

NATIONAL STEEL CO
Form 6-K
November 29, 2018

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 November, 2018
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

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1**

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Company Information / Capital Breakdown

Number of Shares	Current Quarter
(Units)	09/30/2018
Paid-in Capital	
Common	1,387,524,047
Preferred	0
Total	1,387,524,047
Treasury Shares	
Common	7,409,500
Preferred	0
Total	7,409,500

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Balance Sheet - Assets
(R\$ thousand)**

Code	Description	Current Quarter	Previous Year
		09/30/2018	12/31/2017
1	Total Assets	41,358,610	42,365,935
1.01	Current assets	9,293,037	7,642,103
1.01.01	Cash and cash equivalents	1,402,224	393,504
1.01.02	Financial investments	891,735	716,461
1.01.02.03	Financial investments at amortized cost	891,735	716,461
1.01.03	Trade receivables	1,998,033	2,966,706
1.01.04	Inventory	3,340,188	2,951,352
1.01.08	Other current assets	1,660,857	614,080
1.01.08.03	Others	1,660,857	614,080
1.02	Non-current assets	32,065,573	34,723,832
1.02.01	Long-term assets	2,487,843	2,267,226
1.02.01.10	Other non-current assets	2,487,843	2,267,226
1.02.02	Investments	20,095,824	22,894,885
1.02.03	Property, plant and equipment	9,430,330	9,502,411
1.02.04	Intangible assets	51,576	59,310

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Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Balance Sheet – Liabilities
(R\$ thousand)**

Code	Description	Current Quarter 09/30/2018	Previous Year 12/31/2017
2	Total liabilities	41,358,610	42,365,935
2.01	Current liabilities	10,588,043	9,175,980
2.01.01	Payroll and related taxes	176,762	133,774
2.01.02	Trade payables	2,289,181	1,787,392
2.01.03	Tax payables	106,586	86,496
2.01.04	Borrowings and financing	7,342,833	6,578,171
2.01.05	Other payables	621,533	515,561
2.01.06	Provisions	51,148	74,586
2.01.06.01	Provision for tax, social security, labor and civil risks	51,148	74,586
2.02	Non-current liabilities	23,313,697	26,162,582
2.02.01	Long term Borrowings and financing	18,034,000	22,454,846
2.02.02	Other payables	37.726	57,599
2.02.03	Deferred Taxes	299.997	570,559
2.02.04	Provisions	4.941.974	3,079,578
2.02.04.01	Provision for tax, social security, labor and civil risks	552.574	555,459
2.02.04.02	Other provisions	4.389.400	2,524,119
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	180.212	248,918
2.02.04.02.04	Pension and healthcare plan	908.721	908,721
2.02.04.02.05	Provision for losses on investments	3.300.467	1,366,480
2.03	Shareholders' equity	7.456.870	7,027,373
2.03.01	Share Capital	4.540.000	4,540,000
2.03.02	Capital reserves	32.720	30
2.03.04	Profit reserves	180.712	0
2.03.04.02	Earnings reserves	238.976	238,976
2.03.04.09	Treasury shares	(58.264)	(238,976)
2.03.05	Accumulated profit/(losses)	2.062.159	(1,291,689)
2.03.08	Other comprehensive income	641.279	3,779,032

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Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Statements of Income
(R\$ thousand)**

Code	Description	Current	Same quarter	YTD previous	
		Quarter	Year to date	previous year	year
		07/01/2018 to	01/01/2018 to	07/01/2017 to	01/01/2017 to
		09/30/2018	09/30/2018	09/30/2017	09/30/2017
3.01	Revenues from sale of goods and rendering of services	3,371,553	9,422,956	2,878,254	7,672,028
3.02	Costs from sale of goods and rendering of services	(2,773,360)	(7,518,935)	(2,432,348)	(6,439,752)
3.03	Gross profit	598,193	1,904,021	445,906	1,232,276
3.04	Operating (expenses)/income	273,796	2,693,442	(268,582)	(330,911)
3.04.01	Selling expenses	(148,558)	(453,968)	(186,675)	(549,437)
3.04.02	General and administrative expenses	(63,039)	(194,952)	(28,212)	(148,272)
3.04.04	Other operating income	1,893,195	3,336,930	6,170	11,834
3.04.05	Other operating expenses	(250,104)	(462,284)	(74,616)	(196,087)
3.04.06	Equity in results of affiliated companies	(1,157,698)	467,716	14,751	551,051
3.05	Profit before financial income (expenses) and taxes	871,989	4,597,463	177,324	901,365
3.06	Financial income (expenses)	(61,720)	(1,470,510)	43,410	(1,255,316)
3.06.01	Financial income	410,576	475,247	102,978	235,858
3.06.02	Financial expenses	(472,296)	(1,945,757)	(59,568)	(1,491,174)
3.06.02.01	Net exchange differences over financial instruments	(27,799)	(709,132)	478,274	332,639
3.06.02.02	Financial expenses	(444,497)	(1,236,625)	(537,842)	(1,823,813)
3.07	Profit (loss) before taxes	810,269	3,126,953	220,734	(353,951)
3.08	Income tax and social contribution	(88,734)	226,895	5,732	6,653
3.09	Profit (loss) from continued operations	721,535	3,353,848	226,466	(347,298)
3.11	Profit (loss) for the year	721,535	3,353,848	226,466	(347,298)
3.99	Earnings (loss) per common share – (Reais/share)				
3.99.01	Basic				
3.99.01.01	Common shares	0.52810	2.45474	0.16687	(0.25591)

3.99.02	Diluted				
3.99.02.01	Common shares	0.52810	2.45474	0.16687	(0.25591)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Statements of Comprehensive Income
(R\$ thousand)**

Code	Description	Current	Same quarter YTD previous		
		Quarter	Year to date	previous year	year
		07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
4.01	(Loss) profit for the year	721,535	3,353,848	226,466	(347,298)
4.02	Other comprehensive income	(226,236)	(3,137,753)	667,498	848,282
4.02.01	Actuarial gains over pension plan of affiliates, net of taxes	30	89	30	88
4.02.04	Cumulative translation adjustments for the year	(29,171)	(17,175)	(47,328)	82,130
4.02.05	Fair value through other comprehensive income	-	(1,559,680)	496,044	614,542
4.02.10	(Loss) /Gain on the percentage change in investments	-	(105)	-	2,814
4.02.11	(Loss) /Gain on cash flow hedge accounting	(372,883)	(1,724,818)	200,236	134,374
4.02.13	Realization of cash flow hedge accounting reclassified to income statement	183,051	196,783	16,212	37,933
4.02.14	(Loss)/Gain on net investment hedge from investments in affiliates	(7,263)	(32,196)	2,304	(23,599)
4.02.15	(Loss)/Gain on business combination	-	(651)	-	-
4.03	Comprehensive income for the year	495,299	216,095	893,964	500,984

