

NATIONAL STEEL CO  
Form 6-K  
March 11, 2008

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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 March, 2008**

**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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**NET INCOME OF R\$ 2.9 BILLION, SALES VOLUME OF 5.4 MILLION TONNES, NET REVENUE OF R\$ 11.4 BILLION AND EBITDA OF R\$ 4.9 BILLION ARE ALL NEW RECORDS FOR CSN**

São Paulo, March 10 , 2008: Companhia Siderúrgica Nacional CSN (BOVESPA: CSNA3) (NYSE: SID) today its **results for the fourth quarter of 2007 (4Q07)**, in accordance with Brazilian accounting principles and denominated in Brazilian Reais (R\$). All comments presented herein refer to the **Company s consolidated results** and **comparisons refer to the fourth quarter of 2006 (4Q06)**, unless otherwise stated. On December 31, 2007, the Real/US Dollar exchange rate was **R\$ 1.771**.

**Main Highlights**

- CSN posted a net income of R\$ 2.9 billion in 2007, a new annual record and 150% more than in 2006.
- Annual steel product sales volume stood at 5.4 million tonnes, 23% more than in 2006 and also Company record. In the 4Q07 alone, sales volume totaled 1.4 million tonnes, 18% up year-on-year.
- Net revenue reached an impressive R\$ 11.4 billion in 2007, 27% more than in 2006 and yet another record.
- Annual EBITDA stood at R\$ 4.9 billion, 54% up on the year before 2006. Once again, this was CSN s highest ever EBITDA figure.
- CSN s shares recorded annual appreciation of 157%, the highest upside of all the companies making up the Ibovespa Index. Its ADRs recorded an even more substantial upturn of 216%, the highest figure among all the Latin American firms traded on the NYSE.
- Annual crude steel production totaled more than 5.3 million tonnes, 52% up on 2006.
- In 2007, the Company and its subsidiary NAMISA produced and acquired from third parties more than 21 million tonnes of iron ore. Iron ore sales totaled 10.5 million tonnes in Brazil and abroad (in addition to the 7.1 million tonnes consumed internally by the Presidente Vargas Steelworks).
- The net debt/EBITDA ratio, based on EBITDA in the last 12 months, continued to decline, falling from 1.74x in December 2006, to 0.99x at the close of 2007. In monetary terms, the net debt fell by 28%, from R\$ 6.7 billion to R\$ 4.8 billion.

**On December 31, 2007**

Bovespa: CSNA3 R\$ 157.60/share  
NYSE: SID US\$ 89.57/ADR (1 ADR = 1 share)  
Total no. of shares = 272.067.946

Market Cap: R\$ 40.4 billion/US\$ 22.9 billion

**Investor Relations Team**

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| Consolidated Highlights             | 4Q06         | 3Q07         | 4Q07         | 2006         | 2007         | 4Q07 X<br>4Q06<br>(Chg %) | 4Q07 X<br>3Q07<br>(Chg %) | 2007 X<br>2006<br>(Chg %) |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------------------|---------------------------|---------------------------|
| <b>Crude Steel Production</b>       | <b>1,307</b> | <b>1,390</b> | <b>1,274</b> | <b>3,499</b> | <b>5,323</b> | <b>-2.5%</b>              | <b>-8.3%</b>              | <b>52.1%</b>              |
| <b>Sales Volume (thousand t)</b>    | <b>1,193</b> | <b>1,349</b> | <b>1,412</b> | <b>4,385</b> | <b>5,378</b> | <b>18.3%</b>              | <b>4.6%</b>               | <b>22.6%</b>              |
| Domestic Market                     | 732          | 967          | 1,018        | 2,818        | 3,614        | 39.1%                     | 5.2%                      | 28.3%                     |
| Exports                             | 462          | 382          | 394          | 1,567        | 1,764        | -14.7%                    | 3.1%                      | 12.5%                     |
| <b>Net Revenue per unit (R\$/t)</b> | <b>1,856</b> | <b>1,810</b> | <b>1,742</b> | <b>1,771</b> | <b>1,775</b> | <b>-6.1%</b>              | <b>-3.8%</b>              | <b>0.2%</b>               |
| <b>Financial Data (RS MM)</b>       |              |              |              |              |              |                           |                           |                           |
| Net Revenue                         | 2,576        | 2,969        | 3,013        | 9,040        | 11,441       | 16.9%                     | 1.5%                      | 26.6%                     |
| Gross Profit                        | 966          | 1,271        | 1,192        | 3,051        | 4,767        | 23.4%                     | -6.2%                     | 56.2%                     |
| EBITDA                              | 984          | 1,307        | 1,266        | 3,823        | 4,870        | 28.7%                     | -3.1%                     | 27.4%                     |
| EBITDA Margin                       | 38.2%        | 44.0%        | 42.0%        | 42.3%        | 42.6%        | 3.8 p.p                   | - 2.0 p.p                 | 7.6 p.p                   |
| <b>Net Profit (R\$ MM)</b>          | <b>83</b>    | <b>699</b>   | <b>508</b>   | <b>1,168</b> | <b>2,922</b> | <b>509.1%</b>             | <b>-27.3%</b>             | <b>150.3%</b>             |
| <b>Net Debt (R\$ MM)</b>            | <b>6,659</b> | <b>5,617</b> | <b>4,804</b> | <b>6,659</b> | <b>4,804</b> | <b>-27.9%</b>             | <b>-14.5%</b>             | <b>-27.9%</b>             |

### Economic and Steel Scenario

#### BRAZIL

Thanks to the healthy performance of the Brazilian economy, domestic steel product sales moved up strongly in 2007. Cash-heavy and with prospects of domestic demand remaining strong, sector manufacturers and clients have announced substantial investment plans for the coming years.

Average GDP growth estimates for 2007 increased from 4.7% in October to 5.1% in December, while the 2008 forecast climbed from 4.4% to 4.5% in the same period.

Industry, services and agriculture are expected to grow by 5.1%, 4.6% and 4.6%, respectively, in 2007. In 2008, all three sectors should grow by between 4% and 5%.

Average inflationary projections for 2007 and 2008 have also moved up due to the recent acceleration in food prices. The forecast for the consumer IPCA index in 2007 increased from 3.9% to 4.2% between October and December, while the 2008 projection climbed from 4.1% to 4.2%. As for the general IGP-M index, the 2007 and 2008 estimates rose from 5.5% to 6.8% and from 4.2% to 4.5%, respectively (Focus/Febraban).

All these factors were decisive in ensuring that the Brazilian steel industry closed 2007 on a highly optimistic note.

Pushed by buoyant demand, domestic crude steel production moved up substantially throughout the year, totaling 33.8 million tonnes, 9.3% more than in 2006.

Total rolled output moved up 9.1% to 25.5 million tonnes in 2007, while production of rolled flat products grew by 9.2% to 15.7 million tonnes.

Steel sales reached record levels. Total annual domestic sales volume stood at 20.5 million tonnes, 16.9% up on the 2006 figure, while rolled flat and long steel volumes climbed 17.3% and 16.8%, respectively

The prospects are equally favorable for 2008, with domestic sales looking set to grow at similar high rates.

The steel consuming sectors also did exceptionally well, exemplified by the automotive and construction industries, plus investments in infrastructure and capital goods, especially by the oil and by-product, chemical and petrochemical, and electric power sectors, among others.

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The automotive sector had a particularly fine performance. Domestic vehicle sales totaled more than 2.4 million units, 28% more than in 2006, and annual production came to 2.9 million units, growth of 14% over the year before. The forecasts for 2008 are equally favorable, with heated domestic demand generating growth of around 9% over 2007.

Agricultural machinery also experienced an exceptional year. Production exceeded 65,000 units, 41% more than in 2006, with domestic sales of 38,300 units, 49% more than the year before, and exports of 27,100 units, annual growth of around 20%. The outlook for 2008 is equally bright, both in Brazil and abroad.

Construction also deserves to be highlighted. Production climbed by 5.5% over 2006 thanks to the greater availability of mortgage loans. The projections for 2008 are also encouraging.

