

NATIONAL STEEL CO
Form 6-K
June 01, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of May, 2007

Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

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

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

Accounting Practices

QUARTERLY INFORMATION

March 31, 2007

Adopted in Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

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 CODE 00403-0	2 - COMPANY NAME COMPANHIA SIDERÚRGICA NACIONAL	3 - CNPJ (Corporate Taxpayer's ID) 33.042.730/0001-04
4 - NIRE (Corporate Registry ID) 33-3.00011595		

01.02 HEAD OFFICE

1 ADDRESS R. SÃO JOSÉ, 20/ GR. 1602 PARTE			2 DISTRICT CENTRO	
3 ZIP CODE 22010-020	4 CITY RIO DE JANEIRO			5 STATE RJ
6 AREA CODE 21	7 TELEPHONE 2215-4901	8 TELEPHONE -	9 TELEPHONE -	10 TELEX
11 AREA CODE 21	12 FAX 2215-7140	13 FAX -	14 FAX -	
15 E-MAIL invrel@csn.com.br				

01.03 INVESTOR RELATIONS OFFICER (Company Mailing Address)

1 NAME BENJAMIN STEINBRUCH				
2 ADDRESS AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR			3 DISTRICT ITAIM BIBI	
4 ZIP CODE 04538-132	5 CITY SÃO PAULO			6 STATE SP
7 AREA CODE 11	8 TELEPHONE 3049-7100	9 TELEPHONE -	10 TELEPHONE -	11 TELEX
12 AREA CODE 11	13 FAX 3049-7558	14 FAX 3049-7519	15 FAX -	

16 E-MAIL
miriamlo@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
1/1/2007	12/31/2007	1	1/1/2007	3/31/2007	4	10/1/2006	12/31/2006
09 - INDEPENDENT ACCOUNTANT KPMG AUDITORES INDEPENDENTES					10 - CVM CODE 00418-9		
11. TECHNICIAN IN CHARGE MANUEL FERNANDES RODRIGUES DE SOUZA					12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S REGISTER) 783.840.017-15		

01.05 CAPITAL STOCK

NUMBER OF SHARES (in thousands)	1 CURRENT QUARTER 3/31/2007	2 PREVIOUS QUARTER 12/31/2006	3 SAME QUARTER, PREVIOUS YEAR 3/31/2006
Paid-up Capital			
1 Common	272,068	272,068	272,068
2 Preferred	0	0	0
3 Total	272,068	272,068	272,068
Treasury Stock			
4 Common	15,578	14,655	14,655
5 Preferred	0	0	0
6 Total	15,578	14,655	14,655

01.06 COMPANY PROFILE

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

01.07 COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME
----------	------------------------------------	------------------

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

1 - ITEM	2 - EVENT	3 APPROVAL	4 - TYPE	5 DATE OF PAYMENT	6 TYPE OF SHARE	7 - AMOUNT 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 4/24/2007	2 SIGNATURE
---------------------	-------------

