CBOT HOLDINGS INC
Form 425
June 07, 2007

Filed by Chicago Mercantile Exchange Holdings Inc. pursuant
to Rule 425 under the Securities Act of 1933, as amended, and
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Securities Exchange Act of 1934, as amended.
Subject Company: CBOT Holdings, Inc.
Subject Company s Commission File No.:001-32650

June 7, 2007
Sandler O Neill & Partners
eBrokerage and Global Exchange Conference
2007
Jamie Parisi, CFO
Craig Donohue, CEO

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Discussion of Forward-Looking Statements
Forward-Looking Statements
This
presentation

may contain forward-looking information regarding Chicago Mercantile Exchange Holdings Inc. and CBOT Holdings, Inc. and the combined company after the completion of the merger that are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, the benefits of the business combination transaction involving CME and CBOT, including future financial and operating results, the new company s plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based on current beliefs, expectations, forecasts and assumptions of

CME and CBOT s management which are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Other risks and uncertainties relating to the proposed transaction include, but are not limited to, the satisfaction of conditions to closing; including receipt of shareholder, member, antitrust, regulatory and other approvals on the proposed terms; the proposed transaction may not be consummated on the proposed terms; uncertainty of the expected financial performance of CME following completion of the proposed transaction; CME may not be able to achieve the expected cost savings, synergies and other strategic benefits as a result of the proposed transaction; the integration of CBOT with CME s operations may not be successful or may be materially delayed or may be more costly or difficult than expected; general industry and market conditions; general domestic and international economic conditions; and governmental laws and regulations affecting domestic and foreign operations. For more information regarding other related risks, see Item 1A of the Company s Annual Report on Form 10-K for the year ended December 31, 2006 and Item 1A of CME s Quarterly Report on Form 10-Q for the quarter ended March 31, 2007. Copies of such documents are available online at http://www.sec.gov or on request from the CME. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. Except for any obligation to disclose material information under the Federal securities laws, CME undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. Statements included in this document relating to the ICE offer reflect the views of CME s management.

Certain Information Regarding the Tender Offer after Closing of the Transaction

The information in this document describing CME s planned tender offer following closing of the proposed transaction is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of CME s common stock in the tender offer. The tender offer will be made only pursuant to an Offer to Purchase and related materials that CME will distribute to shareholders of the combined company and only if the proposed transaction with CBOT is consummated. Shareholders should read the Offer to Purchase and the related materials carefully when they become available because they will contain important information, including the various terms and conditions of the tender offer. Subsequent to the closing of the proposed transaction with CBOT, shareholders will be able to obtain a free copy of the Tender Offer Statement on Schedule TO, the Offer to Purchase and other documents that CME will file with the SEC free of

charge
at
www.sec.gov
or
from
Chicago
Mercantile
Exchange
Holdings
Inc.,
Shareholder
Relations
and
Membership
Services,
20
South
Wacker
Drive,
Chicago,
Illinois
60606,
Attention:
Beth
Hausoul.
NOTE:
Unless
otherwise
noted,
all
references
to
CME
volume,
open
interest
and
rate
per
contract
information
in
the
text
of
this
document
exclude
CME s
non-

traditional TRAKRS SM products, for which CME receives significantly lower clearing fees of less than one cent per contract on average, as well as CME Auction Markets products and Swapstream ® products. Unless otherwise noted, all year, quarter and month to date volume is through 6/5/07.

3
CME s Growth Strategy

Globalizing our business
Providing liquidity in all major asset classes

Expanding our customer base worldwide
Deploying our technology globally

Being a leading service provider of transaction processing services

Expanding into over-the-counter/spot markets

Leading product and technology innovation
CME will be the leading global derivatives company by:

4
CME Globex
®
CME Average Daily Volume
Open Outcry

Privately Negotiated
(contracts in 000 s)
6,118
03
02
01
00
04
917
05
06
07
May07 ADV 6.1M
3
rd
highest month
2H
May
07
1H
May
07
2H
Apr
07
1H
Apr
07
Jun
07
to date
7,846
(contracts in 000 s)
Annual
Long Term
Monthly
Short Term
4,537
0
2,000
4,000
6,000
8,000
74%
0
2,000
4,000
6,000
8,000

5
CME Open Interest
Jun. 5,
2007
Jan. 3,

2007
35.7M
Daily Record
56.3M
46.7M
CME Daily Open Interest
(number of contracts outstanding at day s end)
Mar. 5,
2007
30,000,000
35,000,000
40,000,000
45,000,000
50,000,000
55,000,000
60,000,000

6
Core Business Growth Driver -
CME Electronic Options
CME
Total Options ADV

1,344
Open Outcry
CME Globex
2003
2004
2005
2006
2006 +46%
3-Yr CAGR:
41%

Enhance functionality
RFQ/RFC
Covereds
User-defined spreads

Provide pricing/
incentive and market
maker programs
Discounts announced
for May 1
Dec. 31,
2007

Support new bank and
ISV connectivity

Sell, educate and train
2007
Potential annual revenue
opportunity from full migration
*250M
Eurodollar Options
Contracts
30¢+/
contract
X
=
$75M+
*Based upon annualizing current YTD ADV
Growth Strategy
0
500
1,000
1,500
12%