Led by refrigerators, stoves, IT equipment, steel furniture, consumer electronics items and home appliances, the home appliance/OEM sector recorded average annual growth of between 10% and 15%. The main reasons for the upturn were the reduction in interest rates, the growth in the bulk of wages and the increase in installment sales, factors which should continue to push demand in 2008.

The flat steel distribution and resale companies affiliated to INDA (the National Institute of Steel Distributors) recorded 2007 sales volume of 3.3 million tonnes, an unprecedented 26% up on the previous year.

Growth in 2008 should continue to be driven by the construction, machinery and equipment, agriculture and automotive sectors. The distribution and resale segment is still the main consumer of Brazilian steel, given that it acts as a conduit for all the other steel-using segments.

### **International Market**

#### **USA**

The overall economic outlook is still uncertain, given that the collapse of the real estate market and its impact on the financial system could spread to other sectors of the economy. Demand from the main productive sectors slowed throughout 2007, although the devaluation of the dollar against the other leading currencies, the exceptionally low level of distributors' inventories, cost pressure from the main production inputs (iron ore and coal) and the increase in freight charges led to price hikes in the 4Q07 and the latest negotiations would appear to indicate a continuation of this trend throughout 2008.

#### **EUROPE**

Despite low demand, prices have begun to move up slightly in recent months due to the expected upturn in the price of the main raw materials. As a result, the price outlook for 2008 is a favorable one;

Inventories remain high, although they are expected to decline in 2008 due to the reduction in imports from China.

#### **ASIA**

China reduced its steel production growth rates throughout 2007 and investments in new plants are likely to remain in line with 2006.

The June/07 removal of the Chinese government's export benefits, coupled with the increase in international freight charges, have made Chinese steel products less competitive in the global market;

The strong cost pressure from the leading inputs should squeeze the profit margins of small local producers.

Harsh weather in China has jeopardized charcoal output and local infrastructure, leading certain steel plants in the south of the country to temporarily suspend operations.

## Production

CSN produced 1.3 million tonnes of crude steel in the 4Q07, practically in line with the 4Q06 figure. In 2007 as a whole, production totaled 5.3 million tonnes, 52% up on the previous year.

Rolled steel output totaled 1.3 million tonnes in the final quarter, 11% up year-on-year, and 5.0 million tonnes in 2007, 21% more than in 2006.

The following table shows crude and rolled steel output in 2007:

| Production (in thousand t)         | 4Q06         | 3Q07         | 4Q07         | Total        |              | Change (%)     |                |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
|                                    |              |              |              | 2006         | 2007         | 4Q07 x<br>4Q06 | 2007 x<br>2006 |
| <b>Crude Steel (P Vargas Mill)</b> | <b>1,307</b> | <b>1,390</b> | <b>1,274</b> | <b>3,499</b> | <b>5,323</b> | <b>-2.5%</b>   | <b>52.1%</b>   |
| Purchased Slabs from Third Parties | 65           | 0            | 0            | 957          | 25           | -100.0%        | -97.4%         |
| <b>Total Crude Steel</b>           | <b>1,372</b> | <b>1,390</b> | <b>1,274</b> | <b>4,456</b> | <b>5,348</b> | <b>-7.1%</b>   | <b>20.0%</b>   |
| <b>Rolled Products * (UPV)</b>     | <b>1,173</b> | <b>1,180</b> | <b>1,298</b> | <b>4,098</b> | <b>4,955</b> | <b>10.7%</b>   | <b>20.9%</b>   |

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

## Production Costs (Parent Company)

CSN's total production costs came to R\$ 1.23 billion in the 4Q07, R\$ 78 million (or 6%) down year-on-year, chiefly due to the virtual non-use of slabs and coils acquired from third parties in 2006, which alone reduced costs by R\$ 93 million over the 4Q06. On the other hand, labor costs moved up by R\$13 million due to the wage increase in May 2007.

For the year as a whole, total production costs came to R\$ 4.75 billion, R\$ 46 million less than in 2006. The main period variations were as follows:

### Raw materials:



A total reduction of R\$ 438 million, due to:

- Reduced recourse in 2007 to slabs and coils acquired from third parties, which cut variable costs by R\$ 892 million.

On the other hand, higher output from the Presidente Vargas Steelworks pushed up raw material consumption:

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- Iron ore: increase of R\$ 109 million;
- Imported coal and acquired coke: growth of R\$ 107 million;
- Metals (aluminum, zinc and tin): rise of R\$ 116 million;
- Scrap: increase of R\$ 38 million;
- Pellets: upturn of R\$ 29 million;
- Fluxes and other raw materials: growth of R\$ 55 million.

**Maintenance:** increase of approximately R\$ 136 million;

**Supplies, Utilities and Third-party Services:** growth of R\$ 70 million;

**Energy** (natural gas, electric power and fuel): upturn of R\$ 75 million;

**Labor:** rise of R\$ 39 million, due to the 5% wage hike and bonus awarded by the collective bargaining agreement in May/07;

**Depreciation:** increase of R\$ 58 million due to the revaluation of the Company's assets in the 1H07;

**Other increases:** growth of R\$ 14 million.

## Sales

### Total Sales Volume

CSN recorded total sales volume of 5.38 million tonnes in 2007, 23% up on the year before and a new Company record. Final-quarter sales stood at 1.41 million tonnes, 18% higher than the 4Q06.

Annual consolidated sales on the domestic market accounted for 67% of total volume and exports for 33%. The second-half ratios came to 72% and 28%, respectively.

In terms of the parent company, domestic sales accounted for 75% of the annual total and exports for 25%. In the second half, the domestic market's share increased to a massive 82%.



### **Domestic Market**

Annual domestic sales volume totaled 3.61 million tonnes, 28% more than in 2006, thanks to CSN's strategy of prioritizing the domestic market, coupled with the healthy performance of Brazil's economy, which fueled demand from various industries.

In the 4Q07, sales amounted to 1.02 million tonnes, 39% up year-on-year, led by the auto, construction, infrastructure, capital goods and home appliance/OEM sectors. This result is even more impressive if we compare it to the 3Q07 figure of 967,000 tonnes, representing a 5% increase.

### **Export Market**

Annual exports totaled 1.76 million tonnes, 13% growth over the previous year, basically due to the decision to prioritize the domestic market in 2006 thanks to reduced crude steel output in that year and the fact that prices were more attractive in Brazil than abroad.

Exports of 394,000 tonnes in the 4Q07 were virtually identical to the 3Q07 figure.

### **Market Share and Product Mix**

The Company's share of the domestic flat steel market (hot-rolled, cold-rolled, galvanized and tin mill products) stood at 34% in the 4Q07, led by galvanized orders from the construction, home appliance/OEM and distribution sectors. It is worth emphasizing that CSN is the absolute leader in these markets, with a share of more than 70%.

As for the product mix, coated products accounted for 49% of annual sales.

In terms of market segment, distribution was the biggest consumer, accounting for 44% of 4Q07 sales, followed by the automotive, construction, packaging and home appliance/OEM sectors, with 16%, 14%, 14% and 11%, respectively. Sales segmentation was practically identical to the previous quarter.

## **Prices**

In January 2007, the Company raised its galvanized prices by 6%, followed in May and June by average increases of 10% for all products, except tin plate products.

Average net revenue per tonne in the 4Q07 remained in line with the previous quarter at above US\$ 1,000/t.

Average dollar export prices fell slightly due to the reduced share of coated items in the product mix.



## Mining

### PRODUCTION

The Casa de Pedra mine produced 3.3 million tonnes in the 4Q07, led by sinter feed, lump ore and pellet feed. In 2007 as a whole, Casa de Pedra produced 15.0 million tonnes, 14%, or 1.9 million tonnes, up on 2006. Sinter feed accounted for more than 50% of total output.

Nacional Minérios (NAMISA), through its wholly-owned subsidiary CFM, produced 1.1 million tonnes in the 4Q07, giving a total of 2.4 million tonnes at year-end. NAMISA's ore purchases from third parties totaled 3.8 million tonnes in the year.

The Presidente Vargas Steelworks absorbed 7.1 million tonnes.

### SALES

Consolidated iron ore sales totaled 4.0 million tonnes in the 4Q07, 20% up on the previous quarter.

