                   | 31            | 31            |
| 1.02.02.02    | Property, Plant and Equipment                       | 7,281,149     | 7,155,867     |
| 1.02.02.02.01 | In Operation, Net                                   | 6,004,826     | 6,083,817     |
| 1.02.02.02.02 | In Construction                                     | 1,186,212     | 982,641       |
| 1.02.02.02.03 | Land  | 90,111        | 89,409        |
| 1.02.02.03    | Intangible Assets                                   | 89,552        | 90,482        |
| 1.02.02.04    | Deferred Charges                                    | 29,991        | 31,587        |



**02.02 BALANCE SHEET - LIABILITIES (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                         | 3 - 9/30/2009 | 4 -6/30/2009 |
|---------------|---|---------------|--------------|
| 2             | Total Liabilities                       | 36,401,212    | 34,231,253   |
| 2.01          | Current Liabilities                     | 5,245,346     | 5,815,025    |
| 2.01.01       | Loans and Financing                     | 2,857,887     | 2,729,343    |
| 2.01.02       | Debentures                              | 8,422         | 26,172       |
| 2.01.03       | Suppliers                               | 496,274       | 1,240,240    |
| 2.01.04       | Taxes, Fees and Contributions           | 971,196       | 825,464      |
| 2.01.04.01    | Salaries and Social Contributions       | 107,595       | 86,020       |
| 2.01.04.02    | Taxes Payable                           | 618,237       | 498,615      |
| 2.01.04.05    | Taxes Paid by Installments              | 245,364       | 240,829      |
| 2.01.05       | Dividends Payable                       | 274,801       | 194,481      |
| 2.01.06       | Provisions                              | 134,588       | 172,051      |
| 2.01.06.01    | Labor Contingencies                     | 122,535       | 127,923      |
| 2.01.06.02    | Civil Contingencies                     | 38,211        | 62,467       |
| 2.01.06.03    | Judicial Deposits                       | (82,883)      | (74,642)     |
| 2.01.06.04    | Provision for Pension Fund              | 56,725        | 56,303       |
| 2.01.07       | Debts with Related Parties              | 0             | 0            |
| 2.01.08       | Other                                   | 502,178       | 627,274      |
| 2.01.08.01    | Accounts Payable - Subsidiaries         | 190,438       | 181,934      |
| 2.01.08.03    | Other                                   | 311,740       | 445,340      |
| 2.02          | Noncurrent Liabilities                  | 24,752,174    | 21,425,716   |
| 2.02.01       | Long-Term Liabilities                   | 24,752,174    | 21,425,716   |
| 2.02.01.01    | Loans and Financing                     | 13,679,542    | 10,327,905   |
| 2.02.01.02    | Debentures                              | 600,000       | 600,000      |
| 2.02.01.03    | Provisions                              | 1,792,339     | 1,752,859    |
| 2.02.01.03.01 | Labor and Social Security Contingencies | 0             | 26,678       |
| 2.02.01.03.03 | Tax Contingencies                       | 3,764,891     | 3,701,647    |
| 2.02.01.03.04 | Environmental Contingencies             | 110,411       | 69,384       |
| 2.02.01.03.05 | Judicial Deposits                       | (2,082,963)   | (2,044,850)  |
| 2.02.01.04    | Debts with Related Parties              | 0             | 0            |
| 2.02.01.05    | Advance for Future Capital Increase     | 0             | 0            |
| 2.02.01.06    | Other                                   | 8,680,293     | 8,744,952    |
| 2.02.01.06.01 | Accounts Payable Subsidiaries           | 8,010,558     | 8,014,748    |
| 2.02.01.06.02 | Provision for Pension Fund              | 28,630        | 39,982       |
| 2.02.01.06.03 | Taxes Paid by Installments              | 491,649       | 542,671      |
| 2.02.01.06.05 | Other                                   | 149,456       | 147,551      |
| 2.03          | Deferred Income                         | 0             | 0            |
| 2.05          | Shareholders Equity                     | 6,403,692     | 6,990,512    |
| 2.05.01       | Paid-In Capital Stock                   | 1,680,947     | 1,680,947    |
| 2.05.02       | Capital Reserves                        | 30            | 30           |
| 2.05.03       | Revaluation Reserves                    | 0             | 0            |
| 2.05.03.01    | Own Assets                              | 0             | 0            |



**02.02 BALANCE SHEET - LIABILITIES (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                               | 3 - 9/30/2009 | 4 -6/30/2009 |
|---------------|---|---------------|--------------|
| 2.05.03.02    | Subsidiaries/Associated and Related Companies | 0             | 0            |
| 2.05.04       | Profit Reserves                               | 2,418,449     | 3,768,756    |
| 2.05.04.01    | Legal   | 336,190       | 336,190      |
| 2.05.04.02    | Statutory                                     | 0             | 0            |
| 2.05.04.03    | For Contingencies                             | 0             | 0            |
| 2.05.04.04    | Unrealized Income                             | 2,493,493     | 2,493,493    |
| 2.05.04.05    | Retention of Profits                          | 0             | 0            |
| 2.05.04.06    | Special For Undistributed Dividends           | 0             | 0            |
| 2.05.04.07    | Other Profit Reserves                         | (411,234)     | 939,073      |
| 2.05.04.07.01 | From Investments                              | 780,325       | 1,658,115    |
| 2.05.04.07.02 | Treasury Shares                               | (1,191,559)   | (719,042)    |
| 2.05.05       | Equity Valuation Adjustments                  | (33,024)      | 401,412      |
| 2.05.05.01    | Securities Adjustments                        | 0             | 0            |
| 2.05.05.02    | Accumulated Translation Adjustments           | (33,024)      | 401,412      |
| 2.05.05.03    | Business Combination Adjustments              | 0             | 0            |
| 2.05.06       | Retained Earnings/ Accumulated Losses         | 2,337,290     | 1,139,367    |
| 2.05.07       | Advance for Future Capital Increase           | 0             | 0            |

**03.01 STATEMENT OF INCOME (in thousands of Reais)**

| 1 - CODE      | 2 - DESCRIPTION                              | 3 -<br>7/1/2009 to<br>9/30/2009 | 4 -<br>1/1/2009 to<br>9/30/2009 | 5 -<br>7/1/2008 to<br>9/30/2008 | 6 -<br>1/1/2008 to<br>9/30/2008 |
|---------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.01          | Gross Revenue from Sales and/or Services     | 3,073,067                       | 7,871,571                       | 3,911,148                       | 10,515,625                      |
| 3.02          | Gross Revenue Deductions                     | (606,253)                       | (1,662,440)                     | (940,179)                       | (2,633,774)                     |
| 3.03          | Net Revenue from Sales and/or Services       | 2,466,814                       | 6,209,131                       | 2,970,969                       | 7,881,851                       |
| 3.04          | Cost of Goods Sold and/or Services Rendered  | (1,626,061)                     | (4,184,803)                     | (1,473,990)                     | (4,202,442)                     |
| 3.04.01       | Depreciation, Depletion and Amortization     | (139,361)                       | (418,848)                       | (230,643)                       | (757,668)                       |
| 3.04.02       | Other  | (1,486,700)                     | (3,765,955)                     | (1,243,347)                     | (3,444,774)                     |
| 3.05          | Gross Income                                 | 840,753                         | 2,024,328                       | 1,496,979                       | 3,679,409                       |
| 3.06          | Operating Income/Expenses                    | 540,451                         | 1,223,451                       | (1,514,362)                     | (1,329,298)                     |
| 3.06.01       | Selling Expenses                             | (123,842)                       | (352,629)                       | (111,606)                       | (335,536)                       |
| 3.06.01.01    | Depreciation and Amortization                | (1,278)                         | (3,656)                         | (2,081)                         | (5,925)                         |
| 3.06.01.02    | Other  | (122,564)                       | (348,973)                       | (109,525)                       | (329,611)                       |
| 3.06.02       | General and Administrative                   | (82,447)                        | (237,695)                       | (81,214)                        | (239,729)                       |
| 3.06.02.01    | Depreciation and Amortization                | (1,857)                         | (5,589)                         | (3,245)                         | (11,318)                        |
| 3.06.02.02    | Other  | (80,590)                        | (232,106)                       | (77,969)                        | (228,411)                       |
| 3.06.03       | Financial                                    | (267,870)                       | (63,186)                        | (1,298,860)                     | (1,323,602)                     |
| 3.06.03.01    | Financial Income                             | (350,612)                       | (163,936)                       | 541,819                         | 337,761                         |
| 3.06.03.02    | Financial Expenses                           | 82,742                          | 100,750                         | (1,840,679)                     | (1,661,363)                     |
| 3.06.03.02.01 | Foreign Exchange and Monetary Variation, net | 636,766                         | 1,870,698                       | (1,471,873)                     | (839,372)                       |
| 3.06.03.02.02 | Financial Expenses                           | (554,024)                       | (1,769,948)                     | (368,806)                       | (821,991)                       |
| 3.06.04       | Other Operating Income                       | 840,288                         | 945,712                         | 46,067                          | 60,674                          |
| 3.06.05       | Other Operating Expenses                     | (158,562)                       | (388,389)                       | (40,963)                        | (205,986)                       |
| 3.06.06       | Equity Pick-Up                               | 332,884                         | 1,319,638                       | (27,786)                        | 714,881                         |
| 3.07          | Operating Income                             | 1,381,204                       | 3,247,779                       | (17,383)                        | 2,350,111                       |
| 3.08          | Non-operating Income                         | 0                               | 0                               | 0                               | 0                               |
| 3.08.01       | Income                                       | 0                               | 0                               | 0                               | 0                               |
| 3.08.02       | Expenses                                     | 0                               | 0                               | 0                               | 0                               |
| 3.09          | Income before Taxes/Profit Sharing           | 1,381,204                       | 3,247,779                       | (17,383)                        | 2,350,111                       |

**03.01 STATEMENT OF INCOME (in thousands of Reais)**

| <b>1 - CODE</b> | <b>2 - DESCRIPTION</b>                             | 3 -<br>7/1/2009 to<br>9/30/2009 | 4 -<br>1/1/2009 to<br>9/30/2009 | 5 -<br>7/1/2008 to<br>9/30/2008 | 6 -<br>1/1/2008 to<br>9/30/2008 |
|-----------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.10            | Provision for Income and Social Contribution Taxes | (121,915)                       | (540,619)                       | (51,627)                        | (605,135)                       |
| 3.11            | Deferred Income Tax                                | 18,974                          | (96,307)                        | 83,613                          | 91,669                          |
| 3.11.01         | Deferred Income Tax                                | 13,898                          | (70,123)                        | 59,112                          | 62,947                          |
| 3.11.02         | Deferred Social Contribution                       | 5,076                           | (26,184)                        | 24,501                          | 28,722                          |
| 3.12            | Statutory Profit Sharing/Contributions             | 0                               | 0                               | 0                               | 0                               |
| 3.12.01         | Profit Sharing                                     | 0                               | 0                               | 0                               | 0                               |
| 3.12.02         | Contributions                                      | 0                               | 0                               | 0                               | 0                               |
| 3.13            | Reversal of Interest on Shareholders Equity        | 0                               | 0                               | 0                               | 0                               |
| 3.15            | Income/Loss for the Period                         | 1,278,263                       | 2,610,853                       | 14,603                          | 1,836,645                       |
|                 | OUTSTANDING SHARES, EX-TREASURY<br>(in thousands)  | 728,985                         | 728,985                         | 769,470                         | 769,470                         |
|                 | EARNINGS PER SHARE (in Reais)                      | 1.75348                         | 3.58149                         | 0.01898                         | 2.38690                         |
|                 | LOSS PER SHARE (in Reais)                          |                                 |                                 |                                 |                                 |

**04.01 STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)**

| 1 - CODE   | 2 - DESCRIPTION                                    | 3 -<br>7/1/2009 to<br>9/30/2009 | 4 -<br>1/1/2009 to<br>9/30/2009 | 5 -<br>7/1/2008 to<br>9/30/2008 | 6 -<br>1/1/2008 to<br>9/30/2008 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.01       | Net Cash from Operating Activities                 | (467,825)                       | (340,335)                       | 1,420,394                       | 2,910,175                       |
| 4.01.01    | Cash Generated in the Operations                   | 62,923                          | (249,647)                       | 1,818,195                       | 3,131,202                       |
| 4.01.01.01 | Net Income for the Period                          | 1,278,263                       | 2,610,853                       | 14,603                          | 1,836,645                       |
| 4.01.01.02 | Provision for Charges on Loans and Financing       | 440,070                         | 1,361,440                       | 176,984                         | 451,769                         |
| 4.01.01.03 | Depreciation, Depletion and Amortization           | 142,497                         | 428,093                         | 235,969                         | 774,911                         |
| 4.01.01.04 | Income from Write-off and Disposal of Assets       | 23,224                          | 32,154                          | 14,110                          | 15,467                          |
| 4.01.01.05 | Income from Corporate Interest                     | (332,884)                       | (1,319,638)                     | 27,785                          | (714,880)                       |
| 4.01.01.06 | Gain and Loss in Percentage Variation              | (835,115)                       | (828,312)                       | 0                               | 0                               |
| 4.01.01.07 | Deferred Income and Social Contribution Taxes      | (18,975)                        | 96,307                          | (83,613)                        | (91,669)                        |
| 4.01.01.08 | Provision for Swap/Forward Operations              | 0                               | 9,264                           | 79,294                          | 91,745                          |
| 4.01.01.09 | Provision for Actuarial Liability                  | (10,930)                        | (32,213)                        | (36,236)                        | (107,852)                       |
| 4.01.01.10 | Monetary and Exchange Variation                    | (735,161)                       | (2,792,246)                     | 1,342,336                       | 699,088                         |
| 4.01.01.11 | Provision for Contingencies                        | 34,489                          | 80,853                          | 26,556                          | 47,336                          |
| 4.01.01.12 | Other Provisions                                   | 77,445                          | 103,798                         | 20,407                          | 128,642                         |
| 4.01.02    | Variation in Assets and Liabilities                | (530,748)                       | (90,688)                        | (397,801)                       | (221,027)                       |
| 4.01.02.01 | Accounts Receivable                                | (215,219)                       | (133,266)                       | (166,492)                       | (275,326)                       |
| 4.01.02.02 | Inventories  | 439,029                         | 624,305                         | (296,048)                       | (174,320)                       |
| 4.01.02.03 | Receivables from Subsidiaries and Assoc. Companies | 426,754                         | 1,424,274                       | 286,790                         | 510,597                         |
| 4.01.02.04 | Taxes to Offset                                    | 44,334                          | (48,923)                        | (2,640)                         | (24,873)                        |
| 4.01.02.05 | Prepaid Taxes                                      | (121,402)                       | (492,991)                       | 0                               | 0                               |
| 4.01.02.06 | Suppliers  | (661,023)                       | (986,697)                       | 544,960                         | 440,288                         |
| 4.01.02.07 | Salaries and Social Charges                        | 21,575                          | 31,947                          | 15,087                          | 33,380                          |
| 4.01.02.08 | Taxes  | 76,100                          | 450,733                         | (439,908)                       | (247,647)                       |
| 4.01.02.09 | Accounts Payable - Subsidiaries                    | (73,058)                        | 56,286                          | (159,242)                       | 50,480                          |
| 4.01.02.10 | Contingent Liabilities                             | (31,879)                        | (11,922)                        | 86,554                          | 246,773                         |
| 4.01.02.11 | Financial Institutions Interest Rates              | (444,141)                       | (1,035,238)                     | 185,654                         | (433,243)                       |
| 4.01.02.12 | Financial Institutions - Swap                      | 0                               | (9,049)                         | (375,007)                       | (375,007)                       |

**04.01 STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)**

| 1 - CODE   | 2 - DESCRIPTION  | 3 -<br>7/1/2009 to<br>9/30/2009 | 4 -<br>1/1/2009 to<br>9/30/2009 | 5 -<br>7/1/2008 to<br>9/30/2008 | 6 -<br>1/1/2008 to<br>9/30/2008 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.01.02.13 | Other  | 8,182                           | 39,853                          | (77,509)                        | 27,871                          |
| 4.01.03    | Other  | 0                               | 0                               | 0                               | 0                               |
| 4.02       | Net Cash from Investment Activities                        | (691,307)                       | (2,592,241)                     | (855,880)                       | (1,596,982)                     |
| 4.02.01    | Judicial Deposits  | (4,671)                         | (720,132)                       | 1,414                           | (12,027)                        |
| 4.02.02    | Investments  | (396,923)                       | (1,021,260)                     | (485,756)                       | (692,126)                       |
| 4.02.03    | Property, Plant and Equipment                              | (289,713)                       | (850,849)                       | (336,330)                       | (821,962)                       |
| 4.02.04    | Deferred Charges   | 0                               | 0                               | (35,208)                        | (70,867)                        |
| 4.03       | Net Cash from Financing Activities                         | 3,263,768                       | 1,812,375                       | 75,916                          | (1,038,948)                     |
| 4.03.01    | Loans and Financing  | 5,349,929                       | 6,378,808                       | 648,739                         | 1,882,837                       |
| 4.03.02    | Receipt for share issue                                    | 0                               | 0                               | 0                               | 0                               |
| 4.03.03    | Debentures   | 0                               | 0                               | 0                               | 0                               |
| 4.03.04    | Financial Institutions Principal                           | (735,834)                       | (1,448,015)                     | (573,795)                       | (807,233)                       |
| 4.03.05    | Dividends and Interest on Shareholders Equity              | (20)                            | (1,768,111)                     | 972                             | (2,114,552)                     |
| 4.03.06    | Treasury Shares  | (1,350,307)                     | (1,350,307)                     | 0                               | 0                               |
| 4.04       | Foreign Exchange Variation on Cash and Cash<br>Equivalents | (185,003)                       | (980,613)                       | 0                               | 0                               |
| 4.05       | Increase (Decrease) in Cash and Cash Equivalents           | 1,919,633                       | (2,100,814)                     | 640,430                         | 274,245                         |
| 4.05.01    | Opening Balance of Cash and Cash Equivalents               | 3,371,232                       | 7,391,679                       | 378,930                         | 745,115                         |
| 4.05.02    | Closing Balance of Cash and Cash Equivalents               | 5,290,865                       | 5,290,865                       | 1,019,360                       | 1,019,360                       |

**05.01 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 7/1/2009 TO 9/30/2009 (in R\$ thousands)**

| 1 - CODE | 2 DESCRIPTION                             | 3 CAPITAL STOCK | 4 CAPITAL RESERVES | 5 REVALUATION RESERVES | 6 PROFIT RESERVES | 7 RETAINED EARNINGS/ ACCUMULATED LOSSES | 8 EQUITY VALUATION ADJUSTMENTS |
|----------|---|-----------------|--------------------|------------------------|-------------------|---|--------------------------------|
| 5.01     | Opening Balance                           | 1,680,947       | 30                 | 0                      | 3,768,756         | 1,139,367                               | 401                            |
| 5.02     | Prior Year Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.03     | Adjusted Balance                          | 1,680,947       | 30                 | 0                      | 3,768,756         | 1,139,367                               | 401                            |
| 5.04     | Income/Loss for the Period                | 0               | 0                  | 0                      | 0                 | 1,278,263                               |                                |
| 5.05     | Distributions                             | 0               | 0                  | 0                      | 0                 | (80,340)                                |                                |
| 5.05.01  | Dividends                                 | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.05.02  | Interest on Shareholders Equity           | 0               | 0                  | 0                      | 0                 | (80,340)                                |                                |
| 5.05.03  | Other Distributions                       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.06     | Profit Reserve Realization                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07     | Equity Valuation Adjustments              | 0               | 0                  | 0                      | 0                 | 0                                       | (434)                          |
| 5.07.01  | Securities Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07.02  | Accumulated Translation Adjustments       | 0               | 0                  | 0                      | 0                 | 0                                       | (434)                          |
| 5.07.03  | Business Combination Adjustments          | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.08     | Increase/Reduction in Capital             | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.09     | Recording/Realization of Capital Reserves | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.10     | Treasury Shares                           | 0               | 0                  | 0                      | (472,517)         | 0                                       |                                |
| 5.11     | Other Capital Transactions                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.12     | Other                                     | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.12.01  | Cancelation of Treasury Shares            | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.13     | Closing Balance                           | 1,680,947       | 30                 | 0                      | 2,418,449         | 2,337,290                               | (33)                           |



**05.02 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2009 TO 9/30/2009 (in R\$ thousands)**

| 1 - CODE | 2 DESCRIPTION                             | 3 CAPITAL STOCK | 4 CAPITAL RESERVES | 5 REVALUATION RESERVES | 6 PROFIT RESERVES | 7 RETAINED EARNINGS/ ACCUMULATED LOSSES | 8 EQUITY VALUATION ADJUSTMENTS |
|----------|---|-----------------|--------------------|------------------------|-------------------|---|--------------------------------|
| 5.01     | Opening Balance                           | 1,680,947       | 30                 | 0                      | 3,768,756         | 0                                       | 1,298                          |
| 5.02     | Prior Year Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.03     | Adjusted Balance                          | 1,680,947       | 30                 | 0                      | 3,768,756         | 0                                       | 1,298                          |
| 5.04     | Net Income/Loss for the Period            | 0               | 0                  | 0                      | 0                 | 2,610,853                               |                                |
| 5.05     | Distributions                             | 0               | 0                  | 0                      | 0                 | (273,563)                               |                                |
| 5.05.01  | Dividends                                 | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.05.02  | Interest on Shareholders Equity           | 0               | 0                  | 0                      | 0                 | (273,563)                               |                                |
| 5.05.03  | Other Distributions                       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.06     | Realization of Profit Reserves            | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07     | Equity Valuation Adjustments              | 0               | 0                  | 0                      | 0                 | 0                                       | (1,331)                        |
| 5.07.01  | Securities Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07.02  | Accumulated Translation Adjustments       | 0               | 0                  | 0                      | 0                 | 0                                       | (1,331)                        |
| 5.07.03  | Business Combination Adjustments          | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.08     | Increase/Reduction in Capital Stock       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.09     | Recording/Realization of Capital Reserves | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.10     | Treasury Shares                           | 0               | 0                  | 0                      | (472,517)         | 0                                       |                                |
| 5.11     | Other Capital Transactions                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.12     | Other                                     | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.12.01  | Cancelation of Treasury Shares            | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.13     | Closing Balance                           | 1,680,947       | 30                 | 0                      | 2,418,449         | 2,337,290                               | (33)                           |

**08.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)**

| 1- CODE       | 2 DESCRIPTION                                  | 3 - 9/30/2009 | 4 -6/30/2009 |
|---------------|--|---------------|--------------|
| 1             | Total Assets                                   | 29,709,800    | 27,625,137   |
| 1.01          | Current Assets                                 | 14,779,689    | 13,519,258   |
| 1.01.01       | Cash and Cash Equivalents                      | 1,388,701     | 182,004      |
| 1.01.02       | Receivable                                     | 3,124,646     | 2,617,068    |
| 1.01.02.01    | Clients  | 1,124,115     | 1,078,748    |
| 1.01.02.01.01 | Domestic Market                                | 1,111,671     | 1,109,914    |
| 1.01.02.01.02 | Foreign Market                                 | 362,581       | 304,990      |
| 1.01.02.01.03 | Advance on Export Contracts (ACE)              | (53,343)      | (58,548)     |
| 1.01.02.01.04 | Allowance for Doubtful Accounts                | (296,794)     | (277,608)    |
| 1.01.02.02    | Sundry Receivable                              | 2,000,531     | 1,538,320    |
| 1.01.02.02.01 | Employees                                      | 19,878        | 21,050       |
| 1.01.02.02.03 | Income and Social Contribution Taxes to Offset | 82,518        | 79,314       |
| 1.01.02.02.04 | Deferred Income Tax                            | 494,658       | 388,182      |
| 1.01.02.02.05 | Deferred Social Contribution                   | 176,676       | 139,992      |
| 1.01.02.02.06 | Prepaid Income Tax                             | 405,731       | 305,712      |
| 1.01.02.02.07 | Other Taxes                                    | 490,717       | 476,738      |
| 1.01.02.02.08 | Proposed Dividends Receivable                  | 0             | 66,326       |
| 1.01.02.02.09 | Other Receivable                               | 330,353       | 61,006       |
| 1.01.03       | Inventories                                    | 2,726,509     | 3,412,724    |
| 1.01.04       | Other  | 7,539,833     | 7,307,462    |
| 1.01.04.01    | Marketable Securities                          | 7,519,843     | 5,898,877    |
| 1.01.04.02    | Prepaid Expenses                               | 19,990        | 24,203       |
| 1.01.04.05    | Guarantee Margin of Financial Instruments      | 0             | 1,384,382    |
| 1.02          | Noncurrent Assets                              | 14,930,111    | 14,105,879   |
| 1.02.01       | Long-Term Assets                               | 3,700,455     | 3,037,627    |
| 1.02.01.01    | Sundry Receivables                             | 2,023,530     | 1,381,293    |
| 1.02.01.01.02 | Securities Receivable                          | 261,243       | 298,349      |
| 1.02.01.01.03 | Deferred Income Tax                            | 1,132,652     | 608,024      |
| 1.02.01.01.04 | Deferred Social Contribution                   | 394,766       | 205,814      |
| 1.02.01.01.05 | Other Taxes                                    | 234,869       | 269,106      |
| 1.02.01.02    | Receivable from Related Parties                | 479,120       | 479,120      |
| 1.02.01.02.01 | From Associated and Related Companies          | 0             | 0            |
| 1.02.01.02.02 | From Subsidiaries                              | 479,120       | 479,120      |
| 1.02.01.02.03 | From Other Related Parties                     | 0             | 0            |
| 1.02.01.03    | Other  | 1,197,805     | 1,177,214    |
| 1.02.01.03.01 | Judicial Deposits                              | 793,460       | 779,768      |
| 1.02.01.03.03 | Prepaid Expenses                               | 106,997       | 108,826      |
| 1.02.01.03.04 | Securities                                     | 0             | 0            |
| 1.02.01.03.05 | Other  | 297,348       | 288,620      |
| 1.02.02       | Permanent Assets                               | 11,229,656    | 11,068,252   |
| 1.02.02.01    | Investments                                    | 1,360         | 1,127        |



**08.01 - CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)**

| 1- CODE       | 2- DESCRIPTION                               | 3 - 9/30/2009 | 4 -6/30/2009 |
|---------------|--|---------------|--------------|
| 1.02.02.01.01 | Interest in Associated and Related Companies | 0             | 0            |
| 1.02.02.01.02 | Interest in Subsidiaries                     | 0             | 0            |
| 1.02.02.01.03 | Other Investments                            | 1,360         | 1,127        |
| 1.02.02.02    | Property, Plant and Equipment                | 10,728,377    | 10,524,104   |
| 1.02.02.02.01 | In Operation, Net                            | 8,657,043     | 8,792,643    |
| 1.02.02.02.02 | In Construction                              | 1,937,822     | 1,597,818    |
| 1.02.02.02.03 | Land   | 133,512       | 133,643      |
| 1.02.02.03    | Intangible Assets                            | 464,224       | 504,981      |
| 1.02.02.04    | Deferred Charges                             | 35,695        | 38,040       |

**08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)**

| 1 - CODE      | 2 - DESCRIPTION                         | 3 - 9/30/2009 | 4 -6/30/2009 |
|---------------|---|---------------|--------------|
| 2             | Total Liabilities                       | 29,709,800    | 27,625,137   |
| 2.01          | Current Liabilities                     | 5,182,070     | 6,933,074    |
| 2.01.01       | Loans and Financing                     | 2,351,832     | 2,897,792    |
| 2.01.02       | Debentures                              | 18,255        | 35,279       |
| 2.01.03       | Suppliers                               | 581,799       | 1,325,743    |
| 2.01.04       | Taxes, Fees and Contributions           | 1,286,048     | 1,106,517    |
| 2.01.04.01    | Salaries and Social Contributions       | 156,536       | 130,061      |
| 2.01.04.02    | Taxes Payable                           | 844,565       | 714,121      |
| 2.01.04.03    | Deferred Income Tax                     | 936           | 0            |
| 2.01.04.04    | Deferred Social Contribution            | 337           | 0            |
| 2.01.04.05    | Taxes Paid by Installments              | 283,674       | 262,335      |
| 2.01.05       | Dividends Payable                       | 274,801       | 225,372      |
| 2.01.06       | Provisions                              | 140,939       | 177,987      |
| 2.01.06.01    | Labor Contingencies                     | 135,089       | 140,019      |
| 2.01.06.02    | Civil Contingencies                     | 40,103        | 63,912       |
| 2.01.06.04    | Judicial Deposits                       | (90,978)      | (82,247)     |
| 2.01.06.05    | Pension Fund Provision                  | 56,725        | 56,303       |
| 2.01.07       | Debts with Related Parties              | 0             | 0            |
| 2.01.08       | Other                                   | 528,396       | 1,164,384    |
| 2.01.08.01    | Financial Instruments Equity Swap       | 0             | 733,939      |
| 2.01.08.02    | Accounts payable Subsidiaries           | 72,667        | 70,065       |
| 2.01.08.04    | Other                                   | 455,729       | 360,380      |
| 2.02          | Noncurrent Liabilities                  | 18,172,944    | 13,764,522   |
| 2.02.01       | Long-Term Liabilities                   | 18,172,944    | 13,764,522   |
| 2.02.01.01    | Loans and Financing                     | 11,769,143    | 7,376,939    |
| 2.02.01.02    | Debentures                              | 628,665       | 628,665      |
| 2.02.01.03    | Provisions                              | 1,894,344     | 1,835,517    |
| 2.02.01.03.01 | Labor and Social Security Contingencies | 71,215        | 83,458       |
| 2.02.01.03.02 | Civil Contingencies                     | 17,919        | 17,355       |
| 2.02.01.03.03 | Tax Contingencies                       | 3,795,295     | 3,722,687    |
| 2.02.01.03.04 | Environmental Contingencies             | 110,411       | 69,384       |
| 2.02.01.03.05 | Other Contingencies                     | 54            | 57           |
| 2.02.01.03.06 | Judicial Deposits                       | (2,121,793)   | (2,057,424)  |
| 2.02.01.03.07 | Deferred Income Tax                     | 15,620        | 0            |
| 2.02.01.03.08 | Deferred Social Contribution            | 5,623         | 0            |
| 2.02.01.04    | Debts with Related Parties              | 0             | 0            |
| 2.02.01.05    | Advance for Future Capital Increase     | 0             | 0            |
| 2.02.01.06    | Other                                   | 3,880,792     | 3,923,401    |
| 2.02.01.06.03 | Pension Fund Provision                  | 30,906        | 44,563       |
| 2.02.01.06.04 | Taxes Paid by Installments              | 652,042       | 704,340      |
| 2.02.01.06.05 | Accounts Payable Subsidiaries           | 2,958,230     | 2,936,373    |



**08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)**

| 1 - CODE      | 2 - DESCRIPTION                               | 3 - 9/30/2009 | 4 - 6/30/2009 |
|---------------|---|---------------|---------------|
| 2.02.01.06.07 | Other   | 239,614       | 238,125       |
| 2.03          | Deferred Income                               | 0             | 0             |
| 2.04          | Minority Interests                            | 0             | 0             |
| 2.05          | Shareholders Equity                           | 6,354,786     | 6,927,541     |
| 2.05.01       | Paid-In Capital                               | 1,680,947     | 1,680,947     |
| 2.05.02       | Capital Reserves                              | 30            | 30            |
| 2.05.03       | Revaluation Reserves                          | 0             | 0             |
| 2.05.03.01    | Own Assets                                    | 0             | 0             |
| 2.05.03.02    | Subsidiaries/Associated and Related Companies | 0             | 0             |
| 2.05.04       | Profit Reserves                               | 2,369,543     | 3,705,786     |
| 2.05.04.01    | Legal   | 336,190       | 336,190       |
| 2.05.04.02    | Statutory                                     | 0             | 0             |
| 2.05.04.03    | For Contingencies                             | 0             | 0             |
| 2.05.04.04    | Unrealized Income                             | 2,493,493     | 2,493,493     |
| 2.05.04.05    | Profit Retention                              | 0             | 0             |
| 2.05.04.06    | Special For Undistributed Dividends           | 0             | 0             |
| 2.05.04.07    | Other Profit Reserves                         | (460,140)     | 876,103       |
| 2.05.04.07.01 | Investments                                   | 780,325       | 1,658,113     |
| 2.05.04.07.02 | Treasury Shares                               | (1,191,559)   | (719,042)     |
| 2.05.04.07.03 | Unrealized Income                             | (48,906)      | (62,968)      |
| 2.05.05       | Equity Valuation Adjustments                  | (33,024)      | 401,412       |
| 2.05.05.01    | Securities Adjustments                        | 0             | 0             |
| 2.05.05.02    | Accumulated Translation Adjustments           | (33,024)      | 401,412       |
| 2.05.05.03    | Business Combination Adjustments              | 0             | 0             |
| 2.05.06       | Retained Earnings/Accumulated Losses          | 2,337,290     | 1,139,366     |
| 2.05.07       | Advance for Future Capital Increase           | 0             | 0             |

**09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)**

| 1 - CODE      | 2 - DESCRIPTION                              | 3 - 7/1/2009 to<br>9/30/2009 | 4 - 1/1/2009 to<br>9/30/2009 | 5 - 7/1/2008 to<br>9/30/2008 | 6 - 1/1/2008 to<br>9/30/2008 |
|---------------|--|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.01          | Gross Revenue from Sales and/or Services     | 3,714,446                    | 10,193,677                   | 5,078,946                    | 13,646,010                   |
| 3.02          | Deductions from Gross Revenue                | (728,676)                    | (2,272,222)                  | (1,050,044)                  | (3,032,170)                  |
| 3.03          | Net Revenue from Sales and/or Services       | 2,985,770                    | 7,921,455                    | 4,028,902                    | 10,613,840                   |
| 3.04          | Cost of Goods Sold and/or Services Rendered  | (1,809,024)                  | (5,107,048)                  | (1,911,356)                  | (5,567,145)                  |
| 3.04.01       | Depreciation and Amortization                | (188,161)                    | (557,754)                    | (275,417)                    | (883,752)                    |
| 3.04.02       | Other  | (1,620,863)                  | (4,549,294)                  | (1,635,939)                  | (4,683,393)                  |
| 3.05          | Gross Profit                                 | 1,176,746                    | 2,814,407                    | 2,117,546                    | 5,046,695                    |
| 3.06          | Operating Income/Expenses                    | 165,970                      | (409,358)                    | (2,137,614)                  | (2,623,975)                  |
| 3.06.01       | Selling expenses                             | (259,513)                    | (644,031)                    | (193,609)                    | (529,222)                    |
| 3.06.01.01    | Depreciation and Amortization                | (1,604)                      | (4,570)                      | (2,477)                      | (7,118)                      |
| 3.06.01.02    | Other  | (257,909)                    | (639,461)                    | (191,132)                    | (522,104)                    |
| 3.06.02       | General and Administrative                   | (120,721)                    | (348,486)                    | (121,983)                    | (364,892)                    |
| 3.06.02.01    | Depreciation and Amortization                | (6,131)                      | (18,302)                     | (9,907)                      | (31,531)                     |
| 3.06.02.02    | Other  | (114,590)                    | (330,184)                    | (112,076)                    | (333,361)                    |
| 3.06.03       | Financial                                    | (115,214)                    | 49,803                       | (1,715,000)                  | (1,385,828)                  |
| 3.06.03.01    | Financial Income                             | 299,527                      | 1,167,609                    | (90,503)                     | 400,008                      |
| 3.06.03.02    | Financial Expenses                           | (414,741)                    | (1,117,806)                  | (1,624,497)                  | (1,785,836)                  |
| 3.06.03.02.01 | Foreign Exchange and Monetary Variation, Net | 520,842                      | 884,088                      | (920,749)                    | (509,583)                    |
| 3.06.03.02.02 | Financial Expenses                           | (935,583)                    | (2,001,894)                  | (703,748)                    | (1,276,253)                  |
| 3.06.04       | Other Operating Income                       | 863,167                      | 1,006,944                    | 53,412                       | 113,844                      |
| 3.06.05       | Other Operating Expenses                     | (201,745)                    | (473,588)                    | (102,590)                    | (284,253)                    |
| 3.06.06       | Equity Pick-Up                               | (4)                          | 0                            | (57,844)                     | (173,624)                    |
| 3.07          | Operating Income                             | 1,342,716                    | 2,405,049                    | (20,068)                     | 2,422,720                    |



