

NATIONAL STEEL CO
Form 6-K
September 13, 2016

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 September, 2016
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes No

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

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

Version: 1

Table of Contents

Company Information	
Capital Breakdown	1
Parent Company Financial Statements	
Balance Sheet – Assets	2
Balance Sheet – Liabilities	3
Statement of Income	4
Statement of Comprehensive Income	5
Statement of Cash Flows	6
Statement of Changes in Shareholders' Equity	
01/01/2016 to 06/30/2016	8
01/01/2015 to 06/30/2015	9
Statement of Value Added	10
Consolidated Financial Statements	
Balance Sheet - Assets	11
Balance Sheet - Liabilities	12
Statement of Income	13
Statement of Comprehensive Income	14
Statement of Cash Flows	15
Statement of Changes in Shareholders' Equity	
01/01/2016 to 06/30/2016	17
01/01/2015 to 06/30/2015	18
Statement of Value Added	19
Notes to the quarterly financial information	20
Reports and Statements	
Unqualified Independent Auditors' Review Report	66

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

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

Version: 1

Company Information / Capital Breakdown

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

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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

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

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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

Code	Description	Current Quarter 06/30/2016	Previous Year 12/31/2015
2	Total liabilities	41,399,607	45,605,526
2.01	Current liabilities	3,533,932	4,272,372
2.01.01	Payroll and related taxes	142,050	141,496
2.01.02	Trade payables	748,094	742,364
2.01.03	Taxes payable	57,989	5,814
2.01.04	Borrowings and financing	2,174,927	2,879,073
2.01.05	Other payables	325,240	411,699
2.01.06	Provisions	85,632	91,926
2.01.06.01	Provision for tax, social security, labor and civil risks	85,632	91,926
2.02	Non-current liabilities	30,286,578	33,668,407
2.02.01	Borrowings and financing	27,903,434	31,109,017
2.02.02	Other payables	88,404	126,450
2.02.04	Provisions	2,294,740	2,432,940
2.02.04.01	Provision for tax, social security, labor and civil risks	544,323	564,372
2.02.04.02	Other provisions	1,750,417	1,868,568
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	249,486	259,115
2.02.04.02.04	Pension and healthcare plan	514,367	514,367
2.02.04.02.05	Provision for losses on investments	986,564	1,095,086
2.03	Consolidated Shareholders' equity	7,579,097	7,664,747
2.03.01	Issued capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,104,804	2,104,804
2.03.04.01	Legal reserve	424,536	424,536
2.03.04.02	Statutory reserve	1,895,494	1,895,494
2.03.04.04	Earnings reserves to realize	23,750	23,750
2.03.04.09	Treasury shares	-238,976	-238,976
2.03.05	Profit/Losses	-893,927	0
2.03.08	Other comprehensive income	1,828,190	1,019,913

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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

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

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

3.99.01.01	Common shares	-0.04217	-0.65869	-0.45262	-0.16373
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PREVIOUSLY ISSUED IN PORTUGUESE**

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

Version: 1

**Parent Company Statements / Statement of Comprehensive Income
(R\$ thousand)**

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

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

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

Version: 1

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

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

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

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

Version: 1

**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2016 to 06/30/2016
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	114	114
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	1,079,599	1,079,599
5.05.02.12	(Loss) / gain on net investment	0	0	0	0	68,064	68,064

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

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

Version: 1

**Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2015 to 06/30/2015
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	4,540,000		30 1,131,298	0	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000		30 1,131,298	0	25,140	5,696,468
5.04	Capital transactions with shareholders	0	0	-284,390	0	0	-284,390
5.04.04	Treasury Shares Acquired	0	0	-9,390	0	0	-9,390
5.04.06	Dividends	0	0	-275,000	0	0	-275,000
5.05	Total comprehensive income	0	0	0	-222,212	-14,035	-236,247
5.05.01	Profit for the year	0	0	0	-222,212	0	-222,212
5.05.02	Other comprehensive income	0	0	0	0	-14,035	-14,035
5.05.02.04	Translation adjustments for the year	0	0	0	0	168,956	168,956
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	134	134
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	45,252	45,252
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	-43	-43

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

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

Version: 1

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

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

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

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

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

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

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

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

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

Version: 1

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

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

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

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

Version: 1

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

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

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

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

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

Version: 1

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

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

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6.02.02	Purchase of property, plant and equipment	-190,435	0
6.02.03	Cash reduction of subsidiaries and joint ventures	-797,054	-900,637
6.02.07	Capital reduction in subsidiary and joint venture	0	466,758
6.02.09	Intercompany loans granted	-715,547	551,882
6.02.10	Intercompany loans received	-6	-201
6.02.11	Exclusive funds	0	-25,143
6.02.12	Financial Investments, net of redemption	0	58,385
6.02.13	Net cash used in financing activities	525,653	34,874
6.03	Borrowings and financing, net of transaction cost	-671,439	-2,199,780
6.03.01	Borrowings and financing - related parties	-26,950	599,071
6.03.03	Forfeiting capitalization / drawee Risk	78,240	386,143
6.03.04	Forfeiting amortization / drawee Risk	-257,631	-562,948
6.03.05	Amortization of principal on borrowings and financing	-307,395	-1,969,314
6.03.06	Amortization of principal on borrowings and financing - related parties	0	-52,839
6.03.07	Payments of dividends and interests on shareholder's equity	0	-549,832
6.03.08	Treasury shares	0	-9,390
6.03.09	Buyback of debt securities	-157,703	-40,671
6.04	Exchange differences on translating cash and cash equivalents	-32,122	-5,799
6.05	Increase (decrease) in cash and cash equivalents	-2,611,896	-841,593
6.05.01	Cash and equivalents at the beginning of the year	7,861,052	8,686,021
6.05.02	Cash and equivalents at the end of the year	5,249,156	7,844,428

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

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

Version: 1

**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 06/30/2016
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-con inter
5.01	Opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747	1,
5.03	Adjusted opening balances	4,540,000		302,104,804	0	1,019,913	7,664,747	1,
5.05	Total comprehensive income	0	0	0	-893,927	808,277	-85,650	
5.05.01	Profit for the year	0	0	0	-893,927	0	-893,927	
5.05.02	Other comprehensive income	0	0	0	0	808,277	808,277	
5.05.02.04	Translation adjustments for the year	0	0	0	0	-467,937	-467,937	
5.05.02.08	Actuarial gains on defined benefit pension plan, net of taxes	0	0	0	0	114	114	
5.05.02.09	Available-for-sale assets, net of taxes	0	0	0	0	127,853	127,853	
5.05.02.10	(Loss) / gain on the percentage change in investments	0	0	0	0	584	584	
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	0	0	0	0	1,079,599	1,079,599	
5.05.02.12		0	0	0	0	68,064	68,064	