02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1-CODE	2- DESCRIPTION	3 3/31/2007	4 12/31/2006
1	Total Assets	25,402,966	24,305,340
1.01	Current Assets	5,595,840	5,008,626
1.01.01	Cash and Cash Equivalents	11,679	71,389
1.01.02	Credits	2,462,697	2,280,776
1.01.02.01	Customers	1,531,762	1,428,866
1.01.02.01.01	Domestic Market	565,803	490,529
1.01.02.01.02	Foreign Market	1,036,829	1,007,972
1.01.02.01.03	Allowance for Doubtful Accounts	(70,870)	(69,635)
1.01.02.02	Sundry Credits	930,935	851,910
1.01.02.02.01	Employees	13,450	13,016
1.01.02.02.02	Suppliers	188,780	131,173
1.01.02.02.03	Recoverable Corporate Income Tax and Social Contribution	32,284	31,340
1.01.02.02.04	Deferred Income Tax	244,028	235,030
1.01.02.02.05	Deferred Social Contribution	86,201	82,962
1.01.02.02.06	Other Taxes	153,849	147,570
1.01.02.02.07	Proposed Dividends Receivable	198,304	198,304
1.01.02.02.08	Other Credits	14,039	12,515
1.01.03	Inventories	1,684,581	1,649,930
1.01.04	Others	1,436,883	1,006,531
1.01.04.01	Marketable Securities	984,256	517,474
1.01.04.02	Prepaid Expenses	44,206	41,950
1.01.04.03	Insurance Claimed	408,421	447,107
1.02	Non Current Assets	19,807,126	19,296,714
1.02.01	Long-Term Assets	1,832,610	1,778,635
1.02.01.01	Sundry Credits	837,322	826,803
1.02.01.01.01	Loans Eletrobrás	26,084	31,551
1.02.01.01.02	Marketable Securities Receivable	143,628	144,204
1.02.01.01.03	Deferred Income Tax	427,768	417,046
1.02.01.01.04	Deferred Social Contribution	114,762	111,884
1.02.01.01.05	Other Taxes	125,080	122,118
1.02.01.02	Credits with Related Parties	298,347	282,653
1.02.01.02.01	In Associated and Related Companies	0	0
1.02.01.02.02	In Subsidiaries	298,347	282,653
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Others	696,941	669,179
1.02.01.03.01	Judicial Deposits	530,824	509,851
1.02.01.03.02	Marketable Securities	125,673	125,673
1.02.01.03.03	Prepaid Expenses	39,104	32,300
1.02.01.03.04	Others	1,340	1,355
1.02.02	Permanent Assets	17,974,516	17,518,079
1.02.02.01	Investments	5,833,386	5,309,209
1.02.02.01.01	In Associated /Related Companies	0	0
1.02.02.01.02	In Associated/Related Companies-Goodwill	0	0

Edgar Filing: NATIONAL STEEL CO - Form 6-K

1.02.02.01.03	In Subsidiaries	5,758,442	5,221,911
1.02.02.01.04	In Subsidiaries -Goodwill	74,944	87,298
1.02.02.01.05	Other Investments	0	0
1.02.02.02	Property, Plant and Equipment	11,976,389	12,031,793
1.02.02.02.01	In Operation, Net	11,081,186	11,250,457

02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1-CODE	2- DESCRIPTION	3 3/31/2007	4 12/31/2006
1.02.02.02.02	In Construction	750,246	636,411
1.02.02.02.03	Land	144,957	144,925
1.02.02.03	Intangible Assets	0	0
1.02.02.04	Deferred	164,741	177,077

02.02 BALANCE SHEETS - LIABILITIES (in thousands of Reais)

1- CODE	2- DESCRIPTION	3 3/31/2007	4 12/31/2006
2	Total Liabilities	25,402,966	24,305,340
2.01	Current Liabilities	5,369,771	5,521,473
2.01.01	Loans and Financing	1,898,730	2,126,852
2.01.02	Debentures	21,149	36,240
2.01.03	Suppliers	1,280,978	1,404,537
2.01.04	Taxes and Contributions	586,777	385,694
2.01.04.01	Salaries and Social Contributions	110,900	54,634
2.01.04.02	Taxes Payable	266,215	204,580
2.01.04.03	Deferred Income Tax	154,163	93,000
2.01.04.04	Deferred Social Contribution	55,499	33,480
2.01.05	Dividends Payable	718,175	686,984
2.01.06	Provisions	5,100	20,645
2.01.06.01	Contingencies	44,056	53,584
2.01.06.02	Judicial Deposits	(38,956)	(32,939)
2.01.07	Debt with Related Parties	0	0
2.01.08	Others	858,862	860,521
2.01.08.01	Accounts Payable - Subsidiaries	671,939	683,099
2.01.08.02	Others	186,923	177,422
2.02	Non Current Liabilities	13,151,800	12,557,291
2.02.01	Long-Term Liabilities	13,151,800	12,557,291
2.02.01.01	Loans and Financing	5,964,278	5,419,156
2.02.01.02	Debentures	900,451	897,141
2.02.01.03	Provisions	5,774,315	5,667,992
2.02.01.03.01	Contingencies	3,909,236	3,773,113
2.02.01.03.02	Judicial Deposits	(106,721)	(108,627)
2.02.01.03.03	Deferred Income Tax	1,449,853	1,473,166
2.02.01.03.04	Deferred Social Contribution	521,947	530,340
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	Others	512,756	573,002
2.02.01.06.01	Allowance for Loss on Investments	121,153	106,673
2.02.01.06.02	Accounts Payable Subsidiaries	50,840	52,434
2.02.01.06.03	Provisions for Pension Funds	224,094	286,940
2.02.01.06.04	Others	116,669	126,955
2.02.02	Deferred Income	0	0
2.04	Shareholders Equity	6,881,395	6,226,576
2.04.01	Paid-In Capital Stock	1,680,947	1,680,947
2.04.02	Capital Reserves	30	0
2.04.03	Revaluation Reserve	4,147,003	4,208,550
2.04.03.01	Own Assets	4,146,650	4,208,197
2.04.03.02	Subsidiaries/Associated and Related Companies	353	353
2.04.04	Profit Reserves	270,370	337,079
2.04.04.01	Legal	336,189	336,189