7
Globalizing Our Business
CME Globex live
access from more
than 80 countries

7 European/
Asian hubs

Regionally focused
sales, education and
marketing to key targets

Broadening relationships
in emerging markets
CME provides access to highly liquid markets across all major
asset classes on an industry leading technology platform

Interest rates

Equities

Foreign exchange

Agricultural commodities

Alternative investments

Energy

Metals

8

Future opportunities in
Asia, South America and
possibly Europe

Leading Service Provider in Transaction Processing

Treasuries

Ags

Equities

Metals

Energy

Metals

Soft Commodities
Transaction Processing
Customer Benefits

Scalable platforms

Advanced functionality

CME customer service standards

Broad distribution/network effects

Proven integration/ time-to-market advantages

Increased profit potential through CME scale advantages
May NYMEX energy and metals volume on CME Globex averaged a record 702,000 contracts per day;
May CBOT volume up 44 percent sequentially

9
Transaction Processing
NYMEX on CME Globex
Total Energy ADV
NYMEX on CME Globex vs. ICE

150
300
450
600
OCT
06
DEC
06
FEB
07
569
273
506
448
APR
07
JUN
07
NYMEX Energy
on CME Globex
ICE Futures
(by month; contracts in thousands)
NYMEX on CME Globex leads electronic energy trading

10
Significant Opportunities In Larger OTC/Spot Markets

OTC Foreign Exchange

OTC Interest Rate Swaps
1,880
1,025
498
80
53
Global
FX
OTC
Interest Rates
US
Treasuries
US
Equities
Europe, Middle East
& Africa
Equities
Average Daily Turnover
($ in billions)
Source: BIS 2004 Triennial Survey, SIA, Federal Reserve Bank of New York & World Federation of Exchanges
Celent Report

11
OTC/Spot Market Opportunities

Client acquisition and participation on the platform
is continuing to diversify; pipeline is strong

Liquidity is building; customers expressing
satisfaction with bid/ask spreads and depth of book

Broad geographic reach
Favorable Market Trends

Electronic

Centralized clearing

Algorithmic trading

Transparency/anonymity
0
150
300
450
600
Apr-07
May-07
$331
$509
ADV
(notional value in millions, USD)
June ADV
to date
is running
above $1B

12
CME/CBOT Proposed Merger

Greater immediate and long term growth
opportunities

OTC opportunities are larger with CME
Greater diversity of revenue
Complementary products increase revenue/growth synergies
CME and CBOT are operationally superior and can grow from Day 1
Both companies have proven track records of long-term growth

Greater synergy potential than ICE offer
Cost synergies highly certain and realizable (at least $150M)
Revenue synergies are larger and we believe are more realizable (at least $75M)
Best strategic alternative
Most long term value

13
CME/CBOT Proposed Merger

Minimal execution risk
Flawlessly integrated CCL in 9 months

Flawlessly integrated NYMEX in 2 months
Already have over seven months of detailed integration planning for CME/CBOT merger
Accelerated original trading floor and Globex consolidation dates
Globex
Q1 2008
Trading Floor
Q2 2008

Unparalleled benefits for members and customers
Trading floor consolidation/expense reduction
Decreases costs for members/member firms
Increases sustainability of open outcry businesses
Best strategic alternative
Most long term value

14
CME
CBOT
ICE
CBOT

Platform for Diversified Growth
CBOT/CME have much greater presence
across all major asset classes
CBOT/ICE
CBOT/CME
Note: CME ADV includes NYMEX products on CME Globex and ICE ADV
includes ICE futures and NYBOT futures and options on futures
Q1 2007 Combined ADV by Product Line *(in 000 s)*
0
2,000
4,000
6,000
8,000
8,000
6,000
4,000
2,000
0
Interest
Rates
Equities
FX
Comm
Energy
Metals
6,671
2,305
555
724
586
154
3,032
142
15
818
531
65
Comm
Energy
Metals
Interest
Rates
Equities
FX

15
Superior Cross-Selling

Product complementarities
significantly increase cross

selling opportunities
Significant Revenue Synergies
Greater Product Innovation

Yield curve products

Spread products/functionalities

Strong entry point for credit, corporate bond and cash treasury markets
Largest/Most Scalable Platforms

Trade matching

Clearing processing
Broadest Global Presence

Immediate customer base growth in 80+ countries

Immediate product/business development opportunities
$75M+

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Summary -
Timeline

Revised merger agreement in place; amended S-4 filed

Substantial Compliance with DOJ process, and review nearing completion

Over the next few weeks, extensive schedule of meetings with CBOT members, FCMs and institutional investors

CME and CBOT shareholder and CBOT member votes scheduled for July 9, 2007

CME will launch cash tender offer at $560 per share providing a floor at that level following close

Post-close, in position to integrate quickly and smoothly, while maintaining focus on growth initiatives
CME/CBOT have made tremendous progress since October and are nearing completion

June 7, 2007
Questions?
Jamie Parisi, CFO
Craig Donohue, CEO

GROUND: #ddebf7; PADDING-BOTTOM: 0in; PADDING-TOP: 0in; PADDING-LEFT: 3.5pt; PADDING-RIGHT: 3.5pt" width="1%" align=right>

(109,330)

Balance at September 30,2016 (restated)

3,592,715

325,562

81,008

123,293

3,185,197

336

7,308,111

58,535

58,535

(*) Composed mainly by mineral rights with estimated resources of 1,101 million tons (not audited by independent auditors). Corresponding amortization is recorded based on production volumes.