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

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

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

Version: 1

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

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

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

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

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

Version: 1

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

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

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

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

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

Version: 1

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

1. DESCRIPTION OF BUSINESS

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

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

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

• **Steel:**

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

• **Mining:**

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

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

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

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

• **Cement:**

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

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

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

Version: 1

• **Logistics**

Railroads:

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

Ports:

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

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

• **Energy:**

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.a) Basis of preparation

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

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

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

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

Note 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

Note 29 - Commitments

Page 19 of 66

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

2.b) Basis of presentation

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

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

2.c) Basis of consolidation

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

• **Companies**

Companies	Equity interests (%)	
	06/30/2016	12/31/2015 Core business
Direct interest in subsidiaries: full consolidation		
CSN Islands VII Corp.	100.00	100.00 Financial transactions
CSN Islands IX Corp.	100.00	100.00 Financial transactions
CSN Islands XI Corp.	100.00	100.00 Financial transactions
CSN Islands XII Corp.	100.00	100.00 Financial transactions
CSN Minerals S.L.U.	100.00	100.00 Equity interests
CSN Export Europe, S.L.U.	100.00	100.00 Financial transactions
CSN Metals S.L.U.	100.00	100.00 Equity interests and F
CSN Americas S.L.U.	100.00	100.00 Equity interests and F
CSN Steel S.L.U.	100.00	100.00 Equity interests and F
TdBB S.A (*)	100.00	100.00 Equity interests
Sepetiba Tecon S.A.	99.99	99.99 Port services
Minérios Nacional S.A. (1)	99.99	99.99 Mining and Equity inter
Companhia Florestal do Brasil	99.99	99.99 Reforestation
Estanho de Rondônia S.A.	99.99	99.99 Tin Mining
Cia Metalic Nordeste	99.99	99.99 Manufacture of conta
Companhia Metalúrgica Prada	99.99	99.99 Manufacture of conta
CSN Gestão de Recursos Financeiros Ltda. (*)	99.99	99.99 Management of funds
Congonhas Minérios S.A.	87.52	87.52 Mining and Equity inter
CSN Energia S.A.	99.99	99.99 Sale of electric power
FTL - Ferrovia Transnordestina Logística S.A.	89.79	89.79 Railroad logistics
Nordeste Logística S.A.	99.99	99.99 Port services
Indirect interest in subsidiaries: full consolidation		
Companhia Siderúrgica Nacional LLC	100.00	100.00 Steel
CSN Europe Lda.	100.00	100.00 Financial transactions
CSN Ibéria Lda.	100.00	100.00 Financial transactions
Lusosider Projectos Siderúrgicos S.A.	99.94	99.94 Equity interests and p
Lusosider Aços Planos, S. A.	99.99	99.99 Steel and Equity inter
CSN Acquisitions, Ltd. (2)		100.00 Financial transactions
CSN Resources S.A.	100.00	100.00 Financial transactions
CSN Holdings (UK) Ltd (2)		100.00 Financial transactions
CSN Handel GmbH (3)	-	87.52 Financial transactions
Companhia Brasileira de Latas	100.00	100.00 Sale of cans and com

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

Direct interest in joint operations: proportionate consolidation

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

Direct interest in joint ventures: equity method

MRS Logística S.A.	18.64	18.64 Railroad transportatio
Aceros Del Orinoco S.A.	31.82	31.82 Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50.00	50.00 Equity interests and p
Transnordestina Logística S.A.	51.81	56.92 Railroad logistics

Indirect interest in joint ventures: equity method

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

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

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

(2) Company liquidated in January 2016;

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

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

- **Exclusive funds**

Exclusive funds	Equity interests (%)		Core business
	06/30/2016	12/31/2015	
Direct interest: full consolidation			
Diplic II - Private credit balanced mutual fund	100.00		Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund
VR1 - Private credit balanced mutual fund	100.00	100.00	Investment fund
Diplic - Private credit balanced mutual fund (1)		100.00	Investment fund
BB Steel - Private credit balanced mutual fund (1)		100.00	Investment fund

(1) Multimarket investment fund fully redeemed.

2.d) Restatement of accounting balances

- **Forfaiting**

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

- **Drawee risk**

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

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

a) Statements of cash flows at June 30, 2015

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

	Published		Parent
	balances	Reclassifications	Restated
Cash generated by operating activities			
Profit for the year attributable to the controlling shareholders	(222,212)		(222,212)
Trade payables	96,574	180,521	277,095
Paid Interests	(1,201,511)	(3,716)	(1,205,227)
Others	1,481,277		1,481,277
Net cash generated by operating activities	154,128	176,805	1,178,060
Cash used in investing activities	(51,015)		(51,015)

Cash generated by financing activities

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

Exchange rate changes on cash and cash equivalents

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

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

3. CASH AND CASH EQUIVALENTS

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

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

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

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

4. SHORT-TERM INVESTMENTS

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

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

5. TRADE RECEIVABLES

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

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

In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$280,506 as of June 30, 2016 (R\$232,275 as of December 31, 2015), less the trade receivables.

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

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

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

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

6. INVENTORIES

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

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

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

7. OTHER CURRENT AND NON-CURRENT ASSETS

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

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

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

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

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

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

8. INVESTMENTS

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

- **Reduce of financial leverage**

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

- **Transnordestina**

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

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

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

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

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

Classification of investments in the balance sheet

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

(*) Company extinguished in 2015;

(**) Company incorporated in 2015;

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

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

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

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

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

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

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

8.c) Joint ventures and joint operations financial information

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

	06/30/2016							
	Equity interest (%)	<i>Joint-Venture</i>			<i>Joint-Operation</i>			
	MRS Logística 34.94%	CBSI 50.00%	Transnordestina Logística 51.81%	Itá Energética 48.75%	CGPAR 50.00%	MRS Logística 34.94%	CBSI 50.00%	
Balance sheet								
Current assets								
Cash and cash equivalents	578,179	1,500	30,793	7,769	7,784	671,475	3,3	
Advances to suppliers	10,178	958	35,992	79	60	6,854	2	
Other current assets	540,078	19,224	87,680	17,130	38,264	657,000	22,7	
Total current assets	1,128,435	21,682	154,465	24,978	46,108	1,335,329	26,3	
Non-current assets								
Advances to suppliers								
Other non-current assets	675,618	275	260,863	45,261	17,486	533,897	1	
Investments, PP&E and intangible assets	6,128,579	3,829	7,237,600	517,402	21,677	6,191,459	4,6	
Total non-current assets	6,804,197	4,104	7,498,463	562,663	39,163	6,725,356	4,8	

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

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

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

and social
contribution
Profit / (loss)
for the period

249,638

2,834

(19,597)

9,516

6,181

142,674

(4,5

9. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

(2) Estimated completion date of phase 60 Mtpa;

(3) Estimated completion date of Mogi Service Center;

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

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

The estimated useful lives are as follows:

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

9.a) Depreciation, amortization and depletion expenses:

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

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

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

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

10. INTANGIBLE ASSETS

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

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

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

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

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

11. BORROWINGS, FINANCING AND DEBENTURES

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

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

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

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

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

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

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

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

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

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

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

(1) Includes interests and unrealized foreign exchange variances.