Edgar Filing: NATIONAL STEEL CO - Form 6-K

2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Income	0	0
2.04.04.05	Profit Retentions	0	0

02.02 BALANCE SHEETS - LIABILITIES (in thousands of Reais)

1- CODE	2- DESCRIPTION	3 3/31/2007	4 12/31/2006
2.04.04.06	Special For Non-Distributed Dividends	0	0
2.04.04.07	Other Profit Reserves	(65,819)	890
2.04.04.07.01	From Investments	677,611	677,611
2.04.04.07.02	Treasury Stock	(743,430)	(676,721)
2.04.05	Accrued Profits/Losses	783,045	0
2.04.06	Advance for Future Capital Increase	0	0

03.01 STATEMENTS OF INCOME (in thousands of Reais)

1- CODE	2- DESCRIPTION	3- 1/1/2007 to 3/31/2007	4- 1/1/2007 to 3/31/2007	5- 1/1/2006 to 3/31/2006	6- 1/1/2006 to 3/31/2006
3.01	Gross Revenue from Sales and/or Services	2,431,278	2,431,278	1,872,179	1,872,179
3.02	Gross Revenue Deductions	(482,279)	(482,279)	(367,492)	(367,492)
3.03	Net Revenue from Sales and/or Services	1,948,999	1,948,999	1,504,687	1,504,687
3.04	Cost of Goods and/or Services Sold	(1,180,380)	(1,180,380)	(1,003,240)	(1,003,240)
3.04.01	Depreciation, Depletion and Amortization	(192,541)	(192,541)	(205,110)	(205,110)
3.04.02	Other	(987,839)	(987,839)	(798,130)	(798,130)
3.05	Gross Income	768,619	768,619	501,447	501,447
3.06	Operating Income/Expenses	227,514	227,514	(55,201)	(55,201)
3.06.01	Selling	(68,532)	(68,532)	(65,830)	(65,830)
3.06.01.01	Depreciation and Amortization	(1,606)	(1,606)	(2,168)	(2,168)
3.06.01.02	Others	(66,926)	(66,926)	(63,662)	(63,662)
3.06.02	General and Administrative	(58,283)	(58,283)	(51,951)	(51,951)
3.06.02.01	Depreciation and Amortization	(4,268)	(4,268)	(3,601)	(3,601)
3.06.02.02	Others	(54,015)	(54,015)	(48,350)	(48,350)
3.06.03	Financial	(94,744)	(94,744)	(150,433)	(150,433)
3.06.03.01	Financial Income	(105,257)	(105,257)	(340,591)	(340,591)
3.06.03.02	Financial Expenses	10,513	10,513	190,158	190,158
3.06.03.02.01	Foreign Exchange and Monetary Variation, net	285,275	285,275	461,577	461,577
3.06.03.02.02	Financial Expenses	(274,762)	(274,762)	(271,419)	(271,419)
3.06.04	Other Operating Income	2,298	2,298	187,630	187,630
3.06.05	Other Operating Expenses	(40,920)	(40,920)	(57,565)	(57,565)
3.06.06	Equity pick-up	487,695	487,695	82,948	82,948
3.07	Operating Income	996,133	996,133	446,246	446,246
3.08	Non-Operating Income	(1,023)	(1,023)	104	104
3.08.01	Income	1	1	1	1