Annual sales came to 10.5 million tonnes (in addition to the 7.1 million tonnes consumed by the Presidente Vargas Steelworks), 225% more than in 2006 and consolidating CSN's presence in the mining market. The domestic market absorbed 5.4 million tonnes, or 51% of the total, while exports accounted for 5.1 million tonnes (49%).

### INVENTORIES

At the close of the 2007, the Company's total iron ore inventories exceeded 11 million tonnes.

#### Consolidated Production

##### Figures

(in million t)

|                                       | 2008        | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Production</b>                     |             |             |             |             |             |             |             |             |
| Casa de Pedra                         | 17.0        | 30.0        | 40.0        | 50.0        | 60.0        | 70.0        | 70.0        | 70.0        |
| NAMISA (incl. CFM)                    | 6.5         | 7.5         | 8.5         | 10.0        | 10.0        | 10.0        | 10.0        | 10.0        |
| Purchases from Third Parties (NAMISA) | 7.0         | 7.0         | 7.0         | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         |
| <b>TOTAL PRODUCTION</b>               | <b>30.5</b> | <b>44.5</b> | <b>55.5</b> | <b>65.0</b> | <b>75.0</b> | <b>85.0</b> | <b>85.0</b> | <b>85.0</b> |
| <b>Domestic Market</b>                |             |             |             |             |             |             |             |             |
| Volta Redonda                         | 8.3         | 8.3         | 8.5         | 8.5         | 8.5         | 8.5         | 8.5         | 8.5         |
| Slab Mill I ( 4,5 mtpa )              | 0.0         | 0.0         | 0.0         | 1.0         | 7.2         | 7.2         | 7.2         | 7.2         |
| Slab Mill II ( 4,5 mtpa )             | 0.0         | 0.0         | 0.0         | 0.0         | 3.0         | 7.2         | 7.2         | 7.2         |
| Other ( Domestic Market )             | 4.5         | 4.5         | 4.4         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         |
| <b>TOTAL DOMESTIC MARKET</b>          | <b>12.8</b> | <b>12.8</b> | <b>12.9</b> | <b>13.5</b> | <b>22.7</b> | <b>26.9</b> | <b>26.9</b> | <b>26.9</b> |
| <b>EXPORTS</b>                        | <b>23.8</b> | <b>33.0</b> | <b>43.0</b> | <b>51.5</b> | <b>52.3</b> | <b>58.1</b> | <b>58.1</b> | <b>58.1</b> |

|                                |             |             |             |             |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>PORT CAPACITY</b>           | <b>25.8</b> | <b>40.0</b> | <b>50.0</b> | <b>55.0</b> | <b>65.0</b> | <b>70.0</b> | <b>70.0</b> | <b>70.0</b> |
| <b>TOTAL SALES (excl. CSN)</b> | <b>28.3</b> | <b>37.5</b> | <b>47.4</b> | <b>55.5</b> | <b>56.3</b> | <b>62.1</b> | <b>62.1</b> | <b>62.1</b> |
| <b>TOTAL SALES (incl. CSN)</b> | <b>36.6</b> | <b>45.8</b> | <b>55.9</b> | <b>65.0</b> | <b>75.0</b> | <b>85.0</b> | <b>85.0</b> | <b>85.0</b> |

### Net Revenue

**Annual net revenue totaled R\$ 11.4 billion, 27% up on 2006 and a new Company record**, pushed by growth in both the mining and steel segments.

In the 4Q07, net revenue stood at **R\$ 3.0 billion**, 17% more than in the 4Q06 and virtually identical to the previous quarter.

| Net Revenue<br>(2007)    | STEEL    |         |       | MINING * |         |        | OTHERS | TOTAL  |
|--------------------------|----------|---------|-------|----------|---------|--------|--------|--------|
|                          | Domestic | Exports | Total | Domestic | Exports | Total  |        |        |
| Volume (thousand tonnes) | 3,614    | 1,764   | 5,378 | 5,391    | 5,115   | 10,506 | -      |        |
| Net Revenue (R\$ MM)     | 6,842    | 2,703   | 9,545 | 316      | 405     | 721    | 1,174  | 11,441 |

\* Including only iron ore figures.

### Operating Revenue and Expenses

The variation in operating revenue and expenses between the 4Q06 and 4Q07 was positive by approximately R\$ 174 million. The improvement was essentially due to a non-recurring factor in the 4Q06, when CSN reallocated R\$ 193 million to non-operating revenue and expenses from the provisions previously booked under operating revenues and expenses as lost earnings from the accident to Blast Furnace 3's dust collector in 2006.

Although selling expenses in the 4Q07 remained virtually flat over the 4Q06, it is worth noting that sales volume was 18% higher.

In 2007 as a whole, operating revenue and expenses recorded a negative variation of R\$ 785 million over the previous year, chiefly due to the non-recurring booking of R\$ 730 million in 2006 as lost earnings from the above-mentioned accident.

Up to the end of 2007, CSN had received R\$ 737 million in advances from the insurers, R\$ 149 million of which in the 4Q07.

### EBITDA

Fourth-quarter EBITDA totaled R\$ 1.3 billion, 29% up year-on-year and virtually identical to the 3Q07.

Annual EBITDA reached the record figure of R\$ 4.9 billion, 54% (or R\$ 1.7 billion) more than in 2006.

The quarterly EBITDA margin in the 4Q07 stood at 42.0%, 3.8 percentage points (p.p.) higher than the 4Q06 margin.





The annual margin widened by 7.6 p.p., from 35% in 2006 to 42.6% in 2007.

### Financial Result and Net Debt

The 4Q07 net financial result was an expense of R\$ 185 million, less than the net expense of R\$ 255 million recorded in the 4Q06. The main factors contributing to this result were:

- Gains from treasury operations and financial investments, totaling R\$ 260 million;
- Monetary and exchange gains of R\$ 172 million, basically due to the appreciation of the Real against the dollar in the 4Q07;
- Provisions for interest and charges on loans and financing amounting to R\$ 165 million;
- Addition of R\$ 391 million to provisions for IPI premium credits over exports, especially charges related to tax foreclosures;
- Updating of provisions for IPI premium credit, IPI presumed credit and social contribution on net income over exports in line with the variation in the SELIC interest rate, totaling R\$ 65 million;

In 2007, the net financial result was positive by R\$ 316 million, a substantial improvement over the negative R\$ 899 million recorded in 2006, due to the following factors:

- Gains from treasury operations and financial investments, totaling R\$ 750 million;
- Monetary and exchange gains of R\$ 824 million, basically due to the appreciation of the Real against the dollar in 2007;
- Provisions for interest and charges on loans and financing amounting to R\$ 732 million;
- Fiscal provisions totaling R\$ 533 million, including the above-mentioned addition to provisions for IPI premium credits on exports and R\$ 139 million in provisions for IPI presumed credit on input acquisitions recorded in the 3Q07.

CSN's net debt fell from R\$ 6.7 billion at the end of 2006 to R\$ 4.8 billion at the close of 2007, essentially due to the following favorable factors:

- EBITDA of R\$ 4.87 billion in 2007;
- Positive net financial result of R\$ 316 million;
- Inflow of R\$ 261 million in 2007 as advances from insurers relative to the Blast Furnace 3 insurance claim;
- The reception of approximately R\$1.1 billion relative to the Company's participation in the Corus auction.

However, these effects were partially offset by:

Payment of R\$ 685 million to CSN shareholders in September/07 as the balance of dividends and interest on equity relative to 2006, as approved by the AGM of April 30, 2007;

The acquisition of CFM in July 2007, involving disbursements of R\$ 656 million in the 3Q07;  
Investments of R\$ 1.6 billion in 2007;  
Judicial deposits totaling approximately R\$ 1.1 billion;  
Payment of income and social contribution taxes totaling R\$ 942 million in 2007.