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

	Consolidated		**Parent Company**	
	09/30/2016	**12/31/2015**	**09/30/2016**	**12/31/2015**
Software	5	5	5	5
Customer relationships	13	13		

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

13. BORROWINGS, FINANCING AND DEBENTURES

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

					Consolidated	
	Rates p.a. (%)	**Current liabilities**		**Non-current liabilities**		**Cu**
		09/30/2016	**12/31/2015**	**09/30/2016**	**12/31/2015**	**09/30/**
FOREIGN CURRENCY						
Prepayment (*)	1% to 3.5%	110,463	207,657	507,489	2,633,137	11
Prepayment (*)	3.51% to 8%	457,016	286,487	4,273,082	3,429,716	50
Perpetual bonds	7%	4,418	5,315	3,246,200	3,904,800	
Fixed rate notes (*)	4.14% to 10%	45,028	175,768	5,507,493	6,910,992	7
Intercompany Bonds (*)	Libor 6M to 3%					14
Forfaiting (**)	Libor + Spread	109,364	288,772			10
Others	1.2% até 8%	97,842	115,594	275,344	425,635	
		824,131	**1,079,593**	**13,809,608**	**17,304,280**	**93**
LOCAL CURRENCY						
BNDES/FINAME	1.3% + TJLP and Fixed rate of 2.5% to 6% + 1.5%	74,327	55,435	1,002,775	1,018,189	4
Debentures	110.8% to 113.7% CDI	518,195	60,670	1,270,383	1,750,000	51
Prepayment (*)	109.5% to 116.5% CDI and fixed rate of 8%	360,908	522,418	5,280,000	5,200,000	28
CCB	112.5% and 113% CDI	90,793	92,976	7,200,000	7,200,000	9
Drawee Risk (**)			84,063			
Others			6,229		12,107	
		1,044,223	**821,791**	**14,753,158**	**15,180,296**	**94**
Total Borrowings and Financing (note 14 I)		**1,868,354**	**1,901,384**	**28,562,766**	**32,484,576**	**1,87**
Transaction Costs and Issue Premiums		(37,144)	(26,703)	(64,969)	(76,742)	(32
Total Borrowings and Financing + Transaction Costs		**1,831,210**	**1,874,681**	**28,497,797**	**32,407,834**	**1,84**

(*) The balances of Prepayments, Fixed Rate Notes and Intercompany Bonds with related parties of Parent company totaled R$11,197,675 on September 30, 2016 (R$13,416,687 on December 31, 2015), see note 19b.

(**) The balances of forfaiting and drawee risk operations totals R$ 109,364 on September 30, 2016 (R$372,835 on December 31, 2015).

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

13.a) Maturities of borrowings, financing and debentures presented in non-current liabilities

As of September 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	442,042	2%	2,023,229	7%
2018	5,630,660	20%	5,711,883	20%
2019	6,929,305	24%	5,301,403	19%
2020	7,459,546	26%	4,649,265	16%
2021	2,214,288	8%	2,803,442	10%
After 2021	2,640,725	9%	7,908,335	28%
Perpetual bonds	3,246,200	11%		
	28,562,766	**100%**	**28,397,557**	**100%**

13.b) Amortization and new borrowings, financing and debentures

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

	Consolidated		Parent Company	
	09/30/2016	**12/31/2015**	**09/30/2016**	**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
Forfaiting funding / Drawee Risk	78,240	924,706	78,240	924,706
Repayment	(664,043)	(2,850,077)	(261,932)	(1,542,921)
Payments - Forfaiting / Drawee Risk	(300,321)	(1,146,306)	(300,321)	(1,146,306)
Payment of charges	(2,492,040)	(2,957,762)	(2,021,307)	(2,656,208)
Payment of charges – Forfaiting / Drawee	(2,368)	(7,064)	(2,368)	(7,064)
Provision of charges	2,391,019	3,052,164	2,002,054	2,996,662
Provision of charges - Forfaiting / Drawee Risk	3,924	2,032	3,924	2,032
Others (1)	(2,975,356)	5,932,558	(3,344,708)	3,161,830
Closing balance	**30,329,007**	**34,282,515**	**30,181,911**	**33,988,090**

(1) Includes interests and unrealized foreign exchange variances.

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

- **Capitalization**

				Consolidated
Transaction	**Financial institution**	**Date**	**Amount**	**Maturity**
Financing - Acquisitions assets - SWT	Kreissparkasse Saalfeld-Rudolstadt	June/16	7,437	January/18
Total			**7,437**	

- **Amortization**

			Consolidated
Transaction	**Principal**	**Charges**	
Fixed Rate Notes	107,048		643,748
Debentures			220,175
Bank Credit Bill			821,637
Export Credit Note	65,000		629,074
Pre - Export Payment	144,218		136,522
BNDES/FINAME	33,146		39,556
Pre - Debt Payment	309,707		
Others	4,924		1,328
Total	**664,043**		**2,492,040**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

- **Covenants**

The Company's loan agreements establish the fulfillment of certain non-financial obligations, as well as maintenance of certain parameters and performance indicators, such as disclosure of its audited financial statements according to regulatory deadlines or payment of commission on risk assumption, if the net debt-EBITDA ratio reaches the levels in those agreements.