03.01 - STATEMENT OF INCOME (in thousands of reais)

1- CODE	2- DESCRIPTION	3- 1/1/2007 to 3/31/2007	4- 1/1/2007 to 3/31/2007	5- 1/1/2006 to 3/31/2006	6- 1/1/2006 to 3/31/2006
3.08.02	Expenses	(1,024)	(1,024)	103	103
3.09	Income before Taxes/Participations	995,110	995,110	446,350	446,350
3.10	Provision for Income Tax and Social Contribution	(215,983)	(215,983)	(163,932)	(163,932)
3.11	Deferred Income Tax	(25,639)	(25,639)	15,610	15,610
3.11.01	Deferred Income Tax	(18,130)	(18,130)	13,760	13,760
3.11.02	Deferred Social Contribution	(7,509)	(7,509)	1,850	1,850
3.12	Statutory Participations/Contributions	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Own Capital	0	0	0	0
3.15	Income/ Loss for the Period	753,488	753,488	298,028	298,028
	OUTSTANDING SHARES, EX-TREASURY (in thousands)	256,490	256,490	257,413	257,413
	EARNINGS PER SHARE (in reais)	2.93769	2.93769	1.15778	1.15778
	LOSS PER SHARE (in reais)				

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

04.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

1. OPERATING CONTEXT

Companhia Siderúrgica Nacional (CSN) is engaged in the production of flat steel products, its main industrial complex being the Presidente Vargas Steelworks (UPV) located in the City of Volta Redonda, State of Rio de Janeiro.

CSN is engaged in the mining of iron ore, limestone and dolomite, in the State of Minas Gerais and tin in the State of Rondônia to meet the needs of UPV, maintains strategic investments in railroad, electricity and ports, to optimize its activities and it is implementing a cement plant in Volta Redonda.

To be closer to customers and win additional markets on a global level, CSN has, in Brazil, a steel distributor, two metal package plants, one for the manufacture of two-piece steel cans, besides a galvanized steel plant in the South of Brazil to supply home appliances and another in the Southeast supplying the automotive industry. Abroad, the Company has a rolling mill in Portugal and another mill in the United States.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

In compliance with the configuration of the form of the Quarterly Financial Information form, the Statements of Changes in Financial Position and of Cash Flows of the parent company and consolidated are presented in the item Other information considered material by the Company .

3. SIGNIFICANT ACCOUNTING PRACTICES

The financial statements were prepared in conformity with the accounting practices followed in Brazil, as well as with the accounting standards and pronouncements issued by the Brazilian Securities Commission CVM.

(a) Statement of Income

The results of operations are determined on an accrual basis.

(b) Marketable securities

The investment funds have daily liquidity and have assets valued at market as per instructions of the Central Bank of Brazil and CVM, since the Company considers these investments as securities retained for trading.

Fixed income securities and financial investments abroad are recorded at cost plus yields accrued through the balance sheet date, and do not exceed market value.

(c) Allowance for doubtful accounts

The allowance for doubtful accounts has been set up in an amount which, in the opinion of Management, is enough to absorb any losses that might be incurred in realizing accounts receivable.

(d) Inventories

Inventories are stated at their average cost of acquisition or production and on-going imports are recorded at their cost of acquisition, not exceeding their market or realization values. Provisions for losses or obsolescence are recorded whenever the management deems necessary.

(e) Other current and non-current assets

Other current and long-term assets are presented at their realization value, including, when applicable, income earned to the balance sheet date or, in the case of prepaid expenses, at cost.