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

• **Capitalization**

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

• **Amortization**

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

12. FINANCIAL INSTRUMENTS

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

I - Identification and measurement of financial instruments

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

• Classification of financial instruments

Consolidated	Notes	Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate	Other liabilities - amortized cost method	06/30/2016	
						Balances	Available for sale
Assets							
Current							
Cash and cash equivalents	3			5,249,156		5,249,156	
Short-term investments - margin deposit	4			212,810		212,810	
Trade receivables	5			1,622,486		1,622,486	
Derivative financial instruments	7						
Trading securities	7		12,882			12,882	
Total			12,882	7,084,452		7,097,334	

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

- **Fair value measurement**

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

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

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

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

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

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

As of June 30, 2016, there was no impairment recorded and the gain from the change in share price in the period was recorded in other comprehensive income (the impairment recorded as of 30 June, 2015 amounted to R\$ 89,433):

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

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

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

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

III - Financial risk management

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

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

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

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

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

During the second quarter of 2016 CSN initiated a process of reviewing its foreign exchange hedging strategy that resulted in the liquidation of the future dollar derivatives portfolio. Consequently, the net

foreign exchange exposure on our consolidated balance sheet as of June 30, 2016 was US\$1,790,690 thousand, as shown in the table above. It is important to mention that included in the net foreign exchange exposure there is a liability of US\$ 1 billion, classified as loans and financing, related to perpetual bonds; which will not require a disbursement to settle its principal in the foreseeable future considering the corresponding nature. The company began to focus its hedging strategy to preserve its cash flow and is analyzing the replacement of the exposure generated by the settlement of derivatives with new designations of hedge accounting, capturing existing natural relations, and may also utilize other derivative instruments with the objective of protecting future cash flows.

- **Interest rate risk**

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

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

• Portfolio of derivative financial instruments

Counterparties	Functional Currency	Notional amount	Appreciation (R\$)		06/30/2016	Appreciation (R\$)		
			Asset position	Liability position	Fair value (market) Amounts receivable / (payable)	Notional amount	Asset position	Liability position
BM&FBovespa	Dollar					1,435,000	110,075	
Total forward dollar						1,435,000	110,075	
BBVA	Dollar					39,450	154,017	(147,674)
BNPP	Dollar					18,700	73,007	(71,703)
Total dollar-to-euro swap						58,150	227,024	(219,377)
Itaú BBA	Real					150,000	189,760	(200,680)
HSBC	Real					185,000	233,125	(247,710)
Deutsche Bank	Real					10,000	12,579	(13,331)
Total Fixed rate-to-CDI interest rate swap						345,000	435,464	(461,721)
Itaú BBA	Real					30,000	33,396	(33,232)
HSBC	Real					120,000	133,508	(132,802)
Total interest rate- to-CDI swap						150,000	166,904	(166,034)
							939,467	(847,132)

• Classification of the derivatives in the balance sheet and statement of income

Instruments	Assets		Liabilities		06/30/2016
	Current	Total	Current	Total	Finance income and expenses, net (Note 23)
<i>Future Dollar BM&F</i>					(800,621)
<i>Dollar - to- euro swap</i>					(6,898)
<i>Fixed rate- to- CDI swap (*)</i>					(299)
<i>CDI -to- fixed rate swap (*)</i>					(63)
					(807,881)
Instruments	Assets		Liabilities		06/30/2015
	Current	Total	Current	Total	Finance income and expenses, net (Note 23)
<i>Dollar - to-CDI swap</i>					(18)
<i>Dollar- to- real NDF</i>					316,805
<i>Future Dollar BM&F</i>	110,075	110,075			
<i>Dollar- to- euro NDF</i>					39,668
<i>Dollar - to- euro swap</i>	7,647	7,647			(2,884)
<i>Fixed rate- to- CDI swap</i>			26,257	26,257	(3,596)
<i>CDI -to- fixed rate swap</i>	870	870			938
	118,592	118,592	26,257	26,257	350,913

(*) The positions of swap and future dollar transactions were settled in February, March and April 2016.

Hedge accounting – cash flow

Beginning November 1, 2014, the Company formally designated cash flow hedging relationships to protect highly probable future cash flows against US dollar fluctuations.

In order to better reflect the accounting impacts of this foreign exchange hedging strategy on its profit, CSN designated part of its US dollar-denominated liabilities as a hedging instrument of its future exports. As a result, foreign exchange differences arising on translating the designated liabilities shall be temporarily recognized in shareholders' equity and allocated to profit or loss when such exports are carried out, which will allow recognizing the US dollar impact on liabilities and exports concurrently.

The table below shows a summary of the hedging relationships as of June 30, 2016:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Hedged period	Exchange rate on designation	Designated amounts (US\$'000)	Amortized part (USD'000)	Impact on finance income (cost) (*)
3/11/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2016-September 2019	2.4442	500,000		
1/12/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2015-February 2019	2.5601	175,000	(25,000)	20,523
12/18/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	May 2020	2.6781	100,000		
07/21/2015	Export prepayments	Part of the	Foreign exchange	July 2019 to March	3.1813	60,000		

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	in US\$ to third parties	highly probable future monthly iron ore exports Part of the	- R\$ vs. US\$ spot rate	2021		
07/23/2015	Export prepayments in US\$ to third parties	highly probable future monthly iron ore exports Part of the	Foreign exchange - R\$ vs. US\$ spot rate	July 2019 to March 2021	3.2850	100,000
07/23/2015	Export prepayments in US\$ to third parties	highly probable future monthly iron ore exports Part of the	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.285	30,000
07/24/2015	Export prepayments in US\$ to third parties	highly probable future monthly iron ore exports Part of the	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3254	100,000
07/27/2015	Export prepayments in US\$ to third parties	highly probable future monthly iron ore exports Part of the	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3557	25,000
07/27/2015	Export prepayments in US\$ to third parties	highly probable future monthly iron ore exports Part of the	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3557	70,000
07/27/2015	Export prepayments in US\$ to third parties	Part of the highly probable future	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3557	30,000

07/28/2015	Export prepayments in US\$ to third parties	monthly iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3815	30,000		
1/8/2015	Export prepayments in US\$ to third parties	monthly iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	(1)	3.3940	(9,000)		
3/8/2015	Export prepayments in US\$ to third parties	monthly iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 to October 2022	3.3940	355,000		
Total						1,566,000	(25,000)	20,523

(*) The effect on the financial result was recorded in net foreign exchange rates.