**09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)**

| 1 -<br>CODE | 2 - DESCRIPTION                                       | 3 - 7/1/2009 to<br>9/30/2009 | 4 - 1/1/2009 to<br>9/30/2009 | 5 - 7/1/2008 to<br>9/30/2008 | 6 - 1/1/2008 to<br>9/30/2008 |
|-------------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 3.08        | Non-Operating Income                                  | 0                            | 0                            | 0                            | 0                            |
| 3.08.01     | Income  | 0                            | 0                            | 0                            | 0                            |
| 3.08.02     | Expenses  | 0                            | 0                            | 0                            | 0                            |
| 3.09        | Income before Taxes/Profit Sharing                    | 1,342,716                    | 2,405,049                    | (20,068)                     | 2,422,720                    |
| 3.10        | Provision for Income and Social<br>Contribution Taxes | (213,520)                    | (790,943)                    | (105,982)                    | (760,601)                    |
| 3.11        | Deferred Income Tax                                   | 20,467                       | 239,124                      | 165,680                      | 175,770                      |
| 3.11.01     | Deferred Income Tax                                   | 16,274                       | 177,719                      | 118,507                      | 123,402                      |
| 3.11.02     | Deferred Social Contribution                          | 4,193                        | 61,405                       | 47,173                       | 52,368                       |
| 3.12        | Statutory Profit<br>Sharing/Contributions             | 0                            | 0                            | 0                            | 0                            |
| 3.12.01     | Profit Sharing  | 0                            | 0                            | 0                            | 0                            |
| 3.12.02     | Contributions   | 0                            | 0                            | 0                            | 0                            |
| 3.13        | Reversal of Interest on Shareholders<br>Equity        | 0                            | 0                            | 0                            | 0                            |
| 3.14        | Minority Interest                                     | 0                            | 0                            | 0                            | 0                            |
| 3.15        | Income/Loss for the Period                            | 1,149,663                    | 1,853,230                    | 39,630                       | 1,837,889                    |
|             | OUTSTANDING SHARES,<br>EX-TREASURY (in thousands)     | 728,985                      | 728,985                      | 769,470                      | 769,470                      |
|             | EARNINGS PER SHARE (in reais)                         | 1.57707                      | 2.54221                      | 0.05150                      | 2.38851                      |
|             | LOSS PER SHARE (in reais)                             |                              |                              |                              |                              |

**10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)**

| 1 - CODE   | 2 - DESCRIPTION                               | 3 - 7/1/2009 to<br>9/30/2009 | 4 - 1/1/2009 to<br>9/30/2009 | 5 - 7/1/2008 to<br>9/30/2008 | 6 - 1/1/2008 to<br>9/30/2008 |
|------------|---|------------------------------|------------------------------|------------------------------|------------------------------|
| 4.01       | Net Cash from Operating Activities            | 308,079                      | (372,137)                    | 1,243,968                    | 2,872,507                    |
| 4.01.01    | Cash Generated in the Operations              | 956,364                      | 900,278                      | 2,226,120                    | 4,016,462                    |
| 4.01.01.01 | Net Income for the Period                     | 1,149,662                    | 1,853,231                    | 39,632                       | 1,837,889                    |
| 4.01.01.02 | Provision for Charges on Loans and Financing  | 235,278                      | 782,355                      | 183,473                      | 500,339                      |
| 4.01.01.03 | Depreciation, Depletion and Amortization      | 195,896                      | 580,626                      | 287,802                      | 922,402                      |
| 4.01.01.04 | Income from Write-Off and Disposal of Assets  | 24,618                       | 33,665                       | 19,456                       | 27,523                       |
| 4.01.01.05 | Income from Corporate Interest                | 0                            | 0                            | 57,867                       | 173,624                      |
| 4.01.01.06 | Gains and Losses in Percentage Variation      | (835,115)                    | (835,115)                    | 0                            | 0                            |
| 4.01.01.07 | Deferred Income and Social Contribution Taxes | (20,468)                     | (239,124)                    | (165,678)                    | (175,770)                    |
| 4.01.01.08 | Provision for Swap/Forward Operations         | 244,930                      | (162,508)                    | 475,993                      | 38,425                       |
| 4.01.01.09 | Provision for Actuarial Liability             | (10,930)                     | (32,213)                     | (36,236)                     | (107,852)                    |
| 4.01.01.10 | Monetary and Exchange Variation               | (121,435)                    | (1,257,480)                  | 1,314,663                    | 669,046                      |
| 4.01.01.11 | Provision for Contingencies                   | 37,275                       | 90,772                       | 29,459                       | 60,203                       |
| 4.01.01.12 | Other Provisions                              | 56,653                       | 86,069                       | 19,689                       | 70,633                       |
| 4.01.02    | Variation in Assets and Liabilities           | (648,285)                    | (1,272,415)                  | (982,152)                    | (1,143,955)                  |
| 4.01.02.01 | Accounts Receivable                           | (31,315)                     | (67,289)                     | (195,433)                    | (394,312)                    |
| 4.01.02.02 | Inventories                                   | 677,606                      | 780,928                      | (355,148)                    | (260,718)                    |
| 4.01.02.04 | Taxes to Offset                               | 50,284                       | 102,418                      | (132,966)                    | (187,047)                    |
| 4.01.02.05 | Suppliers                                     | (775,977)                    | (1,015,687)                  | 425,893                      | 315,363                      |
| 4.01.02.06 | Salaries and Social Charges                   | 26,475                       | 38,542                       | 23,659                       | 47,349                       |
| 4.01.02.07 | Taxes   | 151,320                      | 545,963                      | (534,221)                    | (140,094)                    |
| 4.01.02.09 | Contingent Liabilities                        | (8,552)                      | 13,157                       | 85,780                       | 209,781                      |
| 4.01.02.10 | Financial Institutions Interest Rates         | (236,171)                    | (704,407)                    | 118,668                      | (530,887)                    |
| 4.01.02.11 | Interests on Paid Swaps                       | (239,833)                    | (295,166)                    | (317,991)                    | (317,991)                    |
| 4.01.02.12 | Prepaid Taxes                                 | (136,950)                    | (534,413)                    | 0                            | 0                            |
| 4.01.02.13 | Other   | (125,172)                    | (136,461)                    | (100,393)                    | 114,601                      |
| 4.01.03    | Other   | 0                            | 0                            | 0                            | 0                            |

**10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)**

| 1 -<br>CODE | 2 - DESCRIPTION  | 3 - 7/1/2009 to<br>9/30/2009 | 4 - 1/1/2009 to<br>9/30/2009 | 5 - 7/1/2008 to<br>9/30/2008 | 6 - 1/1/2008 to<br>9/30/2008 |
|-------------|--|------------------------------|------------------------------|------------------------------|------------------------------|
| 4.02        | Net Cash from Investment Activities                        | (143,357)                    | (424,548)                    | 1,059,140                    | 46,804                       |
| 4.02.01     | Net Effects Equity Swap Margin of<br>Guarantee             | 330,728                      | 1,420,322                    | 1,817,500                    | 1,817,500                    |
| 4.02.02     | Swap realization   | 5,269                        | 241,160                      | 0                            | 0                            |
| 4.02.03     | Judicial Deposits  | (34,158)                     | (751,583)                    | (118,887)                    | (133,309)                    |
| 4.02.04     | Investments  | (359)                        | (359)                        | (23)                         | (23)                         |
| 4.02.05     | Property, Plant and Equipment                              | (444,421)                    | (1,332,371)                  | (611,384)                    | (1,559,626)                  |
| 4.02.06     | Deferred Charges   | 0                            | 0                            | (28,066)                     | (77,738)                     |
| 4.02.07     | Intangible Assets  | (416)                        | (1,717)                      | 0                            | 0                            |
| 4.03        | Net Cash from Financing Activities                         | 2,985,234                    | 1,745,723                    | 54,365                       | (1,249,200)                  |
| 4.03.01     | Loans and Financing  | 5,347,088                    | 6,547,917                    | 826,780                      | 1,951,273                    |
| 4.03.02     | Financial Institutions Principal                           | (1,011,527)                  | (1,683,776)                  | (773,387)                    | (1,085,921)                  |
| 4.03.03     | Dividends and Interest on<br>Shareholders Equity           | (20)                         | (1,768,111)                  | 972                          | (2,114,552)                  |
| 4.03.04     | Treasury Shares  | (1,350,307)                  | (1,350,307)                  | 0                            | 0                            |
| 4.04        | Foreign Exchange Variation on Cash<br>and Cash Equivalents | (322,293)                    | (1,264,606)                  | 0                            | 0                            |
| 4.05        | Increase (Decrease) in Cash and<br>Cash Equivalents        | 2,827,663                    | (315,568)                    | 2,357,473                    | 1,670,111                    |
| 4.05.01     | Opening Balance of Cash and Cash<br>Equivalents            | 6,080,881                    | 9,224,112                    | 1,679,991                    | 2,367,353                    |
| 4.05.02     | Closing Balance of Cash and Cash<br>Equivalents            | 8,908,544                    | 8,908,544                    | 4,037,464                    | 4,037,464                    |

**11.01 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 7/1/2009 TO 9/30/2009 (in R\$ thousands)**

| 1 - CODE | 2 DESCRIPTION                             | 3 CAPITAL STOCK | 4 CAPITAL RESERVES | 5 REVALUATION RESERVES | 6 PROFIT RESERVES | 7 RETAINED EARNINGS/ ACCUMULATED LOSSES | 8 EQUITY VALUATION ADJUSTMENTS |
|----------|---|-----------------|--------------------|------------------------|-------------------|---|--------------------------------|
| 5.01     | Opening Balance                           | 1,680,947       | 30                 | 0                      | 3,705,786         | 1,139,366                               | 401,4                          |
| 5.02     | Prior Year Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.03     | Adjusted Balance                          | 1,680,947       | 30                 | 0                      | 3,705,786         | 1,139,366                               | 401,4                          |
| 5.04     | Income/Loss for the Period                | 0               | 0                  | 0                      | 0                 | 1,149,663                               |                                |
| 5.05     | Distributions                             | 0               | 0                  | 0                      | 0                 | (80,340)                                |                                |
| 5.05.01  | Dividends                                 | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.05.02  | Interest on Shareholders Equity           | 0               | 0                  | 0                      | 0                 | (80,340)                                |                                |
| 5.05.03  | Other Distributions                       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.06     | Profit Reserve Realization                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07     | Equity Valuation Adjustments              | 0               | 0                  | 0                      | 0                 | 142,665                                 | (434,4                         |
| 5.07.01  | Securities Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07.02  | Accumulated Translation Adjustments       | 0               | 0                  | 0                      | 0                 | 142,665                                 | (434,4                         |
| 5.07.03  | Business Combination Adjustments          | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.08     | Increase/Reduction in Capital Stock       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.09     | Recording/Realization of Capital Reserves | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.10     | Treasury Shares                           | 0               | 0                  | 0                      | (472,517)         | 0                                       |                                |
| 5.11     | Other Capital Transactions                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.12     | Other                                     | 0               | 0                  | 0                      | (863,726)         | (14,064)                                |                                |
| 5.12.01  | Cancelation of Treasury Shares            | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.12.02  | Earnings in Inventories                   | 0               | 0                  | 0                      | 22,464            | (22,464)                                |                                |
| 5.12.03  | Market Value Adjustments                  | 0               | 0                  | 0                      | (8,400)           | 8,400                                   |                                |
| 5.13     | Closing Balance                           | 1,680,947       | 30                 | 0                      | 2,369,543         | 2,337,290                               | (33,0                          |



**11.02 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2009 TO 9/30/2009 (in R\$ thousands)**

| 1 - CODE | 2 DESCRIPTION                             | 3 CAPITAL STOCK | 4 CAPITAL RESERVES | 5 REVALUATION RESERVES | 6 PROFIT RESERVES | 7 RETAINED EARNINGS/ ACCUMULATED LOSSES | 8 EQUITY VALUATION ADJUSTMENTS |
|----------|---|-----------------|--------------------|------------------------|-------------------|---|--------------------------------|
| 5.01     | Opening Balance                           | 1,680,947       | 30                 | 0                      | 3,682,864         | 0                                       | 1,298,7                        |
| 5.02     | Prior Year Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.03     | Adjusted Balance                          | 1,680,947       | 30                 | 0                      | 3,682,864         | 0                                       | 1,298,7                        |
| 5.04     | Income/Loss for the Period                | 0               | 0                  | 0                      | 0                 | 1,853,230                               |                                |
| 5.05     | Distributions                             | 0               | 0                  | 0                      | 0                 | (273,563)                               |                                |
| 5.05.01  | Dividends                                 | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.05.02  | Interest on Shareholders Equity           | 0               | 0                  | 0                      | 0                 | (273,563)                               |                                |
| 5.05.03  | Other Distributions                       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.06     | Profit Reserve Realization                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07     | Equity Valuation Adjustments              | 0               | 0                  | 0                      | 0                 | 794,609                                 | (1,331,7                       |
| 5.07.01  | Securities Adjustments                    | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.07.02  | Accumulated Translation Adjustments       | 0               | 0                  | 0                      | 0                 | 794,609                                 | (1,331,7                       |
| 5.07.03  | Business Combination Adjustments          | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.08     | Increase/Reduction in Capital Stock       | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.09     | Recording/Realization of Capital Reserves | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.10     | Treasury Shares                           | 0               | 0                  | 0                      | (472,517)         | 0                                       |                                |
| 5.11     | Other Capital Transactions                | 0               | 0                  | 0                      | 0                 | 0                                       |                                |
| 5.12     | Other                                     | 0               | 0                  | 0                      | (840,804)         | (36,986)                                |                                |
| 5.12.01  | Unrealized Income                         | 0               | 0                  | 0                      | 63,841            | 48,905                                  |                                |
| 5.12.02  | Cancelation of Treasury Shares            | 0               | 0                  | 0                      | (877,790)         | 0                                       |                                |
| 5.12.03  | Market Value Adjustments                  | 0               | 0                  | 0                      | (26,855)          | (85,891)                                |                                |
| 5.13     | Closing Balance                           | 1,680,947       | 30                 | 0                      | 2,369,543         | 2,337,290                               | (33,0                          |

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COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

## 06.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of Reais, unless otherwise stated)

### 1. OPERATIONS

The main activities of Companhia Siderúrgica Nacional ( CSN or Company ) are the production of flat steel products, whose main industrial complex is the Presidente Vargas Steelworks ( UPV ), located in the city of Volta Redonda, State of Rio de Janeiro, and the iron ore production, main operation of which is developed in the city of Congonhas, state of Minas Gerais.

CSN is engaged in the mining of iron ore, limestone and dolomite in the branches in the State of Minas Gerais and tin in the State of Rondônia, by means of the subsidiary Estanho de Rondônia S.A. ( ERSÁ ), in order to meet the needs of UPV and the surplus raw materials are traded with subsidiaries and third parties. , The Company also maintains strategic investments in mining companies, railroad transport, electricity, and cement for providing greater synergy to the processes. In addition, the Company is establishing a long steel plant in Volta Redonda.

The company, aiming at getting closer to clients and exploiting markets at a global level, has a steel distributor, and metal packaging plants, in addition to a galvanized steel plant in the South and another in the Southeast of Brazil to meet the demand of the home appliance and automotive industry, respectively. Abroad, the Company has a steel rolling mill in Portugal and another mill in the United States.

The Company s shares are listed on the Stock Exchanges in Brazil (BOVESPA) and the United States (NYSE).

### 2. PRESENTATION OF THE QUARTERLY INFORMATION

The individual (Company) and consolidated quarterly information was prepared in accordance with the accounting practices adopted in Brazil, based on the Brazilian Corporate Law, pronouncements issued by the Committee for Accounting Pronouncements CPC and rules issued by the Brazilian Securities and Exchange Commission ( CVM ).

In compliance with the CPC Technical Pronouncement 02, approved by the CVM Resolution 534, the Company integrated the investments abroad which are not characterized as independent entities into the Parent Company s quarterly information (see Note 4).

The Company, in order to enhance the disclosures to the market, presents the following supplementary information on the business segments, comprising the Parent Company and the consolidated financial information:

A segment is a distinguishable component of the Company , goal of which is the manufacturing of products, the rendering of services, or the provision of products and services within a particular economic environment, which is subject to risks and rewards that are different from other segments .

The quarterly information includes the changes brought by Law 11,638/07 and Provisional Measure 449/08. The Company presents below a table with the effects related to the application of the new rules, which are in line with the assumptions underlying the December 31, 2008 statements.





|   | Consolidated                 |  |                  | Parent Company               |  |                  |
|---|------------------------------|--|------------------|------------------------------|--|------------------|
|   | Balance disclosed at 9/30/08 | Adjustments of Law 11,638/07 and PM 449/08 | Adjusted balance | Balance disclosed at 9/30/08 | Adjustments of Law 11,638/07 and PM 449/08 | Adjusted balance |
| <b>Shareholders equity</b>  |                              |  |                  |                              |  |                  |
| Capital   | 1,680,947                    |  | 1,680,947        | 1,680,947                    |  | 1,680,947        |
| Other reserves  | 1,125,254                    | (658,969) (2)                              | 466,285          | 1,373,190                    | (657,310) (2)                              | 715,880          |
| <b>Equity valuation adjustments</b>   |                              |  |                  |                              |  |                  |
| Foreign exchange variation of investees abroad  |                              | 425,407 (9)                                | 425,407          |                              | 425,407 (9)                                | 425,407          |
| Equity valuation adjustments  |                              |  |                  |                              |  |                  |
| Reversal of revaluation reserve   | 4,366,812                    | (4,366,812) (1)+(3)                        |                  | 4,366,812                    | (4,366,812) (1)+(3)                        |                  |
| Reversal of exchange rate variation - Intercompany pre-payment                              |                              | (180,206) (7)                              | (180,206)        |                              |  |                  |
| Reversal of intercompany loans variation  |                              | (202,412) (7)                              | (202,412)        |                              |  |                  |
| Reversal of loan agreement exchange variation   |                              | (52,990) (7)                               | (52,990)         |                              |  |                  |
| Provision for deferred income and social contribution taxes on equity valuation adjustments |                              | 137,400 (8)                                | 137,400          |                              |  |                  |
| Retained earnings (or accumulated losses)   | 1,837,889                    | 462,931                                    | 2,300,820        | 1,693,675                    | 197,513                                    | 1,891,187        |
| Reversal of realization of equity revaluation reserve                                       |                              | 333,212 (1)                                | 333,212          | (142,970)                    | 458,293 (1)                                | 315,323          |
| Reversal of income, social contribution taxes on portion of revaluation reserve             |                              | (1,611) (3)                                | (1,611)          |                              | (28,142) (3)                               | (28,142)         |
| Deferred assets write-off related to 2007 balance   |                              | (22,302) (6)                               | (22,302)         |                              | (22,302) (6)                               | (22,302)         |
| Income for the period   | 1,837,889                    | 153,632                                    | 1,991,521        | 1,836,645                    | (210,337)                                  | 1,626,308        |

|   |                   |                    |                   |                  |                    |                  |
|---|-------------------|--------------------|-------------------|------------------|--------------------|------------------|
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                         | <b>9,010,902</b>  | <b>(4,435,651)</b> | <b>4,575,251</b>  | <b>9,114,624</b> | <b>(4,401,202)</b> | <b>4,713,421</b> |
| <b>NET REVENUE</b>  | <b>10,613,840</b> |                    | <b>10,613,840</b> | <b>7,881,851</b> |                    | <b>7,881,851</b> |
| Cost of goods sold and services rendered                  | (5,567,145)       | 320,917 (2)        | (5,246,228)       | (4,202,442)      | 304,094 (2)        | (3,898,348)      |
| <b>GROSS OPERATING INCOME</b>                             | <b>5,046,695</b>  | <b>320,917</b>     | <b>5,367,612</b>  | <b>3,679,409</b> | <b>304,094</b>     | <b>3,983,503</b> |
| <b>OPERATING INCOME AND EXPENSES</b>                      |                   |                    |                   |                  |                    |                  |
| Selling expenses  | (529,222)         | 2,120 (2)          | (527,102)         | (335,536)        | 1,910 (2)          | (333,626)        |
| General and administrative expenses                       | (364,898)         | (33,399) (2)       | (398,297)         | (239,729)        | (10,918) (2)       | (250,647)        |
| Other operating expenses (income)                         | (344,027)         | (2,720) (2)+(5)    | (346,747)         | 569,569          | 28,196 (2)+(5)     | 597,765          |
| <b>OPERATING INCOME BEFORE FINANCIAL EFFECTS</b>          | <b>3,808,548</b>  | <b>286,918</b>     | <b>4,095,466</b>  | <b>3,673,713</b> | <b>323,282</b>     | <b>3,996,995</b> |
| Financial income and expenses                             | (886,895)         |                    | (886,895)         | (455,561)        | (79,661) (10)      | (535,222)        |
| Foreign exchange and monetary variations, net             | (498,933)         | 10,201 (7)         | (488,732)         | (868,041)        | (347,645) (7)      | (1,215,686)      |
| <b>INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES</b> | <b>2,422,720</b>  | <b>297,119</b>     | <b>2,719,839</b>  | <b>2,350,111</b> | <b>(104,024)</b>   | <b>2,246,087</b> |
| Current income and social contribution taxes              | (760,601)         | (137,400) (8)      | (898,001)         | (605,135)        |                    | (605,135)        |
| Deferred income and social contribution taxes             | 175,771           | (112,400) (4)      | 63,371            | 91,669           | (106,313) (4)      | (14,644)         |
| <b>NET INCOME FOR THE PERIOD</b>                          | <b>1,837,890</b>  | <b>47,319</b>      | <b>1,885,209</b>  | <b>1,836,645</b> | <b>(210,337)</b>   | <b>1,626,308</b> |

(1) Reversal of the revaluation.

(2) Portion related to the reversal of the depreciation of the revaluation.

(3) Income and social contribution tax reversal related to the revaluation.

(4) Income and social contribution tax reversal related to the depreciation of the revaluation.

(5) Write-off of revaluated assets.

- (6) Write-off of deferred assets referring to 2007 pursuant to Law 11,638.
- (7) Exchange rate variation of loans and financing from intercompany operations: Fixed rate notes, intercompany, prepayment and loan.
- (8) Income tax (IR) and social contribution on net income (CSLL) related to exchange rate variation of loans and financing from intercompany operations: Fixed rate notes, intercompany, prepayment, loan, depreciation of revaluation.
- (9) Equity valuation adjustment referring to equity pick-up effects.
- (10) Adjustment companies considered as subsidiaries, in the adoption of law 11,638/07 and CPC 02.

### **3. MAIN ACCOUNTING PRACTICES**

#### **(a) Statement of income**

The results of operations are recognized on the accrual basis and the revenue from the sales of products is recognized when the Company no longer controls or holds any responsibility for the property and all risks and rewards have been transferred to the buyer. Revenue from services rendered is recognized in proportion to the stage of completion of the service.

Revenue is not recognized if Management cannot measure its value precisely and if there is no significant certainty as to the realization of the economic benefit of the sale.

**(b) Current and noncurrent assets**

**Cash and cash equivalents**

These are represented by immediate liquidity amounts, redeemable in up to 90 days from the balance sheet dates and with an insignificant risk of change in their market value. Financial assets included in this group are measured at fair value through the statement of income.

**Trade accounts receivable**

Trade accounts receivable are recorded at the invoiced amount, including the respective taxes and ancillary expenses and credits from clients in foreign currency are corrected at the exchange rate as of the date of the quarterly information. The allowance for doubtful accounts was recorded in an amount considered adequate to support possible losses and Management's assessment takes into account the client's history, the financial situation and the assessment of our legal advisors regarding the receipt of these credits for the recording of this provision.

**Inventories**

Inventories are stated at their average cost of acquisition or production and imports in transit are recorded at their cost of acquisition, not exceeding their market or realization values. Provisions for losses or obsolescence are recorded whenever Management considers it appropriate.

**Investments**

Investments in subsidiaries and jointly-owned subsidiaries are recorded through the equity accounting method and recognized in the income for the period as operating income (or expenses). Other investments are recorded and held at cost.

When necessary, the accounting practices of the subsidiaries and jointly-owned subsidiaries are changed to ensure criteria consistency and uniformity with the practices adopted by the Company.

Accounting records of the subsidiaries were integrated into to the parent Company's quarterly information, as established in the CPC Pronouncement 02.

**Property, plant and equipment**

These are recorded at acquisition, formation or construction cost. Depreciation is calculated through the straight-line method, based on the remaining economic useful lives of the assets, and depletion of the mines is calculated based on the quantity of iron ore extracted. Loans costs related to funds raised for specific construction in progress are capitalized until the constructions are concluded.

Law 11638/07, Provisional Measure (MP) 449/08 and the CPC Pronouncement 01 require that the recoverability valuation of all items comprising this subgroup be carried out and if there is evidence of loss, as no item should remain recorded under property, plant and equipment at an amount higher than its recoverable value, then there may be the need of the performance of a recoverability valuation of this asset. The Company evaluated its property, plant and equipment items and did not identify any loss to be recorded.



### **Intangible assets**

Intangible assets comprise of assets acquired from third parties, including by means of business combinations, and/or those internally generated by the Company.

These assets are recorded at the acquisition or formation cost, less amortization calculated through the straight-line method based on exploration or recovery terms.

Intangible assets with indefinite useful lives, as well as goodwill for expected future profitability, will no longer be amortized as of January 1, 2009, and their recoverable value will be tested on a yearly basis, or whenever it is deemed necessary.

### **Deferred charges**

The Company maintains in this group just the remaining balances of deferred pre-operating expenses, which will be amortized in accordance with the criteria prior to Law 11,638/07 due to the option offered by the CPC Technical Pronouncement 13 (Initial adoption of Law 11638/07) and Provisional Measure 449/08.

### **Impairment**

The recoverable value of intangible assets and deferred charges are tested on a yearly basis or, as in the case of property, plant and equipment, whenever significant events or changes in circumstances indicate that the book value may not be recovered.

In order to test the recoverability of an individual asset or a group of assets, the Company analyzes supporting evidence that their book values will not be recovered and, should these evidences be confirmed and the Company identifies an impairment possibility, Management compares the residual book value of this group of assets with their recoverable value and records them.

### **Other current and noncurrent assets**

Stated at their realization value, including, when applicable, the yields earned up to the date of the quarterly information or, in the case of prepaid expenses, at cost.

### **(c) Current and noncurrent liabilities**

These are stated at their known or calculatable values, plus, when applicable, the corresponding charges and monetary and foreign exchange variations incurred up to the date of the quarterly information.

### **Employee benefits**

In compliance with Resolution 371/00, issued by the CVM, the Company has been recording the respective actuarial liabilities as from January 1, 2002, in accordance with the aforementioned reported resolution and based on independent actuary studies, which are carried out annually .

### **Income and social contribution taxes**

Income tax is calculated at rates of 15% plus an additional of 10% on taxable basis and social contribution on net income at a 9% rate on the taxable basis. In the calculation of taxes, the offsetting of the tax loss carryforward and negative basis of social contribution is also considered, and it is limited to 30% of the taxable income.

The deferred tax assets deriving from tax loss carry forwards and negative basis of social contribution on net income were recorded in compliance with the CVM Resolution 371/02 and took into consideration the history of profitability and the expectations of generating future taxable income, based on a technical study.

**(d) Derivative financial instruments**

The financial instrument balances, recorded in accordance with the CPC Technical Pronouncement 14, which was approved by the CVM Resolution 565/08, are classified and recorded at fair value and gains and losses are recognized in the statement of income by accrual period.

**(e) Other derivative financial instruments**

The Company maintained a financial instrument called total return equity swap, purpose of which is to increase the return on financial assets. This instrument was recorded at fair value and gains and losses were recognized in the statement of income by accrual period.

This instrument was recorded in other accounts payable, and its margin of guarantee in other accounts receivable; the instrument was settled on August 13, 2009.

**(f) Nonderivatives financial instruments**

Financial instruments are initially recognized at fair value, whereas those financial instruments not classified at fair value through profit and loss are recognized with the transaction costs that are directly attributable to them. Subsequently to the initial recognition the financial instruments are measured as follows:

**Financial asset or liability measured at fair value through profit and loss**

A financial instrument is classified as measured at fair value through profit and loss if it is held for trading. These instruments are measured at fair value and the subsequent fluctuation is recognized in the income for the period.

**Loans and receivable**

These are measured at the amortized cost and by using the effective interest rate method, less impairment loss.

**(g) Treasury Shares**

As established by the CVM Instruction 10 of February 14, 1980, shares held in treasury are recorded at cost of acquisition, and the market value of these shares is calculated based on the average stock exchange quotation on the last day of the period.

**(h) Accounting Estimates**

The preparation of the quarterly information, in accordance with the accounting practices adopted in Brazil, requires that Management uses its judgment in determining and recording the accounting estimates, such as: allowance for doubtful accounts, provision for inventory losses, provisions for labor, civil, tax, environmental and social security liabilities, depreciation, amortization, depletion, provision for impairment, deferred taxes, financial instruments and employees' benefits. The settlement of the transactions involving these estimates may result in amounts different from those estimated, due to lack of precision inherent to the process of their determination. The Company periodically reviews the estimates and assumptions.

**4. CONSOLIDATED QUARTERLY INFORMATION**

The accounting practices reflect the changes introduced by the new pronouncements and were treated uniformly in all the consolidated companies.





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The consolidated quarterly information for the periods ended September 30, 2009 and June 30, 2009, include the following direct and indirect subsidiaries and jointly-owned subsidiaries:

| Companies  | Ownership interest (%) |           | Main activities   |
|--|------------------------|-----------|---|
|  | 9/30/2009              | 6/30/2009 |   |
| <b>Direct investment: full consolidation</b>         |                        |           |   |
| CSN Energy   | 100.00                 | 100.00    | Equity interest   |
| CSN Export   | 100.00                 | 100.00    | Financial operations, trading of products and equity interest |
| CSN Overseas   | 100.00                 | 100.00    | Financial operations and equity interest                      |
| CSN Panama   | 100.00                 | 100.00    | Financial operations and equity interest                      |
| CSN Steel  | 100.00                 | 100.00    | Financial operations and equity interest                      |
| Arame Corporation                                    | 100.00                 | 100.00    | Dorment Company   |
| TdBB S.A   | 100.00                 | 100.00    | Dorment Company   |
| International Charitable Corporation                 | 100.00                 | 100.00    | Dorment Company   |
| GalvaSud   | 99.99                  | 99.99     | Steel   |
| Sepetiba Tecon                                       | 99.99                  | 99.99     | Maritime port services  |
| Mineração Nacional (1)                               | 99.99                  | 99.99     | Mining and equity interest                                    |
| CSN Aços Longos                                      | 99.99                  | 99.99     | Steel and/or metal products industry and trade                |
| Itaguaí Logística                                    | 99.99                  | 99.99     | Logistics   |
| Estanho de Rondônia - ERSA                           | 99.99                  | 99.99     | Mining  |
| Cia Metalic Nordeste                                 | 99.99                  | 99.99     | Packaging production  |
| Companhia Metalúrgica Prada                          | 99.99                  | 99.99     | Packaging production  |
| CSN Cimentos   | 99.99                  | 99.99     | Cement production   |
| Inal Nordeste  | 99.99                  | 99.99     | Steel products service center                                 |
| CSN Gestão de Recursos Financeiros                   | 99.99                  | 99.99     | Dorment Company   |
| Congonhas Minérios                                   | 99.99                  | 99.99     | Mining and equity interest                                    |
| CSN Energia  | 99.9                   | 99.9      | Electricity trading   |
| <b>Direct investment: proportional consolidation</b> |                        |           |   |
| Transnordestina Logística                            | 81.6                   | 81.6      | Railroad transport  |
| Nacional Minérios                                    | 59.99                  | 59.99     | Mining and equity interest                                    |
| Itá Energética                                       | 48.75                  | 48.75     | Electricity generation  |
| MRS Logística  | 27.27                  | 27.27     | Railroad transport  |
| <b>Indirect investment: full consolidation</b>       |                        |           |   |
| CSN Aceros   | 100.00                 | 100.00    | Equity interest   |
| CSN Cayman   | 100.00                 | 100.00    | Financial operations, trading of products and equity interest |
| CSN Iron   | 100.00                 | 100.00    | Financial operations  |
| Companhia Siderúrgica Nacional LLC                   | 100.00                 | 100.00    | Steel   |
| CSN Holdings Corp                                    | 100.00                 | 100.00    | Equity interest   |
| Companhia Siderúrgica Nacional Partner LLC           | 100.00                 | 100.00    | Equity interest   |
| Energy I   | 100.00                 | 100.00    | Equity interest   |
| CSN Madeira  | 100.00                 | 100.00    | Financial operations, trading of products and equity interest |
| Cinnabar   | 100.00                 | 100.00    | Financial operations and equity interest                      |
| Hickory  | 100.00                 | 100.00    | Financial operations and trading of products                  |

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|  |        |        |  |
|--|--------|--------|--|
| Lusosider Projectos Siderúrgicos                       | 100.00 | 100.00 | Equity interest                                    |
| CSN Acquisitions                                       | 100.00 | 100.00 | Financial operations and equity interest           |
| CSN Finance (Netherlands)                              | 100.00 | 100.00 | Financial operations and equity interest           |
| CSN Finance  | 100.00 | 100.00 | Financial operations and equity interest           |
| CSN Holdings   | 100.00 | 100.00 | Financial operations and equity interest           |
| Itamambuca Participações                               | 100.00 | 100.00 | Mining and equity interest                         |
| Lusosider Aços Planos                                  | 99.94  | 99.94  | Steel industry and equity interest                 |
| CSN Energia  | 0.1    | 0.1    | Electricity trading                                |
| <b>Indirect investment: proportional consolidation</b> |        |        |  |
| Namisa Europe (2)                                      | 60.00  | 60.00  | Equity interest and trading of products and mining |
| Inversiones CSN Espanha                                | 60.00  | 60.00  | Financial operations and equity interest           |
| Pelotização Nacional                                   | 59.99  | 59.99  | Mining and equity interest                         |
| MG Minérios  | 59.99  | 59.99  | Mining and equity interest                         |
| MRS Logística  | 6.00   | 6.00   | Railroad transport                                 |

(1) New corporate name of Minas Pelotização.

(2) New corporate name of NMSA Madeira.

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The following consolidation procedures were adopted in the preparation of the consolidated quarterly information:

Elimination of the balances of asset and liability accounts between consolidated companies;  
 Elimination of the balances of investments and shareholders' equity between consolidated companies;  
 Elimination of balances of income and expenses and unrealized income deriving from consolidated intercompany transactions;

Presentation of income and social contribution taxes on the unearned income as deferred taxes in the consolidated quarterly information; and

Reclassification of exchange rate variations of monetary items with net foreign investment characteristics from financial income to shareholders' equity. Due to the change in the Management's intent regarding the settlement of these loans, the foreign exchange effects determined after August 31, 2009 have been recorded in income for the period.