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Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Statements of Cash Flows – Indirect Method
(R\$ thousand)**

Code	Description	Year to date 01/01/2018 to 09/30/2018	YTD previous year 01/01/2017 to 09/30/2017
6.01	Net cash from operating activities	6,345,358	498,973
6.01.01	Cash from operations	2,171,919	841,009
6.01.01.01	Profit (loss) for the period	3,353,848	(347,298)
6.01.01.03	Financial charges in borrowing and financing raised	1,154,172	1,670,505
6.01.01.04	Financial charges in borrowing and financing granted	(31,977)	(89,576)
6.01.01.05	Depreciation, depletion and amortization	443,017	497,288
6.01.01.06	Equity in results of affiliated companies	(467,716)	(551,051)
6.01.01.07	Deferred tax	(226,895)	(6,653)
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	(26,323)	(6,610)
6.01.01.09	Monetary and exchange variations, net Write-off of property, plant and equipment and Intangible assets	879,442	(278,230)
6.01.01.12	Provision for environmental liabilities and decommissioning of assets	13,201	(521)
6.01.01.13	Updated shares - VJR	(68,706)	(49,914)
6.01.01.14	Intercompany debt relief	(1,547,265)	-
6.01.01.15	Others	(1,310,886)	-
6.01.01.16	Changes in assets and liabilities	8,007	3,069
6.01.02	Trade receivables - third parties	4,173,439	(342,036)
6.01.02.01	Trade receivables - related parties	173,009	(229,704)
6.01.02.02	Inventories	(177,645)	(11,766)
6.01.02.03	Receivables - related parties/dividends	(388,836)	(243,844)
6.01.02.04	Tax assets	6,189,677	1,576,325
6.01.02.05	Judicial deposits	(989,073)	(86,897)
6.01.02.06	Trade payables	(21,904)	(19,141)
6.01.02.09	Payroll and related taxes	501,789	345,228
6.01.02.10	Taxes in installments – REFIS	42,988	26,229
6.01.02.11	Payables to related parties	21,669	13,102
6.01.02.13		41,243	5,533

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6.01.02.15	Interest paid	(1,261,483)	(1,748,225)
6.01.02.16	Interest received – related parties	1,522	187
6.01.02.18	Others	40,483	30,937
6.02	Net cash used in investing activities	(702,609)	(264,740)
	Investments / Advance for future capital		
6.02.01	increase	(117,130)	(30,501)
	Purchase of property, plant and		
6.02.02	equipment	(354,064)	(355,941)
6.02.07	Intercompany loans granted	(103,947)	(16,540)
6.02.09	Intercompany loans received	8,429	7,297
6.02.10	Exclusive funds	-	(200)
6.02.11	Financial Investments, net of redemption	(175,274)	31,693
	Cash received from disposal of		
6.02.12	investment – CGPAR	-	99,452
	Cash received upon disposal of		
6.02.13	Usiminas' shares	39,377	-
6.03	Net cash used in financing activities	(4,634,029)	(1,033,516)
6.03.01	Borrowings and financing raised	530,468	171,000
	Transactions cost - Borrowings and		
6.03.02	financing	(57,625)	-
6.03.05	Amortization of borrowings and financing	(1,915,296)	(960,174)
	Amortization of borrowings and financing		
6.03.06	- related parties	(3,404,978)	(244,342)
6.03.08	Sale of treasury shares	213,402	-
	Exchange rate on translating cash and		
6.04	cash equivalents	-	975
	Increase (decrease) in cash and cash		
6.05	equivalents	1,008,720	(798,308)
	Cash and equivalents at the beginning of		
6.05.01	the year	393,504	1,466,746
	Cash and equivalents at the end of the		
6.05.02	year	1,402,224	668,438

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

Version:
1

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2018 to 09/30/2018 (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	-	(1,291,689)	3,779,032	7,027,373
5.03	Adjusted opening balances	4,540,000	30	-	(1,291,689)	3,779,032	7,027,373
5.04	Capital transaction with shareholders	-	32,690	180,712	-	-	213,402
5.04.05	Treasury shares sold	-	-	180,712	-	-	180,712
5.04.08	Gain on disposal of shares	-	32,690	-	-	-	32,690
5.05	Total comprehensive income	-	-	-	3,353,848	(3,137,753)	216,095
5.05.01	Profit for the period	-	-	-	3,353,848	-	3,353,848
5.05.02	Other comprehensive income	-	-	-	-	(3,137,753)	(3,137,753)
5.05.02.04	Translation adjustments for the year	-	-	-	-	(17,175)	(17,175)
5.05.02.08	Actuarial gains/(losses) on pension plan, net of taxes	-	-	-	-	89	89
5.05.02.09		-	-	-	-	(1,559,680)	(1,559,680)

	Available-for-sale assets, net of taxes						
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	(105)	(105)
5.05.02.11	(Loss) / gain on cash flow hedge accounting, net of taxes	-	-	-	-	(1,528,035)	(1,528,035)
5.05.02.13	(Loss) / gain on foreign investments	-	-	-	-	(32,196)	(32,196)
5.05.02.14	(Loss) / gain on business combination	-	-	-	-	(651)	(651)
5.07	Closing balance	4,540,000	32,720	180,712	2,062,159	641,279	7,456,870

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2017 to 09/30/2017
(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	-	(1,301,961)	2,956,459	6,194,528
5.03	Adjusted opening balances	4,540,000	30	-	(1,301,961)	2,956,459	6,194,528
5.05	Total comprehensive income	-	-	-	(347,298)	848,282	500,984
5.05.01	Profit (loss) for the period	-	-	-	(347,298)	-	(347,298)
5.05.02	Other comprehensive income	-	-	-	-	848,282	848,282
5.05.02.04	Translation adjustments for the year	-	-	-	-	82,130	82,130
5.05.02.08	Actuarial gains/(Losses) on pension plan, net of taxes	-	-	-	-	88	88
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	614,542	614,542
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	2,814	2,814
5.05.02.11	(Loss) / gain on cash flow hedge	-	-	-	-	172,307	172,307

	accounting, net of taxes (Loss) / gain on						
5.05.02.13	foreign investments	-	-	-	-	(23,599)	(23,599)
5.07	Closing balance	4,540,000	30	-	(1,649,259)	3,804,741	6,695,512