On December 31, 2016, the Company has provisioned, due to commission over risk assumption, R$25,311 in consolidated and R$10,060 in the parent Company financial statements,

14. 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 September 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**

						09/30/
Consolidated	**Notes**	**Available for sale**	**Fair value through profit or loss**	**Loans and receivables**	**Other liabilities - amortized cost method**	**Balan**
Assets						
Current						
Cash and cash equivalents	5			5,091,372		5,09
Short-term investments - margin deposit	6			341,684		34
Trade receivables	7			1,790,260		1,79
Derivative financial instruments	9		558			
Trading securities	9		13,037			1
Dividends receivable					26,902	2
Total			**13,595**	**7,223,316**	**26,902**	**7,26**
Non-current						
Other trade receivables	9			15,825		1
Investments	10	1,437,512				1,43
Loans - related parties	9			447,689		44
Total		**1,437,512**		**463,514**		**1,90**
Total Assets		**1,437,512**	**13,595**	**7,686,830**	**26,902**	**9,16**
Liabilities						
Current						
Borrowings and financing	13				1,868,354	1,86
Derivative financial instruments	14		50			
Trade payables	-				1,580,180	1,58
Dividends and interest on capital	14				464,929	46
Total			**50**		**3,913,463**	**3,91**
Non-current						
Borrowings and financing	13				28,562,766	28,56
Total					**28,562,766**	**28,56**
Total Liabilities			**50**		**32,476,229**	**32,47**

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CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version: 1**

- **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	Level 2	09/30/2016 Balances	Level 1	Level 2	12/31/2015 Balances
Assets						
Current						
Financial assets at fair value through profit or loss						
Derivative financial instruments		558	558		118,592	118,592
Trading securities	13,037		13,037	10,778		10,778
Non-current						
Available-for-sale financial assets						
Investments	1,437,512		1,437,512	471,674		471,674
Total Assets	**1,450,549**	**558**	**1,451,107**	**482,452**	**118,592**	**601,044**
Liabilities						
Current						
Financial liabilities at fair value through profit or loss						
Derivative financial instruments		50	50		26,257	26,257
Total Liabilities		**50**	**50**			**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 September 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 September, 2015 amounted to R$ 81,016):

	09/30/2016			**12/31/2015**			**Variation in the period**	
Class of shares	**Quantity**	**Share price**	**Carrying amount**	**Quantity**	**Share price**	**Carrying amount**	**Share price**	**Variation in the carrying amount**
Common	107,156,651	9.45	1,012,630	71,390,300	4.02	286,989	5.43	725,641
Preferred	114,280,556	3.53	403,411	105,215,700	1.55	163,084	1.98	240,327
	221,437,207		**1,416,041**			**450,073**		**965,968**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

On September 30, 2016, the Company's stake in USIMINAS was 15.19% in the common shares and 20.86% in the preferred shares.

On September 30, 2016 the carrying amounts recorded in other comprehensive income for investments available for sale is R$732,596 (R$ (73) as of December 31, 2015).

III - Financial risk management

As of September 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.

14.a) Foreign exchange and interest rate risks

- **Exchange rate risk**

The exchange rate risk arises from the existence of assets and liabilities denominated 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 September 30, 2016 is as follows:

Foreign Exchange Exposure	(Amounts in US$'000)	09/30/2016 (Amounts in €'000)
Cash and cash equivalents overseas	850,704	29,999
Trade receivables	297,880	10,591
Other assets	14,055	37,786
Total Assets	**1,162,639**	**78,376**
Borrowings and financing	(4,392,998)	(96,651)
Trade payables	(17,990)	(36,378)
Other liabilities	(12,266)	(35,326)
Total Liabilities	**(4,423,254)**	**(168,355)**
Foreign exchange exposure	**(3,260,615)**	**(89,979)**
Future dollar	(98,000)	
Cash flow hedge accounting	1,532,667	
Foreign investment hedge		96,000
Net foreign exchange exposure	**(1,825,948)**	**6,021**
Perpetual Bonds	1,000,000	
Net currency exposure of the Perpetual Notes	**(825,948)**	**6,021**

- **Interest rate risk**

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

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

14.b) Hedging instruments: Derivative and hedge accounting

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**

				Appreciation (R$)				
Counterparties	**Maturity date**	**Functional Currency**	**Notional amount**	**Asset position**	**Liability position**	**Fair value (market) Amounts receivable / (payable)**	**Notional amount**	**p**
BM&FBovespa	10/03/2016	Dollar	(98,000)			(50)	1,435,000	
Total forward dollar			**(98,000)**			**(50)**	**1,435,000**	
BBVA		Dollar					39,450	
BNPP	10/07/2016 and 03/09/2017	Dollar	12,334	40,318	(39,760)	558	18,700	
Total dollar-to-euro swap			**12,334**	**40,318**	**(39,760)**	**558**	**58,150**	
Itaú BBA		Real					150,000	
HSBC		Real						