Pursuant to the CVM Instruction 408 of August 18, 2004, the Company consolidates the quarterly information of the exclusive investment funds Diplic and Mugen.

The base date for the subsidiaries' and jointly-owned subsidiaries' quarterly information coincides with that of the Parent Company.

The reconciliation between shareholders' equity and net income for the period of the Parent Company and consolidated is as follows:

|   | Shareholders' equity |                  | Net income for the year |                  |
|---|----------------------|------------------|-------------------------|------------------|
|   | 9/30/2009            | 6/30/2009        | 9/30/2009               | 9/30/2008        |
| <b>Parent Company</b>                       | <b>6,403,692</b>     | <b>6,990,512</b> | <b>2,610,853</b>        | <b>1,836,645</b> |
| Elimination of interests in inventories     | (49,969)             | (72,432)         | 35,924                  | 1,244            |
| Foreign exchange variation adjustment CPC02 |                      |                  | (794,792)               |                  |
| Other adjustments                           | 1,063                | 9,461            | 1,244                   |                  |
| <b>Consolidated</b>                         | <b>6,354,786</b>     | <b>6,927,541</b> | <b>1,853,230</b>        | <b>1,837,889</b> |

Additionally, the quarterly information of the subsidiaries abroad which are not characterized as independent entities was integrated into the parent company's quarterly information, pursuant to the CPC Technical Pronouncement 02, approved by the CVM Resolution 534/08:

| Companies                     | Ownership interest (%) |           | Main activities      |
|-------------------------------|------------------------|-----------|----------------------|
|                               | 9/30/2009              | 6/30/2009 |                      |
| <b>Branches</b>               |                        |           |                      |
| CSN Islands VII               | 100.00                 | 100.00    | Financial operations |
| CSN Islands VIII              | 100.00                 | 100.00    | Financial operations |
| CSN Islands IX                | 100.00                 | 100.00    | Financial operations |
| CSN Islands X                 | 100.00                 | 100.00    | Financial operations |
| CSN Islands XI                | 100.00                 | 100.00    | Financial operations |
| Tangua                        | 100.00                 | 100.00    | Financial operations |
| International Investment Fund | 100.00                 | 100.00    | Equity interest      |



## 5. RELATED PARTIES TRANSACTIONS

### a) Transactions with Parent Company

Vicunha Siderurgia S.A. is a holding company whose purpose is to hold interest in other companies. It is the Company's main shareholder, with a 47.86% interest in the voting capital.

Vicunha Siderurgia's corporate structure is as follows (unrevised information):

Rio Purus Participações S.A. holds 60% of National Steel and 59.99% of Vicunha Steel S.A.

CFL Participações S.A. holds 40% of National Steel and 39.99% of Vicunha Steel S.A.

National Steel holds 33.04% of Vicunha Aços

Vicunha Steel holds 66.96% of Vicunha Aços

Vicunha Aços holds 99.99% of Vicunha Siderurgia

CSN recorded interest on shareholders' equity for the period, in addition, the Company paid dividends and interest on shareholders' equity for Vicunha Siderurgia in the amount indicated in the table below, according to the percentage of the Vicunha Siderurgia's interest in CSN as of the closing date of this quarterly information.

| Parent company      | Proposed interest on shareholders' equity | Dividends paid in the period | Interest on shareholders' equity paid in the period |
|---------------------|---|------------------------------|---|
| Total at 9/30/2009  | 130,915                                   | 689,747                      | 123,421   |
| Total at 12/31/2008 |   | 938,223                      | 93,210  |

### b) Transactions with jointly-owned subsidiaries

The Company holds interest in jointly-owned subsidiaries in the strategic areas of mining, logistics and power generation. The characteristics, goals and transactions with these companies are stated as follows:

#### Assets

| Companies          | Accounts receivable | Dividends receivable | Loans / current accounts(*) | Advance for future capital increase | Total     |
|--------------------|---------------------|----------------------|-----------------------------|-------------------------------------|-----------|
| Nacional Minérios  | 37,822              |                      | 1,212,482                   |                                     | 1,250,304 |
| Transnordestina    |                     |                      |                             | 97,949                              | 97,949    |
| MRS Logística      | 1,149               | 50,147               |                             |                                     | 51,296    |
| Total at 9/30/2009 | 38,971              | 50,147               | 1,212,482                   | 97,949                              | 1,399,549 |
| Total at 6/30/2009 | 76,644              | 50,147               | 1,238,946                   | 37,138                              | 1,402,875 |

(\* ) Loan agreement of US\$500,000 thousand, starting on January 28, 2009, maturing on January 31, 2012 and with semiannual interest rate of 12% p.a.

**Liabilities and shareholders equity**

| Companies                 | Liabilities          |                          |                | Shareholders' equity |  |                 |
|---------------------------|----------------------|--------------------------|----------------|----------------------|--|-----------------|
|                           | Advance from clients | Loans / Current accounts | Other          | Total                | Equity Valuation Adjustments - Effects | Total           |
| Nacional Minérios         | 7,577,500            | 5,715                    |                | 7,583,215            | (15,508)                               | (15,508)        |
| MRS Logística             |                      | 2,142                    | 99,043         | 101,185              |  |                 |
| Itá Energética            |                      |                          | 12,785         | 12,785               |  |                 |
| <b>Total at 9/30/2009</b> | <b>7,577,500</b>     | <b>7,857</b>             | <b>111,828</b> | <b>7,697,185</b>     | <b>(15,508)</b>                        | <b>(15,508)</b> |
| <b>Total at 6/30/2009</b> | <b>7,516,096</b>     | <b>5,770</b>             | <b>86,350</b>  | <b>7,608,216</b>     | <b>6,059</b>                           | <b>6,059</b>    |

Namisa: the advance from clients received from the jointly-owned subsidiary Nacional Minérios S.A. is related to the contractual obligation of iron ore supply and port services by CSN. The contract has a 12.5% p.a. interest rate and maturity expected for June 2042.

The valuation adjustment effects refer to an investee abroad whose functional currency is different from the real.

MRS: in other accounts payable with MRS Logística we recorded the amount provisioned by CSN to cover take-or-pay contractual expenses related to the rail transportation contract, agreed upon normal price conditions practiced in this market.

Itasa: it is related to the electric power supply billed under normal market conditions of the Brazilian energy market, ruled by Electric Power Trade Chamber.

**Income**

| Companies                 | Revenues              |   |                | Expenses              |                |                  |
|---------------------------|-----------------------|---|----------------|-----------------------|----------------|------------------|
|                           | Products and services | Interest and monetary and exchange variations | Total          | Products and services | Interest       | Total            |
| Nacional Minérios         | 349,574               | 81,046  | 430,620        | 59,107                | 670,268        | 729,375          |
| MRS Logística             | 104                   |   | 104            | 285,280               |                | 285,280          |
| Itá Energética            |                       |   |                | 109,348               |                | 109,348          |
| <b>Total at 9/30/2009</b> | <b>349,678</b>        | <b>81,046</b>                                 | <b>430,724</b> | <b>453,735</b>        | <b>670,268</b> | <b>1,124,003</b> |
| <b>Total at 9/30/2008</b> | <b>85,248</b>         |   | <b>85,248</b>  | <b>438,802</b>        |                | <b>438,802</b>   |

**Nacional Minérios S.A. ( Namisa )**



Its main purpose is to extract and sell own and third-party iron ore. The main operations are developed in the cities of Congonhas, Ouro Preto, Itabirito and Rio Acima in the state of Minas Gerais, and in Itaguaí, state of Rio de Janeiro. CSN maintains iron ore supply and port service provision transactions, in addition to administrative, operating and financial support.

**Transnordestina Logística S.A.**

Its main purpose is to exploit the public rail cargo transportation service concession and the development in the Northeast Network. The Company does not maintain operating transactions with the subsidiary, and the operations between the parties are related to financial support to projects and operations of the subsidiary.

**MRS Logística S.A.**

Its purpose is to exploit and develop the public rail cargo transportation service in the Southeast Network, which serves the Rio de Janeiro-São Paulo-Belo Horizonte stretch. MRS provides rail cargo transportation services for the supply and outflow of the CSN raw materials and finished products.

**Itá Energética S.A. Itasa**

Itasa holds an interest in the Itá Hydroelectric Power Plant consortium and the operations between the parties are related to contracting electric power supply for the CSN operations.

**c) Transactions with subsidiaries and special purpose entities (exclusive investment funds)****Assets**

| Companies                   | Accounts receivable | Marketable securities (**) | Loans/current accounts(*) | Dividends receivable | Advance for future capital increase | Total            |
|-----------------------------|---------------------|----------------------------|---------------------------|----------------------|-------------------------------------|------------------|
| Exclusive investment funds  |                     | 2,136,627                  |                           |                      |                                     | 2,136,627        |
| Cinnabar                    |                     |                            | 1,689,265                 |                      |                                     | 1,689,265        |
| CSN Madeira                 | 329,564             |                            | 376,313                   |                      |                                     | 705,877          |
| CSN Export                  | 484,468             |                            |                           |                      |                                     | 484,468          |
| Companhia Metalúrgica Prada | 71,280              |                            | 2,527                     |                      |                                     | 73,807           |
| CSN Cimentos                | 1,545               |                            |                           |                      | 38,700                              | 40,245           |
| CSN Aços Longos             |                     |                            |                           |                      | 18,726                              | 18,726           |
| GalvaSud                    | 8,456               |                            |                           |                      |                                     | 8,456            |
| Inal Nordeste               | 7,550               |                            |                           |                      |                                     | 7,550            |
| CSN Energia                 |                     |                            |                           | 6,007                |                                     | 6,007            |
| Namisa Europe               | 5,855               |                            |                           |                      |                                     | 5,855            |
| Cia. Metalic Nordeste       | 5,332               |                            |                           |                      |                                     | 5,332            |
| Estanho Rondônia            |                     |                            |                           | 4,958                |                                     | 4,958            |
| Sepetiba Tecon              | 206                 |                            | 456                       |                      |                                     | 662              |
| Aceros                      |                     |                            | 44                        |                      |                                     | 44               |
| <b>Total at 9/30/2009</b>   | <b>914,256</b>      | <b>2,136,627</b>           | <b>2,068,605</b>          | <b>10,965</b>        | <b>57,426</b>                       | <b>5,187,879</b> |
| <b>Total at 6/30/2009</b>   | <b>827,301</b>      | <b>659,505</b>             | <b>2,290,805</b>          | <b>10,965</b>        | <b>174,634</b>                      | <b>3,963,210</b> |

(\*) Cinnabar - Contract in US\$; interest ranging from 5.58% p.a. to 10.42% p.a.; final maturity in January 2015.  
CSN Madeira - Contract in US\$; interest ranging from 9.50% to 10.88 % p.a.; final maturity in January 2015.

(\*\*) Financial investments in exclusive investment funds managed by Banco BTG Pactual are backed by Brazilian government bonds and have daily liquidity.

Accounts receivable derive from sales operations of products and services among the parent company and the subsidiaries.



**Liabilities**

| Companies                 | Loans and financing |                        |                           | Accounts payable |                                    | Total            |       |
|---------------------------|---------------------|------------------------|---------------------------|------------------|------------------------------------|------------------|-------|
|                           | Pre-payment<br>(1)  | Fixed Rate<br>Notes(2) | Loans and<br>Intercompany |                  | Loans (3) /<br>current<br>accounts |                  | Other |
|                           |                     |                        | Bonds (2)                 |                  |                                    |                  |       |
| Cinnabar                  | 1,440,146           | 715,478                | 131,379                   |                  | 273,402                            | 2,560,405        |       |
| CSN Iron                  | 86,868              |                        | 1,106,556                 |                  |                                    | 1,193,424        |       |
| CSN Madeira               | 346,258             |                        | 18,180                    |                  | 313,981                            | 678,419          |       |
| CSN Export                | 578,570             |                        |                           |                  | 10,639                             | 589,209          |       |
| Aceros                    |                     |                        |                           |                  | 17,875                             | 17,875           |       |
| Ersa                      |                     |                        |                           |                  |                                    | 4,213            |       |
| GalvaSud                  |                     |                        |                           |                  |                                    | 1,724            |       |
| Other(*)                  |                     |                        |                           |                  |                                    | 1,396            |       |
| <b>Total at 9/30/2009</b> | <b>2,451,842</b>    | <b>715,478</b>         | <b>1,256,115</b>          |                  | <b>615,897</b>                     | <b>5,046,665</b> |       |
| <b>Total at 6/30/2009</b> | <b>2,742,259</b>    | <b>731,761</b>         | <b>1,350,722</b>          |                  | <b>674,818</b>                     | <b>5,688,994</b> |       |

The conditions of the transactions with these subsidiaries are shown as follows:

(1) Contracts in US\$ - CSN Export: interest from 4.00% to 7.43% p.a. with maturity in May 2015.

Contracts in US\$ - Cinnabar: interest from 7.00% to 10.0% p.a. with maturity in June 2018.

Contracts in US\$ - CSN Madeira: interest of 7.25% p.a. with maturity in September 2016.

Contracts in US\$ - CSN Iron: interest of 7.00% p.a. with maturity in January 2012.

(2) Contracts in US\$ - CSN Iron: Intercompany Bonds: interest of 9.125% p.a. with maturity on June 1, 2047.

Contracts in YEN - Cinnabar: interest of 1.5% p.a. with maturity on July 13, 2010.

Contracts in R\$ - Cinnabar (part): IGPM + 6% p.a. with indefinite maturity.

Contracts in US\$ - CSN Madeira (part): semiannual Libor + 2.5% p.a. with maturity on September 15, 2011.

(3) Contracts in US\$ - CSN Madeira (part): semiannual Libor + 3% p.a. with indefinite maturity.

Contracts in US\$ - CSN Export: semiannual Euribor + 0.5% p.a. with indefinite maturity.

Contracts in US\$ - Cinnabar (part): semiannual Libor + 3% p.a. with indefinite maturity.

(\*) Other: Metalic, Inal Nordeste, Prada, CSN LLC, CSN Cimentos and Tecon.

**Shareholders equity accumulated translation adjustments (Law 11,638/07)**

| Companies | Investment            |  | Total  |
|-----------|-----------------------|--|--------|
|           | Exchange<br>Variation | Investments<br>Exchange<br>Variation Effects |        |
| Panama    | 29,791                |  | 29,791 |

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|                    |          |          |          |
|--------------------|----------|----------|----------|
| CSN Steel          | 12,805   | (11,866) | 939      |
| Overseas           | (8,983)  |          | (8,983)  |
| Energy I           | (13,274) |          | (13,274) |
| CSN Export         | (25,988) |          | (25,988) |
| Total at 9/30/2009 | (5,649)  | (11,866) | (17,515) |
| Total at 6/30/2009 | 414,200  | (18,848) | 395,352  |

Accumulated translation adjustments (asset valuation adjustment) refer to investees overseas whose functional currencies are different from the Brazilian Real.

**Income**

| Companies                   | Revenues              |   |                  | Expenses                     |   |                  |
|-----------------------------|-----------------------|---|------------------|------------------------------|---|------------------|
|                             | Products and services | Interest and monetary and exchange variations | Total            | COGS / Products and services | Interest and monetary and exchange variations | Total            |
| CSN Export                  | 666,906               | (65,461)                                      | 601,445          | 560,369                      | (153,396)                                     | 406,973          |
| Companhia Metalúrgica Prada | 648,064               |   | 648,064          | 297,090                      |   | 297,090          |
| GalvaSud                    | 405,218               |   | 405,218          | 245,141                      |   | 245,141          |
| Cia. Metalic Nordeste       | 58,350                |   | 58,350           | 32,529                       |   | 32,529           |
| Inal Nordeste               | 33,236                |   | 33,236           | 16,058                       |   | 16,058           |
| Ersa                        |                       |   |                  | 13,598                       |   | 13,598           |
| Namisa Europe               | 47,146                | (9,705)                                       | 37,441           | 9,660                        |   | 9,660            |
| Sepetiba Tecon              | 2,146                 |   | 2,146            | 1,692                        |   | 1,692            |
| CSN Cimentos                | 13,936                |   | 13,936           |                              |   |                  |
| Exclusive investment funds  |                       | (603,800)                                     | (603,800)        |                              |   |                  |
| Aceros                      |                       |   |                  |                              | (5,619)                                       | (5,619)          |
| CSN Madeira                 | 521,973               | (63,732)                                      | 458,241          | 157,713                      | (190,281)                                     | (32,568)         |
| CSN Iron                    |                       |   |                  |                              | (280,537)                                     | (280,537)        |
| Cinnabar                    |                       | 142,777                                       | 142,777          |                              | (665,581)                                     | (665,581)        |
| <b>Total at 9/30/2009</b>   | <b>2,396,975</b>      | <b>(599,921)</b>                              | <b>1,797,054</b> | <b>1,333,850</b>             | <b>(1,295,414)</b>                            | <b>38,436</b>    |
| <b>Total at 9/30/2008</b>   | <b>2,159,314</b>      | <b>219,011</b>                                | <b>2,378,325</b> | <b>1,084,821</b>             | <b>848,728</b>                                | <b>1,933,549</b> |

During 2009, the subsidiary CSN Export S.à.r.l. exported to the CSN subsidiaries, Lusosider in Portugal and CSN LLC in the United States, intermediated by third parties. These transactions and their effects were eliminated from the consolidated quarterly information.

**d) Other related parties****CBS Previdência**

The Company is the main sponsor of CBS Previdência, not-for-profit civil association set up in July 1960, whose main purpose is to pay supplementary benefits to those paid by social security. As the CBS Previdência sponsor, CSN maintains payment transactions of contributions and actuarial liability recognition ascertained in defined benefit plans.

**Fundação CSN**

CSN develops socially responsible policies currently focused on Fundação CSN, whose sponsor is the Company. Transactions between the parties are related to operating and financial support for Fundação CSN to develop social projects, mainly in the localities where CSN operates.

**Banco Fibra**

Banco Fibra is under the same control structure of Vicunha Siderurgia, and financial transactions with this bank are limited to transactions in checking accounts and financial investments in fixed income.

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The balances of transactions between the Company and these entities are shown as follows:

**Assets and Liabilities**

| Companies          | Assets   |        | Liabilities           |                        |        |
|--------------------|--|--------|-----------------------|------------------------|--------|
|                    | Bank checking accounts and marketable securities | Total  | Actuarial liabilities | Other accounts payable | Total  |
| CBS Previdência    |  |        | 85,355                |                        | 85,355 |
| Fundação CSN       | 906  | 906    |                       | 50                     | 50     |
| Banco Fibra        | 5,221  | 5,221  |                       |                        |        |
| Total at 9/30/2009 | 6,127  | 6,127  | 85,355                | 50                     | 85,405 |
| Total at 6/30/2009 | 14,627   | 14,627 | 96,285                | 66                     | 96,351 |

**Income**

| Company            | Revenues                        |       | Expenses              |                |        |
|--------------------|---------------------------------|-------|-----------------------|----------------|--------|
|                    | Monetary and exchange variation | Total | Pension Fund Expenses | Other expenses | Total  |
| CBS Previdência    | 154                             | 154   | 52,003                | 55             | 52,058 |
| Fundação CSN       |                                 |       |                       | 1,680          | 1,680  |
| Banco Fibra        | 181                             | 181   |                       |                |        |
| Total at 9/30/2009 | 335                             | 335   | 52,003                | 1,735          | 53,738 |
| Total at 9/30/2008 |                                 |       | (2,914)               | 3,089          | 175    |

**e) Key management personnel**

Key management personnel are responsible for planning, directing and controlling the Company's activities and include the members of the Board of Directors, statutory officers and other officers. The Company presents, in the table below, information on compensation and balances existing as of September 30, 2009.

| 9/30/2009 |             | 6/30/2009 |             | 9/30/2009 | 9/30/2008 |
|-----------|-------------|-----------|-------------|-----------|-----------|
| Assets    | Liabilities | Assets    | Liabilities | Income    | Income    |



|  |     |       |     |       |       |       |
|--|-----|-------|-----|-------|-------|-------|
| Short-term benefits for employees and management |     | 1,310 |     | 1,258 | 5,424 | 7,461 |
| Post-employment benefits                         |     |       |     |       | 73    | 86    |
| Other long-term benefits                         | n/a | n/a   | n/a | n/a   |       |       |
| Benefits of labor agreement termination          | n/a | n/a   | n/a | n/a   |       |       |
| Share-based compensation                         | n/a | n/a   | n/a | n/a   |       |       |
|  |     | 1,310 |     | 1,258 | 5,497 | 7,547 |

n/a Not applicable

**6. CASH AND CASH EQUIVALENTS**

|                                    | Consolidated     |                  | Parent Company   |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 9/30/2009        | 6/30/2009        | 9/30/2009        | 6/30/2009        |
| <b>Current assets</b>              |                  |                  |                  |                  |
| <b>Cash and cash equivalents</b>   |                  |                  |                  |                  |
| <b>Cash and Banks</b>              | <b>1,388,701</b> | <b>182,004</b>   | <b>1,320,521</b> | <b>100,992</b>   |
| <b>Marketable Securities</b>       |                  |                  |                  |                  |
| <b>In Brazil:</b>                  |                  |                  |                  |                  |
| Exclusive investment funds         |                  |                  | 2,136,627        | 659,505          |
| Brazilian government bonds         | 3,006,205        | 1,017,261        |                  |                  |
| Fixed income and debentures        | 1,158,654        | 979,774          | 15,035           | 2,057            |
|                                    | <b>4,164,859</b> | <b>1,997,035</b> | <b>2,151,662</b> | <b>661,562</b>   |
| <b>Abroad:</b>                     |                  |                  |                  |                  |
| Time Deposits                      | 3,354,984        | 3,901,842        | 1,818,682        | 2,608,678        |
| <b>Total Marketable securities</b> | <b>7,519,843</b> | <b>5,898,877</b> | <b>3,970,344</b> | <b>3,270,240</b> |
| <b>Cash and Cash Equivalents</b>   | <b>8,908,544</b> | <b>6,080,881</b> | <b>5,290,865</b> | <b>3,371,232</b> |

The available financial funds in the Parent Company and subsidiaries established in Brazil are primarily invested in exclusive investment funds, whose cash is mostly invested in repurchase operations pegged to Brazilian government bonds, with immediate liquidity. Additionally, a significant portion of the financial funds of the Company and its subsidiaries abroad is invested in Time Deposits in first-tier banks.

The exclusive investment funds, managed by BTG Pactual Serviços Financeiros S.A DTVM, and its assets, are accountable for possible losses in investments and operations carried out. The Company may bear the fund's operation fees (management, custody and audit fees) and it may also be called to back the shareholders' equity in the event of losses resulting from interest rate, exchange rate or other financial asset variations.

**7. ACCOUNTS RECEIVABLE**

|                                   | Consolidated     |                  | Parent Company   |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | 9/30/2009        | 6/30/2009        | 9/30/2009        | 6/30/2009        |
| <b>Domestic market</b>            |                  |                  |                  |                  |
| Subsidiaries                      |                  |                  | 133,340          | 231,987          |
| Other clients                     | 1,111,671        | 1,109,914        | 647,729          | 676,234          |
|                                   | <b>1,111,671</b> | <b>1,109,914</b> | <b>781,069</b>   | <b>908,221</b>   |
| <b>Foreign market</b>             |                  |                  |                  |                  |
| Subsidiaries                      |                  |                  | 819,888          | 671,958          |
| Other clients                     | 362,581          | 304,990          | 4,002            | 11,141           |
|                                   | <b>362,581</b>   | <b>304,990</b>   | <b>823,890</b>   | <b>683,099</b>   |
| Advance on Export Contracts (ACE) | (53,343)         | (58,548)         | (53,343)         | (58,548)         |
| Allowance for doubtful accounts   | (296,794)        | (277,608)        | (242,727)        | (222,652)        |
|                                   | <b>1,124,115</b> | <b>1,078,748</b> | <b>1,308,889</b> | <b>1,310,120</b> |

The Company also maintains other long-term accounts receivable, and among these assets 77% are debentures issued by Companhia Brasileira de Latas in 2002, in the amount of R\$212,870. As of September 30, 2009, the Company held a provision for total loss for these debentures.

**8. INVENTORIES**

|                      | Consolidated     |                  | Parent Company   |                  |
|----------------------|------------------|------------------|------------------|------------------|
|                      | 9/30/2009        | 6/30/2009        | 9/30/2009        | 6/30/2009        |
| Finished products    | 603,691          | 638,189          | 369,534          | 422,732          |
| Work in process      | 587,866          | 872,063          | 488,819          | 808,896          |
| Raw materials        | 547,660          | 749,614          | 396,371          | 476,923          |
| Supplies             | 711,561          | 732,973          | 601,424          | 622,245          |
| Advance to suppliers | 227,066          | 382,352          | 212,959          | 316,574          |
| Provision for losses | (42,494)         | (26,819)         | (38,393)         | (22,846)         |
| Materials in transit | 91,159           | 64,352           | 53,340           | 18,433           |
|                      | <b>2,726,509</b> | <b>3,412,724</b> | <b>2,084,054</b> | <b>2,642,957</b> |

**9. DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES****(a) Deferred income and social contribution taxes**

Deferred income and social contribution taxes are recognized in order to reflect future tax effects attributable to temporary differences between the tax base of assets, liabilities and the respective carrying value.

|                              | Consolidated     |                | Parent Company  |                |
|------------------------------|------------------|----------------|-----------------|----------------|
|                              | 9/30/2009        | 6/30/2009      | 9/30/2009       | 6/30/2009      |
| <b>Current assets</b>        |                  |                |                 |                |
| Income tax                   | 494,658          | 388,182        | 316,162         | 321,049        |
| Social contribution          | 176,676          | 139,992        | 113,965         | 115,739        |
|                              | <b>671,334</b>   | <b>528,174</b> | <b>430,127</b>  | <b>436,788</b> |
| <b>Long-term assets</b>      |                  |                |                 |                |
| Income tax                   | 1,132,652        | 608,024        | 527,164         | 508,378        |
| Social contribution          | 394,766          | 205,814        | 176,549         | 169,699        |
|                              | <b>1,527,418</b> | <b>813,838</b> | <b>703,713</b>  | <b>678,077</b> |
| <b>Current liabilities</b>   |                  |                |                 |                |
| Income tax                   | 936              |                |                 |                |
| Social contribution          | 337              |                |                 |                |
|                              | <b>1,273</b>     |                |                 |                |
| <b>Long-term liabilities</b> |                  |                |                 |                |
| Income tax                   | 15,620           |                |                 |                |
| Social contribution          | 5,623            |                |                 |                |
|                              | <b>21,243</b>    |                |                 |                |
|                              | 9/30/2009        | 9/30/2008      | 9/30/2009       | 9/30/2008      |
| <b>Income</b>                |                  |                |                 |                |
| Income tax                   | 177,719          | 123,402        | (70,123)        | 62,947         |
| Social contribution          | 61,405           | 52,368         | (26,184)        | 28,722         |
|                              | <b>239,124</b>   | <b>175,770</b> | <b>(96,307)</b> | <b>91,669</b>  |

Pursuant to CVM Instruction 371/02, some companies of the group, recorded tax credits on tax loss carryforwards and negative basis of social contribution that are not subject to statute of limitations based on the history of profitability and on the expectations of future taxable income determined in technical valuation approved by the Management.

The increase in deferred taxes in the quarter results from the tax benefit generated from the merger of Big Jump into Namisa, as described in Note 25.

The book value of deferred tax assets is reviewed monthly and projections are reviewed annually, and are subject to any material aspects that might change realization projections. These studies indicate the realization of these tax assets within the term established by said Instruction and within the 30% limit of the taxable income, fact which is shown as follows:



9/30/2009

| Year         | Consolidated                     |                                       | Parent Company                   |                                       |
|--------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
|              | Corporate income tax<br>Tax loss | Social contribution<br>Negative basis | Corporate income tax<br>Tax loss | Social contribution<br>Negative basis |
| 2009         | 84,764                           | 28,703                                | 61,445                           | 22,267                                |
| 2010         | 5,781                            | 2,081                                 |                                  |                                       |
| 2011         | 5,400                            | 1,944                                 |                                  |                                       |
| 2012         | 4,971                            | 1,790                                 |                                  |                                       |
| 2013         | 4,577                            | 1,648                                 |                                  |                                       |
| 2014 to 2016 | 16,084                           | 6,032                                 |                                  |                                       |
| <b>Total</b> | <b>121,577</b>                   | <b>42,198</b>                         | <b>61,445</b>                    | <b>22,267</b>                         |

(b) The sources of the deferred income and social contribution taxes of the Parent Company are shown as follows:

|  | 9/30/2009      |                |                     |                | 6/30/2009      |                |                     |                |
|--|----------------|----------------|---------------------|----------------|----------------|----------------|---------------------|----------------|
|  | Income tax     |                | Social contribution |                | Income tax     |                | Social contribution |                |
|  | Short-Term     | Long-Term      | Short-Term          | Long-Term      | Short-Term     | Long-Term      | Short-Term          | Long-Term      |
| <b>Assets</b>                                      |                |                |                     |                |                |                |                     |                |
| Provisions for contingencies                       | 46,251         | 365,887        | 16,650              | 131,719        | 47,597         | 327,709        | 17,135              | 117,975        |
| Provision for interest on shareholders equity      | 68,417         |                | 24,630              |                | 48,319         |                | 17,395              |                |
| Provision for payment of private pension plans     | 14,181         | 7,158          | 5,105               | 2,577          | 14,076         | 9,996          | 5,067               | 3,598          |
| Taxes under litigation                             |                | 24,910         |                     |                |                | 24,450         |                     |                |
| Tax credits - Income and social contribution taxes | 61,445         |                | 22,267              |                | 100,108        |                | 36,200              |                |
| Other provisions                                   | 125,868        | 129,209        | 45,313              | 42,253         | 110,949        | 146,223        | 39,942              | 48,126         |
|  | <b>316,162</b> | <b>527,164</b> | <b>113,965</b>      | <b>176,549</b> | <b>321,049</b> | <b>508,378</b> | <b>115,739</b>      | <b>169,699</b> |

(c) The reconciliation between the income and social contribution tax expenses and income of the parent company and consolidated, and the result of the rate on net income before Income tax (IR) and Social Contribution (CSLL) in force are shown as follows:

|   | Consolidated     |                  | Parent Company     |                  |
|---|------------------|------------------|--------------------|------------------|
|   | 9/30/2009        | 9/30/2008        | 9/30/2009          | 9/30/2008        |
| <b>Income before income and social contribution taxes</b>                 | <b>2,405,049</b> | <b>2,422,720</b> | <b>3,247,779</b>   | <b>2,350,111</b> |
| Rate  | 34%              | 34%              | 34%                | 34%              |
| <b>Income and social contribution taxes at the combined tax rate</b>      | <b>(817,717)</b> | <b>(823,725)</b> | <b>(1,104,245)</b> | <b>(799,038)</b> |
| <b>Adjustments to reflect the effective tax rate:</b>                     |                  |                  |                    |                  |
| Benefit of Interest on shareholders equity - JCP                          | 93,012           | 64,474           | 93,012             | 64,474           |
| Equity income of subsidiaries at different rates or which are not taxable | 507,521          | 139,677          | 732,459            | 237,217          |
| Tax incentives  | 6,921            | 12,701           | 5,114              | 12,701           |
| Tax credits   |                  | 51,096           |                    |                  |
| Effect of exchange rate variation on incorporated branches CPC 02         | (337,683)        |                  | (337,683)          |                  |
| Other permanent (additions) deductions                                    | (3,873)          | (29,054)         | (25,583)           | (28,820)         |
| <b>Income and social contribution taxes on net income for the period</b>  | <b>(551,819)</b> | <b>(584,831)</b> | <b>(636,926)</b>   | <b>(513,466)</b> |
| <b>Effective rate</b>   | <b>23%</b>       | <b>24%</b>       | <b>20%</b>         | <b>22%</b>       |

**10. INVESTMENTS****a) Direct interest in subsidiaries and jointly-owned subsidiaries**

| Companies             | Number of shares (in units) |             | % Direct interest | 9/30/2009             |                        |                       | 6/30/2009              |           |
|-----------------------|-----------------------------|-------------|-------------------|-----------------------|------------------------|-----------------------|------------------------|-----------|
|                       | Common                      | Preferred   |                   | Net income            | % Shareholders' equity | Net income            | % Shareholders' equity |           |
|                       |                             |             |                   | (loss) for the period |                        | (loss) for the period |                        |           |
| <b>Steel</b>          |                             |             |                   |                       |                        |                       |                        |           |
| Cia. Metalic          |                             |             |                   |                       |                        |                       |                        |           |
| Nordeste              | 87,868,185                  | 4,424,971   | 99.99             | (755)                 | 91,958                 | 99.99                 | (2,657)                | 92,713    |
| INAL Nordeste         | 43,985,567                  |             | 99.99             | (3,558)               | 36,715                 | 99.99                 | (4,535)                | 40,273    |
| CSN Aços              |                             |             |                   |                       |                        |                       |                        |           |
| Longos                | 198,448,052                 |             | 99.99             | (1,184)               | 210,256                | 99.99                 |                        | 36,807    |
| GalvaSud              | 11,610,671,043              |             | 99.99             | 26,111                | 749,721                | 99.99                 | 27,787                 | 723,610   |
| Companhia Metalúrgica |                             |             |                   |                       |                        |                       |                        |           |
| Prada                 | 3,155,036                   |             | 99.99             | (5,861)               | 561,391                | 100.00                | 5,209                  | 567,252   |
| CSN Steel             | 480,726,588                 |             | 100.00            | 15,272                | 1,447,968              | 100.00                | 2,371                  | 1,567,239 |
| CSN Overseas          | 7,173,411                   |             | 100.00            | 33,858                | 1,027,670              | 100.00                | 24,945                 | 1,092,350 |
| CSN Panama            | 4,240,032                   |             | 100.00            | 27,133                | 692,325                | 100.00                | 99,404                 | 733,071   |
| CSN Energy            | 3,675,319                   |             | 100.00            | 91,023                | 903,751                | 100.00                | 360,533                | 902,655   |
| CSN Export            | 1,036,429                   |             | 100.00            | (31,235)              | 214,083                | 100.00                | 4,528                  | 266,807   |
| <b>Logistics</b>      |                             |             |                   |                       |                        |                       |                        |           |
| MRS Logística         | 188,332,667                 | 151,667,313 | 27.27             | 178,186               | 1,960,881              | 27.27                 | 131,570                | 1,782,694 |
| Transnordestina       |                             |             |                   |                       |                        |                       |                        |           |
| Logística             | 550,722,199                 | 45,513,333  | 81.60             | (4,427)               | 409,595                | 81.60                 | (10,246)               | 414,022   |
| SePETIBA Tecon        | 254,015,053                 |             | 99.99             | 13,243                | 200,321                | 99.99                 | 5,538                  | 187,077   |
| Itaguaí               |                             |             |                   |                       |                        |                       |                        |           |
| Logística             | 1,000,000                   |             | 99.99             |                       | 998                    | 99.99                 |                        | 998       |
| <b>Energy</b>         |                             |             |                   |                       |                        |                       |                        |           |
| Itá Energética        | 520,219,172                 |             | 48.75             | 11,986                | 642,760                | 48.75                 | 19,921                 | 630,774   |
| CSN Energia           | 1,000                       |             | 99.99             | (314)                 | 62,833                 | 99.99                 | (923)                  | 63,085    |
| <b>Mining</b>         |                             |             |                   |                       |                        |                       |                        |           |
| ERSA                  | 34,236,307                  |             | 99.99             | (728)                 | 17,341                 | 99.99                 | (1,788)                | 18,069    |
| Congonhas             |                             |             |                   |                       |                        |                       |                        |           |
| Minérios              | 5,010,000                   |             | 99.99             | 85                    | 5,815                  | 99.99                 | 96                     | 5,729     |
| Pelotização           |                             |             |                   |                       |                        |                       |                        |           |
| Nacional              | 1,000,000                   |             | 99.99             |                       | 998                    | 99.99                 |                        | 998       |
| Nacional              |                             |             |                   |                       |                        |                       |                        |           |
| Minérios              | 475,067,405                 |             | 59.99             | 220,928               | 10,031,207             | 59.99                 | 222,809                | 8,454,103 |
| <b>Cement</b>         |                             |             |                   |                       |                        |                       |                        |           |
| CSN Cimentos          | 722,113,330                 |             | 99.99             | (13,585)              | 315,739                | 99.99                 | (10,231)               | 329,324   |