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Parent Company Financial Statements / Statement of Value Added
(R\$ thousand)**

Code	Description	Year to date 01/01/2018 to 09/30/2018	Previous year 01/01/2017 to 09/30/2017
7.01	Revenues	14.591.261	9,476,920
7.01.01	Sales of products and rendering of services	11.739.960	9,425,899
7.01.02	Other revenues	2.858.386	66,237
7.01.04	Allowance for (reversal of) doubtful debts	(7.085)	(15,216)
7.02	Raw materials acquired from third parties	(8,518,250)	(7,343,265)
7.02.01	Cost of sales and services	(7,974,515)	(6,627,795)
7.02.02	Materials, electric power, outsourcing and other	(543,723)	(714,074)
7.02.03	Impairment/recovery of assets	(12)	(1,396)
7.03	Gross value added	6,073,011	2.133.655
7.04	Retentions	(443,017)	(497,288)
7.04.01	Depreciation, amortization and depletion	(443,017)	(497,288)
7.05	Wealth created	5,629,994	1.636.367
7.06	Value added received	1,080,108	787.809
7.06.01	Equity in results of affiliates companies	467,716	551.051
7.06.02	Financial income	475,247	235.858
7.06.03	Others	137,145	900
7.06.03.01	Others and exchange gains	137,145	900
7.07	Wealth for distribution	6,710,102	2.424.176
7.08	Wealth distributed	6,710,102	2.424.176
7.08.01	Personnel	934,365	889.242
7.08.01.01	Salaries and wages	693,615	652.517
7.08.01.02	Benefits	192,532	182.239
7.08.01.03	Severance payment (FGTS)	48,218	54.486
7.08.02	Taxes, fees and contributions	348,815	384.352
7.08.02.01	Federal	121,522	288.265
7.08.02.02	State	227,290	96.071
7.08.02.03	Municipal	3	16

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7.08.03	Remuneration on third-party capital	2,073,074	1.497.880
7.08.03.01	Interest	1,236,625	1.827.044
7.08.03.02	Leases	5,108	8.566
7.08.03.03	Others	831,341	(337,730)
7.08.03.03.01	Others and exchange losses	831,341	(337,730)
7.08.04	Remuneration on Shareholders' capital	3,353,848	(347,298)
7.08.04.03	Retained earnings (accumulated losses)	3,353,848	(347,298)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

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

Code	Description	Current Quarter 09/30/2018	Previous Year 12/31/2017
1	Total Assets	46,226,202	45,209,970
1.01	Current assets	12,708,158	11,881,496
1.01.01	Cash and cash equivalents	2,995,240	3,411,572
1.01.02	Financial investments	902,403	735,712
1.01.02.03	Financial investments measured at amortized cost	902,403	735,712
1.01.03	Trade receivables	2,142,670	2,276,215
1.01.04	Inventory	4,788,365	4,464,419
1.01.08	Other current assets	1,879,480	993,578
1.01.08.03	Others	1,879,480	993,578
1.02	Non-current assets	33,518,044	33,328,474
1.02.01	Long-term assets	2,832,006	2,591,594
1.02.01.03	Financial investments measured at amortized cost	8,018	0
1.02.01.07	Deferred tax assets	73,207	63,119
1.02.01.10	Other non-current assets	2,750,781	2,528,475
1.02.02	Investments	5,521,085	5,499,995
1.02.03	Property, plant and equipment	17,868,945	17,964,839
1.02.04	Intangible assets	7,296,008	7,272,046

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

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

Code	Description	Current Quarter 09/30/2018	Previous Year 12/31/2017
2	Total liabilities	46,226,202	45,209,970
2.01	Current liabilities	10,814,432	10,670,050
2.01.01	Payroll and related taxes	315,445	252,418
2.01.02	Trade payables	2,933,989	2,460,774
2.01.03	Tax payables	302,277	264,097
2.01.04	Borrowings and financing	6,409,689	6,526,902
2.01.05	Other payables	755,917	1,059,901
2.01.06	Provisions	97,115	105,958
2.01.06.01	Provision for tax, social security, labor and civil risks	97,115	105,958
2.02	Non-current liabilities	26,664,512	26,251,691
2.02.01	Borrowings and financing	23,666,381	22,983,942
2.02.02	Other payables	229,163	129,323
2.02.03	Deferred tax liabilities	894,098	1,173,559
2.02.04	Provisions	1,874,870	1,964,867
2.02.04.01	Provision for tax, social security, labor and civil risks	690,635	719,133
2.02.04.02	Other provisions	1,184,235	1,245,734
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	275,514	337,013
2.02.04.02.04	Pension and healthcare plan	908,721	908,721
2.03	Consolidated Shareholders' equity	8,747,258	8,288,229
2.03.01	Share Capital	4,540,000	4,540,000
2.03.02	Capital reserves	32,720	30
2.03.04	Profit reserves	180,712	0
2.03.04.02	Earnings reserves	238,976	238,976
2.03.04.09	Treasury shares	(58,264)	(238,976)
2.03.05	Accumulated profit/(losses)	2,062,159	(1,291,689)
2.03.08	Other comprehensive income	641,279	3,779,032
2.03.09	Profit attributable to the non-controlling interests	1,290,388	1,260,856