**The Net Debt/EBITDA ratio, based on EBITDA in the last 12 months, continued to fall, declining from 1.74x in December 2006 to 0.99x at the close of 2007.**

### Non-operating Revenue / Expenses

CSN recorded net non-operating expenses of R\$ 28 million in the 4Q07, R\$ 46 million down year-on-year. The variation was chiefly due to fixed asset write-offs totaling R\$ 23 million in the 4Q07, plus net gains of R\$ 18 million in the 4Q06 from the write-off of the fixed assets damaged by the accident to Blast Furnace 3.

For 2007 as a whole, the Company posted net non-operating revenue of R\$ 145 million, primarily due to non-recurring gains of R\$ 182 million in the 1Q07 from the sale of its 3.8% stake in Corus Group PLC.

### Income Taxes

Income and social contribution taxes totaled R\$ 1 billion in 2007, higher than the previous year, primarily due to the increase in taxable income.

### Net Income

CSN posted 2007 net income of R\$ 2.9 billion, 150% up on the year before and a new Company record. This growth was due to several important factors that occurred this year:

The R\$ 1.7 billion increase in EBITDA, as explained previously;  
The R\$ 1.2 billion improvement in the financial result;  
The R\$ 785 million increase in SG&A expenses;  
The R\$ 495 million increase in income and social contribution taxes.

### Capex

**CSN invested more than R\$ 1.6 billion in consolidated fixed and deferred assets in 2007.**

The parent company absorbed R\$ 981 million of the annual total, most of which went to the expansion of the Casa de Pedra mine and the expansion of the port of Itaguaí, as well as scheduled equipment maintenance and repairs.

Investments in subsidiaries totaled R\$ 639 million, concentrated in MRS Logística, CSN Cimentos, Prada and CFN.

### Main Investments in 2007

CSN:

Expansion of the Casa de Pedra mine: R\$ 374 million;

Maintenance and repairs: R\$ 211 million;

Expansion of the port of Itaguaí: R\$ 57 million;

Long Steel Plant: R\$ 43 million.

*Subsidiaries:*

MRS (transportation and logistics): R\$ 215 million;

- CSN Cimentos: R\$ 94 million;
- Prada: R\$ 91 million;
- CFN: R\$ 63 million;
- CFM: R\$ 56 million.

The remainder went to maintenance and technological project designed to improve the operational efficiency of the Company and its subsidiaries.

CSN recognized R\$793 million in its investments line from the acquisition of CFM.

### Working Capital

On December 31, 2007, working capital totaled R\$ 1.3 billion, 32% down on the end-of-2006 figure. The reduction was mainly due to the R\$ 548 million decline in Accounts Receivable and the R\$ 537 million increase in Taxes Payable, the latter being due to additions to provisions for IPI tax credits on exports and the adjustment to provisions for IPI credits on input acquisitions in the 3Q07. The average 2007 supplier payment period fell from 94 to 73 days in 2007, while the average client payment period dropped from 41 to 19 days. The average inventory turnover period in 2007 was 15 days less than the 146 days recorded in 2006.

| WORKING CAPITAL                         | R\$ MM       |              |              |                |              |
|---|--------------|--------------|--------------|----------------|--------------|
|   | Dec/06       | Sep/07       | Dec/07       | Change<br>4Q07 | 2007         |
| <b>Assets</b>                           | <b>4,045</b> | <b>3,750</b> | <b>3,710</b> | <b>40</b>      | <b>335</b>   |
| <b>Cash</b>                             | <b>167</b>   | <b>145</b>   | <b>225</b>   | <b>(80)</b>    | <b>(58)</b>  |
| <b>Accounts Receivable</b>              | <b>1,292</b> | <b>911</b>   | <b>744</b>   | <b>167</b>     | <b>548</b>   |
| - Domestic Market                       | 766          | 760          | 813          | (53)           | (47)         |
| - Export Market                         | 635          | 261          | 47           | 214            | 588          |
| - Allowance for Debtful                 | (109)        | (110)        | (116)        | 6              | 7            |
| <b>Inventory</b>                        | <b>2,435</b> | <b>2,521</b> | <b>2,420</b> | <b>101</b>     | <b>15</b>    |
| <b>Advances to Suppliers</b>            | <b>151</b>   | <b>173</b>   | <b>321</b>   | <b>(148)</b>   | <b>(170)</b> |
| <b>Liabilities</b>                      | <b>2,118</b> | <b>1,864</b> | <b>2,401</b> | <b>(537)</b>   | <b>(283)</b> |
| <b>Suppliers</b>                        | <b>1,568</b> | <b>1,167</b> | <b>1,347</b> | <b>(180)</b>   | <b>221</b>   |
| <b>Salaries and Social Contribution</b> | <b>91</b>    | <b>185</b>   | <b>110</b>   | <b>75</b>      | <b>(19)</b>  |
| <b>Taxes Payable</b>                    | <b>407</b>   | <b>512</b>   | <b>944</b>   | <b>(432)</b>   | <b>(537)</b> |
| <b>Advances from Clients</b>            | <b>52</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>52</b>    |
| <b>Working Capital</b>                  | <b>1,927</b> | <b>1,886</b> | <b>1,309</b> | <b>577</b>     | <b>618</b>   |

### TURN OVER RATIO

| Average Periods    | Change    |           |           |          |           |
|--------------------|-----------|-----------|-----------|----------|-----------|
|                    | Dec/06    | Sep/07    | Dec/07    | 4Q07     | 2007      |
| <b>Receivables</b> | <b>41</b> | <b>23</b> | <b>19</b> | <b>4</b> | <b>22</b> |

|                           |            |            |            |            |           |
|---------------------------|------------|------------|------------|------------|-----------|
| <b>Supplier Payment</b>   | <b>94</b>  | <b>65</b>  | <b>73</b>  | <b>(8)</b> | <b>21</b> |
| <b>Inventory Turnover</b> | <b>146</b> | <b>140</b> | <b>131</b> | <b>9</b>   | <b>15</b> |

### Capital Market

CSN's shares appreciated by an exceptional 157% in 2007, the biggest upturn among all the companies listed on the Ibovespa Index, which in turn appreciated by 44%. In the 4Q07 alone, the shares climbed by 25%, versus the Ibovespa's 6%.

The Company's ADRs (SID), traded on the NYSE, recorded an even more substantial rise of 216% in 2007, the highest increase among Latin American ADRs, the second highest among mining and steel companies listed in New York and the fourth highest of all ADRs on the NYSE. In comparison, the Dow Jones climbed by a mere 6%.

### Capital Markets - CSNA3 / SID / IBOVESPA

|                                      | 2006               | 4Q07               | 2007               |
|--------------------------------------|--------------------|--------------------|--------------------|
| <b>N# of shares</b>                  | <b>272,067,947</b> | <b>272,067,947</b> | <b>272,067,947</b> |
| <b>Market Capitalization</b>         |                    |                    |                    |
| Closing price (R\$/share)            | 61.32              | 157.60             | 157.60             |
| Closing price (US\$/share)           | 28.38              | 89.57              | 89.57              |
| Market Capitalization (R\$ million)  | 15,785             | 40,423             | 40,423             |
| Market Capitalization (US\$ million) | 7,305              | 22,974             | 22,974             |
| <b>Variation</b>                     |                    |                    |                    |
| CSNA3 (%)                            | 45%                | 25%                | 157%               |
| SID (%)                              | 40%                | 27%                | 216%               |
| Ibovespa                             | 33%                | 6%                 | 44%                |
| Dow Jones                            | 16%                | -4%                | 6%                 |
| <b>Volume</b>                        |                    |                    |                    |
| Average daily (n# of shares)         | 704,733            | 952,785            | 889,262            |
| Average daily (R\$ Thousand)         | 45,686             | 132,254            | 92,379             |
| Average daily (n# of ADR's)          | 934,886            | 1,151,640          | 1,165,628          |
| Average daily (US\$ Thousand)        | 27,995             | 89,943             | 63,929             |

Source: *Economática and Bloomberg*

In the 4Q07, CSN's ADRs appreciated by 27%, versus a 4% downturn for the Dow Jones.

Average traded volume in the Company's shares jumped by 102% over 2006 to **R\$ 92 million per day**, while traded ADR volume on the NYSE averaged **US\$ 64 million per day**, US\$ 28 million, or 128%, more than the year before.