(f) Investments

Investments in subsidiaries and jointly-owned subsidiary companies are recorded by the equity accounting method, adjusted for any amortizable goodwill, if applicable. Other permanent investments are recorded at acquisition cost.

(g) Property, plant and equipment

The property, plant and equipment of the parent company is presented at market or replacement values, based on appraisal reports conducted by independent expert appraisal firms, as permitted by Deliberation 288 issued by the Brazilian Securities Commission on December 3, 1998. Depreciation is computed by the straight-line method, based on the remaining economic useful lives of the assets after revaluation. Depletion of the iron mine Casa de Pedra is calculated on the basis of the quantity of iron ore extracted, and interest charges related to capital funding for construction in progress are capitalized for as long as the projects remain in construction.

(h) Deferred charges

The deferred charges of expenses incurred for development and implementation of projects that should generate a payback to the Company in the next few years, with the amortization applied on a straight-line basis based on the period foreseen for the economic return on the above projects.

(i) Current and non-current liabilities

These are stated at their known or estimated values, including, when applicable, accrued charges, monetary and foreign exchange variation incurred up to the balance sheet date.

(j) Employees benefit

In accordance with Deliberation 371, issued by the Brazilian Securities Commission, on December 13, 2000, the Company decided to record the respective actuarial liabilities as from January 1, 2002, in accordance with the above-mentioned reported deliberation and based on studies by independent actuaries.

(k) Income Tax and Social Contribution

Income tax and social contribution on net income are calculated based on their effective tax rates and consider the tax loss carryforward and negative basis of social contribution limited to 30% of taxable income, to compute the tax liability. Tax credits are set up for deferred taxes on tax losses, negative basis of social contribution on net income and on temporary differences, pursuant to CVM Instruction 371/02.

(l) Derivatives

The derivatives operations are recorded in accordance with the characteristics of the financial instruments. Swap operations are recorded based on the operations' net results, which are booked monthly in line with the contractual conditions.

Exchange options are adjusted monthly to market value whenever the position shows a loss. These losses are recognized as Company's liability with the corresponding entry in the financial results. Options traded through exclusive funds are adjusted to market value and futures contracts have their positions adjusted to market daily by the Futures and Commodities Exchange (BM&F) with recognition of gains and losses directly in results.

(m) Treasury Shares

As established by CVM Instruction 10/80, treasury shares are recorded at acquisition cost.

(n) Estimates

Pursuant to the accounting practices followed in Brazil, the preparation of the Financial Statements requires the Company's Management to make estimates and assumptions related to the assets and liabilities reported, the disclosure of contingent assets and liabilities on the balance sheet date and the amount of income and expenses during the year. The final results may differ from these estimates.

4. CONSOLIDATED QUARTERLY INFORMATION

The consolidated Quarterly Information for the quarter ended March 31, 2007 and the year ended December 31, 2006 included the following direct and indirect subsidiaries and jointly-owned subsidiaries:

	Currency	Ownership interest (%)		
Companies	of origin	3/31/2007	12/31/2006	Main activities
Direct investment: full consolidation				
CSN Energy	US\$	100.00	100.00	Equity interest
CSN Export	US\$	100.00	100.00	Financial operations and trading
CSN Islands VII	US\$	100.00	100.00	Financial operations
CSN Islands VIII	US\$	100.00	100.00	Financial operations
CSN Islands IX	US\$	100.00	100.00	Financial operations
CSN Islands X	US\$	100.00	100.00	Financial operations
CSN Overseas	US\$	100.00	100.00	Financial operations and equity interest
CSN Panama	US\$	100.00	100.00	Financial operations and equity interest
CSN Steel	US\$	100.00	100.00	Financial operations and equity interest
CSN I	R\$	100.00	100.00	Equity interest
Sepetiba Tecon	R\$	100.00	100.00	Maritime port services
Nacional Ferrosos	R\$	100.00		Mining and equity interest
Estanho de Rondônia - ERSA	R\$	99.99	99.99	Mining
Cia. Metalic Nordeste	R\$	99.99	99.99	Package production
Indústria Nacional de Aços Laminados - INAL	R\$	99.99	99.99	Steel products service center
CSN Cimentos	R\$	99.99	99.99	Cement production
Inal Nordeste	R\$	99.99	99.99	Steel products service center
CSN Energia	R\$	99.90	99.90	Trading of electricity
Nacional Minérios	R\$	99.99	99.99	Mining and equity interest
GalvaSud	R\$	15.29	15.29	Steel industry
Direct investment: proportionate consolidation				
Itá Energética	R\$	48.75	48.75	Electricity Generation
Companhia Ferroviária do Nordeste (CFN)	R\$	45.78	45.78	Railroad transportation
MRS Logística	R\$	32.93	32.93	Railroad transportation
Indirect investment: full consolidation				
CSN Aceros	US\$	100.00	100.00	Equity interest
CSN Cayman	US\$	100.00	100.00	Financial operations and trading
CSN Iron	US\$	100.00	100.00	Financial operations
Companhia Siderúrgica Nacional LLC	US\$	100.00	100.00	Steel industry
CSN LLC Holding Corp	US\$	100.00	100.00	Equity interest
	US\$	100.00	100.00	Equity interest

Companhia Siderúrgica Nacional Partner
LLC

Energy I	US\$	100.00	100.00	Equity interest
Tangua	US\$	100.00	100.00	Equity interest
				Financial operations and equity
CSN Madeira ^(a)	EUR	100.00	100.00	interest
				Financial operations and equity
Cinnabar	EUR	100.00	100.00	interest
Hickory	EUR	100.00	100.00	Financial operations and trading
Lusosider Projetos Siderúrgicos	EUR	100.00	100.00	Equity Interest
				Financial operations and equity
CSN Finance	GBP	100.00	100.00	interest
				Financial operations and equity
CSN Holdings (UK)	GBP	100.00	100.00	interest
Cia Metalúrgica Prada	R\$	100.00	100.00	Package production
Itamambuca Participações	R\$	100.00	100.00	Mining and equity interest
Lusosider Aços Planos	EUR	99.93	99.93	Steel Industry
GalvaSud	R\$	84.71	84.71	Steel Industry

(a) As of December 31, 2006, the company CSN Madeira was called Jaycee.

The Financial Statements prepared in US dollars, in Euros and in Great Britain Pounds were translated to Brazilian currency at the exchange rate as of March 31, 2007 R\$/US\$2.0504 (R\$/US\$2.1380 on December 31, 2006), R\$/EUR2.73892 (R\$/EUR2.82024 on December 31, 2006) and R\$/GBP4.03437 (R\$/GBP4.18535 on December 31,2006).

The gains and losses from this translation were recorded in the income statements of the related periods, as equity accounting in the parent company and exchange variation in the consolidated entity and said quarterly information was prepared applying the same accounting principles as those applied by the parent company.

In the preparation of the consolidated quarterly information, the consolidated intercompany balances were eliminated, such as intercompany investments, equity accounting, asset and liability balances, revenues and expenses and unrealized profits resulting from operations among these companies.

Pursuant to the CVM Instruction 408/04 the Company consolidates the financial statements of the exclusive investment funds.

The reference date for the subsidiaries and jointly-owned subsidiaries financial statements coincides with that of the parent company.

The reconciliation between shareholders equity and net income for the year of the parent company and consolidated is as follows:

	Shareholders	Equity	Net income in the period	
	3/31/2007	12/31/2006	3/31/2007	3/31/2006
Parent Company	6,881,395	6,226,576	753,488	298,028
Elimination of profits on inventories	(93,017)	(102,432)	9,415	42,390
Consolidated	6,788,378	6,124,144	762,903	340,418