					185,000
Deutsche Bank	Real				10,000
Total Fixed rate-to-CDI interest rate swap					**345,000**
Itaú BBA	Real				30,000
HSBC	Real				120,000
Total interest rate- to-CDI swap					**150,000**
		40,318	**(39,760)**	**508**	

- **Classification of the derivatives in the balance sheet and statement of income**

Instruments	Assets		Liabilities		09/30/2016 Finance Income (expenses), net (note 25)
	Current	Total	Current	Total	
Future Dollar BM&F			50	50	(798,364)
Dollar - to - euro swap	558	558			(6,332)
Fixed rate - to - CDI swap					(299)
CDI - to - fixed rate swap					(63)
	558	**558**	**50**	**50**	**(805,058)**

Instruments	Assets		Liabilities	12/31/2015	09/30/2015 Finance Income (expenses), net (note 25)
	Current	Total	Current	Total	
Dollar - to - CDI swap					

					(18)
Dollar - to - real NDF					786,511
Future Dollar BM&F	110,075	110,075			177,788
Dollar - to - euro NDF					39,668
Dollar - to - euro swap	7,647	7,647			(6,439)
Fixed rate - to - CDI swap			26,257	26,257	(4,977)
CDI - to - fixed rate swap	870	870			1,202
	118,592	**118,592**	**26,257**	**26,257**	**993,735**

- **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 September 30, 2016:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Hedged period	Exchange rate on designation	Designated amounts (US$'000)	Amortizated part (USD'000)	Im fi r
3/11/2014	Export prepayments in US$ 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	(33,333)	
12/18/2014	Export prepayments in US$ to	Part of the highly	Foreign exchange - R$ vs.	May 2020	2.6781	100,000		

	third parties	probable future monthly iron ore exports	US$ spot rate			
07/21/2015	Export prepayments in US$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R$ vs. US$ spot rate	July 2019 - March 2021	3.1813	60,000
07/23/2015	Export prepayments in US$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R$ vs. US$ spot rate	July 2019 - March 2021	3.2850	100,000
07/23/2015	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 2018 - October 2022	3.2850	30,000
07/24/2015	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 2018 - October 2022	3.3254	100,000
07/27/2015	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 2018 - October 2022	3.3557	25,000
07/27/2015	Export prepayments in US$ to third parties	Part of the highly probable future monthly	Foreign exchange - R$ vs. US$ spot rate	October 2018 - October 2022	3.3557	70,000

		iron ore exports					
07/27/2015	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 2018 - October 2022	3.3557	30,000	
07/28/2015	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 2018 - October 2022	3.3815	30,000	
1/8/2015	Export prepayments in US$ to third parties	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	Part of the highly probable future monthly iron ore exports	Foreign exchange - R$ vs. US$ spot rate	October 2018 - October 2022	3.3940	355,000	
Total						**1,566,000**	**(33,333)**

(*) 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 September 30, 2016 are as follows:

	12/31/2015	**Movement**	**Realization**	**09/30/2016**
Cash flow hedge accounting	1,520,089	(1,016,560)	(26,472)	477,057
Income tax and social contribution on cash flow hedge accounting	(516,831)	345,630	9,000	(162,201)
Not recorded Income tax and social contribution on cash flow hedge accounting	516,831	(354,630)		162,201
Cash flow hedge accounting, net of taxes	**1,520,089**	**(1,025,560)**	**(17,472)**	**477,057**

As of September 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.

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- **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 September 30, 2016 are:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Exchange rate on designation	Designated amounts (EUR'000)	09/30/2016 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	37,644
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**	**37,644**

(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 September 30, 2016 are presented below:

	12/31/2015	Movement	Realization	09/30/2016
Net Investment hedge accounting	20,148	(57,792)		(37,644)
Fair value of net investment hedge in foreign operations	**20,148**	**(57,792)**		**(37,644)**

On September 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.

14.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 September 30, 2016.

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

				09/30/2016
Currency	**Exchange rate**	**Probable scenario**	**Scenario 1**	**Scenario 2**
USD	3.2462	3.1412	4.0578	4.8693
EUR	3.6484	3.7230	4.5605	5.4726
USD x EUR	1.1161	1.1867	1.3951	1.6742

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The effects on income statement, considering the scenarios 1 and 2 are shown below:

					09/30/2016
Instruments	**Notional**	**Risk**	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
Future dollar	(98,000)	Dollar	10,290	(79,532)	(159,064)
Hedge accounting of exports	1,532,667	Dollar	(160,930)	1,243,836	2,487,672
Currency position (not including exchange derivatives above)	(2,260,615)	Dollar	342,365	(2,646,152)	(5,292,304)
Consolidated exchange position (including exchange derivatives above)	**(825,948)**	**Dollar**	**191,725**	**(1,481,848)**	**(2,963,696)**
Net Investment hedge accounting	96,000	Euro	7,162	87,562	175,124
Currency position	(89,979)	Euro	(6,712)	(82,070)	(164,140)
Consolidated exchange position (including exchange derivatives above)	**6,021**	**Euro**	**450**	**5,492**	**10,984**
Dollar-to-euro swap	12,334	Dollar	(3,483)	(9,078)	(14,454)

(*) The probable sceneries were calculated considering the fallowing variations to the specified risks: Real x Dollar – appreciation of Real in 2.43% / Real x Euro – depreciation of real in 2.04% / Dollar x Euro – depreciation of dollar in 6.33%. Source: Quotation from Central Bank of Brazil and Central Bank of Europe on 09/29/2017.