(1) During the designation on August 2015, we reviewed the future export projections and identified that the amount of US\$ 9 million designated previously were not highly probable due to Platt's quotation reduction. Therefore, the hedge relationship was discontinued from August 2015. The exchange rate of the effective period remains recorded in Stockholders' Equity until the time of debt settlement.

In the hedging relationships described above, the amounts of the debt instruments were fully designated for equivalent iron ore export portions.

The movements in the hedge accounting amounts recognized in shareholders' equity as of June 30, 2016 are as follows:

	12/31/2015	Movement	Realiza
Cash flow hedge accounting	1,520,090	(1,072,884)	(20,5
Income tax and social contribution on cash flow hedge accounting	(516,831)	364,781	6,
Not recorded Income tax and social contribution on cash flow hedge accounting	357,951	(357,951)	
Cash flow hedge accounting	1,361,210	(1,066,054)	(13,5

As of June 30, 2016 the hedging relationships established by the Company were effective, according to the prospective tests conducted. Thus, no reversal for hedge accounting ineffectiveness was recognized.

• **Net investment hedge in foreign subsidiaries**

CSN has foreign exchange exposure in Euros arising from a loan made by a foreign subsidiary with functional currency in Reais, for the acquisition of investments abroad whose functional currency is Euro. Such exposure arises from converting the balance sheets of these subsidiaries for consolidation in CSN, and the exchange rate of the loans affected the income statement in the financial result item and the exchange variation of the net assets of the foreign operation directly affected the equity in other comprehensive income.

As from September 1st, 2015 CSN began to adopt hedge of net investment to eliminate exposure in order to cover future fluctuations of the Euro on such loans. Non-derivative financial liabilities have been designated represented by loan agreements with financial institutions in the amount of € 120 million. The carrying amounts on June 30, 2016 are:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Exchange rate on designation	Designated amounts (EUR'000)	06/30/2016 Impact on shareholders' equity
9/1/2015	Non-derivative financial liabilities in EUR – Debt contract	Investments in subsidiaries which EUR is the functional currency	Foreign exchange - R\$ vs. EUR spot rate	4.0825	120,000	47,916
01/31/2016	Non-derivative financial liabilities in EUR – Debt contract	Investments in subsidiaries which EUR is the functional currency	Foreign exchange - R\$ vs. EUR spot rate	(1)	(24,000)	
Total					96,000	47,916

(1) In January 2016 it was settled the portion of debt designated as a hedge instrument.

The changes in the amounts related to net investment hedge as of June 30, 2016 are presented below:

	12/31/2015	Movement	Realization	06/30/2016
Net Investment hedge accounting	20,148	(68,064)		(47,916)
Fair value of net investment hedge in foreign operations	20,148	(68,064)		(47,916)

On June 30, 2016 hedge relationships established by the Company found to be effective, according to prospective tests. Therefore, no reversal by ineffectiveness of the hedge was recorded.

12.c) Sensitivity analysis

We present below the sensitivity analysis for currency risk and interest rate.

• Sensitivity analysis of Derivative Financial Instruments and consolidated Foreign Exchange Exposure

The Company considered scenarios 1 and 2 as 25% and 50% of deterioration for volatility of the currency, using as reference the closing exchange rate as of June 30, 2016.

The currencies used in the sensitivity analysis and its scenarios are shown below:

Currency	Exchange rate	Probable scenario	Scenario 1	06/30/2016	
				Scenario 2	
USD	3.2098	3.2733	4.0123		4.8147
EUR	3.5414	3.6569	4.4268		5.3121

The effects on income statement, considering both scenarios are shown below:

Instruments	Notional	Risk	Probable scenario (*)	06/30/2016	
				Scenario 1	Scenario 2
Hedge accounting of exports	1,541,000	Dollar	97,854	1,236,575	2,473,151
Currency position (not including exchange derivatives above)	(3,331,690)	Dollar	(211,562)	(2,673,515)	(5,347,029)
Consolidated exchange position (including exchange derivatives above)	(1,790,690)	Dollar	(113,708)	(1,436,940)	(2,873,878)
Net Investment hedge accounting	96,000	Euro	11,088	84,992	169,985
Currency position	(106,361)	Euro	(12,285)	(94,166)	(188,332)
Consolidated exchange position (including exchange derivatives above)	(10,361)	Euro	(1,197)	(9,174)	(18,347)

(*) The likely scenarios were calculated considering the following changes to the risks: Real x Dollar - Real depreciation of 1.98% / Real x Euro – Real depreciation of 3.26%. Source: Banco Central do Brasil on August 03, 2016.

- **Sensitivity analysis of changes in interest rates**

The Company considered the scenarios 1, and 2 as 25% and 50% of evolution for volatility of the interest as of June 30, 2016.

Changes in interest rates	% p.a	Probable scenario (*)	Impact on profit or loss	
			Scenario 1	Scenario 2
TJLP	7.50	(8,751)	(20,075)	(40,150)
Libor	0.92	(44,920)	(12,132)	(24,264)
CDI	14.13	(308,575)	(435,241)	(870,482)

(*) The sensitivity analysis is based on the assumption of maintaining as probable scenario the market values at June 30, 2016 recorded in the Company's assets and liabilities.

12.d) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including accrued interest.