**b) Investment breakdown**

| Companies                 | 6/30/2009                      |                  | Additions (w rite-offs) |   |                                       |                         | Equity pick-up and provision for losses | Closing balance of investments |
|---------------------------|--------------------------------|------------------|-------------------------|---|---------------------------------------|-------------------------|---|--------------------------------|
|                           | Opening balance of investments | Capital increase | Dividends               | Foreign exchange variation adjustments CPC 02 | Gain and loss in percentage variation | Other                   |   |                                |
| <b>Steel</b>              |                                |                  |                         |   |                                       |                         |   |                                |
| Cia Metalurgica Prada     | 567,252                        |                  |                         |   |                                       |                         | (5,861)                                 | 561,391                        |
| Cia. Metalic Nordeste     | 92,713                         |                  |                         |   |                                       |                         | (755)                                   | 91,958                         |
| INAL Nordeste             | 40,273                         |                  |                         |   |                                       |                         | (3,558)                                 | 36,715                         |
| CSN Aços Longos           | 36,807                         | 174,633          |                         |   |                                       |                         | (1,184)                                 | 210,256                        |
| GalvaSud                  | 723,610                        |                  |                         |   |                                       |                         | 26,111                                  | 749,721                        |
| CSN Steel                 | 1,567,239                      |                  |                         | (141,523)                                     |                                       | 6,981 <sup>(1)</sup>    | 15,271                                  | 1,447,968                      |
| CSN Overseas              | 1,092,350                      |                  |                         | (98,538)                                      |                                       |                         | 33,858                                  | 1,027,670                      |
| CSN Panama                | 733,071                        |                  |                         | (67,878)                                      |                                       |                         | 27,132                                  | 692,325                        |
| CSN Energy                | 902,655                        |                  |                         | (89,927)                                      |                                       |                         | 91,023                                  | 903,751                        |
| CSN Export                | 266,807                        | 492              |                         | (21,982)                                      |                                       |                         | (31,234)                                | 214,083                        |
|                           | <b>6,022,777</b>               | <b>175,125</b>   |                         | <b>(419,848)</b>                              |                                       | <b>6,981</b>            | <b>150,803</b>                          | <b>5,935,838</b>               |
| <b>Logistics</b>          |                                |                  |                         |   |                                       |                         |   |                                |
| MRS Logistica             | 486,131                        |                  |                         |   |                                       |                         | 48,590                                  | 534,721                        |
| Transnordestina Logística | 337,833                        |                  |                         |   |                                       |                         | (3,612)                                 | 334,221                        |
| SePETIBA Tecon            | 187,077                        |                  |                         |   |                                       |                         | 13,244                                  | 200,321                        |
| Itaguaí Logística         | 998                            |                  |                         |   |                                       |                         |   | 998                            |
|                           | <b>1,012,039</b>               |                  |                         |   |                                       |                         | <b>58,222</b>                           | <b>1,070,261</b>               |
| <b>Energy</b>             |                                |                  |                         |   |                                       |                         |   |                                |
| Itá Energética            | 307,502                        |                  |                         |   |                                       |                         | 5,843                                   | 313,345                        |
| CSN Energia               | 63,085                         |                  |                         |   |                                       |                         | (314)                                   | 62,771                         |
|                           | <b>370,587</b>                 |                  |                         |   |                                       |                         | <b>5,529</b>                            | <b>376,116</b>                 |
| <b>Mining</b>             |                                |                  |                         |   |                                       |                         |   |                                |
| ERSA                      | 18,069                         |                  |                         |   |                                       |                         | (728)                                   | 17,341                         |
| Nacional Minérios         | 5,072,461                      | 157              |                         |   | 835,115 <sup>(2)</sup>                | (21,567) <sup>(1)</sup> | 132,557                                 | 6,018,723                      |
| Pelotização Minérios      | 5,729                          |                  |                         |   |                                       |                         | 86                                      | 5,815                          |
| Pelotização Nacional      | 998                            |                  |                         |   |                                       |                         |   | 998                            |

|                          |                   |                |                  |                |                 |                |                   |
|--------------------------|-------------------|----------------|------------------|----------------|-----------------|----------------|-------------------|
|                          | 5,097,257         | 157            |                  | 835,115        | (21,567)        | 131,915        | 6,042,877         |
| <b>Cement</b>            |                   |                |                  |                |                 |                |                   |
| CSN Cimentos             | 329,324           |                |                  |                |                 | (13,585)       | 315,739           |
| <b>Total MEP</b>         | <b>12,831,984</b> | <b>175,282</b> | <b>(419,848)</b> | <b>835,115</b> | <b>(14,586)</b> | <b>332,884</b> | <b>13,740,831</b> |
| <b>Other investments</b> | 31                |                |                  |                |                 |                | 31                |
| <b>Total Investments</b> | <b>12,832,015</b> | <b>175,282</b> | <b>(419,848)</b> | <b>835,115</b> | <b>(14,586)</b> | <b>332,884</b> | <b>13,740,862</b> |

(1) Adjustments in accordance with the rules of CPC 02 classified into shareholders' equity under translation accumulated adjustments.

(2) Equity pick up gain referring to the special goodwill reserve on reverse merger of Big Jump.

### c) Additional Information on the main operating subsidiaries

#### GALVASUD

Located in Porto Real, in the State of Rio de Janeiro, the Company has as its main corporate purpose all industrial, commercial and sales promotion activities related to: i) installation and operation of a steel products service center; ii) installation and operation of a hot-immersion galvanization line, iii) installation and operation of laser welding lines for the production of welded blanks destined for the automobile production; iv) just-in-time supply to the automotive industry; and v) promotion and sales of the products of the Company and of third parties, shareholders inclusively, to the automotive industry.

#### INAL NORDESTE

Based in Camaçari, State of Bahia, the Company has as its main purpose to reprocess and distribute the CSN steel products, operating as a service and distribution center in the Northeast region of the country.

#### COMPANHIA METALÚRGICA PRADA

Based in the city of São Paulo, Prada has branches in several states of the country and has as its main activities the rolled steel reprocessing and distribution, the manufacturing and trading of metallic products, manufacturing and trading of metallic packaging, as well as the import and export of these products.

On December 30, 2008, in order to achieve greater synergy, optimization of operations, cost reduction and, also, become more efficient, Prada incorporated the net assets of Indústria Nacional de Aços Laminados INAL.

#### CIA. METALIC NORDESTE

The Company, with its head office located in Maracanaú, State of Ceará, has as its main corporate purpose the manufacturing of metallic packaging destined to the beverage industry.

Its operation unit can be characterized as one of the world's most modern ones and counts on two different production lines: the can production line, whose raw material is tin-coated steel, supplied by the parent company CSN, and the lid production line, whose raw material is aluminum.

Its production is mainly geared towards the Brazilian northern and northeastern markets, with the surplus production of lids sold abroad.

The subsidiary received an incentive from PROVIN Incentive Program for the Companies Operations, established by the Government of the State of Ceará, main purpose of which is the promotion of the industrial development and job generation in that State.

#### SEPETIBA TECON

Company whose objective is to exploit the No.1 Containers Terminal of the Itaguaí Port, located in Itaguaí, State of Rio de Janeiro. This terminal is linked to Presidente Vargas Steelworks by the Southeast railroad network, which is granted to MRS Logística.

SePETiba Tecon was the winner of the auction that occurred on September 3, 1998 for the takeover of the terminal concession and this concession allows the exploitation of the aforementioned terminal for the term of 25 years, extendable for another term of 25 years.

#### CSN ENERGIA

Its main purpose is distributing and trading the surplus electric power generated by CSN and by companies, consortiums or other entities in which Company holds an interest.

CSN Energia holds a balance receivable related to the electric power sales under the scope of the Electric Power Trade Chamber ( Câmara de Comercialização de Energia Elétrica ) CCEE, in the amount of R\$54,224 (R\$54,224 as of June 30, 2009), which are due by concessionaires that present injunctions suspending the corresponding payments. Management understands that recording an allowance for doubtful accounts is not necessary in view of the judicial measures taken by the official entities of the sector.

CSN CIMENTOS

Based in Volta Redonda, State of Rio de Janeiro, CSN Cimentos has the production and trading of cement as its purpose. CSN Cimentos use as one of its raw material the blast furnace slag from the pig iron production of the Presidente Vargas Steelworks. The company started to operate on May 14, 2009 and its results are also related to remaining expenditures deriving from activities discontinued in 2002, when the Company name was FEM Projetos, Construções e Montagens.

## ESTANHO DE RONDÔNIA - ERSA

Ersa is a subsidiary based in the State of Rondônia, where it operates two units, one in the city of Itapuã do Oeste and the other one in the city of Ariquemes.

The subsidiary's mining operation for cassiterite (tin ore) is located in Itapuã do Oeste and the casting operation from which metallic tin is obtained, which is the raw material used in UPV for the production of tin plates, is located in Ariquemes.

**d) Additional information on the main jointly-owned subsidiaries**

The amounts of the balance sheet and of the statement of income of the companies whose control is shared are shown as follows. These amounts were consolidated in the Company's quarterly information, in accordance with the interest described in item (a) of this note.

9/30/2009

|   | NAMISA            | TRANSNORDESTINA | MRS              | ITASA          | NAMISA            | TRANSNORDESTINA | MRS              |
|---|-------------------|-----------------|------------------|----------------|-------------------|-----------------|------------------|
| Current assets  | 2,293,912         | 164,356         | 1,305,921        | 80,377         | 1,856,386         | 188,719         | 891,912          |
| Noncurrent assets   | 9,763,752         | 713,209         | 3,550,893        | 903,736        | 8,629,319         | 629,042         | 3,552,853        |
| Long-term assets  | 8,492,230         | 43,847          | 685,728          | 5,237          | 7,377,204         | 40,591          | 673,500          |
| Investments, property, plant and equipment and deferred charges | 1,271,522         | 669,362         | 2,865,165        | 898,499        | 1,252,115         | 588,451         | 2,879,353        |
| <b>Total Assets</b>   | <b>12,057,664</b> | <b>877,565</b>  | <b>4,856,814</b> | <b>984,113</b> | <b>10,485,705</b> | <b>817,761</b>  | <b>4,444,718</b> |
| Current liabilities   | 244,667           | 50,649          | 1,150,813        | 111,334        | 349,410           | 39,352          | 858,932          |
| Noncurrent liabilities  | 1,781,790         | 417,321         | 1,745,120        | 230,019        | 1,682,192         | 364,387         | 1,803,150        |
| Shareholders' equity  | 10,031,207        | 409,595         | 1,960,881        | 642,760        | 8,454,103         | 414,022         | 1,782,636        |
| <b>Total liabilities and shareholders' equity</b>               | <b>12,057,664</b> | <b>877,565</b>  | <b>4,856,814</b> | <b>984,113</b> | <b>10,485,705</b> | <b>817,761</b>  | <b>4,444,718</b> |

9/30/2009

|  | NAMISA | TRANSNORDESTINA | MRS | ITASA | NAMISA | TRANSNORDESTINA | MRS |
|--|--------|-----------------|-----|-------|--------|-----------------|-----|
|--|--------|-----------------|-----|-------|--------|-----------------|-----|

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|   |                |                 |                |               |               |                 |               |
|---|----------------|-----------------|----------------|---------------|---------------|-----------------|---------------|
| Net Revenue   | 963,667        | 47,259          | 1,669,874      | 170,318       | 414,225       | 41,744          | 2,329,40      |
| Cost of goods sold and services rendered                  | (636,835)      | (43,408)        | (893,063)      | (52,874)      | (325,711)     | (39,724)        | (1,350,42     |
| Gross income (loss)                                       | 326,832        | 3,851           | 776,811        | 117,444       | 88,514        | 2,020           | 978,97        |
| Operating income (expenses)                               | (227,027)      | (11,632)        | (119,158)      | (30,779)      | (112,734)     | (5,305)         | (9,55         |
| Net financial income                                      | 851,858        | (12,090)        | (42,286)       | (19,046)      | 55,470        | (12,654)        | (254,39       |
| Income (loss) before income and social contribution taxes | 951,663        | (19,871)        | 615,367        | 67,619        | 31,250        | (15,939)        | 715,02        |
| Current and deferred income and social contribution taxes | (298,321)      |                 | (206,313)      | (22,919)      | 36,504        | (1)             | (253,98       |
| <b>Net income (loss) for the period</b>                   | <b>653,342</b> | <b>(19,871)</b> | <b>409,054</b> | <b>44,700</b> | <b>67,754</b> | <b>(15,940)</b> | <b>461,04</b> |

NACIONAL MINÉRIOS NAMISA

Headquartered in Congonhas, state of Minas Gerais, the NAMISA main purpose is the production, purchase and sale of iron ore. NAMISA sells its products mainly in the foreign market. NAMISA's main operations are developed in the municipalities of Congonhas, Ouro Preto, Itabirito and Rio Acima, state of Minas Gerais, and in Itaguaí, state of Rio de Janeiro.

In December 2008, CSN sold 2,271,825 shares of the voting capital of Nacional Minérios S.A. ( NAMISA ) to Big Jump Energy Participações S.A. ("Big Jump"), whose shareholders are the companies Posco e Brazil Japan Iron Ore Corp (Itochu Corporation, JFE Steel Corporation, Sumitomo Metal Industries, Ltd., Kobe Steel Ltd., Nisshin Steel Co. Ltd., Nippon Steel). Subsequently to this sale, Big Jump subscribed new shares, paying in cash the total of US\$3.041.473 thousand, corresponding to R\$7,286,154 thousand, R\$6,707,886 thousand of which were recorded as goodwill at the subscription of the shares.

Due to the new corporate structure of the jointly-owned subsidiary, in which Big Jump holds 40% and CSN 60% and, due to the shareholders' agreement entered into between the parties, CSN consolidated NAMISA in a proportional manner.



Continuing the restructuring process of Namisa, on July 30, 2009, the jointly-controlled subsidiary merged its parent company Big Jump Energy Participações S.A. Said merger did not change the company's shareholding structure.

#### TRANSNORDESTINA LOGÍSTICA

Transnordestina has as its main purpose the exploitation and development of the public rail cargo transport service for the Northeast network of Brazil.

Transnordestina entered into a concession agreement with the Federal Government on December 31, 1997 for a period of 30 years, extendable for another equal period. The agreement allows the development of the public service of exploitation of the northeast network which comprises seven States of the Federation in an extension of 4,534 km. The concession also comprises the lease of assets of Rede Ferroviária Federal S.A. (RFFSA) which serve this network and include, among others, constructions, permanent tracks, locomotives, railcars, vehicles, tracks and accessories.

#### MRS LOGÍSTICA

The Company's main purpose is to exploit, by onerous concession, the public rail cargo transport service in the right of way of the Southeast network, located in the stretch connecting Rio de Janeiro, São Paulo and Belo Horizonte, of Rede Ferroviária Federal S.A. - RFFSA, privatized on September 20, 1996. CSN paid in Namisa 10% of its interest in MRS, and decreased this direct interest from 32.93% to 22.93%.

In addition to this direct interest, the Company also holds an indirect interest of 6% through Nacional Minérios S.A. Namisa, a proportionally consolidated company, and 4.3377% through International Investment Fund, which integrates the Company's quarterly information as per the CPC Technical Pronouncement 02.

MRS may also exploit modal transportation services regarding the rail transport and take part in developments aiming at the extension of rail transport services granted.

To provide the services which are the purpose of the concession obtained for a 30-year period, as from December 1, 1996, and extendable for another equal period at the exclusive discretion of the grantor, MRS leased from RFFSA, for the same period of the concession, the assets necessary to operate and maintain rail cargo transportation activities.

#### ITÁ ENERGÉTICA S.A. - ITASA

Itasa holds a 60.5% interest in the Itá Consortium, which was created for the exploitation of the Itá Hydroelectric Power Plant pursuant to the concession agreement of December 28, 1995, and its Addendum 1 dated July 31, 2000, entered into between the consortium holders (Itasa and Centrais Geradoras do Sul do Brasil - Gerasul, formerly called Tractebel Energia S.A.) and the Brazilian Agency for Electric Energy (ANEEL).

CSN holds 48.75% of the subscribed capital and the total amount of common shares issued by Itasa, a special purpose entity (SPE) originally established to make feasible the construction of the Itá Hydroelectric Power Plant, the contracting of the supply of goods and services necessary to carry out the venture and the obtainment of financing through the offering of the corresponding guarantees.

#### **e) Additional information on indirect interests abroad**

##### COMPANHIA SIDERURGICA NACIONAL - LLC

Incorporated in 2001 with the assets and liabilities of the extinct Heartland Steel Inc., headquartered in Wilmington, State of Delaware USA, it has an industrial plant in Terre Haute, State of Indiana USA, where there is a complex comprising a cold rolling line, a hot pickling line for spools and a galvanization line. CSN LLC is a wholly-owned



indirect subsidiary of CSN Panama.

## LUSOSIDER

Incorporated in 1996 in succession to Siderurgia Nacional a company privatized by the Portuguese government that year. Lusosider is the only Portuguese company of the steel sector to produce cold-re-rolled flat steel, with a corrosion-resistant coating. The company presents in Paio Pires an installed capacity of around 550 thousand tonnes/year to produce four large groups of steel products: galvanized plate, cold-rolled plate, pickled and oiled plate.

Products manufactured by Lusosider may be used in the packaging industry, civil construction (piping and metallic structures), and in home appliance components.

**11. PROPERTY, PLANT AND EQUIPMENT**

|                            | <b>Consolidated</b>   |                   |   |                       |                   |
|----------------------------|---|-------------------|---|-----------------------|-------------------|
|                            | Depreciation,<br>depletion and<br>amortization<br>rate (% p.a.) | Cost              | Accumulated                                       | Residual value        |                   |
|                            |   |                   | depreciation,<br>depletion<br>and<br>amortization | 9/30/2009             | 6/30/2009         |
| Machinery and equipment    |   | 7,573,558         | (1,588,212)                                       | 5,985,346             | 6,074,073         |
| Mines and mineral deposits |   | 5,332             | (876)   | 4,456                 | 4,563             |
| Buildings                  |   | 1,514,466         | (182,765)   | 1,331,701             | 1,352,973         |
| Furniture and fixtures     |   | 135,673           | (113,418)   | 22,255                | 23,297            |
| Land                       |   | 133,512           |   | 133,512               | 133,643           |
| Construction in progress   |   | 1,937,822         |   | 1,937,822             | 1,597,818         |
| Other assets               |   | 1,863,390         | (550,105)   | 1,313,285             | 1,337,737         |
|                            |   | <b>13,163,753</b> | <b>(2,435,376)</b>                                | <b>10,728,377</b>     | <b>10,524,104</b> |
|                            |   |                   |   | <b>Parent Company</b> |                   |
| Machinery and equipment    | 8.58  | 6,238,433         | (1,150,965)                                       | 5,087,468             | 5,152,929         |
| Mines and mineral deposits | 0.07  | 2,323             | (3)   | 2,320                 | 2,320             |
| Buildings                  | 3.71  | 773,330           | (52,725)  | 720,605               | 732,855           |
| Furniture and fixtures     | 10.00   | 111,808           | (96,049)  | 15,759                | 16,363            |
| Land                       |   | 90,111            |   | 90,111                | 89,409            |
| Construction in progress   |   | 1,186,212         |   | 1,186,212             | 982,641           |
| Other assets               | 20.00   | 256,092           | (77,418)  | 178,674               | 179,350           |
|                            |   | <b>8,658,309</b>  | <b>(1,377,160)</b>                                | <b>7,281,149</b>      | <b>7,155,867</b>  |

The changes made to property, plant and equipment between June 30 and September 30, 2009 are as follows:

|               |                  |               |               |                 |                 | <b>Consolidated</b>         |                       |                  |
|---------------|------------------|---------------|---------------|-----------------|-----------------|-----------------------------|-----------------------|------------------|
|               | Net<br>6/30/2009 | Addition      | Transfers     | Write-offs      | Other           | Accumulated<br>depreciation | Exchange<br>Variation | Net<br>9/30/2009 |
| <b>In use</b> | <b>8,926,286</b> | <b>94,276</b> | <b>44,466</b> | <b>(17,920)</b> | <b>(41,407)</b> | <b>(198,534)</b>            | <b>(16,612)</b>       | <b>8,790,555</b> |

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|  |                   |                |                 |                 |               |                  |                 |                   |
|--|-------------------|----------------|-----------------|-----------------|---------------|------------------|-----------------|-------------------|
| Equipment and facilities                   | 6,074,073         | 32,270         | 60,258          | (18,376)        | 5             | (151,052)        | (11,832)        | 5,985,346         |
| Mines and mineral deposits                 | 4,563             |                |                 |                 |               | (107)            |                 | 4,456             |
| Buildings                                  | 1,352,973         | 18             | (5,374)         |                 | 308           | (13,448)         | (2,776)         | 1,331,701         |
| Storehouses                                | 166,839           | 42,927         | (1,107)         |                 | (41,655)      |                  |                 | 167,004           |
| Furniture                                  | 23,297            | 153            |                 | (23)            |               | (1,046)          | (126)           | 22,255            |
| Land                                       | 133,643           | 672            | 30              |                 |               |                  | (833)           | 133,512           |
| Hardware                                   | 24,783            | 826            | (2)             | (134)           |               | (1,867)          | (83)            | 23,523            |
| Other                                      | 1,146,115         | 17,410         | (9,339)         | 613             | (65)          | (31,014)         | (962)           | 1,122,758         |
| <b>Work in progress</b>                    | <b>1,597,818</b>  | <b>311,014</b> | <b>(44,615)</b> | <b>(21,908)</b> | <b>96,061</b> |                  | <b>(548)</b>    | <b>1,937,822</b>  |
| <b>Total property, plant and equipment</b> | <b>10,524,104</b> | <b>405,290</b> | <b>(149)</b>    | <b>(39,828)</b> | <b>54,654</b> | <b>(198,534)</b> | <b>(17,160)</b> | <b>10,728,377</b> |
| Intangible assets (see Note 12)            | 504,981           | 416            | 149             |                 | (39,462)      | (1,860)          |                 | 464,224           |
| <b>Total</b>                               | <b>11,029,085</b> | <b>405,706</b> |                 | <b>(39,828)</b> | <b>15,192</b> | <b>(200,394)</b> | <b>(17,160)</b> | <b>11,192,601</b> |

## Parent Company

|  | Net<br>6/30/2009 | Addition       | Transfers       | Write-offs      | Other           | Accumulated<br>depreciation | Net<br>9/30/2009 |
|--|------------------|----------------|-----------------|-----------------|-----------------|-----------------------------|------------------|
| <b>In use</b>                                  | <b>6,173,226</b> | <b>71,796</b>  | <b>49,783</b>   | <b>(17,346)</b> | <b>(41,360)</b> | <b>(141,162)</b>            | <b>6,094,937</b> |
| Equipment and facilities                       | 5,152,929        | 27,879         | 56,241          | (17,949)        | (62)            | (131,570)                   | 5,087,468        |
| Mines and mineral<br>deposits                  | 2,320            |                |                 |                 |                 |                             | 2,320            |
| Buildings                                      | 732,855          |                | (5,374)         |                 | 308             | (7,184)                     | 720,605          |
| Storehouses                                    | 166,745          | 42,814         | (1,107)         |                 | (41,606)        |                             | 166,846          |
| Furniture                                      | 16,363           | 95             |                 |                 |                 | (699)                       | 15,759           |
| Land   | 89,409           | 672            | 30              |                 |                 |                             | 90,111           |
| Hardware                                       | 14,056           | 246            |                 | (11)            |                 | (1,064)                     | 13,227           |
| Other  | (1,451)          | 90             | (7)             | 614             |                 | (645)                       | (1,399)          |
| <b>Work under construction</b>                 | <b>982,641</b>   | <b>179,582</b> | <b>(49,825)</b> | <b>(21,337)</b> | <b>95,151</b>   |                             | <b>1,186,212</b> |
| <b>Total property, plant and<br/>equipment</b> | <b>7,155,867</b> | <b>251,378</b> | <b>(42)</b>     | <b>(38,683)</b> | <b>53,791</b>   | <b>(141,162)</b>            | <b>7,281,149</b> |
| <b>Intangible assets (see Note<br/>12)</b>     | <b>90,482</b>    |                | <b>42</b>       |                 |                 | <b>(972)</b>                | <b>89,552</b>    |
| <b>Total</b>                                   | <b>7,246,349</b> | <b>251,378</b> |                 | <b>(38,683)</b> | <b>53,791</b>   | <b>(142,134)</b>            | <b>7,370,701</b> |

The loan costs that were capitalized in the Parent Company amounted to R\$56,687 (R\$81,776 as of September 30, 2008) and R\$59,353 (R\$85,771 as of September 30, 2008) in the consolidated. These costs are determined on the financing contracts for the mining, cement and long steel projects.

The Company analyzed the circumstances to verify if there was a possibility of impairment, and based on the analyses performed it did not identify any evidence that the residual book value of the assets or groups of assets was recorded at a value higher than the recovery value, in accordance with its the cash generating units.

As of September 30, 2009, the assets provided as collateral for financial operations totaled R\$47,985 (R\$47,985 as of June 30, 2009).

## 12. INTANGIBLE ASSETS

## Consolidated

|  | Useful<br>life<br>terms | Amortization<br>annual rates<br>% | Cost    | Accumulated<br>amortization | Residual value<br>9/30/2009 | 6/30/2009 |
|--|-------------------------|-----------------------------------|---------|-----------------------------|-----------------------------|-----------|
| Software                                       | 05<br>years             | 20                                | 48,504  | (22,972)                    | 25,532                      | 26,826    |
| Goodwill from expected<br>future profitability |                         |                                   | 753,917 | (315,225)                   | 438,692                     | 478,155   |
|  |                         |                                   | 802,421 | (338,197)                   | 464,224                     | 504,981   |

**Parent Company**

Residual value

|  | Useful<br>life<br>terms | Amortization<br>annual rates<br>% | Cost    | Accumulated<br>amortization | 9/30/2009 | 6/30/2009 |
|--|-------------------------|-----------------------------------|---------|-----------------------------|-----------|-----------|
| Software                                       | 05<br>years             | 20                                | 20,172  | (7,221)                     | 12,951    | 13,881    |
| Goodwill from expected<br>future profitability |                         |                                   | 283,528 | (206,927)                   | 76,601    | 76,601    |
|  |                         |                                   | 303,700 | (214,148)                   | 89,552    | 90,482    |

**Software:** This is valued at the cost of acquisition, less accumulated amortization and, when applicable, less impairment losses.

**Goodwill:** The goodwill economic basis is the expected future profitability and, in accordance with the new pronouncements, these amounts are not amortized in the accounting as from January 1, 2009, when they started to be subject only to impairment tests.

**Tax benefit as per CVM  
Instruction 349/01**

|                                | Balance at     |                 | Equity        | Transfer        | Balance at     |          |
|--------------------------------|----------------|-----------------|---------------|-----------------|----------------|----------|
| <b>Goodwill on investments</b> | 6/30/2009      | Provision       | pick-up       | related to      | 9/30/2009      | Investor |
|                                |                |                 |               | IR/CSLL         |                |          |
| <b>Parent Company</b>          |                |                 |               |                 |                |          |
| <b>Galvasud</b>                |                |                 | 13,091        |                 | 13,091         | CSN      |
| <b>Prada</b>                   |                |                 | 63,509        |                 | 63,509         | CSN      |
| <b>Subtotal parent company</b> |                |                 | <b>76,600</b> |                 | <b>76,600</b>  |          |
| <b>Galvasud</b>                |                |                 |               |                 |                |          |
| CSN I (*)                      | 19,837         | (13,091)        |               | (6,745)         |                | GalvaSud |
| <b>Prada</b>                   |                |                 |               |                 |                |          |
| Inal (*)                       | 86,412         | (63,509)        |               | (22,903)        |                | Prada    |
| Onomatopéia                    | 9,814          |                 |               | (9,814)         |                | Prada    |
| <b>NAMISA</b>                  |                |                 |               |                 |                |          |
| CFM                            | 339,637        |                 |               |                 | 339,637        | Namisa   |
| Cayman do Brasil               | 7,481          |                 |               |                 | 7,481          | Namisa   |
| <b>ITASA</b>                   | 14,974         |                 |               |                 | 14,974         | CSN      |
| <b>Total consolidated</b>      | <b>478,155</b> | <b>(76,600)</b> | <b>76,600</b> | <b>(39,462)</b> | <b>438,692</b> |          |

(\*) Recording of provision in the merging company to reflect the adjustments set forth in CVM Instruction 349/01.

### 13. DEFERRED CHARGES

In compliance with Law 11,638/07 and the CPC Technical Pronouncement 13, the Company maintains a record of the remaining balance of deferred assets referring to pre-operating expenses recognized up to December 31, 2007.

These assets will be kept in the Company's accounting up to their total amortization and/or write-off due to impairment. As of September 30, 2009, the balance of these assets was R\$29,991 (R\$31,587 as of June 30, 2009) in the Parent Company and R\$35,695 (R\$38,040 as of June 30, 2009) in the consolidated.

**14. LOANS, FINANCING AND DEBENTURES**

|  | <b>Consolidated</b> |                  |                        |                  | <b>Parent Company</b> |                  |                        |                   |
|--|---------------------|------------------|------------------------|------------------|-----------------------|------------------|------------------------|-------------------|
|  | Current liabilities |                  | Noncurrent liabilities |                  | Current liabilities   |                  | Noncurrent liabilities |                   |
|  | 9/30/2009           | 6/30/2009        | 9/30/2009              | 6/30/2009        | 9/30/2009             | 6/30/2009        | 9/30/2009              | 6/30/2009         |
| <b>FOREIGN CURRENCY</b>  |                     |                  |                        |                  |                       |                  |                        |                   |
| <b>Long-term loans</b>   |                     |                  |                        |                  |                       |                  |                        |                   |
| ACC  | 1,218,994           | 1,920,560        |                        |                  | 1,218,994             | 1,920,560        |                        |                   |
| Pre-payment  | 239,741             | 256,065          | 2,097,143              | 1,898,808        | 461,665               | 390,832          | 3,799,535              | 3,827,673         |
| Perpetual Bonds  | 26,746              | 29,355           | 1,333,575              | 1,463,700        | 26,746                | 29,355           | 1,333,575              | 1,463,700         |
| Fixed Rate Notes   | 49,853              | 42,728           | 3,022,770              | 1,854,020        | 797,511               | 53,736           | 4,089,630              | 3,754,340         |
| Import Financing   | 72,613              | 78,580           | 142,000                | 159,640          | 61,161                | 65,725           | 64,858                 | 73,839            |
| BNDES/Finame   | 19,745              | 17,494           | 81,819                 | 94,452           | 17,448                | 15,768           | 73,447                 | 85,442            |
| Other noncurrent liabilities                                     | 64,821              | 225,523          | 135,803                | 153,042          | 92,208                | 91,008           | 76,473                 | 91,654            |
|  | <b>1,692,513</b>    | <b>2,570,305</b> | <b>6,813,110</b>       | <b>5,623,662</b> | <b>2,675,733</b>      | <b>2,566,984</b> | <b>9,437,518</b>       | <b>9,296,648</b>  |
| <b>LOCAL CURRENCY</b>  |                     |                  |                        |                  |                       |                  |                        |                   |
| <b>Long-term loans</b>   |                     |                  |                        |                  |                       |                  |                        |                   |
| BNDES/Finame   | 273,850             | 250,749          | 1,509,196              | 1,568,658        | 179,071               | 161,135          | 898,099                | 941,338           |
| Debentures   | 18,255              | 35,279           | 628,665                | 628,665          | 8,422                 | 26,172           | 600,000                | 600,000           |
| Pre-payment  | 3,931               | 1,604            | 1,400,000              | 100,000          | 3,931                 | 1,604            | 1,400,000              | 100,000           |
| CCB  | 23,272              |                  | 2,000,000              |                  | 23,272                |                  | 2,000,000              |                   |
| Other noncurrent liabilities                                     | 17,276              | 21,187           | 94,490                 | 89,776           | 1,564                 | 6,395            | 8,590                  | 3,849             |
|  | <b>336,584</b>      | <b>308,819</b>   | <b>5,632,351</b>       | <b>2,387,099</b> | <b>216,260</b>        | <b>195,306</b>   | <b>4,906,689</b>       | <b>1,645,187</b>  |
| <b>Total loans and financing</b>                                 | <b>2,029,097</b>    | <b>2,879,124</b> | <b>12,445,461</b>      | <b>8,010,761</b> | <b>2,891,993</b>      | <b>2,762,290</b> | <b>14,344,207</b>      | <b>10,941,835</b> |
| Derivatives  | 368,899             | 62,973           | 18,465                 | 10,389           | 2,047                 | 2,089            |                        |                   |
| Transaction costs  | (27,909)            | (9,026)          | (66,118)               | (15,546)         | (27,731)              | (8,864)          | (64,665)               | (13,930)          |
| <b>Total loans, financing, derivatives and transaction costs</b> | <b>2,370,087</b>    | <b>2,933,071</b> | <b>12,397,808</b>      | <b>8,005,604</b> | <b>2,866,309</b>      | <b>2,755,515</b> | <b>14,279,542</b>      | <b>10,927,905</b> |

As of September 30, 2009, funding transaction costs are as follows:

|  | <b>Consolidated</b> |                  |               |                |
|--|---------------------|------------------|---------------|----------------|
|  | <b>Short-term</b>   | <b>Long-term</b> | <b>IR (1)</b> | <b>IRR (2)</b> |
|  |                     |                  |               |                |

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|                  |               |               |                   |                    |
|------------------|---------------|---------------|-------------------|--------------------|
| Fixed rate notes | 4,764         | 5,519         | 6.88% up to 10%   | 10.01% up to 10.7% |
| BNDES            | 1,856         | 9,334         | 1.3% up to 3.2%   | 1.44% up to 9.75%  |
| Pre-payment      | 6,062         | 23,945        | 6.25% up to 8.62% | 6.75% up to 10.08% |
| CCB              | 13,667        | 26,194        | 117,5% CDI        | 11.33%             |
| Other            | 1,560         | 1,126         | 103,6% CDI        | 12.59%             |
| <b>Total</b>     | <b>27,909</b> | <b>66,118</b> |                   |                    |

Parent Company

|                  | Short-term    | Long-term     | IR (1)            | IRR (2)            |
|------------------|---------------|---------------|-------------------|--------------------|
| Fixed rate notes | 4,764         | 5,519         | 9.5% up to 10%    | 10.01% up to 10.7% |
| BNDES            | 1,856         | 8,710         | 1.3% up to 3.2%   | 1.44% up to 9.75%  |
| Pre-payment      | 5,884         | 23,116        | 6.25% up to 8.62% | 6.75% up to 10.08% |
| CCB              | 13,667        | 26,194        | 117,5% CDI        | 11.33%             |
| Other            | 1,560         | 1,126         | 103,6% CDI        | 12.59%             |
| <b>Total</b>     | <b>27,731</b> | <b>64,665</b> |                   |                    |