- **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 September 30, 2016.

				Consolidated Impact on profit or loss		
Changes in interest rates	**% p.a**	**Assets**	**Liabilities**	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
TJLP	7.50		(1,058,908)	(3,105)	(19,855)	(39,710)
Libor	1.24		(5,283,732)	(64,318)	(16,376)	(32,752)
CDI	14.13	2,020,686	(14,445,089)	(255,670)	(438,892)	(877,784)

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

14.d) Liquidity risk

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

At September 30, 2016	**Less than one year**	**From one to two years**	**From two to five years**	**Over five years**	**Total**
Borrowings, financing and debentures	1,868,354	6,072,702	16,603,139	5,886,925	30,431,120
Derivative financial instruments	50				50
Trade payables	1,580,180				1,580,180
Dividends and interest on capital	464,929				464,929

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IV -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 below:

		09/30/2016		12/31/2015
	Carrying amount	Fair value	Carrying amount	Fair value
Perpetual bonds	3,250,618	1,622,289	3,910,115	1,330,685
Fixed Rate Notes	5,552,521	4,269,328	7,086,760	3,915,310

15. OTHER PAYABLES

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

			Consolidated			
	Current		Non-current		Current	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015	09/30/2016	12/31/2

Payables to related parties (note 19 b)	7,816	6,798			152,815	110
Derivative financial instruments (note 14 I)	50	26,257				
Exclusive funds (1) (note 19b)					50	25
Dividends and interest on capital payable to non- controlling shareholders (note 15 I) (2)	464,929	464,982			2,209	2
Advances from customers	63,071	49,505			52,444	40
Taxes in installments	25,347	24,237	84,007	87,890	9,393	9
Profit sharing - employees	136,958	171,695			90,916	121
Freight provision	36,406	105,104			6,442	10
Provision for industrial restructuring	96,390	122,854			56,402	74
Taxes payable			8,661	7,805		
Other provisions	39,150	30,784			17,990	10
Other payables	100,269	70,801	38,871	35,589	25,151	7
	970,386	**1,073,017**	**131,539**	**131,284**	**413,812**	**411**

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

(2) Dividends payable by the subsidiary CSN Mineração.

16. INCOME TAX AND SOCIAL CONTRIBUTION

16.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:

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

Version: 1

	Nine months ended		Three m
	09/30/2016	**09/30/2015**	**09/30/201**
Income tax and social contribution income (expense)			
Current	(131,201)	(204,117)	(77,11
Deferred	(133,416)	543,095	(45,68
	(264,617)	**338,978**	**(122,79**

	Nine months ended		Three m
	09/30/2016	**09/30/2015**	**09/30/201**
Income tax and social contribution income (expense)			
Current	(51)	(80,307)	
Deferred	5,820	593,287	3,32
	5,769	**512,980**	**3,32**

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:

	Nine months ended	
	09/30/2016 Restated	**09/30/2015**
(Loss)/Profit before income tax and social contribution	**(525,922)**	**(1,100,429)**
Tax rate	34%	34%
Income tax and social contribution at combined statutory rate	**178,813**	**374,146**
Adjustment to reflect the effective rate:		
Equity pickup	33,076	413,046
Profit with differentiated rates or untaxed	(310,782)	766,352
Transfer pricing adjustment	(25,569)	(40,189)

Tax loss carryforwards without recognizing deferred taxes	(907,806)	(42,735)
Limit of Indebtdness	(27,391)	(34,274)
Deferred taxes on temporary differences - non computed (1)	647,432	(1,107,385)
Estimated reversal for deferred IR and CS credits	141,348	
Other permanent deductions (additions)	6,262	10,017
Income tax and social contribution in profit for the period	**(264,617)**	**338,978**
Effective tax rate	**-50%**	**31%**

	Nine months ended	
	09/30/2016 Restated	**09/30/2015**
(Loss)/Profit before income tax and social contribution	**(851,566)**	**(1,273,714)**
Tax rate	34%	34%
Income tax and social contribution at combined statutory rate	**289,532**	**433,063**
Adjustment to reflect the effective rate:		
Equity pickup	(167,830)	1,262,078
Transfer pricing adjustment		(40,189)
Limit of Indebtdness	(27,391)	(34,274)
Tax loss carryforwards without recognizing deferred taxes	(883,415)	
Deferred taxes on temporary differences - non computed (1)	637,152	(1,111,850)
Estimated reversal for deferred IR and CS credits	141,348	
Other permanent deductions (additions)	16,373	4,152
Income tax and social contribution in profit for the period	**5,769**	**512,980**
Effective tax rate	**1%**	**40%**