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

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

Code	Description	Current	Same quarter	YTD previous	
		Quarter 07/01/2018 to 09/30/2018	Year to date 01/01/2018 to 09/30/2018	previous year 07/01/2017 to 09/30/2017	year 01/01/2017 to 09/30/2017
3.01	Revenues from sale of goods and rendering of services	6,164,989	16,917,953	4,809,671	13,531,876
3.02	Costs from sale of goods and rendering of services	(4,298,540)	(12,107,201)	(3,596,936)	(10,016,303)
3.03	Gross profit	1,866,449	4,810,752	1,212,735	3,515,573
3.04	Operating (expenses)/income	(453,100)	784,836	(550,540)	(1,768,200)
3.04.01	Selling expenses	(569,294)	(1,497,306)	(414,544)	(1,263,611)
3.04.02	General and administrative expenses	(105,785)	(331,033)	(76,174)	(307,051)
3.04.04	Other operating income	598,458	3,227,902	8,956	21,102
3.04.05	Other operating expenses	(420,325)	(710,737)	(106,780)	(317,140)
3.04.06	Equity in results of affiliated companies	43,846	96,010	38,002	98,500
3.05	Profit before financial income (expenses) and taxes	1,413,349	5,595,588	662,195	1,747,373
3.06	Financial income (expenses)	(423,225)	(2,005,993)	(277,797)	(1,603,640)
3.06.01	Financial income	335,885	426,659	80,841	286,070
3.06.02	Financial expenses	(759,110)	(2,432,652)	(358,638)	(1,889,710)
3.06.02.01	Net exchange differences over financial instruments	(87,663)	(749,442)	269,925	208,730
3.06.02.02	Financial expenses	(671,447)	(1,683,210)	(628,563)	(2,098,440)
3.07	Profit (loss) before taxes	990,124	3,589,595	384,398	143,733
3.08	Income tax and social contribution	(237,960)	(161,249)	(128,214)	(409,890)
3.09	Profit (loss) from continued operations	752,164	3,428,346	256,184	(266,157)
3.11	Consolidated Profit (loss) for the year	752,164	3,428,346	256,184	(266,157)
3.11.01	Profit attributable to the controlling interests	721,535	3,353,848	226,466	(347,298)
3.11.02		30,629	74,498	29,718	81,141

	Profit attributable to the non-controlling interests				
3.99	Earnings (loss) per common share – (Reais/share)				
3.99.01	Basic				
3.99.01.01	Common shares	0.52810	2.45474	0.16687	(0.25591)
3.99.02	Diluted				
3.99.02.01	Common shares	0.52810	2.45474	0.16687	(0.25591)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1**

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

Code	Description	Current	Year to date	Same quarter	YTD previous
		Quarter	Year to date	previous year	year
		07/01/2018 to	01/01/2018 to	07/01/2017 to	01/01/2017 to
		09/30/2018	09/30/2018	09/30/2017	09/30/2017
4.01	Consolidated profit (loss) for the year	752,164	3,428,346	256,184	(266,157)
4.02	Other comprehensive income	(226,236)	(3,137,753)	667,498	848,282
4.02.01	Actuarial gains over pension plan of affiliates, net of taxes	30	89	30	88
4.02.04	Cumulative translation adjustments for the year	(29,171)	(17,175)	(47,328)	82,130
4.02.05	Fair value through other comprehensive income	-	(1,559,680)	496,044	614,542
4.02.09	(Loss)/gain on the percentage change in investments	-	(105)	-	2,814
4.02.10	(Loss)/gain on cash flow hedge accounting	(372,883)	(1,724,818)	200,236	134,374
4.02.12	(Loss)/gain on hedge of net investment in foreign operations	(7,263)	(32,196)	2,304	(23,599)
4.02.13	Realization of cash flow hedge accounting reclassified to income statement	183,051	196,783	16,212	37,933
4.02.14	(Loss)/gain on business combination	-	(651)	-	-
4.03	Consolidated comprehensive income for the year	525,928	290,593	923,682	582,125
4.03.01	Attributed to controlling Shareholders	495,299	216,095	893,964	500,984
4.03.02	Attributed to non-controlling Shareholders	30,629	74,498	29,718	81,141

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

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

Code	Description	Year to date	YTD previous year
		01/01/2018 to 09/30/2018	01/01/2017 to 09/30/2017
6.01	Net cash from operating activities	1,598,553	94,171
6.01.01	Cash from operations	3,752,663	2,420,104
6.01.01.01	Profit (loss) attributable to the controlling interests	3,353,848	(347,298)
6.01.01.03	Profit (loss) attributable to the non-controlling interests	74,498	81,141
6.01.01.04	Financial charges in borrowing and financing raised	1,451,934	1,899,125
6.01.01.05	Financial charges in borrowing and financing granted	(36,699)	(50,815)
6.01.01.06	Depreciation, depletion and amortization	962,051	1,123,076
6.01.01.07	Equity in in results of affiliated companies	(96,010)	(98,500)
6.01.01.08	Deferred tax	(279,896)	132,171
6.01.01.09	Provision for tax, social security, labor, civil and environmental risks	(39,918)	4,492
6.01.01.10	Monetary exchange variations, net	1,121,423	(239,384)
6.01.01.11	Gain (loss) from derivative financial instruments	-	(28,503)
6.01.01.12	Updated shares - VJR	(1,547,265)	-
6.01.01.13	Write-down of property, plant and equipment and Intangible assets	29,383	21.600
6.01.01.15	Net gain on sale of foreign subsidiary	(1,164,294)	-
6.01.01.16	Provision for environmental liabilities and decommissioning of assets	(61,499)	(44,694)
6.01.01.17	Others	(14,893)	(32,307)
6.01.02	Changes in assets and liabilities	(2,154,110)	(2,325,933)
6.01.02.01	Trade receivables - third parties	203,762	(219,153)
6.01.02.02	Trade receivables - related parties	2,114	11,141
6.01.02.03	Inventories	(524,708)	(263,261)