(1) IR contracted annual interest rate

(2) IRR annual internal return rate



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As of September 30, 2009, funding transaction costs to be recorded in the result for subsequent periods are presented as follows.

|                  | <b>Consolidated</b> |             |             |             |             |                       |
|------------------|---------------------|-------------|-------------|-------------|-------------|-----------------------|
|                  | <b>2010</b>         | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>After<br/>2014</b> |
| Fixed rate notes | 1,492               | 1,200       | 1200        | 499         | 333         | 794                   |
| BNDES            | 2,669               | 1,980       | 1968        | 614         | 300         | 1802                  |
| Pre-payment      | 7,494               | 6,018       | 6018        | 4356        | 59          |                       |
| CCB              | 17,083              | 9,111       |             |             |             |                       |
| Other            | 938                 | 187         |             |             |             |                       |

|                  | <b>Parent Company</b> |             |             |             |             |                       |
|------------------|-----------------------|-------------|-------------|-------------|-------------|-----------------------|
|                  | <b>2010</b>           | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>After<br/>2014</b> |
| Fixed rate notes | 1,492                 | 1,200       | 1200        | 499         | 333         | 794                   |
| BNDES            | 2,320                 | 1,856       | 1856        | 577         | 300         | 1802                  |
| Pre-payment      | 7,256                 | 5,840       | 5840        | 4178        |             |                       |
| CCB              | 17,083                | 9,111       |             |             |             |                       |
| Other            | 938                   | 187         |             |             |             |                       |

As of September 30, 2009, the principal of long-term loans, financing and debentures presents the following composition, by year of maturity:

|                 | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |               |
|-----------------|---------------------|-------------------|-----------------------|-------------------|---------------|
| 2010            |                     | 223,120           | 1.8%                  | 236,722           | 1.7%          |
| 2011            |                     | 1,804,223         | 14.5%                 | 1,801,429         | 12.6%         |
| 2012            |                     | 3,479,511         | 27.9%                 | 3,467,928         | 24.2%         |
| 2013            |                     | 2,260,705         | 18.1%                 | 2,337,146         | 16.3%         |
| 2014            |                     | 754,170           | 6.1%                  | 944,064           | 6.6%          |
| After 2014      |                     | 2,608,622         | 20.9%                 | 4,223,343         | 29.4%         |
| Perpetual Bonds |                     | 1,333,575         | 10.7%                 | 1,333,575         | 9.3%          |
|                 |                     | <b>12,463,926</b> | <b>100.0%</b>         | <b>14,344,207</b> | <b>100.0%</b> |

Loans, financing and debentures are subject to interest, annual rates of which, as of September 30, 2009, are presented as follows:

|                 | <b>Consolidated</b> |                     | <b>Parent Company</b> |                     |
|-----------------|---------------------|---------------------|-----------------------|---------------------|
|                 | Local<br>Currency   | Foreign<br>Currency | Local<br>Currency     | Foreign<br>Currency |
| Up to 7%        | 171,776             | 5,040,365           |                       | 6,364,370           |
| From 7.1 to 9%  | 785,521             | 258,629             | 488,831               | 1,190,870           |
| From 9.1 to 11% | 1,317,805           | 3,149,453           | 1,206,914             | 4,558,011           |
| Above 11%       | 248,071             | 53,401              |                       |                     |

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|             |                  |                   |                  |                   |
|-------------|------------------|-------------------|------------------|-------------------|
| Derivatives |                  | 387,364           |                  | 2,047             |
| Variable    | 3,445,762        | 3,775             | 3,427,204        |                   |
|             | <b>5,968,935</b> | <b>8,892,987</b>  | <b>5,122,949</b> | <b>12,115,298</b> |
|             |                  | <b>14,861,922</b> |                  | <b>17,238,247</b> |

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Percentage composition of total loans, financing and debentures, by currency/index of origin:

|                         | Consolidated  |               | Parent Company |               |
|-------------------------|---------------|---------------|----------------|---------------|
|                         | 9/30/2009     | 6/30/2009     | 9/30/2009      | 6/30/2009     |
| <b>Local Currency</b>   |               |               |                |               |
| CDI                     | 27.70         | 7.36          | 23.41          | 5.31          |
| IGPM                    | 0.26          | 0.34          |                |               |
| TJLP                    | 12.02         | 16.64         | 6.25           | 8.04          |
| IGP-DI                  | 0.07          | 0.09          | 0.06           | 0.07          |
| Other indexes           | 0.12          | 0.17          |                |               |
|                         | <b>40.17</b>  | <b>24.60</b>  | <b>29.72</b>   | <b>13.42</b>  |
| <b>Foreign Currency</b> |               |               |                |               |
| US dollar               | 57.18         | 74.75         | 66.12          | 81.22         |
| Yen                     |               |               | 4.15           | 5.34          |
| Euro                    | 0.04          | 0.08          |                |               |
| Other currencies        | 2.61          | 0.57          | 0.01           | 0.02          |
|                         | <b>59.83</b>  | <b>75.40</b>  | <b>70.28</b>   | <b>86.58</b>  |
|                         | <b>100.00</b> | <b>100.00</b> | <b>100.00</b>  | <b>100.00</b> |

In July 2005, the Company issued perpetual bonds amounting to US\$750 million through its subsidiary CSN Islands X Corp. These indefinite maturity bonds pay 9.5% p.a. and the Company has the right to settle the transaction at its face value after 5 years, on the maturity dates for the interest. Up to the closure of this quarterly information, the Company's Management did not intend to settle this operation in the foreseeable future.

The guarantees provided for loans comprise fixed asset items, sureties, bank guarantees and securitization operations (exports), as shown in the following table and do not include the guarantees provided to subsidiaries and jointly-owned subsidiaries mentioned in Note 18.

|                               | 9/30/2009      | 6/30/2009      |
|-------------------------------|----------------|----------------|
| Property, plant and equipment | 47,985         | 47,985         |
| Personal guarantee            | 75,370         | 81,751         |
| Imports                       | 50,648         | 57,524         |
| Securitized (exports)         | 249,219        | 117,841        |
|                               | <b>423,222</b> | <b>305,101</b> |

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The following tables show the amortization and funding in the current period:

|                                  |                              |                            |                      | <b>Amortization</b>                |
|----------------------------------|------------------------------|----------------------------|----------------------|------------------------------------|
| <b>Company</b>                   | <b>Description</b>           | <b>Principal (million)</b> | <b>Payment date</b>  | <b>Interest rate (p.a.)</b>        |
| CSN                              | BNDES                        | \$16                       | Feb / 2009           | 2.20% up to 3.20%                  |
| CSN                              | Debentures                   | \$41                       | Feb / 2009           | 103.6% CDI (4 <sup>th</sup> issue) |
| CSN                              | BNDES                        | \$5                        | Mar / 2009           | 2.20% up to 3.20%                  |
| CSN                              | BNDES                        | \$28                       | Apr up to Jun / 2009 | 2.20% up to 3.20%                  |
| CSN                              | Pre-payment of third parties | \$6                        | May / 2009           | CDI                                |
| CSN Cimentos                     | BNDES                        | \$2                        | May / 2009           | 2.70 and 3.20%                     |
| CSN Cimentos                     | BNDES                        | \$5                        | Jul up to Sep / 2009 | 2.70 and 3.20%                     |
| CSN                              | BNDES                        | \$23                       | Jul up to Sep / 2009 | 2.20% up to 3.20%                  |
| CSN                              | Debentures                   | \$31                       | Aug / 2009           | 103.6% CDI (4 <sup>th</sup> issue) |
| <b>Total amortization in R\$</b> |                              | <b>\$157</b>               |                      |                                    |
| Island IX                        | Fixed Rate Notes             | US\$39                     | Jan / 2009           | 9.50 and 10.5%                     |
| CSN                              | BNDES                        | US\$1                      | Jan / 2009           | 1.70% and 2.70%                    |
| CSN                              | ACC                          | US\$7                      | Jan / 2009           | 6.00%                              |
| CSN                              | Pre-payment of third parties | US\$2                      | Jan / 2009           | 5.65% and 6.43%                    |
| CSN Export                       | Pre-payment of third parties | US\$28                     | Feb / 2009           | 7.28% and 7.43%                    |
| CSN                              | Loans from third parties     | US\$1                      | Feb / 2009           | 6.24%                              |
| CSN                              | Pre-payment of third parties | US\$10                     | Feb / 2009           | 5.19% and 5.81%                    |
| CSN                              | Pre-payment of third parties | US\$2                      | Mar / 2009           | 4.78% up to 6.04%                  |
| CSN                              | ACC                          | US\$21                     | Mar / 2009           | 3.25%                              |
| CSN                              | Equipment import             | US\$1                      | Mar / 2009           | 5.00% up to 8.40%                  |
| CSN                              | Pre-payment of third parties | US\$2.5                    | Apr up to Jun / 2009 | 1.87% up to 5.65%                  |
| CSN                              | ACC                          | US\$126                    | Apr up to Jun / 2009 | 4.35% up to 8.00%                  |
| CSN                              | BNDES                        | US\$1.6                    | Apr up to Jun / 2009 | 1.7% and 2.7%                      |
| CSN                              | Loans from third parties     | US\$3                      | Apr up to Jun / 2009 | 6.30%                              |
| CSN                              | Equipment import             | US\$3                      | Apr up to Jun / 2009 | 6.3% up to 8.5%                    |
| Island X                         | Fixed Rate Notes             | US\$18                     | Apr / 2009           | 9.50 and 10.5%                     |
| CSN Export                       | Pre-payment of third parties | US\$28                     | Apr / 2009           | 7.28% and 7.43%                    |
| Cinnabar                         | Loans from third parties     | US\$1                      | Apr / 2009           | 4.49%                              |
| Island VIII                      | Fixed Rate Notes             | US\$27                     | Jun / 2009           | 9.75%                              |
| Island IX                        | Fixed Rate Notes             | US\$21                     | Jul / 2009           | 10.50%                             |
| Island X                         | Fixed Rate Notes             | US\$18                     | Jul / 2009           | 9.50%                              |
| CSN                              | BNDES                        | US\$2                      | Jul up to Sep / 2009 | 1.70% and 2.70%                    |
| CSN                              | ACC                          | US\$82                     | Jul / 2009           | 4.58% up to 4.68%                  |

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|                                   |                              |                |            |                   |
|-----------------------------------|------------------------------|----------------|------------|-------------------|
| CSN                               | Pre-payment of third parties | US\$2          | Jul / 2009 | 1.58% and 5.02%   |
| CSN                               | Pre-payment of third parties | US\$9          | Aug / 2009 | 1.5% up to 4.06%  |
| CSN                               | Loans from third parties     | US\$1          | Aug / 2009 | 6.24%             |
| CSN Madeira                       | Loans from third parties     | US\$80         | Aug / 2009 | 3.74%             |
| CSN Export                        | Pre-payment of third parties | US\$57         | Aug / 2009 | 7.28% and 7.43%   |
| CSN                               | ACC                          | US\$320        | Aug / 2009 | 4.45% up to 6.15% |
| CSN                               | ACC                          | US\$6          | Sep / 2009 | 6.15%             |
| CSN                               | Pre-payment of third parties | US\$1          | Sep / 2009 | 1.41% up to 1.67% |
| <b>Total amortization in US\$</b> |                              | <b>US\$921</b> |            |                   |

|                              |                                 |                           |              |             |                 | <b>Funding</b>                 |
|------------------------------|---------------------------------|---------------------------|--------------|-------------|-----------------|--------------------------------|
| <b>Company</b>               | <b>Description</b>              | <b>Principal(million)</b> | <b>Issue</b> | <b>Term</b> | <b>Maturity</b> | <b>Interestrate<br/>(p.a.)</b> |
| CSN Cimentos                 | BNDES                           | \$ 54                     | 2/26/2009    | 5 years     | 2/17/2014       | TJLP + 2.7%                    |
| CSN                          | BNDES                           | \$ 90                     | 2/26/2009    | 5 years     | 2/17/2014       | TJLP + 2.7%                    |
| CSN                          | BNDES                           | \$ 215                    | 3/16/2009    | 18<br>years | 12/15/2027      | TJLP + 1.3%                    |
| CSN                          | Third parties                   | \$ 2,000                  | 8/18/2009    | 3 years     | 8/20/2012       | 117,5% CDI                     |
| CSN Cimentos                 | BNDES                           | \$ 9                      | 7/20/2009    | 5 years     | 2/17/2014       | TJLP + 2.7% and<br>3.2%        |
| CSN                          | Pre-payment of<br>third parties | \$ 1,300                  | 9/30/2009    | 5 years     | 9/30/2014       | 8.62%                          |
| <b>Total funding in R\$</b>  |                                 | <b>R\$ 3,668</b>          |              |             |                 |                                |
| CSN Cimentos                 | BNDES                           | US\$ 3                    | 2/26/2009    | 5 years     | 4/15/2014       | UM006 + 2.7%                   |
| CSN                          | BNDES                           | US\$ 24                   | 2/26/2009    | 5 years     | 4/15/2014       | UM006 + 2.7%<br>to 3.2%        |
| CSN                          | ACC                             | US\$ 25                   | 3/16/2009    | 1 year      | 3/5/2010        | 4.35%                          |
| CSN                          | ACC                             | US\$ 75                   | 5/26/2009    | 6<br>months | 11/17/2009      | 2.75%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 200                  | 6/17/2009    | 5 years     | 6/16/2014       | 5.06%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 30                   | 7/24/2009    | 2 years     | 4/26/2011       | 3.95%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 30                   | 7/24/2009    | 2 years     | 10/24/2011      | 3.95%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 20                   | 7/31/2009    | 1 year      | 9/30/2010       | 3.13%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 10                   | 8/3/2009     | 3 years     | 4/30/2012       | 4.65%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 75                   | 8/13/2009    | 2 years     | 2/14/2011       | 3.55%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 50                   | 8/14/2009    | 2 years     | 6/30/2011       | 3.53%                          |
| CSN                          | Pre-payment of<br>third parties | US\$ 50                   | 8/14/2009    | 3 years     | 4/30/2012       | 4.58%                          |
| Island XI                    | Fixed Rate<br>Notes             | US\$ 750                  | 9/21/2009    | 10<br>years | 9/21/2019       | 6.88%                          |
| CSN                          | ACC                             | US\$ 100                  | 9/30/2009    | 2<br>months | 11/27/2009      | 0.80%                          |
| <b>Total funding in US\$</b> |                                 | <b>US\$ 1,442</b>         |              |             |                 |                                |

a) Loans and financing with certain financial institutions have limiting contractual clauses (covenants) that are common in financial contracts in general, which the Company has properly complied with as of September 30, 2009. Some of the main covenants are informed as follows:

In export and import financing operations:

The Company must maintain all authorizations necessary to comply with the obligations established in the contract.

The Company undertakes to export in an amount sufficient to cover the principal and interest added value due on the respective payment dates.

In Export Credit Notes issued in favor of Banco do Brasil S.A. and Banco Nossa Caixa S.A.

The Company undertakes to export steel products in general and/or iron ore in an amount sufficient to cover the principal of the operation.

In financing obtained with the Brazilian Development Bank - BNDES

The Company undertakes to prove the investment of own funds established in the project.

The Company undertakes not to promote acts or measures which may jeopardize or change the economic-financial equilibrium of the loan Beneficiary.

Debenture issuances:

The Company must immediately notify the Fiduciary Agent on the call for any general debenture holders meeting by the issuer.

b) The Company and its subsidiaries also assume covenants which are specific to certain contracts, but usual in operations of the same nature, which had also been complied with as of September 30, 2009. As follows: Covenants of the Company and subsidiaries for Eurobonds issued by its subsidiaries:

In foreign currency and debt operations represented by securities traded on stock exchanges outside Brazil, the Company must not constitute guarantees on its assets, except for those allowed in the operation agreements, without simultaneously guaranteeing the notes.

CSN Islands IX Corp., CSN Islands X Corp. CSN Islands XI Corp. (Eurobonds): The issuer must not assume debts, except for those represented by the notes, or debts representing commissions, costs or indemnifications due in accordance with the established in the operation documentation.

Company's covenant in Bank Letter of Credit ( CCB ) with Caixa Econômica Federal:

The Company shall maintain in the process of collection, at Caixa Econômica Federal, receivables in the amount of 25% of the operation's outstanding balance.

In covenants applicable to the Company's subsidiaries:

CSN Export S.à.r.l (Securitization): CSN Export must not assume debts except for those established in the operation documentation and debts resulting from law and which do not have a materially adverse effect.

On July 2, 2009, CSN (1) notified the creditors of 2003-1 tranche notes on its irrevocable intention of performing the early redemption of such notes, settlement of which occurred on August 5 and (2) started a consent solicitation process with creditors related to the 2004-1 and 2005-1 tranche notes of the Securitization program, in order to obtain from the latter consent or waiver in relation to the following matters: (i) inclusion of iron ore receivables in the Securitization program; (ii) adoption of flexible dates for the performance of early redemption of notes; (iii) change in a few export coverage ratios provided for in the program; and (iv) disregard of Accumulation Events occurred in the 21<sup>st</sup> and 23<sup>rd</sup> quarters of the program, for possible characterization purposes of early amortization event. On August 5, 2009, the Bank of New York Mellon confirmed to have received the creditors' consents for both tranches in sufficient amount to approve all the aforementioned matters. Notwithstanding having obtained said approvals, the Company's temporary fund allocation this quarter (up to the amount corresponding to twice the debt service) to an account managed by the custodian bank (Accumulation Event in the amount of R\$70,829) due to the insufficient level of exposure to comply with certain export coverage ratios in the 23<sup>rd</sup> quarter of the program (ended on April 30, 2009) shall be maintained until the Company resumes compliance with the coverage ratios originally provided for in the securitization program agreements.

Transnordestina (BNDES financing): Transnordestina commits not to change, without prior and express authorization of BNDES, its share control.

## 15. DEBENTURES

### Fourth issue

As approved at the Board of Directors Meeting held on December 20, 2005 and ratified on April 24, 2006, the Company issued, on February 1, 2006, 60,000 non-convertible and unsecured debentures, in one single tranche, with a unit face value of R\$10. These debentures were issued in the total issuance value of R\$600,000. The credits from the negotiations with the financial institutions were received on May 3, 2006.

Compensation interest is applied on the face value of these debentures corresponding to 103.6% of the Clearing House for the Custody and Financial Settlement of Securities (Cetip) Interbank Deposit Certificate (CDI), and the maturity of



the face value is scheduled for February 1, 2012, without early redemption option.

The indentures of this debenture issue contain covenants usual in this kind of operation which have been duly complied with by the Company and are described below:

- a) Provision of information: the Company must provide to the trustee any information that the latter may reasonably require the former in up to ten business days counting from the date of the respective requirement;
- b) Audit: the Company must submit, pursuant to the law, its accounts and balance sheets to examination by an independent audit firm registered with CVM; and
- c) General Debenture holders Meeting: it must immediately notify the trustee on the call for any General Meeting by the Issuer.

## 16. FINANCIAL INSTRUMENTS

### I Derivatives

#### a) Policies for the use of hedging derivatives

The Company's financial policy reflects the liquidity parameters, credit and market risk approved by the Audit Committee and Board of Directors. The use of derivative instruments, with the purpose of preventing interest rate and foreign exchange rate fluctuations from having a negative impact on the Company's balance sheet and statement of income, should comply with these same parameters. Pursuant to the Company's internal rules, this financial investment policy was approved and is managed by the Board of Executive Officers.

As a routine, the Board of Executive Officers presents and discusses, at the meetings of the Board of Executive Officers and Board of Directors, the Company's financial positions. Pursuant to the Bylaws, significant amount operations require previous approval by the Company's Management. The use of other derivative instruments is subject to prior approval by the Board of Directors. In this context, considering that equity instruments historically present higher yield than fixed income instruments, and with the purpose of reducing third party capital cost, the Company contracted a total return equity swap operation on ADRs of its own issuance, which was settled on August 13, 2009.

In order to finance its activities, the Company often resorts to capital markets, either domestic or international ones, and due to the debt profile it seeks, part of the Company's debt is pegged to foreign currency, mainly to the U.S. dollar, which motivates the Company to seek hedge for its indebtedness through derivative financial instruments.

In order to contract financial instruments and derivatives with the purpose of hedge in compliance with the structure of internal controls, the Company adopts the following policies:

- continuous ascertainment of the exchange exposure, which occurs by means of the assessment of assets and liabilities exposed to foreign currency, within the following terms: (i) accounts receivable and payable in foreign currency; (ii) cash and cash equivalents and debt in foreign currency;

- presentation of the Company's financial position and foreign exchange exposure, as a routine, at meetings of the Board of Executive Officers and of the Board of Directors which approve this hedging strategy; and

- contracting of hedge derivative operations only with first-tier banks.

The Company's consolidated net exposure to the foreign exchange rate as of September 30, 2009 is shown as follows:

|  | <b>Amounts in US\$<br/>thousand</b> |
|--|-------------------------------------|
|  | <b>9/30/2009</b>                    |
| Cash and cash equivalents abroad             | 1,912,995                           |
| Accounts receivable - foreign market clients | 218,595                             |
| Advances to suppliers                        | 95,202                              |
| Inventories                                  | 117,353                             |
| Securitization reserve fund                  | 162,679                             |
| Other assets                                 | 150,964                             |
| <b>Total assets</b>                          | <b>2,657,788</b>                    |
| Loans and financing                          | (4,646,524)                         |
| Suppliers                                    | (184,191)                           |
| Other liabilities                            | (41,198)                            |
| <b>Total liabilities</b>                     | <b>(4,871,913)</b>                  |
| <b>Gross exposure</b>                        | <b>(2,214,125)</b>                  |
| Notional value of contracted derivatives (*) | 2,451,750                           |
| <b>Net exposure</b>                          | <b>237,625</b>                      |

(\*) Exchange swap and U.S. futures contracts.

The results obtained with these operations are in accordance with the policies and strategies defined by the Company's Management.

#### **b) Main risks resulting from the Company's operations**

##### **Exchange rate risk**

Although most of the Company's revenues are denominated in Brazilian Reais, as of September 30, 2009, R\$8,505,623 or 58% of the Company's consolidated loans and financing were denominated in foreign currency (R\$8,193,967 or 75% as of June 30, 2009). As a result, the Company is subject to variations in exchange and interest rates and it manages the risk of the fluctuations in the amounts in Brazilian Reais that will be necessary to pay the obligations in foreign currency using a number of financial instruments, including cash invested in dollar and derivatives (derivative contracts without financial leverage, such as foreign currency put and call option), mainly swaps and futures contracts.

##### **Interest rate risk**

The Company has short and long-term liabilities, indexed to floating interest rates and inflation indexes. Due to this exposure, the Company may maintain derivatives to manage these risks better.

##### **Credit risk**

The exposure to credit risk of financial institutions complies with the parameters established in the Company's financial policy. The exposure to credit risk of our clients and suppliers complies with the parameters established by

the Company's credit policy.

Since part of the Company's funds is invested in Brazilian government bonds, there is also exposure to the Company's credit risk.

In order to mitigate market risks, as foreign exchange and interest rate, the Company's Management contracts operations with derivatives, as shown below:

### Exchange swap transactions

Exchange swap transactions aim to protect its liabilities denominated in foreign currency against the depreciation of the Real. The Company carried out swaps of its U.S. dollar-denominated liabilities, in which the Company will receive the difference between the exchange variation observed in the period plus interest rate which ranges between 4.35% and 9.00% p.a., multiplied by the notional value (long position) and pays interest based on the Interbank Deposit Certificate - CDI, on the amount in Reais of the notional value on the date of the contracting (short position). The notional value of these swaps as of September 30, 2009, was US\$1,978,000 thousand (US\$823,000 thousand as of June 30, 2009). The gains and losses from these contracts are directly related to exchange (dollar) and CDI fluctuations. These transactions are related to operations in the Brazilian over-the-counter market, primarily having first-tier financial institutions as counterparts, contracted within exclusive investment funds.

As of September 30, 2009, the position of these contracts is as follows:

#### a) Outstanding operations

| Counterparts     | Notional value (US\$ thousand) |                    |           |                    | Valuation - 2009<br>(R\$ thousand) |                     |      |
|------------------|--------------------------------|--------------------|-----------|--------------------|------------------------------------|---------------------|------|
|                  | 9/30/2009                      | Operation maturity | 9/30/2008 | Operation maturity | Long-term position                 | Short-term position | Long |
| <i>Itau BBA</i>  | 60,000                         | Nov-16-09          | 60,000    | Nov-16-09          | 113,111                            | (158,705)           |      |
| <i>Itau BBA</i>  | 18,000                         | Nov-19-09          | 18,000    | Nov-19-09          | 33,438                             | (44,429)            |      |
| <i>Santander</i> | 30,000                         | Nov-30-09          | 30,000    | Nov-30-09          | 57,566                             | (82,297)            |      |
| <i>Itau BBA</i>  | 25,000                         | Dec-11-09          | 25,000    | Dec-11-09          | 47,290                             | (65,409)            |      |
| <i>Goldman</i>   |                                |                    |           |                    |                                    |                     |      |
| <i>Sachs</i>     | 10,000                         | Dec-11-09          | 10,000    | Dec-11-09          | 18,783                             | (25,925)            |      |
| <i>Itau BBA</i>  | 10,000                         | Dec-11-09          |           |                    | 25,661                             | (18,349)            |      |
| <i>Santander</i> | 25,000                         | Mar-5-10           |           |                    | 45,780                             | (60,960)            |      |
| <i>Santander</i> | 1,000,000                      | Oct-1-09           |           |                    | 1,773,980                          | (1,898,823)         |      |
| <i>Itau BBA</i>  | 325,000                        | Oct-1-09           |           |                    | 576,474                            | (617,119)           |      |
| <i>Goldman</i>   |                                |                    |           |                    |                                    |                     |      |
| <i>Sachs</i>     | 150,000                        | Oct-1-09           |           |                    | 266,104                            | (284,823)           |      |
| <i>Westlb</i>    | 175,000                        | Oct-1-09           |           |                    | 310,398                            | (332,294)           |      |
| <i>Goldman</i>   |                                |                    |           |                    |                                    |                     |      |
| <i>Sachs</i>     | 50,000                         | Oct-1-09           |           |                    | 88,693                             | (94,941)            |      |
| <i>Itau BBA</i>  | 100,000                        | Nov-27-09          |           |                    | 176,731                            | (179,254)           |      |
|                  | 1,978,000                      |                    | 143,000   |                    | 3,534,009                          | (3,863,328)         |      |

## b) Settled operations

| Date of settlement       | Counterparts     | Notional value US\$ thousand |         | Valuation - 2009 (R\$ thousand) |                     | Valuation - 2008(R\$ thousand) |                     |
|--------------------------|------------------|------------------------------|---------|---------------------------------|---------------------|--------------------------------|---------------------|
|                          |                  | 2009                         | 2008    | Long-term position              | Short-term position | Long-term position             | Short-term position |
| Jan-2-09                 | <i>Itau BBA</i>  | 150,000                      | 150,000 | 356,273                         | (296,669)           | 355,456                        | (296,518)           |
| Jan-2-09                 | <i>Santander</i> | 5,000                        | 5,000   | 11,707                          | (11,795)            | 11,680                         | (11,789)            |
| Jan-2-09                 | <i>Santander</i> | 50,000                       | 50,000  | 116,990                         | (117,951)           | 116,722                        | (117,891)           |
| Jan-2-09                 | <i>Santander</i> | 47,000                       | 47,000  | 110,039                         | (110,874)           | 109,787                        | (110,818)           |
| Jan-2-09                 | <i>Itau BBA</i>  | 400,000                      | 400,000 | 934,883                         | (943,609)           | 932,738                        | (943,131)           |
| Jan-2-09                 | <i>Itau BBA</i>  | 50,000                       | 50,000  | 116,902                         | (117,951)           | 116,633                        | (117,892)           |
| Jan-2-09                 | <i>itau BBA</i>  | 50,000                       | 50,000  | 116,933                         | (117,951)           | 116,665                        | (117,892)           |
| Jan-2-09                 | <i>itau BBA</i>  | 50,000                       | 50,000  | 116,881                         | (117,951)           | 116,613                        | (117,892)           |
| Jan-2-09                 | <i>itau BBA</i>  | 58,000                       | 58,000  | 134,569                         | (135,644)           | 134,260                        | (135,575)           |
| Jan-2-09                 | <i>itau BBA</i>  | 50,000                       | 50,000  | 118,277                         | (117,570)           | 118,006                        | (117,510)           |
| Jan-13-09 <sup>(1)</sup> | <i>ABN Amro</i>  | 20,000                       | 20,000  | 48,059                          | (37,412)            | 48,190                         | (37,261)            |
| Jan-23-09 <sup>(2)</sup> | <i>Itau BBA</i>  | 60,000                       | 60,000  | 145,828                         | (100,378)           | 143,360                        | (99,570)            |
| Jan-23-09 <sup>(6)</sup> | <i>Santander</i> | 30,000                       | 30,000  | 72,634                          | (71,874)            | 71,369                         | (71,230)            |
| Jan-23-09 <sup>(6)</sup> | <i>Santander</i> | 10,000                       | 10,000  | 24,303                          | (24,160)            | 23,879                         | (23,938)            |
| Jan-27-09 <sup>(3)</sup> | <i>ABN Amro</i>  | 30,000                       | 30,000  | 71,715                          | (49,965)            | 71,650                         | (49,515)            |
| Jan-26-09 <sup>(4)</sup> | <i>Santander</i> | 10,000                       | 10,000  | 23,887                          | (17,136)            | 23,823                         | (16,989)            |
| Jan-26-09 <sup>(5)</sup> | <i>Itau BBA</i>  | 20,000                       | 20,000  | 47,857                          | (34,834)            | 47,853                         | (34,399)            |
| Jan-2-09 <sup>(6)</sup>  | <i>Itau BBA</i>  | 10,000                       | 10,000  | 24,693                          | (24,340)            | 23,790                         | (23,807)            |
|                          | <i>Goldmam</i>   |                              |         |                                 |                     |                                |                     |
| Jan-2-09 <sup>(6)</sup>  | <i>Sachs</i>     | 20,000                       | 20,000  | 49,549                          | (48,737)            | 47,579                         | (47,673)            |
| Jan-3-09 <sup>(5)</sup>  | <i>Itau BBA</i>  | 80,000                       | 80,000  | 199,182                         | (140,520)           | 191,413                        | (137,598)           |
| Apr-20-09                | <i>Itau BBA</i>  | 40,000                       | 40,000  | 45,674                          | (49,386)            | 48,348                         | (47,719)            |
| Jul-31-09                | <i>Itau BBA</i>  | 20,000                       |         | 39,383                          | (35,324)            | 47,780                         | (33,220)            |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 99,391                          | (97,634)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 97,645                          | (99,391)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 97,635                          | (97,492)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 97,653                          | (97,618)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 15,000                       |         | 29,296                          | (29,327)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 20,000                       |         | 39,061                          | (38,982)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 15,000                       |         | 29,295                          | (29,207)            |                                |                     |
| Jul-1-09                 | <i>Itau BBA</i>  | 10,000                       |         | 19,531                          | (19,594)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 15,000                       |         | 29,300                          | (29,377)            |                                |                     |
| Jul-1-09                 | <i>Westlb</i>    | 10,000                       |         | 19,525                          | (19,559)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 97,680                          | (98,278)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 50,000                       |         | 97,701                          | (98,147)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 10,000                       |         | 19,529                          | (19,783)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 20,000                       |         | 39,065                          | (39,435)            |                                |                     |
| Jul-1-09                 | <i>Westlb</i>    | 20,000                       |         | 39,055                          | (39,575)            |                                |                     |
| Jul-1-09                 | <i>Westlb</i>    | 20,000                       |         | 39,061                          | (39,344)            |                                |                     |
| Jul-1-09                 | <i>Santander</i> | 25,000                       |         | 48,823                          | (49,009)            |                                |                     |
| Aug-14-09                | <i>ABN Amro</i>  | 95,000                       | 95,000  | 182,568                         | (174,975)           | 226,869                        | (163,809)           |
| Aug-24-09                | <i>ABN Amro</i>  | 50,000                       | 50,000  | 95,922                          | (91,389)            | 119,144                        | (85,309)            |

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|          |                  |           |           |             |             |             |
|----------|------------------|-----------|-----------|-------------|-------------|-------------|
| Aug-3-09 | <i>Santander</i> | 425,000   | 796,825   | (833,659)   |             |             |
| Aug-3-09 | <i>Westlb</i>    | 135,000   | 253,052   | (263,112)   |             |             |
| Aug-3-09 | <i>Itau BBA</i>  | 165,000   | 309,277   | (323,751)   |             |             |
|          | <i>Goldman</i>   |           |           |             |             |             |
| Aug-3-09 | <i>Sachs</i>     | 10,000    | 18,751    | (19,154)    |             |             |
|          | <i>Goldman</i>   |           |           |             |             |             |
| Sep-1-09 | <i>Sachs</i>     | 10,000    | 18,893    | (18,950)    |             |             |
| Sep-1-09 | <i>Santander</i> | 895,500   | 1,691,235 | (1,689,225) |             |             |
| Sep-1-09 | <i>Westlb</i>    | 15,000    | 28,360    | (28,517)    |             |             |
| Sep-1-09 | <i>Itau BBA</i>  | 500,000   | 943,967   | (942,774)   |             |             |
|          | <i>Goldman</i>   |           |           |             |             |             |
| Sep-1-09 | <i>Sachs</i>     | 20,000    | 37,757    | (36,750)    |             |             |
|          |                  | 4,060,500 | 1,385,000 | 8,242,072   | (8,086,039) | 3,263,607   |
|          |                  |           |           |             |             | (2,958,945) |

- (1) Early settlement original maturity March 16, 2009
- (2) Early settlement original maturity July 24, 2009
- (3) Early settlement original maturity July 27, 2009
- (4) Early settlement original maturity August 03, 2009
- (5) Early settlement original maturity August 13, 2009
- (6) Early settlement original maturity December 11, 2009

The net position of the aforementioned contracts is recorded in a specific derivative account in the loans and financing group as loss in the amount of R\$329,319 as of September 30, 2009 (loss of R\$35,303 as of June 30, 2009) and its effects are recognized in the Company's financial result as loss in the amount of R\$471,128. The jointly-owned subsidiary MRS Logística has derivative (swap) operations which caused proportional losses to the Company's interest, in the amount of R\$61,056 in income, in the consolidated of CSN as of September 30, 2009.

### Libor x CDI Swap transactions

The purpose of these transactions is to hedge liabilities indexed to US Dollar Libor from Brazilian interest rate fluctuations. The Company has basically executed swaps of its liabilities indexed to Libor, in which it receives interest of 1.25% p.a. on the notional value in dollar (long position) and pays 96% of the Interbank Deposit Certificate - CDI on the notional value in Reais on the date of the contracting (short position). The notional value of these swaps as of September 30, 2009 was US\$150,000 thousand, hedging an export pre-payment operation in the same amount. The gains and losses from these contracts are directly related to exchange (dollar), Libor and CDI fluctuations. They are related to operations in the Brazilian over-the-counter market, in general, having first-tier financial institutions as counterparts.