					Consolidated
At June 30,2016	Less than one year	From one to two years	From two to five years	Over five years	Total
Borrowings, financing and debentures	1,376,232	6,713,595	16,513,546	5,851,826	30,455,199
Trade payables	1,194,942				1,194,942
Dividends and interest on capital	464,982				464,982

- **Fair values of assets and liabilities as compared to their carrying amounts**

The estimated fair values for certain consolidated long-term borrowings and financing were calculated at prevailing market rates, taking into consideration the nature, terms and risks similar to those of the recorded contracts, as compared below:

	Closing Balance	06/30/2016 Fair value	Closing Balance	12/31/2015 Fair value
Perpetual bonds	3,214,169	1,280,700	3,910,115	1,330,685
Fixed Rate Notes	5,580,789	3,410,094	7,086,760	3,915,310

13. OTHER PAYABLES

The group of other payables classified in current and non-current liabilities is comprised as follows:

	Current		Non-cu
	06/30/2016	12/31/2015	06/30/2016
Payables to related parties (note 17 b)	7,270	6,798	
Derivative financial instruments (note 12 I)		26,257	
Exclusive funds (1)			
Dividends and interest on capital payable to non-controlling shareholders	464,982	464,982	
Advances from customers	51,049	49,505	
Taxes in installments	26,600	24,237	84,702
Profit sharing - employees	89,565	171,695	
Provision for freight	26,811	105,104	
Provision industrial restructuring	100,244	122,854	
Taxes payable			21,498
Other provisions	35,795	30,784	
Other payables	62,969	70,801	30,832
	865,285	1,073,017	137,032

(1) Refers to derivative transactions managed by exclusive funds.

(2) Dividends payable by the subsidiary Congonhas with settlement scheduled for November 30, 2016.

14. INCOME TAX AND SOCIAL CONTRIBUTION**14.a) Income tax and social contribution recognized in profit or loss:**

The income tax and social contribution recognized in profit or loss for the year are as follows:

	Six months ended		Consolidated Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Income tax and social contribution income (expense)				
Current	(87,126)	(92,044)	(34,597)	121,915
Deferred	(144,589)	599,697	(74,908)	(116,779)
	(231,715)	507,653	(109,505)	5,136

	Six months ended		Parent Company Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Income tax and social contribution income (expense)				
Current	(51)	(6,040)		150,725
Deferred	(110,123)	642,283	(80,792)	(52,263)
	(110,174)	636,243	(80,792)	98,462

The reconciliation of consolidated income tax and social contribution expenses and income and the result from applying the effective rate to profit before income tax and social contribution are as follows:

	Six months ended		Consolidated Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Loss before income tax and social contribution	(642,292)	(730,444)	66,790	(619,444)

Tax rate	34%	34%	34%	
Income tax and social contribution at combined statutory rate	218,379	248,351	(22,709)	21
Adjustment to reflect the effective rate:				
Equity pickup	21,558	120,583	6,265	(14
Profit with differentiated rates or untaxed	(358,175)	195,504	(181,723)	(145
Transfer pricing adjustment	(13,028)	(22,335)	31,144	(22
Tax loss carryforwards without recognizing deferred taxes	(791,260)	(25,194)	(343,044)	(14
Indebtdness limit	(18,681)	(18,712)	(9,470)	(10
Deferred taxes on temporary differences - non computed(1)	703,320		398,329	
Deferred taxes on foreign profit			6,798	
Other permanent deductions (add-backs)	6,172	9,456	4,905	
Income tax and social contribution in profit for the period	(231,715)	507,653	(109,505)	
Effective tax rate	-36%	69%	-14%	

	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Loss before income tax and social contribution	(783,753)	(858,455)	23,555	(712,343)
Tax rate	34%	34%	34%	
Income tax and social contribution at combined statutory rate	266,476	291,875	(8,009)	24,343
Adjustment to reflect the effective rate:				
Equity pickup	(283,470)	379,942	(117,863)	(110,343)
Transfer pricing adjustment		(22,335)		(22,335)
Indebtdness limit	(18,681)	(18,712)	(9,470)	(10,343)
Tax loss carryforwards without recognizing deferred taxes	(776,690)		(342,258)	
Deferred taxes on temporary differences - non computed (1)	700,146		394,787	
Other permanent deductions (add-backs)	2,045	5,473	2,021	
Income tax and social contribution in profit for the period	(110,174)	636,243	(80,792)	9,343
Effective tax rate	-14%	74%	343%	

(1) As from third quarter of 2015 the Company no longer computes income tax and social contribution credits on tax losses and temporary differences.

14.b) Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on income tax and social contribution tax losses and the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements:

	Opening balance 12/31/2015	Comp in
Deferred tax assets		
Income tax losses	264,162	
Social contribution tax losses	106,654	
Temporary differences	2,936,211	
- Provision for tax, social security, labor, civil and environmental risks	231,054	
- Provision for environmental liabilities	88,501	
- Asset impairment losses	68,710	
- Inventory impairment losses	17,886	
- (Gains)/losses on financial instruments	(5,454)	
- (Gains)/losses on available-for-sale financial assets	932,016	
- Income tax and social contribution non computed o/ available-for-sale financial assets	15,973	
- Actuarial liability (pension and healthcare plan)	163,559	
- Accrued supplies and services	49,417	
- Allowance for doubtful debts	49,395	
- Unrealized exchange differences (*)	2,427,926	
- (Gain) on loss of control over Transnordestina	(224,096)	
- Cash flow hedge accounting	516,831	
- Income tax and social contribution non computed o/ cash flow hedge accounting	(357,951)	
- Deferred taxes non computed	(1,243,228)	
- Goodwill on merger	9,211	
- Other	196,461	
Non-current assets	3,307,027	

Deferred tax liabilities

Income tax losses (385)

Social contribution tax losses (138)

Temporary differences 495,374

- Provision for tax. social security, labor, civil and environmental risks (14,869)

- Provision for environmental liabilities (789)

- Asset impairment losses (18,441)

- Inventory impairment losses (11,164)

- Actuarial liability (pension and healthcare plan) (608)

- Accrued supplies and services (42,976)

- Allowance for doubtful debts (1,128)

- Fair value adjustment - SWT Aquisition 252,549

- Fair Value adjustment - Mining Business combination 336,443

- Unrealized exchange differences (*)

- Deferred taxes non computed 614

- Others (4,257)

Non-current liabilities 494,851

	Opening balance 12/31/2015	Comp in
Deferred tax assets		
Income tax losses	226,246	
Social contribution tax losses	93,031	
Temporary differences	2,909,684	
- Provision for tax. social security, labor, civil and environmental risks	216,862	
- Provision for environmental liabilities	88,501	
- Asset impairment losses	67,483	
- Inventory impairment losses	13,757	
(Gain)/loss in financial instruments	(5,454)	
- (Gains)/losses on available-for-sale financial assets	932,016	
- Income tax and social contribution non computed o/ available-for-sale financial assets	15,973	
- Actuarial liability (pension and healthcare plan)	163,560	
- Accrued supplies and services	49,040	
- Allowance for doubtful debts	28,087	
- Unrealized exchange differences (*)	2,427,926	
(Gain) in control loss on Transnorderstina	(224,096)	
- Cash flow hedge accounting	516,831	
- Income tax and social contribution non computed o/ cash flow hedge accounting	(357,951)	
- Deferred taxes non computed	(1,133,091)	
- Other	110,240	
Non-current assets	3,228,961	

(*) The Company taxes the foreign exchange differences on a cash basis to calculate income tax and social contribution.