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6.01.02.04	Receivables - related parties/dividends	1,654	(9,557)
6.01.02.05	Tax assets	(860,082)	(110,188)
6.01.02.06	Judicial deposits	(32,506)	(32,807)
6.01.02.08	Trade payables	481,117	480,512
6.01.02.09	Payroll and related taxes	65,421	41,601
6.01.02.10	Taxes in installments – REFIS	30,103	31,194
6.01.02.11	Payables to related parties	86,989	(10,356)
6.01.02.13	Interest paid	(1,707,468)	(2,126,761)
6.01.02.15	Interest received - Related Parties	-	8,678
6.01.02.17	Others	99,494	(126,976)
6.02	Net cash used in investing activities	525,126	(685,842)
6.02.02	Investments/AFAC	(96,902)	-
6.02.03	Purchase of property, plant and equipment	(810,088)	(715,869)
6.02.05	Receivable/payable from derivative financial instruments	(372)	30,374
6.02.06	Acquisition of intangible assets	(631)	(329)
6.02.08	Intercompany loans granted	(101,908)	(15,188)
6.02.09	Intercompany loans received	-	12,116
6.02.10	Financial Investments, net of redemption	(174,709)	3,054
6.02.11	Cash received from the sale of foreign subsidiary	1,670,359	-
6.02.12	Cash received from disposal of Usiminas' shares	39,377	-
6.03	Net cash used in financing activities	(2,514,012)	(899,476)
6.03.01	Borrowings and financing	2,002,773	171,000
6.03.02	Transaction cost - Borrowings and financing	(85,679)	-
6.03.04	Amortization of borrowings and financing	(4,142,506)	(1,070,476)
6.03.07	Dividends and interest on equity	(502,002)	-
6.03.08	Treasury shares sold	213,402	-
6.04	Exchange rate on translating cash and cash equivalents	(25,999)	1,417
6.05	Increase (decrease) in cash and cash equivalents	(416,332)	(1,489,730)
6.05.01	Cash and equivalents at the beginning of the year	3,411,572	4,871,162
6.05.02	Cash and equivalents at the end of the year	2,995,240	3,381,432

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2018 to 09/30/2018
(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	30	-	(1,291,689)	3,779,032	7,027,373	1,2	
5.03	Adjusted opening balances	4,540,000	30	-	(1,291,689)	3,779,032	7,027,373	1,2	
5.04	Capital transaction with shareholders	-	32,690	180,712	-	-	213,402		
5.04.05	Treasury shares sold	-	-	180,712	-	-	180,712		
5.04.08	Gain on disposal of shares	-	32,690	-	-	-	32,690		
5.05	Total comprehensive income	-	-	-	3,353,848	(3,137,753)	216,095		
5.05.01	Profit (loss) for the year	-	-	-	3,353,848	-	3,353,848		
5.05.02	Other comprehensive income	-	-	-	-	(3,137,753)	(3,137,753)		
5.05.02.04	Translation adjustments for the year	-	-	-	-	(17,175)	(17,175)		
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	89	89		

5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	(1,559,680)	(1,559,680)	
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	(105)	(105)	
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	-	-	-	-	(1,528,035)	(1,528,035)	
5.05.02.13	(Loss) / gain on hedge of net investment in foreign operations	-	-	-	-	(32,196)	(32,196)	
5.05.02.14	(Loss)/gain on business combination	-	-	-	-	(651)	(651)	
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	(
5.06.04	Non-controlling interests in affiliates	-	-	-	-	-	-	(
5.07	Closing balance	4,540,000	32,720	180,712	2,062,159	641,279	7,456,870	1,

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information – September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2017 to 09/30/2017
(R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings (accumulated reserve)	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-con
5.01	Opening balances	4,540,000	30	-	(1,301,961)	2,956,459	6,194,528	1,
5.03	Adjusted opening balances	4,540,000	30	-	(1,301,961)	2,956,459	6,194,528	1,
5.05	Total comprehensive income	-	-	-	(347,298)	848,282	500,984	
5.05.01	Profit (loss) for the year	-	-	-	(347,298)	-	(347,298)	
5.05.02	Other comprehensive income	-	-	-	-	848,282	848,282	
5.05.02.04	Translation adjustments for the year	-	-	-	-	82,130	82,130	
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	88	88	
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	614,542	614,542	
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	2,814	2,814	
5.05.02.11		-	-	-	-	172,307	172,307	

	(Loss) / gain on hedge accounting, net of taxes							
	(Loss) / gain on hedge of net							
5.05.02.13	investment in foreign operations	-	-	-	-	(23,599)	(23,599)	
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	
5.06.04	Non-controlling interests in affiliates	-	-	-	-	-	-	
5.07	Closing balance	4,540,000	30	-	(1,649,259)	3,804,741	6,695,512	1,425,000

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information - September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1****Consolidated Financial Statements / Statements of Value Added
(R\$ thousand)**

Code	Description	Year to date	Previous year
		01/01/2018 to 09/30/2018	01/01/2017 to 09/30/2017
7.01	Revenues	22,171,878	15,483,245
7.01.01	Sales of products and rendering of services	19,436,579	15,497,404
7.01.02	Other revenues	2,741,131	4,600
7.01.04	Allowance for (reversal of) doubtful debts	(5,832)	(18,759)
7.02	Raw materials acquired from third parties	(13,096,711)	(10,324,959)
7.02.01	Cost of sales and services	(10,973,482)	(8,503,127)
7.02.02	Materials, electric power, outsourcing and other	(2,138,978)	(1,794,938)
7.02.03	Impairment/recovery of assets	15,749	(26,894)
7.03	Gross value added	9,075,167	5,158,286
7.04	Retentions	(962,051)	(1,123,076)
7.04.01	Depreciation, amortization and depletion	(962,051)	(1,123,076)
7.05	Wealth created	8,113,116	4,035,210
7.06	Value added received	767,695	308,508
7.06.01	Equity in results of affiliates companies	96,010	98,500
7.06.02	Financial income	426,659	286,070
7.06.03	Others	245,026	(76,062)
7.06.03.01	Others and exchange gains	245,026	(76,062)
7.07	Wealth for distribution	8,880,811	4,343,718
7.08	Wealth distributed	8,880,811	4,343,718
7.08.01	Personnel	1,704,716	1,583,499
7.08.01.01	Salaries and wages	1,336,162	1,232,164
7.08.01.02	Benefits	306,773	275,415
7.08.01.03	Severance payment (FGTS)	61,781	75,920
7.08.02	Taxes, fees and contributions	1,066,341	1,194,709
7.08.02.01	Federal	782,642	956,805
7.08.02.02	State	265,348	221,413

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7.08.02.03	Municipal	18,351	16,491
7.08.03	Remuneration on third-party capital	2,681,408	1,831,667
7.08.03.01	Interest	1,683,210	2,101,671
7.08.03.02	Leases	19,307	21,668
7.08.03.03	Others	978,891	(291,672)
7.08.03.03.01	Others and exchange losses	978,891	(291,672)
7.08.04	Remuneration on Shareholders' capital	3,428,346	(266,157)
7.08.04.03	Retained earnings (accumulated losses)	3,353,848	(347,298)
7.08.04.04	Non-controlling interests in retained earnings	74,498	81,141

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

Quarterly Financial Information - September 30, 2018 – CIA SIDERURGICA NACIONAL

**Version:
1**

Comments on the Company's Consolidated Performance

São Paulo, November 7, 2018

3Q18 Earnings Release

Companhia Siderúrgica Nacional (CSN) (BM & FBOVESPA: CSNA3) (NYSE: SID) **announces today its results for the third quarter of 2018 (3Q18)** in Brazilian reais, and its consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil, which are fully convergent with international accounting standards, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. The comments presented herein refer to the Company's consolidated results for the third quarter of 2018 (3Q18) and comparisons are for the second quarter of 2018 (2Q18) and for the third quarter of 2017 (3Q17). The Brazilian real/US dollar exchange rate was R\$ 4.0039 on September 30, 2018, R\$ 3.8558 on June 30, 2018 and R\$ 3.1680 on September 30, 2017.