At a meeting on December 21, 2007, the Company's Board of Directors approved the payment of R\$ 800 million in dividends and interest on equity relative to the fiscal year of 2007. Payment took place on January 8, 2008. This decision will be ratified by the subsequent General Shareholders Meeting.

### Subsequent Events

#### Share cancellation and stock buyback

The General Shareholders Meeting of January 22, 2008, ratified the resolutions taken by the Board of Directors Meeting of December 21, 2007, as follows:

The cancellation of 4,000,000 Company shares held in treasury;

The acquisition of up to 4,000,000 shares, to be held in treasury for subsequent sale or cancellation, pursuant to article 3 of CVM Instruction 10/80. The Company's purpose is to maximize shareholder value through the efficient management of its capital structure. The stock buyback period lasted from January 23 to February 28, 2008.

#### Stock split

Following the exceptional appreciation of CSN's shares in 2007, the Company decided to propose a stock split in order to improve their liquidity, facilitating their trading by retail investors. Accordingly, the General Shareholders Meeting of January 22, 2008 approved a 1:3 split, i.e. each share was represented by three shares. The ratio of one CSN share for one ADR (American Depositary Receipt) was maintained.



**Companhia Siderúrgica Nacional, located in the State of Rio de Janeiro, Brazil, is a steel complex comprising investments in infrastructure and logistics whose operations include captive mines, an integrated steel mill, service centers, ports and railways. With a total annual production capacity of 5.6 million tons of crude steel and consolidated gross revenues of R\$ 11 billion in 2005, CSN is also the only tin-plate producer in Brazil and one of the five largest tin-plate producers worldwide. It is also one of the world's most profitable steelmakers.**

EBITDA represents net income (loss) before the financial result, income and social contribution taxes, depreciation and amortization. EBITDA should not be regarded as an alternative to net income (loss) as an indicator of CSN's operating performance or as an alternative to cash flow as an indicator of liquidity. Although CSN's management considers EBITDA to be a practical means of measuring operating performance and permitting comparisons with other companies, it is not recognized by Brazilian Accounting Principles (Brazilian Corporate Law or BR GAAP) or US Accounting Principles (US GAAP) and other companies may define and calculate it differently.

Net debt as presented is used by CSN to measure our financial performance. However, net debt is not recognized as a measurement of financial performance according to the accounting practices adopted in Brazil, nor should it be considered in isolation, or as an alternative to net income or financial result as an indicator of liquidity.

Certain of the statements contained herein are forward-looking statements, which express or imply results, performance or events that are expected in the future. These include future results that may be implied by historical results and the statements under "Outlook". Actual results, performance or events may differ materially from those expressed or implied by the forward-looking statements as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate and exchange rate levels, protectionist measures in the US, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

## INCOME STATEMENT

## CONSOLIDATED - Corporate Law - In Thousand of R\$

|   | 4Q06               | 3Q07               | 4Q07               | 2006               | 2007               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Gross Revenue</b>                                      | <b>3,231,363</b>   | <b>3,789,099</b>   | <b>3,868,520</b>   | <b>11,265,137</b>  | <b>14,423,165</b>  |
| Gross Revenue deductions                                  | (655,051)          | (820,499)          | (855,586)          | (2,224,768)        | (2,982,183)        |
| <b>Net Revenues</b>                                       | <b>2,576,312</b>   | <b>2,968,600</b>   | <b>3,012,934</b>   | <b>9,040,369</b>   | <b>11,440,982</b>  |
| Domestic Market   | 1,730,172          | 2,194,671          | 2,307,712          | 6,399,852          | 8,228,511          |
| Export Market   | 846,140            | 773,929            | 705,222            | 2,640,517          | 3,212,471          |
| <b>Cost of Good Sold (COGS)</b>                           | <b>(1,610,297)</b> | <b>(1,698,047)</b> | <b>(1,820,828)</b> | <b>(5,988,785)</b> | <b>(6,674,224)</b> |
| COGS, excluding depreciation                              | (1,384,588)        | (1,428,935)        | (1,512,142)        | (5,079,471)        | (5,595,593)        |
| Depreciation allocated to COGS                            | (225,709)          | (269,112)          | (308,686)          | (909,314)          | (1,078,631)        |
| <b>Gross Profit</b>                                       | <b>966,015</b>     | <b>1,270,553</b>   | <b>1,192,106</b>   | <b>3,051,584</b>   | <b>4,766,758</b>   |
| <i>Gross Margin (%)</i>                                   | 37.5%              | 42.8%              | 39.6%              | 33.8%              | 41.7%              |
| Selling Expenses  | (121,789)          | (144,903)          | (128,378)          | (465,534)          | (590,937)          |
| General and administrative expenses                       | (85,882)           | (87,975)           | (106,349)          | (335,206)          | (384,168)          |
| Depreciation allocated to SG&A                            | (13,083)           | (13,003)           | (13,585)           | (52,079)           | (53,645)           |
| Other operation income (expense), net                     | (267,808)          | (81,598)           | (65,933)           | 456,208            | (152,403)          |
| <b>Operating income before financial equity interests</b> | <b>477,453</b>     | <b>943,074</b>     | <b>877,861</b>     | <b>2,654,973</b>   | <b>3,585,605</b>   |
| Net Financial Result                                      | (254,759)          | 56,113             | (184,999)          | (899,525)          | 316,237            |
| Financial Expenses  | (372,249)          | (432,874)          | (654,951)          | (1,356,830)        | (1,392,697)        |
| Financial Income  | (18,390)           | 300,851            | 298,139            | (14,402)           | 884,666            |
| Net monetary and foreign exchange variations              | 135,880            | 188,136            | 171,813            | 471,707            | 824,268            |
| Equity interest in subsidiary                             | (23,945)           | (27,344)           | (27,104)           | (87,509)           | (109,684)          |
| <b>Operating Income (loss)</b>                            | <b>198,749</b>     | <b>971,843</b>     | <b>665,758</b>     | <b>1,667,939</b>   | <b>3,792,158</b>   |
| Non-operating income (expenses), Net                      | 17,665             | (7,796)            | (27,845)           | 19,066             | 144,728            |
| <b>Income Before Income and Social Contribution Taxes</b> | <b>216,414</b>     | <b>964,047</b>     | <b>637,913</b>     | <b>1,687,005</b>   | <b>3,936,886</b>   |
| (Provision)/Credit for Income Tax                         | (153,948)          | (114,835)          | (335,368)          | (407,761)          | (953,161)          |
| (Provision)/Credit for Social Contribution                | (62,845)           | (43,169)           | (126,329)          | (197,159)          | (356,059)          |
| Deferred Income Tax                                       | 45,456             | (78,567)           | 245,105            | 8,151              | 197,361            |
| Deferred Social Contribution                              | 38,337             | (28,301)           | 86,778             | 77,288             | 97,323             |
| <b>Net Income (Loss)</b>                                  | <b>83,415</b>      | <b>699,176</b>     | <b>508,098</b>     | <b>1,167,525</b>   | <b>2,922,350</b>   |
| <b>EBITDA</b>   | <b>984,053</b>     | <b>1,306,787</b>   | <b>1,266,065</b>   | <b>3,160,158</b>   | <b>4,870,284</b>   |
| <i>EBITDA Margin (%)</i>                                  | 38.2%              | 44.0%              | 42.0%              | 35.0%              | 42.6%              |
| <b>Adjusted EBITDA</b>                                    | <b>808,894</b>     | <b>1,306,787</b>   | <b>1,266,065</b>   | <b>3,822,557</b>   | <b>4,870,284</b>   |
| <i>Adjusted EBITDA Margin</i>                             | 31.4%              | 44.0%              | 42.0%              | 42.3%              | 42.6%              |