The Company has foreign subsidiaries in its corporate structure, for which profits are taxed at income tax in the countries where they are domiciled by lower rates than those prevailing in Brazil. From 2012 up to the 2nd quarter of 2016 such foreign subsidiaries generated profits amounting to R\$1,706,873. If for some reason tax authorities understand that these profits are subject to additional taxation in Brazil in respect of income tax and social contribution, which if due, would total R\$459.628.

The Company, based on its legal counsel's opinion, assessed the likelihood of loss in a potential claiming by tax authorities which resulted in a possible risk of loss and, therefore, no provision was recognized in the financial statements.

14.c) Income tax and social contribution recognized in shareholders' equity:

The income tax and social contribution recognized directly in shareholders' equity are as follows:

	Consolidated		Parent Co	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Income tax and social contribution				
Actuarial gains on defined benefit pension plan	64,603	64,489	65,128	
Changes in the fair value on available-for-sale financial assets	38	38	38	
Actuarial gains and assets available for sale by incorporation				(
Exchange differences on translating foreign operations	(425,510)	(425,510)	(425,510)	(42
Cash flow hedge accounting	145,072	158,880	145,072	1
	(215,797)	(202,103)	(215,272)	(20

15. PROVISION FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS

On June 30, 2016, the information related to judicial deposits and processes has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015. The breakdown of the provisioned amounts and its respective judicial deposits are presented as following:

	Consolidated				Parent C			
	Accrued liabilities		Judicial deposits		Accrued liabilities		Judicial c	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Tax	127,927	143,852	82,861	82,472	66,095	82,619	65,321	
Social security	73,861	70,174	46,193	46,193	72,934	69,293	46,193	
Labor	471,607	478,611	184,412	165,027	381,763	388,763	150,931	
Civil	133,901	128,451	23,408	24,634	106,900	103,087	9,461	
Environmental	7,529	17,646	1,190	1,697	2,263	12,536	1,121	
Judicial deposits			8,431	8,519				
	814,825	838,734	346,495	328,542	629,955	656,298	273,027	

The changes in the provision for tax, social security, labor, civil and environmental risks in the year ended June 30, 2015 were as follows:

Nature	Consolidated				06/30/2016
	12/31/2015	Additions	Net update on amount	Net utilization of reversal	
Tax	143,852		5,093	(21,018)	127,927
Social security	70,174		3,687		73,861
Labor	478,611	26,297	41,758	(75,059)	471,607
Civil	128,451	2,188	5,157	(1,895)	133,901
Environmental	17,646	1,072	454	(11,643)	7,529
	838,734	29,557	56,149	(109,615)	814,825

Nature	12/31/2015	Additions	Net update on amount	Net utilization of reversal	Parent Company Current + Non-current 06/30/2015
Tax	82,619		2,651	(19,175)	66,100
Social security	69,293		3,641		72,934
Labor	388,763	17,589	38,247	(62,836)	381,767
Civil	103,087	2,022	3,505	(1,714)	106,890
Environmental	12,536	52	202	(10,527)	2,261
	656,298	19,663	48,246	(94,252)	629,755

The provision for tax, social security, labor, civil and environmental liabilities was estimated by management and is mainly based on the legal counsel's assessment. Only proceedings for which the risk is classified as probable loss are accrued. This provision includes tax liabilities resulting from lawsuits filed by the Company, subject to SELIC (Special System for Settlement and Custody interest rates).

- Other administrative and judicial proceedings

The table below shows a summary of the carrying amounts of the main legal matters with possible risk of loss on June 30, 2016 compared to December 31, 2015. The increase in the carrying amounts substantially reflects the monetary update.

	06/30/2016
Tax assessment notice issued against the Company for an alleged sale of 40% of the shares of its joint venture NAMISA to a Japanese-Korean consortium,	8,060
Income tax/ Social contribution - Assessment and Imposition of Fine (AIIM) - Disallowance of deductions of goodwill generated in the reverse incorporation of Big Jump by Namisa	2,348
Assessment Notice and Imposition of Fine (AIIM) - Income tax / Social contribution - loss of interest on prepayment arising from supply contracts of iron ore and port services	1,156
Tax foreclosures - ICMS - Electricity credits	831
Installments MP 470 - alleged insufficiency of tax losses	618
Offset of taxes that were not approved by the Federal Revenue Service - IRPJ/CSLL, PIS/COFINS e IPI	1,432
Notices of violation and imposition of fine - Income taxes and social contribution due to profits from foreign subsidiaries (years 2008,2010 and 2011)	1,578
Disallowance of the ICMS credits - Transfer of iron ore	542
Disallowance of the ICMS credits - ICMS - acquisition of subsidiary (*)	
ICMS - Refers to the transfer of imported raw material at an amount lower than the price disclosed in the import documentation	265
Disallowance of the tax losses arising on adjustments to the SAPLI	430
Assessment Notice - ICMS - shipping and return merchandise for Industrialization	572
Assessment Notice- Income tax- Capital Gain of CFM vendors located outside	177
Other tax (federal, state, and municipal) lawsuits.	2,787
Social security lawsuits	302
Law suit applied by Brazilian antitrust authorities (CADE)	94
Other civil lawsuits	755
Labor and social security lawsuits	1,111
Environmental lawsuits	342
	23,409

(*) Tax assessments were canceled due to a favorable decision to the Company in the 2nd administrative judicial level, the referred judgment occurred on February 15, 2016.

(1) The increase is due to an assessment notice received in June 2016, related to the Profits from foreign subsidiaries in 2011.

The assessments made by the legal counsel define these administrative and judicial proceedings as entailing risk of possible loss and, therefore, no provision was recorded in conformity with Management's judgment and accounting practices adopted in Brazil.

Environmental lawsuits

The environmental processes present high complexity for estimating the amount at risk, should be taken into consideration, among various aspects, procedural development, the extent of damage and the projection of repairing costs.