3Q18 financial and operating Highlights

- **Generation of adjusted EBITDA of R\$1,627 MM**, a 34% increase over 3Q17 and 15% over 2Q18, with EBITDA margin of 25.2%.
- **Higher domestic sales volume of steel since 4Q14**, reaching 912 thousand tons and an increase of 14% in relation to the previous quarter.
- **Adjusted EBITDA from mining increasing 52%, reaching R\$811 MM (EBITDA margin of 49%) against 2Q18**, with a higher volume of ore traded (+14%) and quality premiums.
- **Free cash flow, before financing activities, reached R\$838 MM in 3Q18, against R\$73 MM in 2Q18.**
- **0.41x reduction in the leverage ratio**, from 5.34x in the previous quarter to 4.93x in 3Q18, due to higher operating cash generation and EBITDA growth.
- **Net Income of R\$752 MM in 3Q18**, due to the strong operational evolution besides non operational revenues in the period, totaling R\$3.4 billion in 2018.

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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Steel sales (thousand tons)	1,301	1,321	1,290	(1%)	(2%)
- Domestic market	802	798	912	14%	14%
- Subsidiaries abroad	425	449	329	(23%)	(27%)
- Export trade	74	74	48	(34%)	(34%)
Iron ore sales (thousand tons)	7,954	8,130	9,288	17%	14%
- Domestic market	1,321	1,376	1,138	(14%)	(17%)
- Foreign market	6,633	6,754	8,150	23%	21%
Consolidated result (R\$ million)					
Net revenue	4,810	5,687	6,165	28%	8%
Gross profit	1,213	1,563	1,866	54%	19%
Adjusted EBITDA ¹	1,213	1,420	1,627	34%	15%
Adjusted net debt ²	25,717	27,125	27,057	5%	(0%)
Adjusted cash/cash equivalents ²	4,358	4,357	4,083	(6%)	(6%)
Net debt/Adjusted EBITDA	5.48x	5.34x	4.93x	-0.55 x	-0.41 x

¹Adjusted EBITDA is calculated based on net profit/loss, plus depreciation and amortization, income tax, net finance income (costs), share of profit (loss) of investees and other operating income (expenses), and includes the proportionate share of EBITDA of the jointly-owned subsidiaries MRS Logística and CBSI. Adjusted EBITDA includes 100% interest in CSN Mineração, 37.27% in MRS and 50% in CBSI.

² Adjusted net debt and adjusted cash account for 100% stake in CSN Mineração, 37.27% in MRS and 50% in CBSI.

CSN's Consolidated Result

- In 3Q18, **net revenue** totaled R\$6,165 million, **8%** and **28%** higher than in 2Q18 and 3Q17, respectively. Compared to 2Q18, the improvement in performance was due to the increase in steel products prices and volumes in the domestic market, and in the mining segment.
- In 3Q18, the **cost of goods sold** amounted to R\$4,299 million, **4.2%** higher than in 2Q18, due to the increase in raw material prices resulting from the appreciation of the US dollar against the Brazilian real, as well as higher manufacturing costs.
- In the third quarter of 2018, **gross profit** totaled R\$1,866 million, a strong increase of **54%** over 3Q17, with a gross margin of 5.1 p.p. higher than the same basis of comparison, due to the strong gain in the mining's margin.
- In 3Q18, **general and administrative expenses** totaled R\$106 million, with **dilution of 2.1% (2Q18) to 1.7% (3Q18)** of net revenue. **Sales expenses** totaled R\$569 million, or 9.2% of net revenue, **0.9 p.p. above** the figure recorded in 2Q18 (8.3% of net revenue) due to the increase in transoceanic iron ore freight expenses in cost and freight (CIF) sales.
- In 3Q18, **other net income (expenses)** reached a positive value of R\$178 million, mainly due to the recognition in the results of judicial assets and the valuation of Usiminas shares in the period.
- In 3Q18, **net financial result** was negative by R\$423 million. **Finance costs (ex-variation)** continued to decline, due to the lower Selic rate, since **interest rates on local currency loans** decreased from R\$ 377MM in **3Q17** to R\$ 254 MM in **3Q18**. Inflation adjustments and exchange variations were impacted by the appreciation of the dollar in the period, generating a negative amount of R\$465 million, partially off-set by hedge accounting positions.

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Quarterly Financial Information - September 30, 2018 – CIA SIDERURGICA NACIONAL

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Finance income (costs) - IFRS	(278)	(989)	(423)
Finance income	71	48	336
Finance costs	(348)	(1,037)	(759)
Finance costs (ex-variation)	(629)	(489)	(671)
Exchange rate changes	280	(548)	(88)
Inflation adjustments and exchange rate changes	473	(1,905)	(465)
Hedge accounting	(202)	1,353	380
Derivative gains	10	3	(3)

- **Share of profit of investees** was positive by R\$44 million in **3Q18**, compared to R\$27 million in 2Q18. This result was mainly due to better results in MRS.

MRS Logistics	54	46	61	13%	33%
CBSI	1	1	1	-	-
TLSA	(11)	(8)	(6)	(45%)	(25%)
Arvedi Metalfer BR	-	(2)	(2)	-	-
Eliminations	(6)	(10)	(11)	83%	10%
Share of profit of investees	38	27	44	16%	63%

- In **3Q18**, the Company recorded **net profit of R\$752 million**, totaling R\$3,428 million in 9M18.