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

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16.b) Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on income tax losses, 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 Balnce 12/31/2015 Restated	Move Compreensive Income
Deferred		
Income tax losses	417,256	
Social contribution tax losses	161,769	
Temporary Differences	**(1,572,992)**	**42,029**
- Provision for tax. social security, labor, civil and environmental risks	245,923	
- Provision for environmental liabilities	89,290	
- Asset impairment losses	87,152	
- Inventory impairment losses	29,048	
- (Gains)/losses on financial instruments	(5,454)	
- (Gains)/losses on available-for-sale financial assets	947,989	(198,267
- Actuarial liability (pension and healthcare plan)	164,167	
- Accrued supplies and services	92,401	
- Allowance for doubtful debts	38,614	
- Goodwill on merger	9,211	
- Unrealized exchange differences (2)	2,427,926	
- (Gain) on loss of control over Transnordestina	(224,096)	
- Cash flow hedge accounting	516,831	(354,631
-Aquisition Fair values SWT/CBL	(299,574)	39,802

- Defferred income tax and social contribution not constituted	(1,673,904)	496,356
-Estimated loss to deferred tax credits	(3,173,048)	56,542
- Business combination	(1,058,088)	
- Deferred income tax and social contribution on CGPAR business combination (note3)		
- Other	212,620	2,227
Total	**(993,967)**	**42,029**
Total Deferred Assets	78,066	
Total Deferred Liabilities	(1,072,033)	
Total Deferred	**(993,967)**	

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	Opening balance 12/31/2015 Restated	Co
Deferred tax assets		
Income tax losses	226,246	
Social contribution tax losses	93,031	
Temporary differences	**(985,358)**	
- 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	947,989	
- 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	
-Deferred taxes non computed	(1,491,042)	
- Estimated loss to deferred tax credits	(3,173,048)	
- Business Combination	(721,993)	
- Deferred income tax and social contribution on CGPAR business combination (note 3)		
- Other	110,239	
Total	**(666,081)**	
Total Deferred Liabilities	(666,081)	
Total Deferred	**(666,081)**	

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

(**) Deferred taxes over control acquisition – CGPAR as described in note 3.

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 3rd quarter of 2016 such foreign subsidiaries generated profits amounting to R$ 2,036,438. 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$ 571,680.

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.

16.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
	09/30/2016	**12/31/2015**
Income tax and social contribution		
Actuarial gains on defined benefit pension plan	64,632	64,489
Losses estimated for deferred income and social contribuiton tax credits - actuarial	(65,128)	(65,128)
Changes in the fair value on available-for-sale financial assets	(42,696)	38
Actuarial gains and assets available for sale by incorporation	42,696	
Losses estimated for deferred income tax and deferred tax assets available Sale		(38)
Exchange differences on translating foreign operations	(425,510)	(425,510)
Cash flow hedge accounting	145,072	158,880
Losses estimated for deferred IR and CS credits - cash flow hedge	(145,072)	(158,880)
	(426,006)	**(426,149)**

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

On September 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**			
	Accrued liabilities		**Judicial deposits**		**Accrued liabilities**		**Judicial depo**	
	09/30/2016	**12/31/2015**	**09/30/2016**	**12/31/2015**	**09/30/2016**	**12/31/2015**	**09/30/2016**	**1**
Tax	114,512	143,852	80,726	82,472	67,660	82,619	65,320	
Social security	61,713	70,174	46,193	46,193	60,758	69,293	46,193	
Labor	491,168	478,611	191,287	165,027	397,405	388,763	154,960	
Civil	138,413	128,451	17,197	24,634	113,107	103,087	9,461	
Environmental	8,929	17,646	1,190	1,697	2,341	12,536	1,121	
Judicial deposits			8,758	8,519				
	814,735	**838,734**	**345,351**	**328,542**	**641,271**	**656,298**	**277,055**	

The changes in the provision for tax, social security, labor, civil and environmental risks in the year ended September 30, 2016 were as follows:

					Consolidated Current + Non-current
Nature	**12/31/2015**	**Additions**	**Accrued charges**	**Net utilization of reversal**	**09/30/2016**

Tax	143,852		7,873	(37,213)	114,512
Social security	70,174		1,028	(9,489)	61,713
Labor	478,611	47,218	49,083	(83,744)	491,168
Civil	128,451	3,544	13,877	(7,459)	138,413
Environmental	17,646	2,416	573	(11,706)	8,929
	838,734	**53,178**	**72,434**	**(149,611)**	**814,735**

					Parent Company Current + Non-current
Nature	**12/31/2015**	**Additions**	**Accrued charges**	**Net utilization of reversal**	**09/30/2016**
Tax	82,619		4,201	(19,160)	67,660
Social security	69,293		955	(9,490)	60,758
Labor	388,763	30,813	44,409	(66,580)	397,405
Civil	103,087	3,327	11,721	(5,028)	113,107
Environmental	12,536	82	250	(10,527)	2,341
	656,298	**34,222**	**61,536**	**(110,785)**	**641,271**