There are other environmental processes for which it is not yet possible to assess the risk and contingency value due to the aforementioned complexity estimation, the peculiarities of the matters involving them and also their procedural steps.

16. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

On June 30, 2016, the information related to environmental liabilities and asset retirement obligation has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

The carrying amount of the provision for environmental liabilities and asset retirement obligation (ARO) are as follows:

	06/30/2016	Consolidated 12/31/2015	06/30/2016	Parent Company 12/31/2015
Environmental liabilities	253,862	262,290	249,486	259,115
Asset retirement obligations	70,163	66,641		
	324,025	328,931	249,486	259,115

17. RELATED-PARTY BALANCES AND TRANSACTIONS

On June 30, 2016, the information regarding the related party transactions has not changed significantly compared to the disclosed in the Company's financial statements as of December 31, 2015.

17.a) Transactions with holding companies

After payment of dividends in 2015 amounting to R\$306,139, there were no transactions with holding companies.

17.b) Transactions with subsidiaries, joint ventures, associates, exclusive funds and other related parties

- **By transaction**

	Current		Non-current		Consolidated Total	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Assets						
Trade receivables (note 5)	82,602	61,366			82,602	61,366
Dividends receivable (note 5)	26,902	27,817			26,902	27,817
Actuarial asset (note 7)			99,580	114,433	99,580	114,433
Financial investments/ investments	161,084				161,084	
Loans (note 7)			400,053	373,214	400,053	373,214
Other receivables (note 8)	9,209	9,420	32,770	29,020	41,979	38,440

	279,797	98,603	532,403	516,667	812,200	615,270
Liabilities						
Other payables (Note 13)						
Accounts payable	7,270	6,798			7,270	6,798
Trade payables	112,863	67,443			112,863	67,443
Actuarial liabilities			514,368	514,368	514,368	514,368
	120,133	74,241	514,368	514,368	634,501	588,609
	06/30/2016	06/30/2015				
P&L						
Revenues						
Sales	354,660	382,528				
Interest	27,474	32,119				
Expenses						
Purchases	(517,964)	(559,208)				
Interest		(256,087)				
	(135,830)	(400,648)				

- **By company**

	Assets			Liabilities			Sales	Purchases
	Current	Non-current	Total	Current	Non-current	Total		
Joint-venture e Joint-operation								
Itá Energética S.A.				2,652		2,652		(16,097)
CGPAR Construção Pesada S.A.	1,301		1,301	18,038		18,038		(39,930)
MRS Logística S.A.	26,199		26,199	54,829		54,829		(418,820)
CBSI - Companhia Brasileira de Serviços e Infraestrutura Transnordestina Logística S.A (1)	5,298		5,298	10,192		10,192	9	(34,603)
		381,932	381,932	33,610		33,610	2,312	
	32,798	381,932	414,730	119,321		119,321	2,321	(509,450)
Other related parties								
CBS Previdência		99,580	99,580		514,368	514,368		
Fundação CSN	1,830		1,830	77		77		
Banco Fibra	161,084		161,084					
Usiminas				509		509	17,027	(5,338)
Panatlântica	83,892	3,750	87,642				320,845	
Ibis Participações e Serviços Partifib Projetos Imobiliários	193		193				1,099	(3,176)
	246,999	103,330	350,329	586	514,368	514,954	338,971	(8,514)
Associates								
Arvedi Metalfer do Brasil S.A.		47,141	47,141	226		226	13,368	
Total at 06/30/2016	279,797	532,403	812,200	120,133	514,368	634,501	354,660	(517,964)
Total at 12/31/2015	98,603	516,667	615,270	74,241	514,368	588,609	725,285	(1,103,428)
Total at 06/30/2015							382,528	(559,208)

1. Transnordestina Logística S.A: Refers mainly to contracts in R\$: interest equivalent to 108.0% and 102.0% of CDI with final maturity in June 2017. As of June 30, 2016, the borrowings carrying amounts totaled to R\$381,932 (R\$222,727 as of December 31, 2015).

- **By transaction**

	Current		Non-current		Parent Co Total	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Assets						
Trade receivables (1) (note 5)	933,505	1,140,172			933,505	1,140,172
Dividends receivable (note 5)	730,062	737,668			730,062	737,668
Actuarial asset (note 7)			101,305	112,660	101,305	112,660
Loans (note 7)			257,480	239,930	257,480	239,930
Short-term investments / Investments (2)	1,220,999	1,412,428	46,961	28,078	1,267,960	1,440,506
Exclusive funds (note 7)		110,075				110,075
Other receivables (3) (note 7)	54,737	32,479	328,393	303,441	383,130	335,920
	2,939,303	3,432,822	734,139	684,109	3,673,442	4,115,430
Liabilities						
Borrowings and financing						
Prepayment (note 11)	70,371	85,987	4,803,068	5,843,050	4,873,439	5,929,037
Fixed Rate Notes and Intercompany Bonds (note 11)	26,634	32,402	3,334,373	4,056,347	3,361,007	4,088,754
Intercompany Loans (note 11)	1,051,237	1,261,861	1,757,871	2,137,040	2,809,108	3,401,101
	1,148,242	1,380,250	9,895,312	12,036,437	11,043,554	13,418,892
Other payables (Note 13)						
Accounts payable	127,141	110,090	79,785	118,653	206,926	228,743
Advances from customers	16	16			16	16
Exclusive funds (2) (note 13)		25,387				25,387
Trade payables	152,787	153,559			152,787	153,559
Actuarial liabilities			514,367	514,367	514,367	514,367
	279,944	289,052	594,152	633,020	874,096	822,072
	06/30/2016	06/30/2015				
P&L						
Revenues						
Sales	1,364,264	2,750,132				
Interest	17,620	10,746				
Exclusive funds		372,782				
Expenses						
Purchases	(665,007)	(875,265)				
Interest	(252,806)	(713,396)				
Foreign exchange and monetary variations, net	2,186,217	(1,315,934)				
Exclusive funds	(731,130)					

1,919,158 229,065

(1) Accounts receivable derive from sales operations of goods and services between the parent company, subsidiaries and joint ventures.

(2) Assets: Financial investments classified as current totaled to R\$ 1,220,999 as of June 30, 2016 (R\$1,412,428 at December 31, 2015) and the interests in Usiminas, recorded in the exclusive funds and classified as investments available for sale, located in non-current assets, amounted to R\$46,961 (R\$28,078 as of December 31, 2015).

(3) Current: Refers mainly to assignment of tax loss credits of income tax and social contribution, related to Metallurgical Prada companies, FTL (Ferrovia Transnordestina Logistica) and MMSA (Companhia de Embalagens Metálicas).