Net profit (loss) for the period	256	1,190	752	194%	(37%)
(-) Depreciation	344	312	274	(20%)	(12%)
(+) Income tax and social contribution	128	(635)	240	87%	-
(+) Finance income (costs), net	278	989	423	52%	(57%)
EBITDA (ICVM 527)	1,006	1,855	1,689	68%	(9%)
(+) Other operating income (expenses)	98	(542)	(180)	-	(67%)
(+) Share of loss of investees	(38)	(27)	(44)	16%	63%
(-) Proportional EBITDA in jointly-owned subsidiaries	147	134	162	10%	21%
Adjusted EBITDA	1,213	1,420	1,627	34%	15%

¹The Company's adjusted EBITDA excludes equity interest and other operating income (expenses) as these items should not be considered when calculating the cash flow generated from operating activities.

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- Adjusted **EBITDA** totaled **R\$1,627 million**, against R\$1,420 million in 2Q18, a 15% increase resulted from the operational improvement especially in the mining and logistics segments. **Adjusted EBITDA margin reached 25.2%**, or 1.3 p.p. above the previous quarter.

Adjusted EBITDA Margin is calculated based on Adjusted EBITDA divided by adjusted net revenue, which includes 100% stake in CSN Mining, 37.27% in MRS and 50% in CBSI, as of December/15.

Free Cash Flow

In **3Q18**, operating cash flow, as measured by Free Cash Flow, was R\$838 million, positively influenced by higher EBITDA and a more efficient financial cycle. In the last 12 months, Free Cash Flow reached R\$1,687 million.

¹Our working capital include changes in current assets and current liabilities, disregarding the impacts on the exchange rate variation, as well as non-recurring tax credit in the amount of R\$725MM, related to the exclusion of PIS/COFINS from the ICMS base.

Debt

As of September 30, 2018, net adjusted debt reached R\$ 27,057 million, while net debt/EBITDA ratio, calculated based on adjusted EBITDA of the last twelve months, reached 4.93x. In the quarter, the deleveraging effects from the increased LTM EBITDA led to a reduction of net debt/EBITDA by 0.41x, even considering the impacts of the exchange rate variation on dollarized debt.

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1****Foreign exchange exposure**

The net foreign exchange exposure of our consolidated balance sheet was US\$1,433 million on September 30, 2018, as shown in the table below. It should be noted that within the net FX exposure, a liability of US\$1.0 billion is included in the "Borrowings and financing" line related to the Perpetual Bond, which, due to its nature, will not require disbursement for settlement of the principal amount in the foreseeable future.

The hedge accounting adopted by CSN correlates the projected exports inflow in dollars with part of the scheduled debt payments in the same currency. As a result, the exchange rate changes in the US dollar-denominated debt is temporarily recorded in equity and subsequently recorded in profit or loss when revenues in US dollars from exports occur.

Cash	593	316
Trade receivables	329	359
Other	9	6
Total assets	931	681
Borrowings and financing	(4,237)	(4,250)
Suppliers	(202)	(160)
Other payables	(4)	(4)
Total liabilities	(4,443)	(4,415)
Natural foreign exchange exposure (assets - liabilities)	(3,512)	(3,734)
Derivatives, net	-	-
Cash flow hedge accounting	2,477	2,302
Foreign exchange exposure, net	(1,035)	(1,433)
Perpetual bond	1,000	1,000
Foreign exchange exposure, net (ex-bond)	(35)	(433)

Investments

R\$ 325 million were invested in 3Q18, an increase of 24% over 2Q18, mainly due to project seasonality. The increase in steel and mining expenses are related to investments for better coking/sintering and filtration performance, respectively.

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Steel	92	102	119	168	481	65	134	168
Mining	60	106	115	97	378	116	99	116
Cement	24	20	34	40	118	23	13	13
Logistics	13	11	19	33	76	18	15	25
Other	0	0	6	6	12	2	2	3
Total investments - IFRS	190	239	293	344	1,065	223	263	325

Working capital

To calculate Working capital, CSN adjusts its assets and liabilities as demonstrated below:

- Trade receivables: excludes dividends receivable, advances to employees and other receivables;
- Inventories: includes estimated losses and excludes the spare parts, which are not part of the cash conversion cycle and will be subsequently recorded in Fixed assets when consumed;
- Advanced taxes: solely composed of income tax and social contribution included in line item "Recoverable taxes";
- Taxes payable: composed of line item "Taxes payable", in current liabilities, plus taxes in installments;
- Advances from customers: recognized in line item "Other payables", in current liabilities;

Accordingly, working capital invested in the Company's business **totaled R\$2,727 million in 3Q18, reducing the financial cycle in 9 days** when compared to **2Q18**, due to the

reduction in accounts receivable from the sale of CSN LLC and the decrease in the inventory position, normalized after the truck drivers' strike in 2Q18.

Assets	5,868	6,924	6,432	564	(492)
Trade receivables	2,127	2,269	2,003	(124)	(266)
Inventories	3,545	4,458	4,054	509	(404)
Prepaid taxes	196	197	376	179	179
Liabilities	2,933	3,965	3,705	772	(260)
Trade payables	2,250	3,226	2,934	684	(292)
Payroll and related taxes	296	265	315	19	50
Taxes payable	279	337	323	44	(14)
Advances from customers	108	137	133	24	(4)
Working capital	2,935	2,959	2,727	(208)	(232)
Receipt	37	31	25	(12)	(6)
Payment	61	70	61	-	(9)
Inventories	97	97	85	(12)	(12)
Financial cycle	73	58	49	(24)	(9)

Business segment reporting

The Company maintains integrated operations in five business segments: Steel, Mining, Logistics, Cement and Energy. The main assets and/or companies comprising each segment are presented below:

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As of 2013, the Company no longer reports the proportional consolidation of its jointly-owned subsidiaries Namisa, MRS and CBSI. For the purposes of preparing and presenting the information by business segment, Management decided to maintain the proportional consolidation of the jointly-owned subsidiaries, as historically presented. For purposes of reconciliation of the consolidated result, the amounts recorded by these companies are not included in the "Corporate expenses/elimination" column.

After the closing of 2015, after the combination of CSN's mining assets (Casa de Pedra, Namisa and Tecar), the consolidated result includes this new company's information as a whole.