As of September 30, 2009, the position of these contracts is as follows:

#### a) Outstanding operations

| Date of maturity | Counterparts | Notional            | Valuation - 2009 (R\$ thousand) |            | Fair value              | Amount payable or receivable in the period |
|------------------|--------------|---------------------|---------------------------------|------------|-------------------------|--|
|                  |              | value US\$ thousand | Long-term                       | Short-term | (market) (R\$ thousand) | (R\$ thousand)                             |
|                  |              | 9/30/2009           |                                 |            | 9/30/2009               | Amount payable                             |
| Nov-12-09        | CSFB         | 150,000             | 254,927                         | (256,974)  | (2,047)                 | (2,047)                                    |

#### b) Settled operations

| Date of settlement | Counterparts | Notional value US\$ thousand |           | Valuation - 2009 (R\$ thousand) |            | Valuation - 2008 (R\$ thousand) |            | Fair value (R\$ thousand) |           |
|--------------------|--------------|------------------------------|-----------|---------------------------------|------------|---------------------------------|------------|---------------------------|-----------|
|                    |              | 9/30/2009                    | 9/30/2008 | Long-term                       | Short-term | Long-term                       | Short-term | 9/30/2009                 | 9/30/2008 |
| Feb-12-09          | CSFB         | 150,000                      | 150,000   | 257,290                         | (262,062)  | 256,524                         | (258,398)  | (4,772)                   |           |
| May-12-09          | CSFB         | 150,000                      |           | 256,121                         | (260,398)  |                                 |            | (4,277)                   |           |
| Aug-12-09          | CSFB         | 150,000                      |           | 255,783                         | (259,894)  |                                 |            | (4,111)                   |           |
|                    |              |                              |           | 769,194                         | (782,354)  | 256,524                         | (258,398)  | (13,160)                  |           |



The net position of the aforementioned contracts is recorded in a specific derivative account in the loans and financing group as loss in the amount of R\$2,047 as of September 30, 2009 (loss of R\$2,089 as of June 30, 2009) and its effects are recognized in the Company's financial result as loss in the amount of R\$13,333.

**Real-U.S. Dollar Commercial Exchange Rate Futures Contract**

It seeks to hedge foreign-denominated liabilities against the Real devaluation. The Company may buy or sell commercial U.S. dollar futures contracts on the Commodities and Futures Exchange (BM&F) to mitigate the foreign currency exposure of its US dollar-denominated liabilities. The specifications of the Real-U.S. dollar exchange rate futures contract, including detailed explanation on the contracts' characteristics and calculation of daily adjustments, are published by BM&F and disclosed on its website ([www.bmf.com.br](http://www.bmf.com.br)). As of September 30, 2009, the Company had a long position in its exclusive investment fund of US\$473,750 thousand. During the year, the Company paid R\$1,142,591 and received R\$940,609 in adjustments, thus having a loss of R\$201,981. Gains and losses from these contracts are directly related to the currency fluctuations.

As of September 30, 2009, the position of these operations is as follows:

| Description                                     | Notional value<br>US\$<br>thousand | Fair value | Amount payable or receivable in the<br>period |                    |
|---|------------------------------------|------------|---|--------------------|
|   | 9/30/2009                          | 9/30/2009  | Amount received in<br>R\$                     | Amount paid in R\$ |
| Purchase commitment                             |                                    |            |   |                    |
| Foreign currency (US Dollar*<br>AUG-<br>09 BMF) | 473,750                            | (10,332)   | 940,609                                       | (1,142,591)        |

## II Methods and assumptions used to calculate and measure financial instruments - derivatives

### Foreign exchange swap transactions, Libor x CDI swap transactions

The Company uses an exclusive fund for its foreign exchange swap operations. The fund's manager, Banco BTG Pactual, calculates and discloses the market value of the fund assets (NAV - Net Asset Value) on a daily basis, using the following pricing methodology to ascertain the market value of the foreign exchange swap.

#### Dollar

#### Pricing Methodology

The first step in order to calculate the swap is to correct its notional financial value at the foreign exchange rate variation.

The second step consists of calculating which value the corrected notional value would have on the maturity date.

The third and last stage of the calculation is to carry the swap value on the maturity date to the calculation date.

Combining all steps in one single equation we would have the following:



Where:

|                     |   |
|---------------------|---|
| $FinSwap_{calc}$    | Swap s financial value on calculation date                        |
| $FinNocSwap$        | Swap s notional financial value (initial financial value)         |
| $FinNocSwap_{corr}$ | Swap s notional financial value restated to calculation date      |
| $FinSwap_{vcto}$    | Swap s estimated financial value on maturity                      |
| $PtaxV_{calc}$      | Sale PTAX800 on calculation date. Source: BC                      |
| $PtaxV_{ini}$       | Sale PTAX800 on initial swap date. Source: BC                     |
| $DC_{vcto,ini}$     | Days elapsed between initial swap and maturity                    |
| $DC_{vcto,hoje}$    | Days elapsed between initial swap and calculation date            |
| $i$                 | Swap s remuneration rate  |
| $tx$                | Current market foreign exchange coupon rate. Primary Source: BM&F |

The rates used for all swaps are the ones disclosed by BM&F. In their absence, or in situations of liquidity squeeze or systemic crisis situations, coupons of the government bonds of each of the respective indexes are used as a notion for calculation. In the absence of the rate for the specific vertex to be calculated, the BM&F interpolated rates are used.

The Libor x CDI swap was directly contracted by the Company and, therefore, its market value was calculated as follows:

- Long position (purchased): carried to future value at current Libor and discounted at present value by the prefixed US Dollar curve.
- Short position (sold): carried to future value at current CDI and discounted at present value by the prefixed Brazilian Real curve.

The data sources for the mark-to-market of these instruments are the following: BBA (British Bankers Association), BM&F, BOVESPA and CETIP, and all data were taken from Bloomberg.

### III Sensitivity analysis

For the following operations, based on the foreign exchange rate as of September 30, 2009 of R\$1.7781 per US\$1.00, adjustments to the swap contract amounts were estimated for three scenarios: scenario 1: rate of R\$1.7802 per US\$1.00; scenario 2: (25% devaluation) rate of R\$1.3336 per US\$1.00; scenario 3: (50% devaluation) rate of R\$0.8891 per US\$1.00.

9/30/2009

|   | Risk                    | Scenario | US\$<br>Notional<br>value | Exchange<br>rate | Additional<br>result<br>R\$ |
|---|-------------------------|----------|---------------------------|------------------|-----------------------------|
| <b>Exchange Swap</b>  | U.S. Dollar devaluation | 1*       | 1,978,000                 | 1.7802           | 4,203                       |
|   |                         | 2        |                           | 1.3336           | (879,270)                   |
|   |                         | 3        |                           | 0.8891           | (1,758,541)                 |
| <b>Swap CDI vs. Libor</b>   | U.S. Dollar devaluation | 1*       | 150,000                   | 1.7802           | 319                         |
|   |                         | 2        |                           | 1.3336           | (66,679)                    |
|   |                         | 3        |                           | 0.8891           | (133,358)                   |
| <b>U.S. dollar futures</b>  | U.S. Dollar devaluation | 1*       | 473,750                   | 1.7802           | 1,007                       |
|   |                         | 2        |                           | 1.3336           | (210,594)                   |
|   |                         | 3        |                           | 0.8891           | (421,187)                   |
| <b>Consolidated exchange position</b><br>(including the foreign exchange derivatives above) | U.S. Dollar devaluation | 1        | 237,625                   | 1.7802           | 505                         |
|   |                         | 2        |                           | 1.3336           | (105,630)                   |
|   |                         | 3        |                           | 0.8891           | (211,261)                   |

(\*) Source: U.S. Dollar futures closing rate of October 2009 on September 30, 2009.

The scenarios of devaluation of the Real versus the Dollar would increase losses in the operations.

#### IV Classification of financial instruments

| Consolidated - R\$ thousand                 | 9/30/2009 |   |  | 6/30/2009 |                                 |  |
|---|-----------|---|--|-----------|---------------------------------|--|
|   | Balances  | Fair value<br>through<br>profit<br>and loss | Loans and<br>receivables<br>-<br>effective<br>interest<br>rate | Balances  | Fair value<br>through<br>income | Loans and<br>receivables<br>-<br>Effective<br>interest<br>rate |
| <b>Assets</b>                               |           |   |  |           |                                 |  |
| <b>Current liabilities</b>                  |           |   |  |           |                                 |  |
| Cash and cash equivalents                   | 8,908,544 | 8,908,544                                   |  | 6,080,881 | 6,080,881                       |  |
| Net accounts receivable                     | 1,124,115 |   | 1,144,115  | 1,078,748 |                                 | 1,078,748  |
| Advances to suppliers                       | 227,066   |   | 227,066  | 355,525   |                                 | 355,525  |
| Guarantee (margin) of financial instruments |           |   |  | 1,384,382 | 1,384,382                       |  |
| <b>Noncurrent</b>                           |           |   |  |           |                                 |  |
| Marketable securities                       |           |   |  |           |                                 |  |
| Other securities receivable                 | 122,179   |   | 126,646  | 133,079   |                                 | 133,079  |
| <b>Liabilities</b>                          |           |   |  |           |                                 |  |
| <b>Current liabilities</b>                  |           |   |  |           |                                 |  |
| Loans and financing                         | 1,982,933 |   | 1,982,933  | 2,845,521 |                                 | 2,845,521  |

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|  |            |         |            |           |           |
|--|------------|---------|------------|-----------|-----------|
| Debentures   | 18,255     |         | 18,255     | 35,279    | 35,279    |
| Derivatives  | 358,567    | 358,567 |            | 52,271    | 52,271    |
| Suppliers  | 581,799    |         | 581,799    | 1,325,743 | 1,325,743 |
| Advances to clients  | 105,204    |         | 105,204    | 65,295    | 65,295    |
| Salaries and social contribution                               | 156,536    |         | 156,536    | 130,061   | 130,061   |
| Equity sw ap financial instrument                              |            |         |            | 733,939   | 733,939   |
| Dividends, Interest on shareholders' equity and profit sharing | 323,597    |         | 323,597    | 256,646   | 256,646   |
| <b>Noncurrent</b>  |            |         |            |           |           |
| Loans and financing  | 11,750,678 |         | 11,750,678 | 7,366,550 | 7,366,550 |
| Debentures   | 628,665    |         | 628,665    | 628,665   | 628,665   |
| Derivatives  | 18,465     | 18,465  |            | 10,389    | 10,389    |

**17. FINANCIAL INSTRUMENTS ASSOCIATED TO OTHER FINANCIAL ASSET PRICE FLUCTUATION RISKS****Total return equity swap contracts**

On August 13, 2009, the Company presettled the total return equity swap operation contracted as of September 5, 2008, as approved by the Board of Directors on July 8, 2009:

| Issuance date | Agreement maturity date | Notional value (US\$ thousand) | Assets    |             | Liabilities |             | Market Value |           |
|---------------|-------------------------|--------------------------------|-----------|-------------|-------------|-------------|--------------|-----------|
|               |                         |                                | 8/13/2009 | 8/13/2009   | 6/30/2009   | 6/30/2009   | 8/13/2009    | 6/30/2009 |
| 9/5/2008      | 8/13/2009               | 1,050,763                      | 1,350,307 | (1,934,741) | 1,326,117   | (2,060,055) | (584,434)    | (733,938) |

Despite this operation's accumulated losses from September 5, 2008 up to the date of its settlement, in the amount of R\$584,434, during that period in 2009 the operation generated a profit totaling R\$1,026,465.

Swap contract without cash, had as counterpart Banco Goldman Sachs International, was pegged to 29,684,400 American Depositary Receipts ( ADR ) of Companhia Siderúrgica Nacional (long position) and Libor of 3 months + spread of 0.75% p.a. (short position).

The gains and losses from this contract were directly related to foreign exchange fluctuations, the Company's ADRs and Libor quotation. This instrument was recorded in other accounts payable in the balance sheet, and gains and loss, by accrual period, in the Company's financial results.

This operation had deposit related to the guarantee margin with the counterpart in the amount of US\$593,410 remunerated daily at the FedFund rate, and this deposit was released on the operation settlement date. The guarantee margin was recorded in the other accounts receivable in the Company's current assets.

**18. SURETIES AND GUARANTEES**

The Company has the following liabilities with its subsidiaries and jointly-owned subsidiaries, in the amount of R\$5,057 million (R\$4,079 million as of June 30, 2009), for guarantees provided:

| In million        |          |           |           |            |  |
|-------------------|----------|-----------|-----------|------------|--|
| Companies         | Currency | 9/30/2009 | 6/30/2009 | Maturity   | Conditions   |
| Transnordestina   | R\$      | 24.0      | 24.0      | 11/13/2009 | BNDES loan guarantee   |
| Transnordestina   | R\$      | 20.0      | 20.0      | 11/15/2020 | BNDES loan guarantee   |
| Transnordestina   | R\$      | 13.0      | 13.0      | 11/15/2015 | BNDES loan guarantee   |
| Transnordestina   | R\$      | 23.0      | 23.0      | 4/1/2010   | BNDES loan guarantee   |
| Transnordestina   | R\$      | 19.2      | 19.2      | 4/23/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 18.0      | 18.0      | 9/13/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 20.0      | 20.0      | 2/11/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      |           | 5.0       | 5/26/2009  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 90.0      | 90.0      | 11/2/2009  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 6.5       | 6.5       | 1/11/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      |           | 2.7       | 9/14/2009  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 45.0      | 45.0      | 5/21/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 2.0       | 2.0       | 5/21/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 45.0      | 45.0      | 5/8/2028   | BNDES FNE loan guarantee   |
| Transnordestina   | R\$      | 13.7      |           | 9/5/2010   | BNDES loan guarantee   |
| Transnordestina   | R\$      | 2.2       |           | 9/5/2010   | BNDES loan guarantee   |
| Transnordestina   | R\$      | 2.2       |           | 9/5/2010   | BNDES loan guarantee   |
| Transnordestina   | R\$      | 2.2       |           | 9/5/2010   | BNDES loan guarantee   |
| Transnordestina   | R\$      | 76.1      |           | 8/30/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 3.5       |           | 8/30/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 3.5       |           | 8/30/2010  | BNDES loan guarantee   |
| Transnordestina   | R\$      | 3.5       |           | 8/30/2010  | BNDES loan guarantee   |
| CSN Cimentos S.A. | R\$      | 27.0      | 27.0      | Indefinite | To guarantee the Warrantee s liability in the writ of summons, pledge, appraisal and registration      |
| CSN Cimentos S.A. | R\$      | 7.9       | 7.9       | Indefinite | To guarantee the Warrantee s liability regarding Tax Foreclosure                                       |
| Prada             | R\$      | 0.8       | 0.8       | Indefinite | To guarantee the Warrantee s liability regarding Tax Foreclosure                                       |
| Prada             | R\$      | 2.8       | 2.8       | Indefinite | To guarantee the Warrantee s liability regarding Tax Foreclosure                                       |
| Prada             | R\$      | 0.2       | 0.2       | Indefinite | To guarantee the Warrantee s liability regarding ICMS  |
| Prada             | R\$      | 6.1       | 6.1       | Indefinite | To guarantee the Warrantee s liability regarding Tax Foreclosure filed by Paraná State                 |
| Prada             | R\$      | 0.1       | 0.1       | Indefinite | To guarantee the payment of the value discussed in the Tax Foreclosure Proceeding 2004.51.01.54.1327-8 |
| Prada             | R\$      | 0.1       | 0.1       | Indefinite | To guarantee the payment of the value discussed in the Tax Foreclosure Proceeding 2004.61.09.007744-7  |



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|                                 |      |                |                |            |   |
|---------------------------------|------|----------------|----------------|------------|---|
| Prada                           | R\$  | 0.1            | 0.1            | Indefinite | To guarantee the payment of tax assessment notice 03.009135-9 (ICMS)  |
| Prada                           | R\$  | 0.4            | 0.4            | 1/3/2012   | To guarantee the Warrantee's liability regarding the purchase and sale of electric power  |
| Prada                           | R\$  | 1.2            | 1.2            | 3/10/2010  | To guarantee the Private Instrument of Termination and acknowledgment of indebtedness as of 9/9/2005  |
| Metalic                         | R\$  |                | 0.9            | Indefinite | To guarantee the Warrantee's liability regarding the tax deficiency notices 2006.19291 and 2006.24557-7 to the Revenue Service of the Ceará State |
| CSN Energia Itá Energética S.A. | R\$  | 1.0            | 1.0            | Indefinite | To guarantee the Warrantee's liability regarding Tax Foreclosure  |
| Itá Energética S.A.             | R\$  | 49.6           | 51.8           | 9/15/2013  | BNDES loan guarantee  |
| Sepetiba Tecon                  | R\$  | 5.0            | 5.0            | 6/1/2010   | To guarantee the Warrantee's liability in the rendering of guarantee agreement no. 181020518  |
| Sepetiba Tecon                  | R\$  | 1.9            | 2.1            | 1/15/2012  | BNDES loan guarantee  |
| Sepetiba Tecon                  | R\$  | 61.5           | 61.5           | 9/26/2011  | Surety in Commercial Note 40/00048-6  |
| Sepetiba Tecon                  | R\$  | 15.0           | 15.0           | 5/5/2011   | Guarantee by CSN in the issue of export credit note   |
| <b>Total in R\$</b>             |      | <b>613.2</b>   | <b>517.4</b>   |            |   |
| CSN Islands VIII                | US\$ | 550.0          | 550.0          | 12/16/2013 | Guarantee in Bond issue   |
| CSN Islands IX                  | US\$ | 400.0          | 400.0          | 1/15/2015  | Guarantee in Bond issue   |
| CSN Islands X                   | US\$ | 750.0          | 750.0          | Perpetual  | Guarantee in Bond issue   |
| Cinnabar                        | US\$ | 20.0           | 20.0           | 10/29/2009 | Guarantee in the Promissory Notes issue   |
| CSN Madeira                     | US\$ |                | 76.8           | 8/21/2009  | Guarantee in Import Loan  |
| Namisa                          | US\$ | 20.0           | 20.0           | 12/31/2009 | Guarantee in agreement for the rendering of external guarantee  |
| Aços Longos                     | US\$ | 7.7            | 7.7            | 12/31/2011 | Letter of Credit for equipment acquisition  |
| CSN Cimentos                    | US\$ | 0.2            | 0.2            | 3/30/2010  | Letter of Credit for equipment acquisition  |
| Aços Longos                     | US\$ | 0.7            |                | 12/31/2011 | Letter of Credit for equipment acquisition  |
| Aços Longos                     | US\$ | 0.6            |                | 12/31/2011 | Letter of Credit for equipment acquisition  |
| CSN Islands XI                  | US\$ | 750.0          |                | 9/21/2019  | Guarantee in Bond issue   |
| <b>Total in US\$</b>            |      | <b>2,499.3</b> | <b>1,824.7</b> |            |   |

**19. TAXES PAID IN INSTALLMENTS**

The parent company and the jointly-owned subsidiary MRS Logística are regularly complying with the payment by installments and as of September 30, 2009, the position of these installments was the following:

|  | <b>Consolidated</b> |                  | <b>Parent Company</b> |                  |
|--|---------------------|------------------|-----------------------|------------------|
|  | <b>9/30/2009</b>    | <b>6/30/2009</b> | <b>9/30/2009</b>      | <b>6/30/2009</b> |
| Corporate Income tax (IRPJ)  | 250,421             | 266,171          | 250,421               | 266,171          |
| Social Contribution on Net Income (CSLL)                             | 41,818              | 44,466           | 41,818                | 44,466           |
| Excise Tax (IPI)   | 196,957             | 209,356          | 196,957               | 209,356          |
| Social Integration Program (PIS)                                     | 38,711              | 41,162           | 38,711                | 41,162           |
| Contribution for Social Security Financing (COFINS)                  | 209,106             | 222,345          | 209,106               | 222,345          |
| Value-added tax on sales and services (State of Minas Gerais) (ICMS) | 198,703             | 183,175          |                       |                  |
|  | <b>935,716</b>      | <b>966,675</b>   | <b>737,013</b>        | <b>783,500</b>   |
| <b>Current liabilities</b>   | <b>283,674</b>      | <b>262,335</b>   | <b>245,364</b>        | <b>240,829</b>   |
| <b>Noncurrent liabilities</b>  | <b>652,042</b>      | <b>704,340</b>   | <b>491,649</b>        | <b>542,671</b>   |

The parent company filed an action pleading the right to the presumed credit of Excise Tax ( IPI ) on the acquisition of exempt, immune inputs, not taxed or taxed at zero rate and, in May 2003, an injunction was obtained authorizing the use of the aforementioned credits, which it offset with other federal taxes. The Regional Federal Court of the 2<sup>nd</sup> Region, through the appeal filed by the Federal Government, revoked the aforementioned authorization and on August 27, 2007, the proceeding had an unfavorable decision. In view of this decision, the Company renegotiated the payment schedule of the debit related to the taxes offset to be paid in 60 months.

In 2008, jointly-owned subsidiary MRS Logística renegotiated the payment schedule of the ICMS debit with the State of Minas Gerais to be paid in 120 installments.

**20. PROVISIONS AND JUDICIAL DEPOSITS**

The Company is currently party, at the competent situations, to several proceedings involving actions and complaints of a number of issues. The breakdown of the amounts recorded as provisions and the respective judicial deposits related to those actions are shown as follows:

|   | 9/30/2009            |                            |                   | 6/30/2009            |                            |                   |
|---|----------------------|----------------------------|-------------------|----------------------|----------------------------|-------------------|
|   | Judicial<br>Deposits | Liabilities<br>provisioned | Net<br>Provisions | Judicial<br>Deposits | Liabilities<br>provisioned | Net<br>Provisions |
| <b>Current liabilities</b>                    |                      |                            |                   |                      |                            |                   |
| <b>Provisions:</b>                            |                      |                            |                   |                      |                            |                   |
| Labor   | (53,259)             | 122,535                    | 69,276            | (49,285)             | 127,923                    | 78,638            |
| Civil   | (29,624)             | 38,211                     | 8,587             | (25,357)             | 62,467                     | 37,110            |
| <b>Parent Company</b>                         | <b>(82,883)</b>      | <b>160,746</b>             | <b>77,863</b>     | <b>(74,642)</b>      | <b>190,390</b>             | <b>115,748</b>    |
| <b>Consolidated</b>                           | <b>(90,978)</b>      | <b>175,192</b>             | <b>84,214</b>     | <b>(82,247)</b>      | <b>203,931</b>             | <b>121,684</b>    |
| <b>Noncurrent</b>                             |                      |                            |                   |                      |                            |                   |
| <b>Provisions:</b>                            |                      |                            |                   |                      |                            |                   |
| Labor   |                      |                            |                   |                      | 26,678                     | 26,678            |
| Environmental                                 | (209)                | 110,411                    | 110,202           | (208)                | 69,385                     | 69,177            |
| Tax   |                      | 23,965                     | 23,965            |                      | 1,302                      | 1,302             |
|   | <b>(209)</b>         | <b>134,376</b>             | <b>134,167</b>    | <b>(208)</b>         | <b>97,365</b>              | <b>97,157</b>     |
| <b>Legal liabilities questioned in court:</b> |                      |                            |                   |                      |                            |                   |
| Tax   |                      |                            |                   |                      |                            |                   |
| IPI premium credit                            | (1,995,514)          | 2,247,060                  | 251,546           | (1,955,196)          | 2,221,432                  | 266,236           |
| CSLL credit on exports                        |                      | 1,222,970                  | 1,222,970         |                      | 1,204,097                  | 1,204,097         |
| SAT   |                      | 74,800                     | 74,800            |                      | 78,225                     | 78,225            |
| Education Allowance                           | (33,121)             | 33,121                     |                   | (33,121)             | 33,121                     |                   |
| CIDE  | (26,334)             | 26,854                     | 520               | (28,539)             | 29,112                     | 573               |
| Income tax / Plano Verão                      | (20,892)             | 20,892                     |                   | (20,892)             | 20,892                     |                   |
| Other provisions                              | (6,893)              | 115,229                    | 108,336           | (6,894)              | 113,465                    | 106,571           |
|   | <b>(2,082,754)</b>   | <b>3,740,926</b>           | <b>1,658,172</b>  | <b>(2,044,642)</b>   | <b>3,700,344</b>           | <b>1,655,702</b>  |
| <b>Parent Company</b>                         | <b>(2,082,963)</b>   | <b>3,875,302</b>           | <b>1,792,339</b>  | <b>(2,044,850)</b>   | <b>3,797,709</b>           | <b>1,752,859</b>  |
| <b>Consolidated</b>                           | <b>(2,121,793)</b>   | <b>3,994,894</b>           | <b>1,873,101</b>  | <b>(2,057,424)</b>   | <b>3,892,941</b>           | <b>1,835,517</b>  |
| <b>Total Parent Company</b>                   | <b>(2,165,846)</b>   | <b>4,036,048</b>           | <b>1,870,202</b>  | <b>(2,119,492)</b>   | <b>3,988,099</b>           | <b>1,868,607</b>  |
| <b>Total Consolidated</b>                     | <b>(2,212,771)</b>   | <b>4,170,086</b>           | <b>1,957,315</b>  | <b>(2,139,671)</b>   | <b>4,096,872</b>           | <b>1,957,201</b>  |

The change in provisions for contingencies for the periods ended September 30, 2009 and June 30, 2009, are as follows:

**Consolidated**

| Nature        | 6/30/2009        | Additions      | Correction    | Utilization     | 9/30/2009        |
|---------------|------------------|----------------|---------------|-----------------|------------------|
| Civil         | 81,267           | 5,118          | 2,689         | (31,051)        | 58,023           |
| Labor         | 190,863          | 2,643          | 3,456         | (45,346)        | 151,616          |
| Tax           | 3,644,519        | 53,776         | 44,362        | (49)            | 3,742,608        |
| Environmental | 69,385           | 47,100         |               | (6,072)         | 110,413          |
| Pension Plan  | 110,838          | 13             | 3,939         | (7,364)         | 107,426          |
| <b>Total</b>  | <b>4,096,872</b> | <b>108,650</b> | <b>54,446</b> | <b>(89,882)</b> | <b>4,170,086</b> |

**Parent Company**

| Nature        | 6/30/2009        | Additions     | Correction    | Utilization     | 9/30/2009        |
|---------------|------------------|---------------|---------------|-----------------|------------------|
| Civil         | 62,467           | 4,680         | 2,115         | (31,051)        | 38,211           |
| Labor         | 154,601          | 1,896         | 1,797         | (35,759)        | 122,535          |
| Tax           | 3,623,422        | 22,648        | 44,020        |                 | 3,690,090        |
| Environmental | 69,385           | 47,100        |               | (6,072)         | 110,413          |
| Pension Plan  | 78,224           |               | 3,939         | (7,364)         | 74,799           |
| <b>Total</b>  | <b>3,988,099</b> | <b>76,324</b> | <b>51,871</b> | <b>(80,246)</b> | <b>4,036,048</b> |

The provisions for civil, labor, tax, environmental and social security liabilities were estimated by the Company's Management substantially based on the opinion of its legal counsel, and only the cases classified as risk of probable loss were recorded. Additionally, the provisions include tax liabilities arising from actions taken on the Company's initiative, plus SELIC (Special Settlement and Custody System) interest.

The Company and its subsidiaries are defendants in other judicial and administrative proceedings (labor, civil and tax) in the approximate amount of R\$5.8 billion, R\$4.5 billion of which corresponds to tax proceedings, R\$0.2 billion to civil actions and R\$1.1 billion to labor and social security lawsuits. According to the Company's legal counsel, these administrative and legal proceedings are assessed as possible risk of loss. These proceedings were not provided for in accordance with the Management's judgment and with accounting practices adopted in Brazil.

**a) Labor proceedings**

As of September 30, 2009, the Company and its subsidiaries were defendant in 9,229 labor claims, with a provision in the amount of R\$151,616 (R\$190,864 as of June 30, 2009). Most of the pleadings of the actions are related to joint and/or subsidiary liability, wage parity, additional allowances for unhealthy and hazardous activities, overtime and differences related to the 40% fine on FGTS (severance pay) resulting from the federal government's economic plans and profit sharing differences from 1997 to 1999 and from 2001 to 2003.

**b) Civil proceedings**

Among the civil judicial proceedings to which the Company and its subsidiaries are parties, there are mainly actions with indemnification request. Such proceedings, in general, arise from occupational accidents and diseases related to the Company's industrial activities. A provision in the amount of R\$58,023 as of September 30, 2009 (R\$81,267 as of June 30, 2009) was recorded for proceedings involving civil matters.

**c) Environmental proceedings**

As of September 30, 2009, the Company and its subsidiaries have a provision in the amount of R\$110,413 (R\$69,385 of June 30, 2009) for use in expenses related to services for environmental investigation and recovery of areas potentially polluted within the Company's plants in the States of Rio de Janeiro, Minas Gerais and Santa Catarina.

**d) Tax proceedings****Income and Social Contribution Taxes**

(i) The parent company claims the recognition of the financial-tax effects on the calculation of the income and social contribution taxes on net income, related to the 51.87% inflation write-down of the Consumer Price Index (IPC), which occurred in January and February 1989 (Plano Verão).



In 2004, the proceeding was concluded and a final and unappealable decision was reached, granting to CSN the right to apply the index of 42.72% (January 1989), from which the 12.15% already applied should be deducted. The use of the index of 10.14% (February 1989) was also granted. The proceeding is currently under expert inspection.

CSN maintains a judicial deposit in the amount of R\$339,033 as of September 30, 2009 (R\$338,611 as of June 30, 2009) and a provision of R\$20,892 (R\$20,892 as of June 30, 2009), which represents the portion not recognized by the courts.

(ii) The parent company filed an action questioning the levying of Social Contribution on Net Income (CSLL) on export revenues, based on Constitutional Amendment 33/01 and in March 2004 the Company obtained an injunction authorizing the exclusion of these revenues from the aforementioned calculation basis, as well as the offsetting of the amounts paid as from 2001. The lower court decision was favorable and the decision made by a court of second instance, pronounced before the appeal filed by the Federal Government at the Regional Federal Court (TRF), judged this proceeding unfavorably for CSN. In view of these facts an Extraordinary Appeal was filed at the STF, which has not been judged yet. An injunction suspending the effects of the decision by the Regional Federal Court was obtained at the Federal Supreme Court (STF) until the judgment of the aforementioned Extraordinary Appeal, the discussion is restricted to the assessment of social contribution on net income (CSLL) on profit from exports. In December 2008, CSN received a Collection Letter for the amounts referring to the exclusion of revenues from the calculation basis; however, by the decision issued by a writ of mandamus, any collection related to the CSLL on exports could only become effective after the STF's final decision. Up to September 30, 2009, the amount of suspended liability and the credits offset based on the aforementioned proceeding was R\$1,222,970 (R\$1,204,097 as of June 30, 2009), plus SELIC interest rate.

#### Contribution for intervention in the Economic Domain - CIDE

The parent company questions the legality of Law 10168/00, which established the payment of CIDE on the amounts paid, credited or remitted to beneficiaries not resident in Brazil, for royalties or remuneration purposes on supply contracts, technical assistance, trademark license agreement and exploitation of patents.

The parent company maintains judicial deposits and a provision in the amount of R\$26,854 as of September 30, 2009 (R\$29,112 as of June 30, 2009), which includes legal charges.

The lower court decision was unfavorable, which was ratified by the 2<sup>nd</sup> Regional Federal Court (TRF). Appeals for Clarification of Judgment were filed, which were rejected, and an Extraordinary Appeal was filed at STF, which is awaiting decision as to its admissibility.

#### Education Allowance

The parent company challenged the unconstitutionality of the education allowance and the possible recovery of the amounts paid in the period from January 5, 1989 to October 16, 1996. The proceeding was judged unfounded, and the Federal Regional Court maintained its unfavorable decision, which is final and unappealable.

In view of this fact, CSN attempted to pay the amount due, but FNDE and INSS did not reach an agreement about who should receive it. A fine was also demanded, but CSN did not agree on it.

CSN filed new proceedings questioning the above-mentioned facts and deposited in court the amounts due. In the first proceeding, the 1<sup>st</sup> level sentence judged partially favorable the CSN pleading, in which the Judge removed the amount of the fine, maintaining, however, the SELIC rate. The Company presented brief of respondent to the defendant's appeal, and appealed concerning the SELIC rate.

The amount provided for and deposited in court as of September 30 and June 30, 2009 totals R\$33,121.





Workers Compensation Insurance (SAT)

The parent company is challenging in court the increase in the SAT rate from 1% to 3% and is also contests the raise in SAT for purposes of Contribution to Special Retirement, whose rate was set at 6%, in accordance with the legislation, for employees who are exposed to harmful agents.

As for the first proceeding mentioned above, the lower court decision was unfavorable and the proceeding is under judgment in the 2<sup>nd</sup> Region of the Federal Regional Court. As for the second proceeding it ended up unfavorably for the Company, and the total amount due in this proceeding of R\$33,077, which was deposited in court, was converted into revenue for the benefit of INSS.

The amount provided for as of September 30, 2009, totals R\$74,800 (R\$78,225 as June 30, 2009), which includes legal additions and is exclusively related to the process of rate difference from 1% to 3% for all establishments of the Company.

IPI premium credit on exports

The Brazilian tax laws allowed companies to recognize IPI premium credit until 1983, when the Brazilian government, through Executive act, cancelled these benefits, prohibiting companies to use these credits.

The parent company challenged the constitutionality of this act and filed a claim to obtain the right to use the IPI premium credit on exports from 1992 to 2002, once only laws enacted by the legislative branch may cancel or revoke benefits prepared by prior legislation.

In August 2003 the Company obtained a favorable lower court decision, authorizing the use of the credits aforementioned. The national treasury appealed against this decision and obtained a favorable decision, and the Company then filed a special and extraordinary appeal against this decision at the Superior Court of Justice and at the Federal Supreme Court, respectively, and is currently awaiting for decisions of these courts.

Between September 2006 and May 2007, the Treasury filed 5 tax foreclosures and 3 administrative proceedings against the Company requesting the payment in the amount of approximately R\$3.9 billion related to the payment of taxes which were offset with IPI premium credits.

On August 29, 2007, CSN offered property to be levied upon treasury shares in the amount of R\$536 million. 25% of this amount will be replaced by judicial deposits in monthly installments performed up to December 31, 2007 and as these substitutions take place, it was requested that the equivalent amount in shares be released from the levy of execution for the share price determined at the closing price of the day prior to the deposit. The requirement is still pending decision.

In March 2009, Letters of Guarantee were also offered in the amount of R\$830 million, which aimed to replace the levy of execution upon securities carried out as of the disclosure of dividend payment. The prevalence of guarantee in treasury shares, bank surety or cash to be deposited judicially has not yet been decided by the 2<sup>nd</sup> Region Regional Federal Court.

The Parent Company maintains provisioned the amount of credits already offset, plus default charges up to September 30, 2009, which total R\$2,247,060 (R\$2,221,432 as of June 30, 2009) and as of September 30, 2009, CSN has judicial deposits for referred liabilities, in the amount of R\$1,995,514 (R\$1,955,196 as of June 30, 2009).

On August 13, 2009, the Federal Supreme Court issued a decision of the Extraordinary Appeal with effects of general repercussion establishing that the IPI Premium Credit was only effective up to October 1990. Thus, the credits determined after 1990 were not recognized, and, in view of this court decision, the Company is considering, among

other measures, adhering to the payment of tax debits in installments pursuant to the Provisional Decree 470, still pending regulation, or the one provided for in Law 11,941/09 (new Tax Recovery Program - REFIS), in which there is the advantage of reduced fines, interest and legal charges.

Taking in consideration the amounts provisioned and the possibility of adhering to the payment of tax debits in installments under the abovementioned, terms we understand that the current accrued amounts are still our best loss estimate.

### Other

The parent company also recorded provisions for proceedings related to Severance Pay (FGTS) - Supplementary Law 110, COFINS Law 10,833/03, PIS - Law 10,637/02 and PIS/COFINS - Manaus Free-Trade Zone, amount of which totaled R\$139,194 as of September 30, 2009 (R\$114,767 as of June 30, 2009), which includes legal accruals.