Non-current: Refers mainly to advances for future capital increases, dividends to be received and receivables from acquisition of debentures.

- **By company**

	Assets			Liabilities		
	Current	Non-current	Total	Current	Non-current	Total
Subsidiaries						
Companhia Metalic Nordeste				50		50
Companhia Metalúrgica Prada (1)	222,697	121,336	344,033	12,944	196	13,140
Estanho de Rondônia S.A.	1,063	2,034	3,097			
Sepetiba Tecon S.A.	10,574	83,764	94,338	11,919		11,919
Minérios Nacional S.A.		7,196	7,196			
Congonhas Minérios S.A. (2)	733,916		733,916	31,555		31,555
CSN Energia S.A.				12,873		12,873
Ferrovias Transnordestina Logística S.A.	3,123	33,786	36,909		79,589	79,589
Companhia Siderúrgica Nacional, LLC (3)	432,985		432,985	123,936		123,936
CSN Europe Lda.				10,861	98,604	109,465
CSN Resources S.A. (4)				1,127,769	7,225,858	8,353,627
Lusosider Aços Planos, S.A.	187,383		187,383	32,201		32,201
CSN Islands XI Corp. (5)					1,027,136	1,027,136
CSN Islands XII Corp. (6)				9,613	1,457,249	1,466,862
CSN Ibéria Lda.					86,466	86,466
Companhia de Embalagens Metálicas MMSA	5,404	44,859	50,263			
Companhia Florestal do Brasil		2,648	2,648			
Stahlwerk Thüringen GmbH						
	1,597,145	295,623	1,892,768	1,373,721	9,975,098	11,348,811
Joint-venture e Joint-operation						
ITA Energética S.A	17,063		17,063			
CGPAR Construção Pesada S.A.	4,042		4,042			
MRS Logística S.A.	13,111		13,111	38,998		38,998
CBSI - Companhia Brasileira de Serviços e Infraestrutura	1,028		1,028	15,436		15,436
Transnordestina Logística S.A.		239,359	239,359	16		16
	35,244	239,359	274,603	54,450		54,450
Other related parties						
CBS Previdência		101,305	101,305		514,366	514,366

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Fundação CSN	1,830	1,830	15			
Banco Fibra	16	16				
Usiminas						
Panatlântica	83,892	3,750	87,642			
Ibis Participações e Serviços						
Partifib Projetos Imobiliários	193		193			
	85,931	105,055	190,986	15	514,366	514,38
Associates						
Arvedi Metalfer do Brasil S.A.		47,141	47,141			
Exclusive Funds						
Diplic, Caixa Vertice, VR1, BB Steel	1,220,983	46,961	1,267,944			
Total at 06/30/2016	2,939,303	734,139	3,673,442	1,428,186	10,489,464	11,917,65
Total at 12/31/2015	3,432,822	684,109	4,116,931	1,669,302	12,669,457	14,338,75
Total at 06/30/2015						

(1) Companhia Metalurgica Prada refers mainly to accounts receivable and debentures from CBL amounting to R\$219,362 and 121,336, respectively, as of June 30, 2016.

(2) Congonhas Minérios: Refers mainly to dividends declared by Namisa amounting to R\$694,080 and posteriorly assumed by Congonhas due to the merger on December 31, 2015. Liabilities: Account payables related to purchases of iron ore.

(3) Companhia Siderurgica Nacional, LLC: On June 30, 2016 the carrying amounts of trade accounts receivable totaled R\$432,985 (R\$682,875 December 31, 2015), they are related to sale of steel to resellers.

(4) CSN Resources SA: Contracts in US dollars of Prepayment Fixed Rate Notes and Intercompany Bonds, the interest rate under this transaction is 9.13% and its maturity date is June 2047. On June 30, 2016, the loans amounted to R\$8,353,627 (R\$10,146,701 on December 31, 2015).

(5) CSN Islands XI Corp.: Contracts in US dollars, without interest, maturing on August 2017. On June 30 2016, the loans amounted to R\$1,027,136 (R\$1,249,536 as of December 31, 2015).

(6) CSN Islands XII Corp.: Contracts in US dollars, interest rate of 7.64% and maturing on February 2025. On June 30, 2016, the loans amounted to R\$1,466,862 (R\$1,784,417 on December 31, 2015).

17.c) Key management personnel

The key management personnel with authority and responsibility for planning, directing and controlling the Company's activities, include the members of the Board of Directors and statutory directors. The following is information on the compensation of such personnel and the related balances as of June 30, 2016.

	Six months ended		Three months ended	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
	P&L		P&L	
Short-term benefits for employees and officers	63,136	26,297	23,327	20,506
Post-employment benefits	203	117	85	87
	63,339	26,414	23,412	20,593

The remuneration of key management personnel in 2016 includes payments for contracts with executives that were linked to parameters that were achieved in the first quarter 2016.

18. SHAREHOLDERS' EQUITY

18.a) Paid-in capital

Fully subscribed and paid-in capital as of June 30, 2016 and December 31, 2015 is R\$4,540,000 comprising 1,387,524,047 book-entry common shares without par value. Each common share entitles its holder to one vote in Shareholders' Meetings.

18.b) Authorized capital

The Company's bylaws in effect as of June 30, 2016 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

18.c) Legal reserve

This reserve is recognized at the rate of 5% of the profit for each period, as provided for by Article 193 of Law 6,404/76, up to the ceiling of 20% of share capital.

18.d) Ownership structure

As of June 30, 2016, the Company's ownership structure was as follows:

	Number of common shares	% of total shares	06/30/2016 % of voting capital	Number of common shares	% of total shares
Vicunha Aços S.A.	697,719,990	50.29%	51.41%	697,719,990	50.29%
Rio Iaco Participações S.A.	58,193,503	4.19%	4.29%	58,193,503	4.19%
Caixa Beneficente dos Empregados da CSN CBS	20,143,031	1.45%	1.48%	20,143,031	1.45%
BNDES Participações S.A. – BNDESPAR	8,794,890	0.63%	0.65%	8,794,890	0.63%
NYSE (ADRs)	327,284,764	23.59%	24.12%	336,435,464	24.25%
BM&FBovespa	244,996,869	17.66%	18.05%	235,846,169	17.00%
	1,357,133,047	97.81%	100.00%	1,357,133,047	97.81%
Treasury shares	30,391,000	2.19%		30,391,000	2.19%
Total shares	1,387,524,047	100.00%			