## INCOME STATEMENT

## PARENT COMPANY - Corporate Law - In Thousand of R\$

|   | 4Q06               | 3Q07               | 4Q07               | 2006               | 2007               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Gross Revenues</b>                                     | <b>2,471,516</b>   | <b>2,868,839</b>   | <b>2,979,492</b>   | <b>8,743,881</b>   | <b>11,150,493</b>  |
| Gross Revenues deductions                                 | (477,786)          | (684,108)          | (709,231)          | (1,754,622)        | (2,470,547)        |
| <b>Net Revenues</b>                                       | <b>1,993,730</b>   | <b>2,184,731</b>   | <b>2,270,261</b>   | <b>6,989,259</b>   | <b>8,679,946</b>   |
| Domestic Market   | 1,386,629          | 1,905,628          | 1,931,520          | 5,266,826          | 7,058,449          |
| Export Market   | 607,101            | 279,102            | 338,742            | 1,722,433          | 1,621,497          |
| <b>Cost of Good Sold (COGS)</b>                           | <b>(1,264,392)</b> | <b>(1,146,722)</b> | <b>(1,339,886)</b> | <b>(4,780,880)</b> | <b>(4,911,166)</b> |
| COGS, excluding depreciation                              | (1,076,824)        | (917,648)          | (1,077,357)        | (4,006,243)        | (3,996,878)        |
| Depreciation allocated to COGS                            | (187,568)          | (229,074)          | (262,529)          | (774,637)          | (914,288)          |
| <b>Gross Profit</b>                                       | <b>729,338</b>     | <b>1,038,009</b>   | <b>930,375</b>     | <b>2,208,379</b>   | <b>3,768,780</b>   |
| <i>Gross Margin (%)</i>                                   | 36.6%              | 47.5%              | 41.0%              | 31.6%              | 43.4%              |
| Selling Expenses  | (42,863)           | (76,222)           | (78,297)           | (244,492)          | (300,970)          |
| General and administrative expenses                       | (58,084)           | (61,121)           | (77,833)           | (235,480)          | (267,600)          |
| Depreciation allocated to SG&A                            | (5,915)            | (6,395)            | (6,121)            | (23,836)           | (24,628)           |
| Other operation income (expense), net                     | (280,008)          | (40,332)           | (41,130)           | 449,940            | (184,135)          |
| <b>Operating income before financial equity interests</b> | <b>342,468</b>     | <b>853,939</b>     | <b>726,994</b>     | <b>2,154,511</b>   | <b>2,991,447</b>   |
| <b>Net Financial Result</b>                               | (233,185)          | (197,184)          | (463,562)          | (826,473)          | (353,192)          |
| Financial Expenses  | (283,786)          | (384,509)          | (622,371)          | (1,006,689)        | (1,194,902)        |
| Financial Income  | (113,919)          | 15,222             | (49,606)           | (527,706)          | (356,928)          |
| Net monetary and foreign exchange variations              | 164,520            | 172,103            | 208,415            | 707,922            | 1,198,638          |
| Equity interest in subsidiary                             | 20,845             | 259,416            | 282,552            | 164,383            | 1,108,675          |
| <b>Operating Income (loss)</b>                            | <b>130,128</b>     | <b>916,171</b>     | <b>545,984</b>     | <b>1,492,421</b>   | <b>3,746,930</b>   |
| Non-operating income (expenses), Net                      | 16,660             | (4,117)            | (11,966)           | 17,887             | (17,104)           |
| <b>Income Before Income and Social Contribution Taxes</b> | <b>146,788</b>     | <b>912,054</b>     | <b>534,018</b>     | <b>1,510,308</b>   | <b>3,729,826</b>   |
| (Provision)/Credit for Income Tax                         | (108,276)          | (68,960)           | (297,415)          | (247,418)          | (767,009)          |
| (Provision)/Credit for Social Contribution                | (49,994)           | (33,580)           | (109,417)          | (152,813)          | (305,523)          |
| Deferred Income Tax                                       | 60,228             | (76,510)           | 252,545            | (11,013)           | 162,647            |
| Deferred Social Contribution                              | 43,664             | (28,046)           | 90,640             | 70,302             | 85,304             |
| <b>Net Income (Loss)</b>                                  | <b>92,410</b>      | <b>704,958</b>     | <b>470,372</b>     | <b>1,169,366</b>   | <b>2,905,245</b>   |
| <b>EBITDA*</b>  | 815,959            | 1,129,740          | 1,036,774          | 2,503,044          | 4,114,498          |
| <i>EBITDA Margin (%)</i>                                  | 40.9%              | 51.7%              | 45.7%              | 35.8%              | 47.4%              |
| <b>Adjusted EBITDA</b>                                    | 640,800            | 1,129,740          | 1,036,774          | 3,165,443          | 4,114,498          |
| <i>Adjusted EBITDA Margin</i>                             | 32.1%              | 51.7%              | 45.7%              | 45.3%              | 47.4%              |

\* EBITDA = Gross income excluding selling, general and administrative expenses added to depreciation, amortization and exhaustion.

\*\* Excluding shares held in treasury



**BALANCE SHEET**

Corporate Law - thousands of R\$

|  | Consolidated      |                   | Parent Company    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2007              | 2006              | 2007              | 2006              |
| <b>Current Assets</b>                                  | <b>8,396,140</b>  | <b>7,927,762</b>  | <b>4,783,329</b>  | <b>5,008,626</b>  |
| Cash and Cash Equivalents                              | 225,344           | 167,288           | 26,223            | 71,389            |
| Marketable securities                                  | 3,620,930         | 2,455,813         | 718,892           | 517,474           |
| Trade Accounts Receivable                              | 744,401           | 1,292,291         | 997,443           | 1,428,866         |
| Inventory  | 2,419,745         | 2,435,281         | 1,780,473         | 1,649,930         |
| Insurance claims                                       | 186,247           | 447,107           | 186,247           | 447,107           |
| Deffered Income Tax and Social Contribution            | 512,076           | 429,630           | 407,205           | 317,992           |
| Other  | 687,397           | 700,352           | 666,846           | 575,868           |
| <b>Non-Current Assets</b>                              | <b>18,656,101</b> | <b>17,100,539</b> | <b>21,825,272</b> | <b>19,296,714</b> |
| <b>Long-Term Assets</b>                                |                   |                   |                   |                   |
| <b>Investments</b>                                     | 2,177,707         | 1,927,316         | 2,472,203         | 1,778,635         |
| <b>PP&amp;E</b>  | 956,281           | 957,674           | 6,573,043         | 5,309,209         |
| <b>Deferred</b>  | 15,295,642        | 13,948,261        | 12,618,843        | 12,031,793        |
|  | 226,471           | 267,288           | 161,183           | 177,077           |
| <b>TOTAL ASSETS</b>                                    | <b>27,052,241</b> | <b>25,028,301</b> | <b>26,608,601</b> | <b>24,305,340</b> |
| <b>Current Liabilities</b>                             | <b>6,844,150</b>  | <b>4,317,780</b>  | <b>6,523,450</b>  | <b>5,521,473</b>  |
| Loans and Financing                                    | 1,827,988         | 1,080,487         | 1,736,506         | 2,163,092         |
| Suppliers  | 1,346,789         | 1,568,331         | 1,046,600         | 1,404,537         |
| Taxes and Contributions                                | 1,054,376         | 624,486           | 764,223           | 385,694           |
| Dividends Payable                                      | 2,115,881         | 686,984           | 2,115,881         | 686,984           |
| Other  | 499,116           | 357,492           | 860,240           | 881,166           |
| <b>Non-Current Liabilities</b>                         | <b>12,665,830</b> | <b>14,586,377</b> | <b>12,457,541</b> | <b>12,557,291</b> |
| <b>Long-term Liabilities</b>                           | <b>12,660,694</b> | <b>14,581,085</b> | <b>12,457,541</b> | <b>12,557,291</b> |
| Loans and Financing                                    | 6,930,891         | 8,344,817         | 6,944,740         | 6,316,297         |
| Provisions for contingencies, net<br>judicial deposits | 2,461,472         | 3,742,714         | 2,377,289         | 3,664,486         |
| Deferred Income and Social Contributions               |                   |                   |                   |                   |
| Taxes  | 2,068,614         | 2,023,572         | 1,946,806         | 2,003,506         |
| Other  | 1,199,717         | 469,982           | 1,188,706         | 573,002           |
| <b>Future Period Results</b>                           | <b>5,136</b>      | <b>5,292</b>      | <b>-</b>          | <b>-</b>          |
| <b>Shareholders' Equity</b>                            | <b>7,542,261</b>  | <b>6,124,144</b>  | <b>7,627,610</b>  | <b>6,226,576</b>  |
| Capital  | 1,680,947         | 1,680,947         | 1,680,947         | 1,680,947         |
| Capital Reserve  | 30                | -                 | 30                | -                 |
| Revaluation Reserve                                    | 4,585,553         | 4,208,550         | 4,585,553         | 4,208,550         |
| Earnings Reserve                                       | 2,019,161         | 911,368           | 2,104,510         | 1,013,800         |
| Treasury Stock   | (743,430)         | (676,721)         | (743,430)         | (676,721)         |
| Retained Earnings                                      | -                 | -                 | -                 | -                 |
| <b>TOTAL LIABILITIES AND<br/>SHAREHOLDERS' EQUITY</b>  | <b>27,052,241</b> | <b>25,028,301</b> | <b>26,608,601</b> | <b>24,305,340</b> |