## 21. SHAREHOLDERS EQUITY

### i. Paid-in capital stock

The Company's fully subscribed and paid-in capital stock as of September 30, 2009 amounted to R\$1,680,947 (R\$1,680,947 as of June 30, 2009), split into 755,179,610 common book-entry shares, with no par value. Each share is entitled to one vote in the resolutions of the General Meeting.

### ii. Authorized capital stock

The Company's bylaws in force as of September 30, 2009, determine that the capital stock can be increased up to 1,200,000,000 shares, by decision of the Board of Directors.

### iii. Legal reserve

Recorded at the proportion of 5% on the net income determined in each period, pursuant to Article 193 of Law 6,404/76. The Company reached the limit for recording the legal reserve, as determined by the current legislation.

### iv. Treasury shares

The Board of Directors authorized several share repurchase programs, with the purpose of holding those shares in treasury for subsequent disposal and/or cancellation, which are shown as follows:

| Board authorization | Number of shares authorized | Program term                    | Number of shares acquired | Shares cancellation | Average weighted acquisition cost | Maximum and minimum acquisition cost | Balance in treasury |
|---------------------|-----------------------------|---------------------------------|---------------------------|---------------------|-----------------------------------|--------------------------------------|---------------------|
| 12/21/2007          | 4,000,000                   | From 1/23/2008 to 2/27/2008 (1) |                           |                     | Not applicable                    | Not applicable                       | 34,734,384          |
| 3/20/2008           | 10.800.000(2)               | Up to 4/28/2008                 |                           |                     | Not applicable                    | Not applicable                       | 34,734,384          |
| 5/6/2008            | 10,800,000                  | Up to 5/28/2008                 |                           |                     | Not applicable                    | Not applicable                       | 34,734,384          |
| 6/2/2008            | 10,800,000                  | Up to 6/26/2008                 |                           |                     | Not applicable                    | Not applicable                       | 34,734,384          |
| 6/27/2008           | 10,800,000                  | From 6/30/2008 to               |                           |                     | Not applicable                    | Not applicable                       | 34,734,384          |

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|           |            |   |               |                   |                    |            |
|-----------|------------|---|---------------|-------------------|--------------------|------------|
| 7/29/2008 |            |   |               |                   |                    |            |
| 8/1/2008  | 10,800,000 | From<br>8/4/2008 to<br>8/27/2008            |               | Not<br>applicable | Not<br>applicable  | 34,734,384 |
| 9/26/2008 |            |   |               |                   |                    |            |
| 9/26/2008 | 10,800,000 | From<br>9/29/2008 to<br>10/29/2008          | 10,800,000(3) | 29.40             | 24.99 and<br>41.85 | 45,534,384 |
| 12/3/2008 |            |   |               |                   |                    |            |
| 12/3/2008 |            |   | 10,800,000(4) | Not<br>applicable | Not<br>applicable  | 34,734,384 |
| 12/3/2008 |            |   |               |                   |                    |            |
| 12/3/2008 | 9,720,000  | From<br>12/4/2008 to<br>1/4/2009            |               | Not<br>applicable | Not<br>applicable  | 34,734,384 |
| 1/7/2009  |            |   |               |                   |                    |            |
| 1/7/2009  | 9,720,000  | From<br>1/8/2009 to<br>1/28/2009            |               | Not<br>applicable | Not<br>applicable  | 34,734,384 |
| 2/2/2009  |            |   |               |                   |                    |            |
| 2/2/2009  | 9,720,000  | From<br>2/3/2009 to<br>2/25/2009            |               | Not<br>applicable | Not<br>applicable  | 34,734,384 |
| 7/20/2009 |            |   |               |                   |                    |            |
| 7/20/2009 | 29,684,400 | up to<br>settlement<br>of Equity<br>Swap(5) | 29,684,400(5) | 45.49             | 45.49              | 64,418,784 |
| 8/21/2009 |            |   |               |                   |                    |            |
| 8/21/2009 |            |   | 8,539,828(6)  | Not<br>applicable | Not<br>applicable  | 55,878,956 |
| 9/14/2009 |            |   |               |                   |                    |            |
| 9/14/2009 |            |   | 29,684,400(7) | Not<br>applicable | Not<br>applicable  | 26,194,556 |

(1) The start of this program only occurred after the cancellation of shares approved at the Extraordinary General Meeting (AGE) held on January 22, 2008.

(2) As from this share repurchase program the number of shares informed already reflects the split and cancellation of shares approved at the AGE held on January 22, 2008.

(3) All shares acquired in this program were repurchased as from October 2008.

(4) The Extraordinary General Meeting held on December 3, 2008 approved the cancelation of 10,800,000 treasury shares, without reducing the Company's capital stock.

(5) The Board of Directors approved the acquisition by the Company, through a private operation, of 29,684,400 ADRs previously held by Goldman Sachs due to an operation called "Total Return Equity Swap Transaction", for the settlement price that was defined based on the weighted average of the price of the Company's shares in the 30 floors sessions prior to the settlement date, translated into U.S. dollars by using the spot dollar translation rate of the business day immediately prior to the settlement date, as per the CVM Board's decision "Proceeding RJ2009/5962". On August 13, the operation was settled and the ADRs were repurchased, converted into common shares and subsequently cancelled.

(6) The Extraordinary General Meeting held on August 21, 2009 approved the cancelation of 8,539,828 treasury shares, without reducing the capital stock.

(7) The Extraordinary General Meeting held on September 14, 2009 approved the cancelation of 29,684,400 treasury shares for the historical cost of acquisitions at the unit price of R\$25.28, without reducing the capital stock.

As of September 30, 2009, the position of treasury shares was as follows:

| Number of shares acquired<br>(in units) | Total amount paid for the shares | Share unit cost |           |           | Share market value at 9/30/2009 (*) |
|---|----------------------------------|-----------------|-----------|-----------|-------------------------------------|
|   |                                  | Minimum         | Maximum   | Average   |                                     |
| 26,194,556                              | R\$ 1,191,559                    | R\$ 45.49       | R\$ 45.49 | R\$ 45.49 | R\$ 1,424,460                       |

(\*) Average quotation of shares on BOVESPA as of September 30, 2009 at the value of R\$54.38 per share.

#### v. Shareholding structure

As of September 30, 2009, the Company's shareholding structure was as follows:

|  | 9/30/2009               |                   |                             |
|--|-------------------------|-------------------|-----------------------------|
|  | Number of Common Shares | Total % of shares | % excluding treasury shares |
| Vicunha Siderurgia S.A.                        | 348,859,995             | 46.20%            | 47.86%                      |
| Caixa Beneficente dos Empregados da CSN - CBS  | 35,490,867              | 4.70%             | 4.87%                       |
| BNDESPAR                                       | 28,886,758              | 3.83%             | 3.96%                       |
| Sundry (ADR - NYSE)                            | 161,766,145             | 21.42%            | 22.19%                      |
| Other shareholders (approximately 10 thousand) | 153,981,289             | 20.39%            | 21.12%                      |
|  | <b>728,985,054</b>      | <b>96.53%</b>     | <b>100.00%</b>              |
| Treasury shares                                | 26,194,556              | 3.47%             |                             |
| <b>Total shares</b>                            | <b>755,179,610</b>      | <b>100.00%</b>    |                             |

#### vi. Investment policy and payment of interest on shareholders equity and dividends distribution

As of December 11, 2000, the CSN Board of Directors decided to adopt a profit distribution policy which will result in the full distribution of net income to its shareholders, in compliance with Law 6,404/76 amended by Law 9,457/97, provided that the following priorities are preserved, irrespective of their order: (i) business strategy; (ii) compliance with liabilities; (iii) execution of the necessary investments; and (iv) maintenance of the Company's good financial

standing.

**22. INTEREST ON SHAREHOLDERS EQUITY AND DIVIDENDS****Interest on shareholders equity**

The calculation of interest on shareholders equity is based on the variation of the Long-Term Interest Rate (TJLP) on shareholders equity, limited to 50% of the income for the period before income tax or 50% of retained earnings and profit reserves, in which case the higher of the two limits may be used, pursuant to the legislation in force.

In compliance with the CVM Resolution 207, of December 31, 1996, and with tax rules, the Company opted to record the proposed interest on shareholders equity in the amount of R\$273,563 up to September 30, 2009, corresponding to the remuneration of R\$0.3752664 per share, as corresponding entry against the financial expenses account, and reverse it in the same account, and not presenting it in the statement of income and not generating effects on net income, except with respect to tax effects recognized in income and social contribution taxes. Management will propose that the amount of interest on shareholders equity be attributed to the mandatory minimum dividend.

**23. NET REVENUES AND COST OF GOODS SOLD**

|                        |                                     |                  |                          |                                     | <b>Consolidated</b> |                       |
|------------------------|-------------------------------------|------------------|--------------------------|-------------------------------------|---------------------|-----------------------|
|                        |                                     |                  |                          |                                     | 9/30/2008           |                       |
|                        |                                     |                  |                          |                                     | 9/30/2009           |                       |
|                        | Tonnes<br>(thousand)<br>(unrevised) | Net revenue      | Cost of<br>Goods<br>Sold | Tonnes<br>(thousand)<br>(unrevised) | Net revenue         | Cost of<br>Goods Sold |
| <b>Steel products</b>  |                                     |                  |                          |                                     |                     |                       |
| Domestic market        | 2,239                               | 4,731,398        | (2,893,837)              | 3,329                               | 7,052,850           | (3,372,889)           |
| Foreign market         | 671                                 | 851,021          | (818,239)                | 656                                 | 1,191,980           | (940,472)             |
|                        | <b>2,910</b>                        | <b>5,582,419</b> | <b>(3,712,076)</b>       | <b>3,985</b>                        | <b>8,244,830</b>    | <b>(4,313,361)</b>    |
| <b>Mining products</b> |                                     |                  |                          |                                     |                     |                       |
| Domestic market        | 3,116                               | 91,878           | (8,263)                  | 3,627                               | 223,646             | (95,724)              |
| Foreign market         | 12,701                              | 1,357,921        | (577,855)                | 10,428                              | 1,105,777           | (403,214)             |
|                        | <b>15,817</b>                       | <b>1,449,799</b> | <b>(586,118)</b>         | <b>14,055</b>                       | <b>1,329,423</b>    | <b>(498,938)</b>      |
| <b>Other sales</b>     |                                     |                  |                          |                                     |                     |                       |
| Domestic market        |                                     | 867,669          | (777,941)                |                                     | 975,991             | (716,207)             |
| Foreign market         |                                     | 21,568           | (30,913)                 |                                     | 63,596              | (38,639)              |
|                        |                                     | <b>889,237</b>   | <b>(808,854)</b>         |                                     | <b>1,039,587</b>    | <b>(754,846)</b>      |
|                        |                                     | <b>7,921,455</b> | <b>(5,107,048)</b>       |                                     | <b>10,613,840</b>   | <b>(5,567,145)</b>    |

## Parent Company

|                        | 9/30/2009                           |                  |                          | 9/30/2008                           |                  |                       |
|------------------------|-------------------------------------|------------------|--------------------------|-------------------------------------|------------------|-----------------------|
|                        | Tonnes<br>(thousand)<br>(unrevised) | Net revenue      | Cost of<br>Goods<br>Sold | Tonnes<br>(thousand)<br>(unrevised) | Net revenue      | Cost of<br>Goods Sold |
| <b>Steel products</b>  |                                     |                  |                          |                                     |                  |                       |
| Domestic market        | 2,262                               | 4,427,492        | (2,935,065)              | 3,371                               | 6,732,834        | (3,456,471)           |
| Foreign market         | 625                                 | 686,091          | (616,830)                | 312                                 | 469,242          | (363,029)             |
|                        | <b>2,887</b>                        | <b>5,113,583</b> | <b>(3,551,895)</b>       | <b>3,683</b>                        | <b>7,202,076</b> | <b>(3,819,500)</b>    |
| <b>Mining products</b> |                                     |                  |                          |                                     |                  |                       |
| Domestic market        | 6,270                               | 126,107          | (42,667)                 | 5,105                               | 227,255          | (70,481)              |
| Foreign market         | 5,924                               | 569,119          | (255,335)                | 3,858                               | 216,232          | (160,819)             |
|                        | <b>12,194</b>                       | <b>695,226</b>   | <b>(298,002)</b>         | <b>8,963</b>                        | <b>443,487</b>   | <b>(231,300)</b>      |
| <b>Other sales</b>     |                                     |                  |                          |                                     |                  |                       |
| Domestic market        |                                     | 392,515          | (322,445)                |                                     | 222,100          | (140,711)             |
| Foreign market         |                                     | 7,807            | (12,461)                 |                                     | 14,188           | (10,931)              |
|                        |                                     | <b>400,322</b>   | <b>(334,906)</b>         |                                     | <b>236,288</b>   | <b>(151,642)</b>      |
|                        |                                     | <b>6,209,131</b> | <b>(4,184,803)</b>       |                                     | <b>7,881,851</b> | <b>(4,202,442)</b>    |



**24. FINANCIAL INCOME AND MONETARY AND FOREIGN EXCHANGE VARIATIONS, NET**

|   | Consolidated       |                    | Parent Company     |                  |
|---|--------------------|--------------------|--------------------|------------------|
|   | 9/30/2009          | 9/30/2008          | 9/30/2009          | 9/30/2008        |
| <b>Financial expenses:</b>                  |                    |                    |                    |                  |
| Loans and financing - foreign currency      | (399,966)          | (353,793)          | (323,353)          | (283,893)        |
| Loans and financing - domestic currency     | (143,114)          | (146,544)          | (129,370)          | (127,018)        |
| Related parties                             | (269,275)          |                    | (908,717)          | (40,856)         |
| PIS/COFINS on other revenues                | (867)              | (1,838)            | (867)              | (1,838)          |
| Interest, fines and tax delays              | (256,532)          | (333,821)          | (226,444)          | (255,760)        |
| Losses from derivative instruments (*)      | (747,499)          | (386,180)          | (13,334)           | (70,750)         |
| Other financial expenses                    | (184,641)          | (54,077)           | (167,863)          | (41,876)         |
|   | <b>(2,001,894)</b> | <b>(1,276,253)</b> | <b>(1,769,948)</b> | <b>(821,991)</b> |
| <b>Financial income:</b>                    |                    |                    |                    |                  |
| Related parties                             | 50,614             | 4,868              | (348,686)          | 219,492          |
| Income on financial investments             | 169,020            | 86,372             | 10,249             | 3,856            |
| Derivatives gains (*)                       | 743,679            | 178,451            |                    |                  |
| Other income                                | 204,296            | 130,317            | 174,501            | 114,413          |
|   | <b>1,167,609</b>   | <b>400,008</b>     | <b>(163,936)</b>   | <b>337,761</b>   |
| <b>Net financial result</b>                 | <b>(834,285)</b>   | <b>(876,245)</b>   | <b>(1,933,884)</b> | <b>(484,230)</b> |
| <b>Monetary variations:</b>                 |                    |                    |                    |                  |
| - Gains                                     | 876                | 5,256              | 756                | 3,318            |
| - Losses                                    | 64,183             | (67,531)           | 3,439              | (45,331)         |
|   | <b>65,059</b>      | <b>(62,275)</b>    | <b>4,195</b>       | <b>(42,013)</b>  |
| <b>Exchange variations:</b>                 |                    |                    |                    |                  |
| - Gains                                     | (141,385)          | 518,013            | (192,513)          | 94,816           |
| - Losses                                    | 677,628            | (850,480)          | 2,059,016          | (892,175)        |
| - Exchange variations with derivatives (*)  | 282,786            | (114,841)          |                    |                  |
|   | <b>819,029</b>     | <b>(447,308)</b>   | <b>1,866,503</b>   | <b>(797,359)</b> |
| <b>Net monetary and exchange variations</b> | <b>884,088</b>     | <b>(509,583)</b>   | <b>1,870,698</b>   | <b>(839,372)</b> |

**(\*) Statement of income from derivative operations**

|                          |           |           |          |          |
|--------------------------|-----------|-----------|----------|----------|
| Swap CDI x USD           | (471,128) | 115,137   |          | (63,315) |
| Swap Libor x CDI         | (13,334)  | (7,435)   | (13,334) | (7,435)  |
| U.S. Dollar Futures      | (201,981) |           |          |          |
| Total return equity swap | 1,026,465 | (430,272) |          |          |
| Other (MRS)              | (61,056)  |           |          |          |

|                |                  |                 |                 |
|----------------|------------------|-----------------|-----------------|
| <b>278,966</b> | <b>(322,570)</b> | <b>(13,334)</b> | <b>(70,750)</b> |
|----------------|------------------|-----------------|-----------------|

74

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**25. OTHER OPERATING (EXPENSES) AND INCOME**

|  | Consolidated     |                  | Parent Company   |                  |
|--|------------------|------------------|------------------|------------------|
|  | 9/30/2009        | 9/30/2008        | 9/30/2009        | 9/30/2008        |
| <b>Other operating expenses</b>              | <b>(473,588)</b> | <b>(284,253)</b> | <b>(388,389)</b> | <b>(205,986)</b> |
| Provision for actuarial liabilities          | (17,295)         | 68,138           | (9,771)          | 68,138           |
| Provision for contingencies                  | (154,467)        | (74,305)         | (134,212)        | (60,611)         |
| Contractual fines                            | (21,870)         | (73,668)         | (33,135)         | (33,895)         |
| Taxes and fees                               | (53,019)         | (3,611)          | (49,265)         | (626)            |
| Equipment Stoppage                           | (27,808)         | (32,164)         | (25,192)         | (32,024)         |
| Impairment ERSA                              | (23,137)         |                  | (23,137)         |                  |
| Equity loss                                  | (62,632)         | (60,275)         | (59,126)         | (60,275)         |
| Other expenses                               | (113,360)        | (108,368)        | (54,551)         | (86,693)         |
| <b>Other operating income</b>                | <b>1,006,944</b> | <b>113,844</b>   | <b>945,712</b>   | <b>60,674</b>    |
| Investment gains (*)                         | 835,115          |                  | 835,115          |                  |
| Indemnifications                             | 5,557            | (11,043)         | 5,143            | 3,849            |
| Reversal of provision for contingencies      | 71,648           |                  | 71,648           |                  |
| Other income                                 | 94,624           | 124,887          | 33,806           | 56,825           |
| <b>Other operating income and (expenses)</b> | <b>533,356</b>   | <b>(170,409)</b> | <b>557,323</b>   | <b>(145,312)</b> |

(\*) On July 30, 2009, Nacional Minérios SA - NAMISA merged the parent company Big Jump Energy Participações S.A. and, as a consequence of this merger that took place without changing the percentage interest, the Company recorded an R\$835,115 gain.

**26. INFORMATION BY BUSINESS SEGMENT****(i) Consolidated balance sheet by business segment****9/30/2009**

|  | Steel             | Mining           | Logistics,<br>Energy<br>and Cement | Total             |
|--|-------------------|------------------|------------------------------------|-------------------|
| <b>Current assets</b>  | <b>12,100,580</b> | <b>1,791,107</b> | <b>888,002</b>                     | <b>14,779,689</b> |
| Financial investments  | 6,374,252         | 836,158          | 309,433                            | 7,519,843         |
| Clients  | 605,138           | 310,740          | 208,237                            | 1,124,115         |
| Advance to suppliers   | 195,089           | 2,331            | 29,646                             | 227,066           |
| Taxes recoverable  | 1,274,038         | 219,224          | 157,038                            | 1,650,300         |
| Net contingencies judicial deposits                              | 79,591            | 38               | 4,585                              | 84,214            |
| Inventories  | 2,017,663         | 415,096          | 66,684                             | 2,499,443         |
| Other  | 1,554,809         | 7,520            | 112,379                            | 1,674,708         |
| <b>Noncurrent assets</b>   | <b>7,721,012</b>  | <b>3,212,895</b> | <b>3,996,204</b>                   | <b>14,930,111</b> |
| Long-term assets   | 2,521,078         | 815,400          | 363,977                            | 3,700,455         |
| Investments, property, plant and equipment and intangible assets | 5,199,934         | 2,397,495        | 3,632,227                          | 11,229,656        |
| <b>Total Assets</b>  | <b>19,821,592</b> | <b>5,004,002</b> | <b>4,884,206</b>                   | <b>29,709,800</b> |
| <b>Current liabilities</b>                                       | <b>4,595,543</b>  | <b>78,783</b>    | <b>507,744</b>                     | <b>5,182,070</b>  |
| Loans, financing and debentures                                  | 2,201,940         |                  | 168,147                            | 2,370,087         |
| Suppliers  | 488,551           | 39,419           | 53,829                             | 581,799           |
| Tax payable  | 947,850           | 13,268           | 168,394                            | 1,129,512         |
| Accounts payable   | 439,196           | 12,577           | 23,528                             | 475,301           |
| Provisions and contingencies                                     | 263,857           | 4,948            | 22,156                             | 290,961           |
| Other  | 254,149           | 8,571            | 71,690                             | 334,410           |
| <b>Noncurrent liabilities</b>                                    | <b>16,983,981</b> | <b>27,561</b>    | <b>1,161,402</b>                   | <b>18,172,944</b> |
| Loans, financing and debentures                                  | 11,494,152        |                  | 903,656                            | 12,397,808        |
| Net contingencies judicial deposits                              | 1,813,325         | 3,065            | 56,711                             | 1,873,101         |
| Obligations and taxes paid by installments                       | 659,612           | 22,004           | 160,393                            | 842,009           |
| Accounts payable long-term                                       | 19,512            | (118)            | 25,716                             | 45,110            |
| Other  | 2,997,380         | 2,610            | 14,926                             | 3,014,916         |
| <b>Shareholders' equity</b>                                      | <b>2,403,251</b>  | <b>2,643,877</b> | <b>1,307,658</b>                   | <b>6,354,786</b>  |
| <b>Total liabilities and shareholders' equity</b>                | <b>23,982,775</b> | <b>2,750,221</b> | <b>2,976,804</b>                   | <b>29,709,800</b> |

**(ii) Consolidated statement of gross income by business segment****9/30/2009**

|  | Steel            | Mining         | Logistics,<br>Energy<br>and Cement | Consolidated     |
|--|------------------|----------------|------------------------------------|------------------|
| Net revenues from sales                  | 5,606,033        | 1,439,310      | 876,112                            | 7,921,455        |
| Cost of goods sold and services rendered | (3,926,280)      | (805,238)      | (375,530)                          | (5,107,048)      |
| <b>Gross profit</b>                      | <b>1,679,753</b> | <b>634,072</b> | <b>500,582</b>                     | <b>2,814,407</b> |

In view of the CPC Technical Pronouncement 22 approved by CVM Resolution 582 as of July 31, 2009 and, consequently, of the changes that will be introduced by this regulatory instrument, the Company chose to maintain the disclosure, and for this quarter only gross profit by segment will be presented.

**(iii) Other consolidated information by business segment****9/30/2009**

|  | Steel            | Mining       | Logistics,<br>Energy<br>and Cement | Consolidated     |
|--|------------------|--------------|------------------------------------|------------------|
| Depreciation, Amortization and Depletion   | 375,426          | 56,501       | 148,699                            | 580,626          |
| <b>Provisions net of Judicial Deposits</b> | <b>1,892,933</b> | <b>3,094</b> | <b>61,288</b>                      | <b>1,957,315</b> |
| Tax  | 1,545,807        | 1,919        | 7,123                              | 1,554,849        |
| Labor and social security                  | 228,243          | 38           | 37,758                             | 266,039          |
| Civil                                      | 8,634            |              | 15,784                             | 24,418           |
| Other                                      | 110,249          | 1,137        | 623                                | 112,009          |

77

**27. STATEMENT OF VALUE ADDED**

|  | Consolidated       |                    | Parent Company     |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 9/30/2009          | 9/30/2008          | 9/30/2009          | 9/30/2008          |
| <b>Revenues</b>  |                    |                    |                    |                    |
| Sales of goods, products and services                    | 10,633,144         | 13,329,545         | 8,270,532          | 10,271,841         |
| Other revenues/expenses                                  | 794,322            | (34,199)           | 797,827            | (36,159)           |
| Allow ance for/reversal of doubtful accounts             | (83,431)           | (83,245)           | (80,599)           | (75,545)           |
|  | <b>11,344,035</b>  | <b>13,212,101</b>  | <b>8,987,760</b>   | <b>10,160,137</b>  |
| <b>Input acquired from third parties</b>                 |                    |                    |                    |                    |
| Costs of products, goods and services sold               | (5,752,326)        | (3,864,723)        | (4,709,184)        | (1,882,888)        |
| Materials, energy - Third party services - other         | (882,446)          | (398,228)          | (545,482)          | (1,198,941)        |
| Loss/recovery of asset amounts                           | (22,224)           | (705,999)          | (21,090)           | (450,317)          |
|  | <b>(6,656,996)</b> | <b>(4,968,950)</b> | <b>(5,275,756)</b> | <b>(3,532,146)</b> |
| <b>Gross value added</b>                                 | <b>4,687,039</b>   | <b>8,243,151</b>   | <b>3,712,004</b>   | <b>6,627,991</b>   |
| <b>Retention</b>   |                    |                    |                    |                    |
| Depreciation, amortization and depletion                 | (580,158)          | (876,344)          | (428,093)          | (774,911)          |
| <b>Net value added produced</b>                          | <b>4,106,881</b>   | <b>7,366,807</b>   | <b>3,283,911</b>   | <b>5,853,080</b>   |
| <b>Value added received in transfers</b>                 |                    |                    |                    |                    |
| Equity pick-up   |                    | (173,622)          | 1,319,638          | 714,881            |
| Financial income/assets exchange variation               | 76,422             | 526,448            | (728,825)          | 393,811            |
| Other  | 5,902              |                    | 5,347              |                    |
|  | <b>82,324</b>      | <b>352,826</b>     | <b>596,160</b>     | <b>1,108,692</b>   |
| <b>Total value added to distribute</b>                   | <b>4,189,205</b>   | <b>7,719,633</b>   | <b>3,880,071</b>   | <b>6,961,772</b>   |
| <b>DISTRIBUTION OF VALUE ADDED</b>                       |                    |                    |                    |                    |
| Personnel  | <b>753,196</b>     | <b>597,331</b>     | <b>521,774</b>     | <b>450,063</b>     |
| Direct compensation                                      | 584,280            |                    | 396,058            |                    |
| Benefits   | 123,719            |                    | 90,508             |                    |
| Government Severance Indemnity Fund for Employees (FGTS) | 45,197             |                    | 35,208             |                    |
| Taxes, fees and contributions                            | <b>1,552,288</b>   | <b>3,376,708</b>   | <b>1,413,072</b>   | <b>2,961,947</b>   |
| Federal  | 1,253,286          |                    | 1,180,566          |                    |
| State  | 278,809            |                    | 220,163            |                    |
| Municipal  | 20,193             |                    | 12,343             |                    |
| Third party capital remuneration                         | <b>30,491</b>      | <b>1,907,705</b>   | <b>(665,628)</b>   | <b>1,713,117</b>   |
| Interest   | 24,916             | 1,907,705          | (667,298)          | 1,713,117          |
| Rentals  | 5,575              |                    | 1,670              |                    |

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|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Remuneration of shareholders' equity             | <b>1,853,230</b> | <b>1,837,889</b> | <b>2,610,853</b> | <b>1,836,645</b> |
| Interest on shareholders' equity                 | 273,563          | 189,631          | 273,563          | 189,631          |
| Dividends  |                  | 160,000          |                  | 160,000          |
| Retained earnings                                | 2,337,290        | 1,487,015        | 2,337,290        | 1,487,014        |
| Elimination of earnings in inventories and other | <b>(757,623)</b> |                  |                  |                  |
| Exchange variation adjustment CPC                |                  |                  |                  |                  |
| 02   | (794,792)        |                  |                  |                  |
| Other adjustments                                | 37,169           | 1,243            |                  |                  |
|  | <b>4,189,205</b> | <b>7,719,633</b> | <b>3,880,071</b> | <b>6,961,772</b> |

## **28. EMPLOYEES PENSION FUND**

### **(i) Management of the Private Pension Plan**

The Company is the main sponsor of CBS Previdência, a private not-for-profit pension fund established in July 1960, main purpose of which is to pay supplementary benefits to participants in the official Pension Plan. CBS Previdência is composed of employees of CSN, CSN-related companies and the entity itself, provided they sign the adherence agreement.

### **(ii) Description of characteristics of the plans**

CBS Previdência has three benefit plans:

#### **35%-of-average-salary plan**

It is a defined benefit plan (BD), which began on February 1, 1966, for the purpose of paying retirements (due to time in service, special cases, disability or age) on a life-long basis, equivalent to 35% of the participant's last average 12 salaries. The plan also guarantees the payment of a sickness allowance to a participant on sick leave through the Official Pension Plan and it also guarantees the payment of death grant and a cash grant. The active and retired participants and the sponsors make thirteen contributions per year, which is the same as the number of benefits paid. This plan became inactive on October 31, 1977, when the supplementation of the average salary plan, which is in process of extinction, came into force.

#### **Supplementation plan for the average salary**

The defined benefit plan (BD) began on November 1, 1977. The purpose of this plan is to supplement the difference between the 12 last average salaries and the benefit paid by the Social Security Pension Plan (Previdência Oficial) benefit, to the retired employees, on a life-long basis. Like in the 35% Average Salary Plan, there is sickness allowance, death grant and pension coverage. Thirteen contributions are paid per year, the same number of benefits paid. This plan became inactive on December 26, 1995, after the combined supplementary benefits plan has been implemented.

#### **Combined supplementary benefit plan**

Begun on December 27, 1995, this is a combined variable contribution plan (CV). Besides the programmed pension benefit, there is the payment of risk benefits (pension in activity, disability and sickness benefit). In this plan, the retirement benefit is calculated based on the total accumulated sponsor's and participant's contributions (thirteen per year). Upon the participant's retirement grant, the plan starts having a defined benefit plan and thirteen benefits are paid per year.



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As of September 30 and June 30, 2009, the plans are composed as follows:

|                                | 35%-of-Average-Salary Plan |              | Supplementation Plan for the Average Salary |              | Combined Supplementary Benefit Plan |               | Total members |               |
|--------------------------------|----------------------------|--------------|---|--------------|-------------------------------------|---------------|---------------|---------------|
|                                | 9/30/2009                  | 6/30/2009    | 9/30/2009                                   | 6/30/2009    | 9/30/2009                           | 6/30/2009     | 9/30/2009     | 6/30/2009     |
| <b>Members</b>                 |                            |              |   |              |                                     |               |               |               |
| In service                     | 9                          | 10           | 21  | 22           | 12,217                              | 11,631        | 12,247        | 11,663        |
| Retired                        | 4,722                      | 4,789        | 4,711                                       | 4,732        | 744                                 | 711           | 10,177        | 10,232        |
|                                | <b>4,731</b>               | <b>4,799</b> | <b>4,732</b>                                | <b>4,754</b> | <b>12,961</b>                       | <b>12,342</b> | <b>22,424</b> | <b>21,895</b> |
| <b>Related beneficiaries:</b>  |                            |              |   |              |                                     |               |               |               |
| Beneficiaries                  | 3,908                      | 3,942        | 1,418                                       | 1,404        | 89                                  | 86            | 5,415         | 5,432         |
| <b>Total participants</b>      |                            |              |   |              |                                     |               |               |               |
| <b>(members/beneficiaries)</b> | <b>8,639</b>               | <b>8,741</b> | <b>6,150</b>                                | <b>6,158</b> | <b>13,050</b>                       | <b>12,428</b> | <b>27,839</b> | <b>27,327</b> |

**(iii) Solution approaches for the payment of the actuarial deficit**

According to Official Letter 1555/SPC/GAB/COA of August 22, 2002, confirmed by Official Letter 1598/SPC/GAB/COA of August 28, 2002, a proposal for refinancing the reserves to amortize the sponsors liability in 240 consecutive monthly installments, monetarily indexed by INPC + 6% p.a., starting as from June 28, 2002 was approved.

The agreement establishes the prepayment of installments should there be a need for cash in the defined benefit plan and the incorporation to the updated debit balance of the eventual deficits/surpluses under the sponsors responsibility, so as to preserve the equilibrium of the plans without exceeding the maximum period of amortization stipulated in the agreement.

**(iv) Actuarial Liabilities**

Due to the CVM Resolution 371/00, which approved the NPC 26 of IBRACON Accounting of the Employee s benefits and which established new accounting practices for the calculation and disclosure, the Management, through a study performed by external actuaries, determined the effects arising from this practice, and the Company has kept records in conformity with the actuarial report issued on January 9, 2009.

**Plans status on 12/31/2008**

| Plans |                         |                      |                        |       |
|-------|-------------------------|----------------------|------------------------|-------|
|       | 35%-of- Average- Salary | Supplementation Plan | Combined Supplementary | Total |

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|   | for the Average<br>Salary |                 | Benefit Plan    |                  |
|---|---------------------------|-----------------|-----------------|------------------|
| Present value of the actuarial liabilities with guarantee                         | 248,736                   | 988,578         | 866,700         | 2,104,014        |
| Plan's assets fair value  | (191,517)                 | (866,909)       | (851,450)       | (1,909,876)      |
| <b>Present value of the actuarial obligations exceeding the assets fair value</b> | <b>57,219</b>             | <b>121,669</b>  | <b>15,250</b>   | <b>194,138</b>   |
| <b>Adjustments by allowed deferral:</b>   | <b>(25,603)</b>           | <b>(11,309)</b> | <b>(75,350)</b> | <b>(112,262)</b> |
| - Unrecognized actuarial gains  | (25,603)                  | (11,309)        | (94,341)        | (131,253)        |
| - Unrecognized cost of service rendered   |                           |                 | 18,991          | 18,991           |
| Present value of the amortizing contributions of members                          | (5,420)                   | (18,988)        |                 | (24,408)         |
| <b>Actuarial liabilities/ (assets)</b>  | <b>26,196</b>             | <b>91,372</b>   | <b>(60,100)</b> | <b>57,468</b>    |
| <b>Provisioned actuarial liabilities/ (assets) (long-term/Other)</b>              | <b>26,196</b>             | <b>91,372</b>   |                 | <b>117,568</b>   |

**Actuarial liability recognition**

Management decided to recognize the adjustments of the actuarial liabilities in income, as established in Paragraphs 83 and 84 of NPC 26. As of September 30, 2009, the balance of the provision for the coverage of the actuarial liability amounts to R\$85,355 (R\$96,285 as of June 30, 2009).

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As far as the recognition of the actuarial liability is concerned, the amortizing contribution related to the portion of the participants in the settlement of the reserve insufficiency was deducted from the present value of total actuarial liabilities of the respective plans. Some participants are questioning this amortizing contribution in court, but the Company, grounded on the opinion of its legal and actuarial advisers, understands that this amortizing contribution was duly approved by the Brazilian Department of Supplementary Private Pensions SPC and, therefore, is legally due by the participants.