5. RELATED PARTY TRANSACTIONS

Purchase trade transactions, sale of products and inputs and contracting of services with subsidiaries are performed under usual conditions applicable to non-related parties, such as prices, terms, charges, quality etc. The main loans, financing operations and mutual contracts are as follows:

a) Assets

Companies	Accounts receivable	Financial Investments	Mutual ⁽¹⁾	Debentures	Dividends receivable	Advance for future capital increase	Advance to suppliers	Total
CSN Export	1,133,690							1,133,690
Exclusive Funds		828,781						828,781
INAL	91,553				82,302			173,855
CFN			119,989			53,267		173,256
MRS Logística	16				84,617		23,505	108,138
Sepetiba Tecon	425			36,000		62,785	823	100,033
CSN Cimentos			14,251			32,404		46,655
CSN Energia					26,973		4	26,977
Companhia								
Metalúrgica Prada	12,791		12,023					24,814
CSN Madeira	10,062							10,062
Ersa	5				110		8,163	8,278
GalvaSud	5,526				156			5,682
Cia. Metalic								
Nordeste	4,764							4,764
Nacional								
Minérios						3,629		3,629
Itá Energética					3,286			3,286
INAL Nordeste	2,936							2,936
CSN I					860			860
CSN LLC	659							659
Others ⁽²⁾	1						6	7
Total at 3/31/2007	<u>1,262,428</u>	828,781	146,263	36,000	198,304	152,085	32,501	2,656,362
Total at 12/31/2006	1,054,991	383,290	135,497	36,000	198,304	147,156	26,580	1,981,818

(1) Receivable mutual agreements with related parties are restated by 101% of CDI.

(2) Other: Fundação CSN and CBS Previdência

b) Liabilities

Companies	Loans and financing				Derivatives	Accounts payable	Suppliers		Total
	Prepayment (1)	Fixed Rate Notes(2)	Loans from Investees	Intercompany Bonds(2)	Swap	Mutual(3)/ checking accounts	Investees Inventories	Other	
CSN Steel	1,110,234	628,075				269,225			2,007,534
CSN Iron				1,267,347					1,267,347
CSN Islands VIII		1,044,993			115,408	1,884			1,162,285
CSN Export	1,044,023					11,212			1,055,235
CSN Islands VII		554,142			13,234				567,376
CSN Madeira			21,841			311,701			333,542
Cinnabar	65,457		73,979			41,847			181,283
CBS									
Previdência								273,642	273,642
MRS									
Logística								61,918	61,918
CSN Energia						23,084			23,084
Aceros						20,612			20,612
GalvaSud								14,866	14,866
INAL									
Nordeste							386	9	395
INAL								232	232
Cia Metalic									
Nordeste								47	47
Total on 3/31/2007	2,219,714	2,227,210	95,820	1,267,347	128,642	679,565	386	350,714	6,969,398
Total on 12/31/2006	2,588,409	2,303,574	94,556	1,292,230	142,377	706,351	3,930	353,218	7,484,645

- (1) Contracts in US\$ - CSN Export: interest of 6.15% to 7.46% p.a. with maturity on 5/6/2015
 Contracts in US\$ - CSN Cinnabar: interest of 5.07% to 8.71% p.a. with maturity on 6/28/2008
 Contracts in US\$ - CSN Steel: interest of 5.75% to 10.0% p.a. with maturity on 1/13/2017

- (2) Contracts in US\$ - CSN Iron: interest of 9.125% p.a. with maturity on 6/1/2007.
 Contracts in YEN - CSN Islands VII: interest of 7.3% and 7.75% p.a. with maturity on 9/12/2008.
 Contracts in YEN - CSN Islands VIII: interest of 5.65% p.a. with maturity on 12/15/2013.
 Contracts in YEN - CSN Steel: interest of 1.5% p.a. with maturity on 7/13/2010.

- (3) Information referring to mutual agreements with related parties.
CSN Madeira (part): semiannual Libor + 3% p.a. with indeterminate maturity.
CSN Madeira (part): semiannual Libor + 2.5% p.a. with maturity on 9/15/2011.
Cinnabar (part): semiannual Libor + 3% p.a. with indeterminate maturity and IGPM + 6% p.a. with indeterminate maturity.
CSN Export: semiannual Euribor + 0.5% p.a. with indeterminate maturity.

c) Results