**CASH FLOW STATEMENT****CONSOLIDATED - Corporate Law - thousands of R\$**

|  | <b>4Q06</b>        | <b>3Q07</b>        | <b>4Q07</b>      | <b>2006</b>        | <b>2007</b>        |
|--|--------------------|--------------------|------------------|--------------------|--------------------|
| <b>Cash Flow from Operating Activities</b>     | <b>679,696</b>     | <b>1,426,377</b>   | <b>1,234,215</b> | <b>1,786,957</b>   | <b>4,022,792</b>   |
| Net Income for the period                      | 83,415             | 699,175            | 508,098          | 1,167,525          | 2,922,350          |
| Net exchange and monetary variations           | (116,850)          | (336,898)          | (201,720)        | (622,682)          | (1,109,591)        |
| Provision for financial expenses               | 204,705            | 177,615            | 165,139          | 864,419            | 732,558            |
| Depreciation, exhaustion and amortization      | 238,677            | 282,115            | 322,271          | 961,393            | 1,132,276          |
| Fixed Assets Write-off                         | (13,588)           | 8,471              | 22,603           | 16,379             | 696,509            |
| Equity results                                 | 23,944             | 27,348             | 27,102           | 87,509             | 109,684            |
| Deferred income taxes and social contributions | (83,793)           | 106,869            | (331,885)        | (85,439)           | (294,685)          |
| Provisions                                     | 536,613            | (412,406)          | (163,475)        | (344,510)          | (913,410)          |
| <b>Working Capital</b>                         | <b>(193,427)</b>   | <b>874,088</b>     | <b>886,082</b>   | <b>(257,637)</b>   | <b>747,101</b>     |
| Accounts Receivable                            | 90,160             | 241,268            | 166,654          | 125,823            | 584,096            |
| Inventory                                      | (22,595)           | 19,364             | 97,435           | (535,991)          | (3,446)            |
| Suppliers                                      | (17,201)           | (67,810)           | 179,390          | 336,248            | (221,541)          |
| Taxes  | (134,089)          | (276,823)          | 1,231,724        | 136,304            | 1,195,542          |
| Interest Expenses                              | (238,188)          | (199,745)          | (193,114)        | (850,770)          | (782,992)          |
| Others   | 128,486            | 1,157,834          | (596,007)        | 530,749            | (24,558)           |
| <b>Cash Flow from Investment Activities</b>    | <b>(1,058,933)</b> | <b>(1,359,894)</b> | <b>(863,072)</b> | <b>(2,282,072)</b> | <b>(3,504,580)</b> |
| Investments                                    | (678,894)          | (792,765)          | (401)            | (772,520)          | (793,167)          |
| Fixed Assets/Deferred/Judicial Deposits        | (380,039)          | (567,129)          | (862,671)        | (1,509,552)        | (2,711,413)        |
| <b>Cash Flow from Financing Activities</b>     | <b>(122,900)</b>   | <b>(191,521)</b>   | <b>(174,863)</b> | <b>(852,932)</b>   | <b>(283,581)</b>   |
| Issuances                                      | 1,623,009          | 608,220            | 299,490          | 4,451,976          | 3,237,706          |
| Amortizations                                  | (1,745,898)        | (136,798)          | (474,296)        | (3,196,062)        | (2,768,575)        |
| Dividends/Interest on own capital              | (11)               | (662,943)          | (56)             | (2,069,736)        | (686,003)          |
| Shares in treasury                             | -                  | -                  | -                | (39,110)           | (66,709)           |
| <b>Free Cash Flow</b>                          | <b>(502,137)</b>   | <b>(125,038)</b>   | <b>196,280</b>   | <b>(1,348,047)</b> | <b>234,631</b>     |

**NET FINANCIAL RESULT****Consolidated - Corporate Law - thousands of R\$**

|  | <b>4Q06</b>      | <b>3Q07</b>      | <b>4Q07</b>      | <b>2006</b>        | <b>2007</b>        |
|--|------------------|------------------|------------------|--------------------|--------------------|
| <b>Financial Expenses</b>                    | <b>(372,249)</b> | <b>(432,875)</b> | <b>(654,949)</b> | <b>(1,356,830)</b> | <b>(1,392,697)</b> |
| <b>Loans and financing</b>                   | (204,705)        | (177,585)        | (165,169)        | (864,419)          | (732,558)          |
| <b>Local currency</b>                        | (50,250)         | (53,342)         | (46,838)         | (230,771)          | (204,603)          |
| <b>Foreign currency</b>                      | (154,455)        | (124,243)        | (118,331)        | (633,648)          | (527,955)          |
| <b>Taxes</b>                                 | (118,244)        | (222,707)        | (456,077)        | (347,799)          | (533,378)          |
| <b>Other financial expenses</b>              | (49,300)         | (32,583)         | (33,704)         | (144,612)          | (126,761)          |
| <b>Financial Income</b>                      | <b>(18,390)</b>  | <b>300,851</b>   | <b>298,139</b>   | <b>(14,402)</b>    | <b>884,666</b>     |
| <b>Income from cash investments</b>          | 51,401           | 33,858           | 47,393           | 202,855            | 198,134            |
| <b>Gains/Losses in derivative operations</b> | (73,104)         | 224,225          | 212,965          | (265,454)          | 551,745            |
| <b>Other income</b>                          | 3,313            | 42,768           | 37,781           | 48,197             | 134,787            |
| <b>Exchange and monetary variations</b>      | <b>135,880</b>   | <b>188,136</b>   | <b>171,813</b>   | <b>471,707</b>     | <b>824,268</b>     |
| <b>Net monetary change</b>                   | (21,984)         | (12,476)         | (19,112)         | (61,844)           | (39,703)           |
| <b>Net exchange change</b>                   | 157,864          | 200,612          | 190,925          | 533,551            | 863,971            |
| <b>Net Financial Result</b>                  | <b>(254,759)</b> | <b>56,112</b>    | <b>(184,998)</b> | <b>(899,525)</b>   | <b>316,237</b>     |