In accordance with the actuarial calculations prepared using the projected credit unit method, the amounts to be appropriated in 2009 are as follows:

**ESTIMATES PER PLAN - 2009**

|   | 35%-of-<br>Average-<br>Salary | Supplementation<br>Plan<br>for the Average<br>Salary | Combined<br>Supplementary<br>Benefit Plan | Total           |
|---|-------------------------------|--|---|-----------------|
| Cost of current service                   | (42)                          | (207)  | (3,682)                                   | (3,931)         |
| Expected contribution of members          | 28                            | 100  |   | 128             |
| Interest on actuarial liabilities         | (30,057)                      | (119,630)  | (18,535)                                  | (168,222)       |
| Expected income from assets               | 23,860                        | 109,176  | 17,182                                    | 150,218         |
| <b>Cost of amortizations</b>              | <b>(530)</b>                  |  | <b>(3,538)</b>                            | <b>(4,068)</b>  |
| - Unrecognized actuarial gains            | (530)                         |  | (4,629)                                   | (5,159)         |
| - Unrecognized cost of service rendered   |                               |  | 1,091                                     | 1,091           |
| <b>Expected impact on the 2009 result</b> | <b>(6,741)</b>                | <b>(10,561)</b>                                      | <b>(8,573)</b>                            | <b>(25,875)</b> |

**Main actuarial assumptions adopted in the calculation of the actuarial liability as of December 31, 2008**

| <b>Actuarial financing method</b>   | <b>Projected Credit Unit</b>   |
|---|--|
| Functional Currency   | Real (R\$)   |
| Accounting for the plan assets  | Market Value   |
| Amount used as estimate for the closing shareholders' equity for the period | Best estimate for shareholders' equity on the closing date of the fiscal year obtained based on the projection of the amounts recorded in November |
| Nominal annual rate of return on investments                                | 35% of the average: 12.93%; Supplementation: 12.93%; Millennium: 13.21%  |
| Nominal annual rate for discount of the actuarial liability                 | 35% of the average: 13.07%; Supplementation: 12.96%; Millennium: 12.76%  |
| Nominal annual rate of salary growth  | 5.55%  |
| Nominal annual index for social security benefits correction                | 4.50%  |

Long-term annual inflation rate 4.50%

Administrative expenses The amounts used are net of administrative expenses

|  |   |
|--|---|
| General mortality table                            | AT83 segregated by gender   |
| Disability table                                   | Mercer Disability with probabilities multiplied by 2  |
| Disabled mortality table                           | Winklevoss  |
| Turnover table                                     | Millennium Plan 2% per annum, null for BD plans   |
| Retirement age                                     | 100% on the first date on which the employee becomes eligible to a retirement benefit scheduled by the plan |
| Family composition of the participants in activity | 95% will be married at the time of retirement, and the wife is 4 years younger than the husband             |

CSN does not have other post-employment benefit plans.

## 29. INSURANCE

In view of the nature of its operations, the Company renewed, for the period from February 21, 2008 to February 21, 2009, and with international reinsurance companies, the All Risks coverage for operational risks for the Presidente Vargas Steelworks, Casa de Pedra Mine, Arcos Mine, Paraná Branch, Coal Terminal - Tecar, GalvaSud (property damages and loss of profits), Container Terminal -Tecon and ERSA Estanho de Rondônia (loss of profits), in the total risk amount of US\$9.57 billion (property damages and loss of profit) and maximum indemnification amount, in the event of a claim, of US\$750 million (property damages and loss of profits), equivalent to R\$1.3 billion. The Company is negotiating coverage for operational risks with insurance and reinsurance companies in Brazil and abroad.

The risk assumptions adopted, given their nature, are not part of the scope of a quarterly information review, and, consequently, they were not reviewed by our independent auditors.

**07.01 COMMENTS ON THE COMPANY S PERFORMANCE IN THE QUARTER**

See item 12:

For further information see the Comments on the Company s consolidated performance in the quarter.

### Production

The Presidente Vargas Steelworks produced 1,177,000 tonnes of crude steel in the 3Q09, 35% up on the previous quarter due to the operational restart of Blast Furnace 2 (BF 2) in the second half of June/09, re-establishing CSN's full production capacity.

Rolled output totaled 1,323,000 tonnes, 37% up on the 2Q09 and 13% more than the pre-crisis 3Q08.

It is worth noting that inventories of semi-finished products fell throughout the third quarter due to increased sales in both the domestic and international markets.

Year-to-date crude steel production totaled 3,133,000 tonnes, 19% down on the 3,850,000 produced in the same period last year, due to the repairs to BF 2 in the 2Q09 and the economic slowdown that began at the end of 2008.

Also in the first nine months, rolled output came to 2,917,000 tonnes, 18% less than the 3,543,000 recorded in the 9M08.

| Production (in thousand t)         | 3Q08         | 2Q09       | 3Q09         | Change %       |                |
|------------------------------------|--------------|------------|--------------|----------------|----------------|
|                                    |              |            |              | 3Q09 x<br>3Q08 | 3Q09 x<br>2Q09 |
| <b>Crude Steel (P Vargas Mill)</b> | <b>1,317</b> | <b>869</b> | <b>1,177</b> | <b>-11%</b>    | <b>35%</b>     |
| Purchased Slabs from Third Parties | 19           | 0          | 0            | -              | -              |
| <b>Total Crude Steel</b>           | <b>1,336</b> | <b>869</b> | <b>1,177</b> | <b>-12%</b>    | <b>35%</b>     |
| Rolled Products * (UPV)            | 1,146        | 968        | 1,323        | 15%            | 37%            |
| HR from Third Parties Consumption  | 20           | 0          | 0            | -              | -              |
| <b>Rolled Products * (UPV)</b>     | <b>1,166</b> | <b>968</b> | <b>1,323</b> | <b>13%</b>     | <b>37%</b>     |

\* Products delivered for sale, including shipments to CSN Paraná and GalvaSud.

**Production Costs (Parent Company)**

CSN's total steel production costs came to R\$1,037 million in the 3Q09, 11% or R\$104 million up on the previous quarter, essentially due to the substantial period increase in crude and rolled steel output, which resulted in higher consumption of raw materials and other inputs. The main variations between the two quarters are shown below:

Raw materials total cost of R\$432 million in the 3Q09, R\$36 million more than the 2Q09:

Coal: decline of R\$6 million given that prices remained stable in dollars, the reduction was chiefly due to the appreciation of the Real, despite the increase in consumption triggered by higher crude steel production in the 3Q09;

Coke: slight upturn of R\$5 million due to increased consumption in the 3Q09;

Iron ore: growth of R\$14 million, primarily due to higher crude steel production;

Pellets: increase of R\$10 million, essentially due to higher consumption;

Other raw materials: upturn of R\$13 million, also thanks to increased consumption in the 3Q09.

Labor labor costs totaled R\$123 million in the 3Q09, R\$14 million higher than the 2Q09 figure, due to the pay rise in September/09 as a result of the collective bargaining agreement;

General costs general production costs amounted to R\$380 million in the 3Q09, R\$55 million more than in the 2Q09, chiefly due to improved steel output, broken down as follows:

Gas, electricity and fuels: increase of R\$14 million;

Maintenance: growth of R\$19 million;

Third-party services: upturn of R\$13 million;

Other general costs: increase of R\$9 million.

Depreciation - remained virtually flat over the 2Q09 at around R\$102 million.

The unit production cost of rolled steel averaged R\$784/t in the 3Q09, a significant reduction of 19% over the previous quarter's average of R\$964/t.



**Sales**

**Total Sales Volume**

CSN's flat steel sales volume totaled 1,320,000 tonnes in the 3Q09, 39% up on the previous three months.

Year-to-date sales volume came to 2.9 million tonnes, 27% down on the first nine months of 2008.

**Domestic Market**

In 3Q09, flat steel domestic sales amounted to 884,000 tonnes, 11% up on the 2Q09, reflecting higher demand for steel products, especially from the construction, home appliance/OEM and automotive industries.

In 2009 through September, however, sales fell 33% year-on-year to 2.2 million tonnes, due to reduced demand.

**Exports**

Steel product exports totaled 436,000 tonnes in the third quarter, 186% up on the 2Q09, thanks to increased international demand in the 3Q09 and the exceptionally weak export performance in the first half of 2009.

Year-to-date export volume came to 671,000 tonnes, a 2% year-on-year improvement.

## Market Share

The Company's share of the overall domestic flat steel market (hot-rolled, cold-rolled, galvanized and tin plate) stood at 40% in the 3Q09, identical to the previous quarter. In individual product terms, its share of the tin plate, galvanized, hot-rolled and cold-rolled segments came to 97%, 49%, 35% and 30%, respectively.

The charts below show CSN's market share of the automotive and home appliance/OEM segments:

### Prices

Thanks to discounts conceded and the change in the product mix, net revenue per tonne averaged R\$ 1,968 on the domestic market in the 3Q09, 5% down on the 2Q09.

3Q09 average net export revenue per tonne fell by 24% over the 2Q09, chiefly due to the higher share of non-coated steel in the product mix and the appreciation of the Real against the dollar.

### Mining

#### PRODUCTION

Own iron ore production plus purchases from third parties totaled 7.5 million tonnes in the 3Q09, of which: (i) 5.3 million from Casa de Pedra; (ii) 0.8 million from Namisa; and (iii) 1.4 million from third parties. Of own production of 6.1 million tonnes, 3.3 million referred to finished products\* and 2.8 million was run-of-mine.

In the first nine months, own production and acquisitions from third parties came to 21.1 million tonnes, of which: (i) 16.0 million from Casa de Pedra; (ii) 2.4 million from Namisa; and (iii) 2.7 million from third parties. Finished products\* and run-of-mine amounted to 13.4 million tonnes and 5.0 million tonnes, respectively, giving total own production of 18.4 million tonnes.

#### SALES

The tables below give a breakdown of CSN's 2009 iron ore sales to date.

#### IRON ORE SALES VOLUME CSN + NAMISA 100% Thousand t

|                              | 3Q09           | 9M09           |
|------------------------------|----------------|----------------|
| <b>DOMESTIC MARKET</b>       | <b>1,494</b>   | <b>2,751</b>   |
| <b>Finished Products</b>     | 306            | 748            |
| <i>Run-of-mine</i>           | 1,187          | 2,003          |
| <b>EXPORT MARKET</b>         | <b>6,296</b>   | <b>16,666</b>  |
| <b>Finished Products</b>     | 6,296          | 16,666         |
| <b>TOTAL MARKET</b>          | <b>7,790</b>   | <b>19,416</b>  |
| <b>(-) MINORITY INTEREST</b> | <b>(1,865)</b> | <b>(4,051)</b> |
| <b>DOMESTIC MARKET</b>       | (19)           | (87)           |
| <b>EXPORT MARKET</b>         | (1,846)        | (3,965)        |

**IRON ORE SALES VOLUME**  
**CONSOLIDATED**    **Thousand t**

|                          | 3Q09         | 9M09          |
|--------------------------|--------------|---------------|
| <b>DOMESTIC MARKET</b>   | <b>1,475</b> | <b>2,664</b>  |
| <b>Finished Products</b> | 288          | 661           |
| <i>Run-of-mine</i>       | 1,187        | 2,003         |
| <b>EXPORT MARKET</b>     | <b>4,450</b> | <b>12,701</b> |
| <b>Finished Products</b> | 4,450        | 12,701        |
| <b>TOTAL MARKET</b>      | <b>5,925</b> | <b>15,365</b> |
| <b>Finished Products</b> | 4,738        | 13,362        |
| <i>Run-of-mine</i>       | 1,187        | 2,003         |

The Presidente Vargas Steelworks absorbed 1.7 million tonnes in the third quarter and 4.6 million tonnes in the first nine months.

## **INVENTORIES**

Iron ore inventories closed the 3Q09 at around 10.1 million tonnes, 8.0 million of which finished products\*.

\* *Finished products: lump, sinter feed, pellet feed, hematite and mixed hematite.*

### **Net Revenue**

Net revenue totaled R\$3.0 billion in the 3Q09, 20% up on the R\$2.5 billion recorded in the 2Q09, due to the upturn in steel product sales volume.

Year-to-date net revenue came to R\$7.9 billion, 25% down on the first nine months of 2008, thanks to the global economic slowdown.

### **Selling, General and Administrative Expenses**

SG&A expenses totaled R\$373 million in the 3Q09, R\$51 million higher than the 2Q09 figure, essentially due to higher freight, insurance and third-party service costs.

In the first nine months, these expenses came to R\$970 million, 13% up year-on-year, chiefly due to greater sales efforts and higher provisions for doubtful accounts.

### Other Revenue and Expenses

In the 3Q09, CSN recorded a positive R\$661 million in the Other Revenue and Expenses line, versus a negative R\$103 million in the 2Q09, mainly due to the non-recurring positive impact of R\$835 million from gains related to the reverse merger of Big Jump Energy Participações S.A. ("BIG JUMP") by Namisa. This adjustment was recognized as Gains from Investments in CSN's Other Revenue and Expenses line.

It is worth remembering that, in December/08, CSN sold 2,271,825 Namisa voting shares to Big Jump, whose shareholders are Posco and Brazil Japan Iron Ore Corp (Itochu, JFE Steel, Sumitomo Metal Industries, Kobe Steel, Nisshin Steel and Nippon Steel). Subsequently, Big Jump subscribed to new shares, paying in a total of US\$3.04 billion, equivalent to R\$7.29 billion, R\$6.71 billion of which was recognized as goodwill from the subscription of shares.

In addition, this reverse merger took place without any alteration in the percentage holdings of these shareholders.

### EBITDA

Third-quarter EBITDA totaled R\$992 million, a substantial 36% up on the 2Q09, primarily due to the increase in steel product sales volume and the decline in production costs.

The 3Q09 EBITDA margin stood at 33%, 4.0 p.p. up on the previous three months, underlining the consistent recovery since the 1Q09.

### Financial Result and Debt

The 3Q09 net financial result was negative by R\$115 million, chiefly due to the following factors:

- Provisions for interest on loans and financing totaling R\$265 million;
- Monetary restatement of tax provisions, amounting to R\$60 million;
- Gains of R\$110 million from monetary and exchange variations, including the results of derivative transactions;
- Returns on financial investments totaling R\$66 million;
- Other financial revenues of R\$34 million.

Consolidated net debt moved up by R\$1.0 billion, from R\$4.9 billion on June 30, 2009, to R\$5.9 billion on September 30, 2009, essentially due to the following factors:

- EBITDA of R\$1.0 billion in the 3Q09;
- Investments of R\$0.4 billion;
- Effect of R\$0.2 billion related to cost of debt allocated to the result.
- Disbursement of R\$0.8 billion to settle the equity swap and repurchase the corresponding ADRs;
- Financial settlement of the FX and interest swap, totaling R\$0.3 billion.

The net debt/EBITDA ratio, based on EBITDA of R\$3.9 billion in the last 12 months, came to 1.49x at the close of the third quarter, 0.52x up on the 0.97x recorded at the end of the 2Q09, thanks to the increase in net debt and the decline in 12-month EBITDA.

On August 13, the subsidiary CSN Madeira settled an equity swap transaction pegged to 29,684,400 CSN ADRs. The operation was settled at the average weighted price of CSN's shares on the BM&Fbovespa in the 30 trading sessions immediately prior to the settlement date, as approved by the CVM.

Also with CVM approval, shortly after the settlement of the equity swap, CSN acquired, through a private transaction and for the same settlement price, the 29,684,400 ADRs detained by the counterparty, which were converted into CSN shares held in treasury and subsequently canceled.

In August 2009, CSN contracted a Special Corporate Credit transaction with the Caixa Econômica Federal through the issue of a bank credit guarantee of R\$2 billion, to be amortized in 36 months;

At the end of the 3Q09, CSN contracted loans of R\$ 1 billion from Banco do Brasil S.A. and R\$ 300 million from Banco Nossa Caixa S.A. through the issue of Export Notes (export financing operations), both of which will be amortized in up to five years.

In September 2009, CSN, through its wholly-owned subsidiary CSN Islands XI Corporation, effected a US\$750 million notes issue at 6.875% p.a. maturing in September 2019, pursuant to Rule 144A and Regulation S of the United States of America. The notes are guaranteed by CSN and the funds will be used to improve the Group's debt profile and for other corporate purposes.

### Income Taxes

Income tax and social contribution totaled R\$193 million in the 3Q09, R\$81 million less than in the 2Q09, chiefly due to the period reduction in taxable income.

### Net Income

CSN posted a 3Q09 net income of R\$1.15 billion, R\$815 million up on the 2Q09, largely due to the improved operating result and the impact on CSN's results of the merger of Big Jump Energy Participações S.A. by NAMISA and its reflection in CSN's results.

### Capex

CSN invested R\$416 million in the 3Q09, R\$295 million of which went to the parent company, mostly in the following projects:

- Expansion of the Casa de Pedra mine: R\$114 million;
- Maintenance and repairs: R\$95 million;
- Technological improvements: R\$34 million;
- Expansion of the Port of Itaguaí: R\$14 million;
- Works plan: R\$11 million.

Investments in the subsidiaries accounted for the remaining R\$121 million, mainly in:

- Transnordestina Logística: R\$35 million;
- CSN Cimentos: R\$29 million;
- MRS Logística: R\$24 million;
- CSN Aços Longos: R\$20 million;
- NAMISA: R\$6 million.



### Working Capital

Working capital closed September 2009 at R\$2.4 billion, virtually identical to the end-of-June figure, with liabilities falling slightly more than assets. The R\$525 million decline in liabilities was due to the substantial R\$744 million decrease in the Suppliers line, thanks to the increase in cash payments for raw materials and the improved selling conditions, partially offset by the R\$153 million upturn in Taxes Payable. Assets fell by R\$499 million, primarily due to the R\$531 million reduction in Inventories, reflecting the period increase in sales volume.

The average supplier payment period narrowed from 72 to 31 days, while the average receivables period remained flat at 30 days. The inventory turnover period averaged 132 days, 33 days down on the previous quarter, due to the reduction in semi-finished product inventories.

|   | R\$ MILLION   |               |               |
|---|---------------|---------------|---------------|
| <b>WORKING CAPITAL</b>                  | <b>Jun/09</b> | <b>Sep/09</b> | <b>Change</b> |
| <b>Assets</b>                           | <b>4,900</b>  | <b>4,401</b>  | <b>499</b>    |
| <b>Accounts Receivable</b>              | <b>1,079</b>  | <b>1,124</b>  | <b>(45)</b>   |
| - Domestic Market                       | 1,113         | 1,115         | (2)           |
| - Export Market                         | 246           | 309           | (63)          |
| - Allowance for Debtful                 | (278)         | (297)         | 19            |
| - Credits from clients                  | (3)           | (3)           | 0             |
| <b>Inventory</b>                        | <b>3,030</b>  | <b>2,499</b>  | <b>531</b>    |
| <b>Advances to Suppliers</b>            | <b>377</b>    | <b>227</b>    | <b>150</b>    |
| <b>Advances to Taxes</b>                | <b>414</b>    | <b>551</b>    | <b>(137)</b>  |
| <b>Liabilities</b>                      | <b>2,498</b>  | <b>1,973</b>  | <b>525</b>    |
| <b>Suppliers</b>                        | 1,326         | 582           | 744           |
| <b>Salaries and Social Contribution</b> | 130           | 157           | (27)          |
| <b>Taxes Payable</b>                    | 976           | 1,129         | (153)         |
| <b>Advances from Clients</b>            | 66            | 105           | (39)          |
| <b>Working Capital</b>                  | <b>2,402</b>  | <b>2,428</b>  | <b>(26)</b>   |

| <b>TURN OVER RATIO</b>    |               |               |               |
|---------------------------|---------------|---------------|---------------|
| <b>Average Periods</b>    | <b>Jun/09</b> | <b>Sep/09</b> | <b>Change</b> |
| <b>Receivables</b>        | <b>30</b>     | <b>30</b>     | <b>(0)</b>    |
| <b>Supplier Payment</b>   | <b>72</b>     | <b>31</b>     | <b>41</b>     |
| <b>Inventory Turnover</b> | <b>165</b>    | <b>132</b>    | <b>33</b>     |

## Capital Market

### Share Performance

In 2009 through September 30, CSN's shares recorded the 10th highest appreciation among the 60 stocks making up the IBOVESPA index, moving up by more than 100%, well above the IBOVESPA's 64% in the same period. In the 3Q09 alone, CSN's shares appreciated by 20%.

On the NYSE, also in the first nine months, CSN's ADRs increased by a substantial 155%, the 8th highest upturn among all the Latin American ADRs traded on the New York Exchange and substantially higher than the 11% recorded by the Dow Jones. In the third quarter, CSN's ADRs moved up 37%, versus 15% for the Dow Jones.

CSN's average daily traded volume increased from around R\$108 million to R\$111 million between the 2Q09 and 3Q09 on the BOVESPA and from US\$74 million to US\$80 million in the same period on the NYSE. At the end of September, the Company's shares were among the ten most traded in the IBOVESPA and its ADRs were among the ten most-traded Latin American ADRs on the NYSE.

CSN closed the third quarter with a market cap of US\$22.3 billion, the highest figure of any steel manufacturer in the Americas.

It is worth noting that, in the 3Q09, the Company canceled 8,539,828 shares held in treasury and 29,684,400 shares from the settlement of the equity swap transaction, as mentioned previously.

| Capital Markets - CSNA3 / SID / IBOVESPA / DOW JONES           |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | 1Q09               | 2Q09               | 3Q09               |
| <b>N# of shares</b>  | <b>793,403,838</b> | <b>793,403,838</b> | <b>755,179,610</b> |
| <b>Market Capitalization</b>                                   |                    |                    |                    |
| Closing price (R\$/share)                                      | 34.40              | 43.62              | 54.38              |
| Closing price (US\$/share)                                     | 14.84              | 22.35              | 30.60              |
| Market Capitalization (R\$ million)                            | 26,098             | 33,093             | 39,642             |
| Market Capitalization (US\$ million)                           | 11,259             | 16,956             | 22,307             |
| <b>Total return including dividends and interest on equity</b> |                    |                    |                    |
| CSNA3 (%)  | 26%                | 28%                | 25%                |
| SID (%)  | 23%                | 52%                | 37%                |
| Ibovespa   | 9%                 | 26%                | 20%                |
| Dow Jones  | -13%               | 11%                | 15%                |
| <b>Volume</b>  |                    |                    |                    |
| Average daily (thousand shares)                                | 2,983              | 2,520              | 2,286              |
| Average daily (R\$ Thousand)                                   | 103,340            | 107,974            | 110,760            |
| Average daily (thousand ADRs)                                  | 4,609              | 3,544              | 3,110              |
| Average daily (US\$ Thousand)                                  | 69,180             | 74,196             | 79,996             |

Source: *Economática*



**13.01 - EQUITY IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES**

| 1 - ITEM            | 2 - NAME OF SUBSIDIARY/AFFILIATED COMPANY | 3 - CNPJ (Corporate Taxpayer's ID)                          | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEE - %                 | 6 INVESTOR'S SHAREHOLDERS' EQUITY - % |
|---------------------|---|---|--------------------|--|---------------------------------------|
| 7 - TYPE OF COMPANY |   | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands) |                    | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands) |                                       |

|   |                                   |                    |                       |        |         |
|---|-----------------------------------|--------------------|-----------------------|--------|---------|
| 01  | CSN OVERSEAS                      | 05.722.388/0001-58 | PRIVATE<br>SUBSIDIARY | 100.00 | 16.05   |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 7,173                 |        | 7,173   |
| 02  | CSN STEEL                         | 05.706.345/0001-89 | PRIVATE<br>SUBSIDIARY | 100.00 | 22.61   |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 480,727               |        | 480,727 |
| 03  | COMPANHIA<br>METALURGICA<br>PRADA | 56.993.900/0001-31 | PRIVATE<br>SUBSIDIARY | 100.00 | 8.77    |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 3,155                 |        | 3,155   |
| 04  | CSN ENERGY                        | 06.202.987/0001-03 | PRIVATE<br>SUBSIDIARY | 100.00 | 14.11   |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 3,675                 |        | 3,675   |
| 05  | ITAGUAÍ LOGÍSTICA                 | 09.295.323/0001-24 | PRIVATE<br>SUBSIDIARY | 99.99  | 0.02    |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 1,000                 |        | 1,000   |
| 06  | AÇOS LONGOS                       | 05.023.529/0001-44 | PRIVATE<br>SUBSIDIARY | 99.99  | 3.28    |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |                                   |                    | 198,428               |        | 41,826  |
| 07  | CSN CIMENTOS                      | 42.564.807/0001-05 |                       | 99.99  | 4.93    |

|   |  |                       |         |
|---|--|-----------------------|---------|
|   |  | PRIVATE<br>SUBSIDIARY |         |
| COMMERCIAL, INDUSTRY<br>AND OTHER TYPES OF<br>COMPANY |  | 722,041               | 722,041 |

**13.01 - EQUITY IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES**

|   |                         |                    |                    |        |            |
|---|-------------------------|--------------------|--------------------|--------|------------|
| 08  | CIA METALIC DO NORDESTE | 01.183.070/0001-95 | PRIVATE SUBSIDIARY | 99.99  | 1.44       |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 92,284             |        | 92,284     |
| 09  | INAL NORDESTE           | 00.904.638/0001-57 | PRIVATE SUBSIDIARY | 99.99  | 0.57       |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 43,981             |        | 43,981     |
| 10  | CSN PANAMA              | 05.923.777/0001-41 | PRIVATE SUBSIDIARY | 100.00 | 10.81      |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 4,240              |        | 4,240      |
| 11  | CSN ENERGIA             | 03.537.249/0001-29 | PRIVATE SUBSIDIARY | 99.99  | 0.98       |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 1                  |        | 1          |
| 12  | MINERAÇÃO NACIONAL      | 09.295.323/0001-24 | PRIVATE SUBSIDIARY | 99.99  | 0.02       |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 1,000              |        | 1,000      |
| 13  | CONGONHAS MINÉRIOS      | 08.902.291/0001-15 | PRIVATE SUBSIDIARY | 99.99  | 0.09       |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 5,009              |        | 5,009      |
| 14  | GALVASUD                | 02.618.456/0001-45 | PRIVATE SUBSIDIARY | 99.99  | 11.71      |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY |                         |                    | 11,609,510         |        | 11,609,510 |

**13.01 - EQUITY IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES**

|    |   |                    |                          |         |         |
|----|---|--------------------|--------------------------|---------|---------|
| 15 | NACIONAL<br>MINÉRIOS                                  | 08.446.702/0001-05 | PRIVATE SUBSIDIARY       | 59.99   | 156.65  |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 284,993 | 284,993 |
| 16 | SEPETIBA TECON  | 02.394.276/0001-27 | PRIVATE SUBSIDIARY       | 99.99   | 3.13    |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 253,990 | 253,990 |
| 17 | TRANSNORDESTINA<br>LOGÍSTICA S.A                      | 02.281.836/0001-37 | PUBLICLY-HELD SUBSIDIARY | 81.60   | 6.40    |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 486,528 | 486,516 |
| 18 | ITÁ ENERGÉTICA  | 01.355.994/0002-02 | PUBLICLY-HELD SUBSIDIARY | 48.75   | 10.04   |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 253,607 | 253,607 |
| 19 | MRS LOGÍSTICA   | 01.417.222/0001-77 | PUBLICLY-HELD SUBSIDIARY | 27.27   | 30.62   |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 92,718  | 92,718  |
| 20 | ESTANHO DE<br>RONDÔNIA ERSA                           | 00.684.808/0001-35 | PRIVATE SUBSIDIARY       | 99.99   | 0.27    |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 34,233  | 34,233  |
| 21 | CSN EXPORT  | 05.760.237/0001-94 | PRIVATE SUBSIDIARY       | 100.00  | 3.34    |
|    | COMMERCIAL,<br>INDUSTRY AND OTHER<br>TYPES OF COMPANY |                    |                          | 1,036   | 1,036   |

**14.01 CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES**

|    |                                     |                       |
|----|-------------------------------------|-----------------------|
| 1  | ITEM                                | 05                    |
| 2  | ORDER No.                           | 4                     |
| 3  | REGISTRATION No. AT CVM             | CVM/SRE/DEB/2006/01 1 |
| 4  | REGISTRATION DATE AT CVM            | 4/28/2006             |
| 5  | SERIES ISSUED                       | UNIT                  |
| 6  | TYPE OF ISSUANCE                    | SIMPLE                |
| 7  | NATURE OF ISSUANCE                  | PUBLIC                |
| 8  | DATE OF ISSUANCE                    | 2/1/2006              |
| 9  | EXPIRATION DATE                     | 2/1/2012              |
| 10 | TYPE OF DEBENTURE                   | WITHOUT PREFERENCE    |
| 11 | CONDITION FOR CURRENT REMUNERATION  |                       |
| 12 | PREMIUM/DISCOUNT                    |                       |
| 13 | NOMINAL VALUE (Reais)               | 10,000.00             |
| 14 | AMOUNT ISSUED (Thousands of Reais)  | 600,000               |
| 15 | NUMBER OF SECURITIES ISSUED (UNIT)  | 60,000                |
| 16 | OUTSTANDING SECURITIES (UNIT)       | 60,000                |
| 17 | TREASURY SECURITIES (UNIT)          | 0                     |
| 18 | SECURITIES REDEEMED (UNIT)          | 0                     |
| 19 | CONVERTED SECURITIES (UNIT)         | 0                     |
| 20 | SECURITIES TO BE DISTRIBUTED (UNIT) | 0                     |
| 21 | DATE OF THE LAST RENEGOTIATION      |                       |
| 22 | DATE OF NEXT EVENT                  | 2/1/2010              |



**19.01 INVESTMENT PROJECTS**

We highlight, among the Company's main investments, the expansion in the production capacity of the Casa de Pedra mine, of Aços Longos and of Itaguaí Port as of September 30, 2009. The Company also maintains investment project balances in the amounts of R\$716,189, R\$36,444 and R\$24,574, respectively.

For further information, see the comments on the consolidated quarterly performance.

## **21.01 SPECIAL REVIEW REPORT**

Independent auditor's review report  
(a free translation from the original in Portuguese)

To the Board of Directors of  
Companhia Siderúrgica Nacional  
Rio de Janeiro - RJ

- 1.** We have reviewed the accounting information contained in the Quarterly Financial Information of Companhia Siderúrgica Nacional (the Company) and in the consolidated Quarterly Financial Information of the Company and its subsidiaries for the quarter ended September 30, 2009, comprising the balance sheet, the statements of income, of changes in shareholders' equity, cash flows, added value, explanatory notes and the management report, which are the responsibility of its management.
- 2.** Our review was conducted in accordance with the standards set by IBRACON - The Brazilian Institute of Independent Auditors, in conjunction with the Federal Accounting Council - CFC and consisted mainly of the following: (a) inquiry and discussion with management responsible for the accounting, financial and operational areas of the Company and its subsidiaries, regarding the main criteria adopted in the preparation of the Quarterly Financial Information; and (b) reviewing information and subsequent events that have or may have relevant effects on the financial position and operations of the Company and its subsidiaries.
- 3.** Based on our review, we are not aware of any material modifications that should be made to the accounting information contained in the Quarterly Financial Information referred above, in order to be in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Information, including CVM Instruction 469/08.

4. As mentioned in Note 2, the accounting practices adopted in Brazil changed during 2008 and the effects of the first time adoption were only recorded by the Company and its subsidiaries during the fourth quarter of 2008 and incorporated into the annual financial statements as of December 31, 2008. The statements of income, changes in shareholders equity, cash flows and added value, for the quarter ended September 30, 2008, presented in conjunction with the current quarterly information, are not being restated for comparison purposes, as permitted by Circular Notice /CVM/SNC/SEP 02/2009.

5. As mentioned in Note 29 of the Quarterly Financial Information, the Company has been negotiating with insurance and reinsurance companies in Brazil and abroad, in order to obtain insurance coverage for its operational risks.

November 3, 2009

KPMG Auditores Independentes

CRC 2SP014428/O-6-F-RJ

*Original in Portuguese signed by*

Anselmo Neves Macedo

Accountant CRC 1SP160482/O-6-S-RJ

Carla Bellangero

Accountant CRC 1SP196751/O-4-S-RJ

## TABLE OF CONTENTS

| GROUP | TABLE | DESCRIPTION  | PAGE |
|-------|-------|--|------|
| 01    | 01    | IDENTIFICATION   | 1    |
| 01    | 02    | HEAD OFFICE  | 1    |
| 01    | 03    | INVESTOR RELATIONS OFFICER (Company Mailing Address)                                   | 1    |
| 01    | 04    | ITR REFERENCE  | 1    |
| 01    | 05    | CAPITAL STOCK  | 2    |
| 01    | 06    | COMPANY PROFILE  | 2    |
| 01    | 07    | COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS                        | 2    |
| 01    | 08    | CASH DIVIDENDS   | 2    |
| 01    | 09    | SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR                                     | 3    |
| 01    | 10    | INVESTOR RELATIONS OFFICER   | 3    |
| 02    | 01    | BALANCE SHEET ASSETS   | 4    |
| 02    | 02    | BALANCE SHEET LIABILITIES  | 6    |
| 03    | 01    | STATEMENT OF INCOME  | 8    |
| 04    | 01    | 04 - STATEMENT OF CASH FLOWS   | 10   |
| 05    | 01    | 05 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 7/1/2009 TO 9/30/2009            | 12   |
| 05    | 02    | 05 - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2009 TO 9/30/2009            | 13   |
| 08    | 01    | CONSOLIDATED BALANCE SHEET ASSETS  | 14   |
| 08    | 02    | CONSOLIDATED BALANCE SHEET LIABILITIES   | 16   |
| 09    | 01    | CONSOLIDATED STATEMENT OF INCOME   | 18   |
| 10    | 01    | 10.01 - CONSOLIDATED STATEMENT OF CASH FLOWS   | 20   |
| 11    | 01    | 11 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 7/1/2009 TO 9/30/2009 | 22   |
| 11    | 02    | 11 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2009 TO 9/30/2009 | 23   |
| 06    | 01    | NOTES TO THE FINANCIAL STATEMENTS  | 24   |
| 07    | 01    | COMMENTS ON THE COMPANY S PERFORMANCE IN THE QUARTER                                   | 83   |
| 12    | 01    | COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER                                | 84   |
| 13    | 01    | EQUITY IN SUBSIDIARIES AND/OR ASSOCIATED COMPANIES                                     | 96   |
| 14    | 01    | CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES                            | 99   |
| 19    | 01    | INVESTMENT PROJECTS  | 100  |
| 21    | 01    | SPECIAL REVIEW REPORT  | 101  |
|       |       | CSN OVERSEAS   |      |
|       |       | CSN STEEL  |      |
|       |       | COMPANHIA METALURGICA PRADA  |      |
|       |       | CSN ENERGY   |      |
|       |       | ITAGUAÍ LOGÍSTICA  |      |
|       |       | AÇOS LONGOS  |      |

|  |  |                         |  |
|--|--|-------------------------|--|
|  |  | CSN CIMENTOS            |  |
|  |  | CIA METALIC DO NORDESTE |  |
|  |  | INAL NORDESTE           |  |
|  |  | CSN PANAMA              |  |
|  |  | CSN ENERGIA             |  |
|  |  | MINERAÇÃO NACIONAL      |  |

**TABLE OF CONTENTS**

| <b>GROUP</b> | <b>TABLE</b> | <b>DESCRIPTION</b>            | <b>PAGE</b> |
|--------------|--------------|-------------------------------|-------------|
|              |              | CONGONHAS MINÉRIOS            |             |
|              |              | GALVASUD                      |             |
|              |              | NACIONAL MINÉRIOS             |             |
|              |              | SEPETIBA TECON                |             |
|              |              | TRANSNORDESTINA LOGÍSTICA S.A |             |
|              |              | ITÁ ENERGÉTICA                |             |
|              |              | MRS LOGÍSTICA                 |             |
|              |              | ESTANHO DE RONDÔNIA ERSA      |             |
|              |              | CSN EXPORT                    |             |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 30, 2009

**COMPANHIA SIDERÚRGICA NACIONAL**

By:           /s/ Benjamin Steinbruch

**Benjamin Steinbruch**  
**Chief Executive Officer**

By:           /s/ Paulo Penido Pinto  
                  Marques

**Paulo Penido Pinto Marques**  
**Chief Financial Officer and**  
**Investor Relations Officer**

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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