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Net revenue	4,099	1,659	64	406	104	160	(329)	6,165
Domestic market	2,899	229	64	406	104	160	(678)	3,185
Foreign market	1,200	1,431	-	-	-	-	349	2,980
Cost of goods sold	(3,380)	(882)	(47)	(268)	(70)	(148)	495	(4,299)
Gross profit	719	778	17	138	35	12	167	1,866
SG&A	(221)	(37)	(8)	(24)	(7)	(23)	(355)	(675)
Depreciation	154	70	6	65	4	28	(53)	274
Proportional EBITDA - jointly-owned subsidiaries	-	-	-	-	-	-	162	162
Adjusted EBITDA	652	811	15	179	32	17	(79)	1,627

Net Revenue	4,093	1,331	64	370	113	152	(437)	5,687
Domestic market	2,421	225	64	370	113	152	(661)	2,684
Foreign market	1,672	1,106	-	-	-	-	225	3,003
Cost of goods sold	(3,276)	(855)	(49)	(262)	(74)	(122)	513	(4,124)
Gross profit	817	477	15	108	39	30	77	1,563
SG&A	(264)	(45)	(9)	(25)	(7)	(21)	(218)	(589)
Depreciation	155	102	5	64	4	34	(52)	312

Proportional EBITDA - jointly-owned subsidiaries	-	-	-	-	-	-	134	134
Adjusted EBITDA	708	533	12	147	36	42	(59)	1,420
Net Revenue	3,399	1,204	60	364	103	142	(462)	4,810
Domestic market	2,133	218	60	364	103	142	(638)	2,382
Foreign market	1,265	986	-	-	-	-	176	2,427
Cost of goods sold	(2,845)	(719)	(37)	(242)	(74)	(151)	471	(3,597)
Gross profit	553	486	23	122	29	(9)	8	1,213
SG&A	(253)	(40)	(6)	(21)	(7)	(20)	(143)	(491)
Depreciation	165	122	4	63	5	30	(45)	344
Proportional EBITDA - jointly-owned subsidiaries	-	-	-	-	-	-	147	147
Adjusted EBITDA	465	568	21	164	27	1	(33)	1,213

CSN's steel results

According to the World Steel Association (WSA), **global crude steel production** totaled **457.1** million tonnes (Mton) in 3Q18, or **6.7%** higher than in 3Q17. **Asia** produced **324.9** Mton in 3Q18, **7.8% higher** than the same period in 2017, while the **European Union** and **North America** increased by **0.7%** and **4.4%**, respectively, on the same basis of comparison.

- In **3Q18**, CSN's **plate production** totaled 937 thousand tons, a reduction of 6% compared to 2Q18 due to maintenance stoppage. In turn, the **production of flat rolled products in 3Q18 remained stable** when compared to 3Q17 and 8% lower than 2Q18, totaling 899 thousand tons. **According to data from the Brazilian Steel Institute (IABr)**, in the first nine months of the year, **domestic sales** reached **13.8 million** tons of steel, **up 9.6%** over the same period of the previous year. **Apparent consumption** reached **15.6 million** tons in the same period, **an increase of 8.7%** over the same period of last year. **Brazilian steel production** totaled **26.1 million** tons, **up 2.5%**.

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Total plates (UPV + third parties)	1,069	997	938	(12%)	(6%)
Plate production	1,065	996	937	(12%)	(6%)
Third-party plates	4	0	1	(75%)	-
Total flat rolled products	903	981	899	(0%)	(8%)
Total long rolled products	50	53	51	2%	(3%)

- CSN's **total sales** amounted to 1,290 thousand tons of steel products in **3Q18**, or **2%** and **1%** lower than in 2Q18 and 3Q17, respectively. Adjusting for the effects of the sale of the plant in Terra Haute, USA, total sales would have grown by 4% against 2Q18.

- In **3Q18**, the volume of steel sold by CSN in the **domestic market** totaled 912 thousand tons, **14%** higher than in 2Q18. Of this total, 859 thousand tons refer to flat steel and 53 thousand tons to long steel products. The greater domestic market orientation with **higher performance in the automotive, white goods, packaging and OEM segments** resulted in a **strong increase in sales of cold-rolled flat steel products (+21% - 3Q18x2Q18), galvanized items (+17% - 3Q18x2Q18) and tin plates (+20% - 3Q18x2Q18)**.

- In the **foreign market**, CSN's sales in **3Q18** totaled 378 thousand tons, 28% lower than in the previous quarter mainly due to the sale of CSN LLC at the end of 2Q18 (-12% adjusting to this effect), in addition to the strategy of redirecting galvanized to the domestic market. In

this period, 48 thousand tons were exported directly and 329 thousand tons were sold by the subsidiaries abroad, of which 65 thousand tons by LLC, 185 thousand tons by SWT and 79 thousand tons by Lusosider.

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- In 3Q18, CSN maintained a high **market share of coated products** as a percentage of domestic sales volume (45% in 3Q18 against 44% in 2Q18), following the strategy of adding more value to its product mix. Sales of coated products such as galvanized items and tin plates accounted for 48% of flat steel sales, considering all markets in which the Company operates.

According to **ANFAVEA** (National Association of Automobile Manufacturers), **in the third quarter of 2018, the production of automobiles, light commercial vehicles, trucks and buses** reached 760,226 thousand units, **an increase of 5.05%**, compared to the same period of prior year. **Exports**, in turn, showed a lower performance, totaling 145,258 thousand vehicles sold, a **decrease of 25%** against the same period of the previous year. Anfavea estimates an increase of 11.9% in vehicle production in 2018, to 3.02 million units.

According to **ABRAMAT** (Brazilian Association of the Building Material Industry), **building materials industry revenues increased** by 2.7% in September 2018, compared to the same month a year ago, ergo the association maintains its estimate of growth of 1.5% in the industry revenues in 2018.

According to **IBGE** (Brazilian Institute of Geography and Statistics), **home appliance production** referring to data accumulated from 12 months to August, **registered a growth of 3.1%**, compared to the same period accumulated in 2017.

According to data from **INDA (National Institute of Steel Distributors)** in **3Q18**, distribution purchases **increased by 7%** compared to 3Q17. **Imports closed 3Q18 with a decrease of 12.5%** □□ in relation to the same period of 2017, with a total volume of 324 thousand tons.

- **Net steel revenue** reached R\$4,099 million in 3Q18, stable compared to 2Q18. Excluding distortions resulted from the sale of the plant in the US, net revenue grew 10% in the quarter. In addition to volume growth, the increase was also due to higher average price of steel, both in the domestic market (+5% vs. 2Q18) and in the external market (+8% vs. 2Q18).

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