**NET FINANCIAL RESULT****Parent Company - Corporate Law - thousands of R\$**

|  | <b>4Q06</b>      | <b>3Q07</b>      | <b>4Q07</b>      | <b>2006</b>        | <b>2007</b>        |
|--|------------------|------------------|------------------|--------------------|--------------------|
| <b>Financial Expenses</b>                    | <b>(283,786)</b> | <b>(384,509)</b> | <b>(622,371)</b> | <b>(1,006,689)</b> | <b>(1,194,902)</b> |
| <b>Loans and financing</b>                   | (54,291)         | (49,616)         | (55,279)         | (242,983)          | (209,150)          |
| <b>Local currency</b>                        | (43,550)         | (41,400)         | (40,603)         | (205,081)          | (174,453)          |
| <b>Foreing currency</b>                      | (10,741)         | (8,216)          | (14,676)         | (37,902)           | (34,697)           |
| <b>Transaction with subsidiaries</b>         | (107,496)        | (93,955)         | (91,558)         | (434,076)          | (377,867)          |
| <b>Taxes</b>                                 | (111,102)        | (220,618)        | (451,841)        | (337,780)          | (520,712)          |
| <b>Other financial expenses</b>              | (10,897)         | (20,320)         | (23,693)         | 8,150              | (87,173)           |
| <b>Financial Income</b>                      | <b>(113,919)</b> | <b>15,223</b>    | <b>(49,608)</b>  | <b>(527,706)</b>   | <b>(356,928)</b>   |
| <b>Transaction with subsidiaries</b>         | 4,139            | (6,343)          | 29,191           | 15,025             | (224,007)          |
| <b>Income from cash investments</b>          | 25,596           | 2,911            | 1,286            | 71,490             | 10,232             |
| <b>Gains/Losses in derivative operations</b> | (138,637)        | (26,119)         | (117,314)        | (634,187)          | (259,462)          |
| <b>Other income</b>                          | (5,017)          | 44,774           | 37,230           | 19,966             | 116,309            |
| <b>Exchange and monetary variations</b>      | <b>164,520</b>   | <b>172,103</b>   | <b>208,415</b>   | <b>707,922</b>     | <b>1,198,638</b>   |
| <b>Net monetary change</b>                   | (20,755)         | (10,086)         | (13,783)         | (53,874)           | (31,628)           |
| <b>Net exchange change</b>                   | 185,275          | 182,189          | 222,198          | 761,796            | 1,230,266          |
| <b>Net Financial Result</b>                  | <b>(233,185)</b> | <b>(197,183)</b> | <b>(463,563)</b> | <b>(826,473)</b>   | <b>(353,192)</b>   |





**SALES VOLUME**  
Consolidated - Thousand t

|                        | 4Q06         | 3Q07         | 4Q07         | 2006         | 2007         |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>DOMESTIC MARKET</b> | <b>732</b>   | <b>967</b>   | <b>1,018</b> | <b>2,818</b> | <b>3,614</b> |
| Slabs                  | 22           | 19           | 26           | 46           | 84           |
| Hot Rolled             | 268          | 455          | 440          | 1,003        | 1,535        |
| Cold Rolled            | 96           | 154          | 141          | 439          | 557          |
| Galvanized             | 199          | 213          | 258          | 736          | 873          |
| Tin Plate              | 147          | 125          | 152          | 594          | 565          |
| <b>EXPORT MARKET</b>   | <b>463</b>   | <b>382</b>   | <b>394</b>   | <b>1,567</b> | <b>1,764</b> |
| Slabs                  | 37           | 28           | 81           | 121          | 310          |
| Hot Rolled             | 72           | 22           | 20           | 290          | 93           |
| Cold Rolled            | 30           | 50           | 34           | 142          | 182          |
| Galvanized             | 228          | 200          | 153          | 759          | 809          |
| Tin Plate              | 96           | 83           | 106          | 255          | 370          |
| <b>TOTAL MARKET</b>    | <b>1,193</b> | <b>1,348</b> | <b>1,412</b> | <b>4,384</b> | <b>5,378</b> |
| Slabs                  | 57           | 47           | 107          | 166          | 394          |
| Hot Rolled             | 340          | 477          | 460          | 1,292        | 1,627        |
| Cold Rolled            | 126          | 204          | 176          | 581          | 740          |
| Galvanized             | 427          | 413          | 410          | 1,495        | 1,681        |
| Tin Plate              | 243          | 207          | 258          | 850          | 935          |

**SALES VOLUME**  
Parent Company - Thousand t

|                        | 4Q06         | 3Q07         | 4Q07         | 2006         | 2007         |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>DOMESTIC MARKET</b> | <b>720</b>   | <b>982</b>   | <b>1,003</b> | <b>2,838</b> | <b>3,653</b> |
| Slabs                  | 21           | 19           | 26           | 46           | 84           |
| Hot Rolled             | 267          | 456          | 436          | 981          | 1,526        |
| Cold Rolled            | 113          | 190          | 195          | 531          | 700          |
| Galvanized             | 167          | 192          | 211          | 666          | 776          |
| Tin Plate              | 151          | 125          | 135          | 614          | 567          |
| <b>EXPORT MARKET</b>   | <b>443</b>   | <b>164</b>   | <b>262</b>   | <b>1,302</b> | <b>1,199</b> |
| Slabs                  | 78           | -            | 81           | 196          | 235          |
| Hot Rolled             | 112          | 22           | 43           | 386          | 232          |
| Cold Rolled            | 46           | 9            | 10           | 143          | 106          |
| Galvanized             | 126          | 61           | 35           | 362          | 310          |
| Tin Plate              | 81           | 72           | 93           | 215          | 317          |
| <b>TOTAL MARKET</b>    | <b>1,163</b> | <b>1,146</b> | <b>1,265</b> | <b>4,140</b> | <b>4,852</b> |
| Slabs                  | 99           | 19           | 107          | 242          | 319          |
| Hot Rolled             | 379          | 478          | 479          | 1,367        | 1,758        |
| Cold Rolled            | 159          | 199          | 205          | 674          | 806          |
| Galvanized             | 294          | 253          | 246          | 1,028        | 1,085        |
| Tin Plate              | 232          | 197          | 227          | 829          | 884          |



**NET REVENUE PER UNIT****Consolidated - In R\$/t**

|                        | 4Q06         | 3Q07         | 4Q07         | 2006         | 2007         |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>DOMESTIC MARKET</b> | <b>1,937</b> | <b>1,899</b> | <b>1,872</b> | <b>1,851</b> | <b>1,893</b> |
| <b>EXPORT MARKET</b>   | <b>1,728</b> | <b>1,585</b> | <b>1,406</b> | <b>1,627</b> | <b>1,533</b> |
| <b>TOTAL MARKET</b>    | <b>1,856</b> | <b>1,810</b> | <b>1,742</b> | <b>1,771</b> | <b>1,775</b> |
| Slabs                  | 401          | 933          | 857          | 735          | 912          |
| Hot Rolled             | 1,388        | 1,505        | 1,458        | 1,322        | 1,458        |
| Cold Rolled            | 1,508        | 1,671        | 1,632        | 1,551        | 1,621        |
| Galvanized             | 2,111        | 2,104        | 2,119        | 1,975        | 2,074        |
| Tin Plate              | 2,590        | 2,264        | 2,092        | 2,449        | 2,274        |

**NET REVENUE PER UNIT****Parent Company - In R\$/t**

|                        | 4Q06         | 3Q07         | 4Q07         | 2006         | 2007         |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>DOMESTIC MARKET</b> | <b>1,785</b> | <b>1,795</b> | <b>1,743</b> | <b>1,722</b> | <b>1,778</b> |
| <b>EXPORT MARKET</b>   | <b>1,346</b> | <b>1,458</b> | <b>1,195</b> | <b>1,308</b> | <b>1,290</b> |
| <b>TOTAL MARKET</b>    | <b>1,618</b> | <b>1,746</b> | <b>1,630</b> | <b>1,592</b> | <b>1,657</b> |
| Slabs                  | 564          | 792          | 842          | 808          | 858          |
| Hot Rolled             | 1,296        | 1,478        | 1,414        | 1,248        | 1,389        |
| Cold Rolled            | 1,446        | 1,651        | 1,558        | 1,417        | 1,540        |
| Galvanized             | 2,066        | 2,254        | 2,303        | 1,891        | 2,150        |
| Tin Plate              | 2,145        | 1,934        | 1,788        | 2,159        | 1,981        |

**Dolar Exchange Rate**  
in R\$ / US\$

|               | 4Q 06  | 1Q 07  | 2Q 07  | 3Q 07  | 4Q 07  |
|---------------|--------|--------|--------|--------|--------|
| End of Period | 2.138  | 2.050  | 1.926  | 1.839  | 1.771  |
| Change %      | -1.66% | -4.12% | -6.05% | -4.52% | -3.69% |

**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: March 10, 2008

**COMPANHIA SIDERÚRGICA NACIONAL**

By:           /s/ Benjamin Steinbruch          

**Benjamin Steinbruch**  
**Chief Executive Officer and**  
**Investor Relations Officer**

By:           /s/ Otávio de Garcia Lazcano          

**Otávio de Garcia Lazcano**  
**Chief Financial 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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