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

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

	09/30
Assesment and imposition of fine (AIIM) - Income tax and social contribution - Capital gain on sale of Namisa's shares. (note 31)	8,24
Income tax / Social contribution - Assesment and Imposition of Fine (AIIM) - Disallowance of deductions of goodwill generated in the reverse incorporation of Big Jump by Namisa. (note 31)	2,40
Assessment Notice and Imposition of Fine (AIIM) - Income tax / Social contribution - gloss of interest on prepayment arising from supply contracts of iron ore and port services	1,18
Tax foreclosures - ICMS - Electricity credits	81
Installments MP 470 - alleged insufficiency of tax losses	63
Offset of taxes that were not approved by the Federal Revenue Service - IRPJ/CSLL, PIS/COFINS e IPI	1,46
Notices of violation and imposition of fine - Income taxes and socialm contribution due to profits from foreign subsidiaries years 2008,2010 and 2011 (1)	1,60
Disallowance of the ICMS credits - Transfer of iron ore	55
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	27
Disallowance of the tax losses arising on adjustments to the SAPLI	44
Assessment Notice - ICMS - shipping and return merchandise for Industrialization	58
Assessment Notice- Income tax- Capital Gain of CFM vendors located outside	17
CFEM- Divergence on the understanding between CSN and DNPM and DNPM on the calculation basis	34
Other tax (federal, state, and municipal) lawsuits.	2,47
Social security lawsuits	28
Law suit applied by Brazilian antitrust authorities (CADE)	9
Other civil lawsuits	79
Labor and social security lawsuits	1,13
Environmental lawsuits	35
	23,88

(*) 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.

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18. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

On September 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:

	Consolidated		**Parent Company**	
	09/30/2016	**12/31/2015**	**09/30/2016**	**12/31/2015**
Environmental liabilities	256,935	262,290	252,355	259,115
Asset retirement obligations	71,858	66,641		
	328,793	**328,931**	**252,355**	**259,115**

19. RELATED-PARTY BALANCES AND TRANSACTIONS

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.

19.a) Transactions with holding companies

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

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

- **By transaction**

	Current		Non-current		Consolidated Total	
	09/30/2016	**12/31/2015**	**09/30/2016 Restated**	**12/31/2015 Restated**	**09/30/2016**	**12/31/2015**
Assets						
Trade receivables (note 7)	103,693	61,366			103,693	61,366
Dividends receivable (note 7)	26,902	27,817			26,902	27,817
Actuarial assets (note 9)			93,066	114,433	93,066	114,433
Financial investments/ investments	54,504				54,504	
Loans (note 9)			447,689	373,214	447,689	373,214
Other receivables (note 9)	6,677	9,420	32,395	29,020	39,072	38,440
	191,776	**98,603**	**573,150**	**516,667**	**764,926**	**615,270**
Liabilities						
Other payables (Note 15)						
Accounts payable	7,816	6,798			7,816	6,798
Trade payables	91,747	67,443			91,747	67,443
Actuarial liabilities			25,294	25,294	25,294	25,294
	99,563	**74,241**	**25,294**	**25,294**	**124,857**	**99,535**

	09/30/2016	09/30/2015
P&L		
Revenues		
Sales	610,287	564,794
Interest (Note 25)	43,700	52,587
Expenses		
Purchases	(748,007)	(896,414)
Interest (Note 25)	(130)	(375,316)
Foreign exchange and monetary variations, net	(19,043)	
	(113,193)	**(654,349)**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

ITR — Quarterly Financial Information - September 30, 2016 – CIA SIDERURGICA NACIONAL **Version: 1**

- **By company**

	Assets			Liabilities		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Subsidiaries						
Ferrovia Transnordestina Logística S.A				28,054		28,05
				28,054		**28,05**
Joint-venture and Joint-operation						
Itá Energética S.A.				2,653		2,65
MRS Logística S.A.	26,183		26,183	45,200		45,20
CBSI - Companhia Brasileira de Serviços e Infraestrutura	4,071		4,071	15,396		15,39
Transnordestina Logística S.A (1)		428,267	428,267	7,440		7,44
	30,254	**428,267**	**458,521**	**70,689**		**70,68**
Other related parties						
CBS Previdência		93,066	93,066		25,294	25,29
Fundação CSN	1,829		1,829	249		24
Banco Fibra	54,504		54,504			
Usiminas				124		12
Panatlântica	99,623	3,375	102,998	R$ 71.00		R$ 71.0
Ibis Participações e Serviços						
Partifib Projetos Imobiliários	236		236			
	156,192	**96,441**	**252,633**	**444**	**25,294**	**25,73**
Associates						
Arvedi Metalfer do Brasil S.A.	5,330	48,442	53,772	376		37
Discountined Operations						
Cia Metalic Nordeste						

Total at 09/30/2016	**191,776**	**573,150**	**764,926**	**99,563**	**25,294**	**124,85**
Total at 12/31/2015 (Restated)	**98,603**	**516,667**	**615,270**	**74,241**	**25,294**	**99,53**
Total at 09/30/2015						

(1) Transnordestina Logística S.A: Refers mainly to contracts in R$: interest equivalent to 108.0% and 102.0% of CDI. On September 30, 2016, the borrowings carrying amounts totaled to R$428,267 (R$222,727 as of December 31, 2015).

- **By transaction**

						Parent Company
	Current		**Non-current**		**Total**	
	09/30/2016	**12/31/2015**	**09/30/2016 Restated**	**12/31/2015 Restated**	**09/30/2016**	**12/31/2015**
Assets						
Trade receivables (1) (note 7)	791,263	1,140,172			791,263	1,140,172
Dividends receivable (note 7)	721,145	737,668			721,145	737,668
Actuarial asset (note 9)			96,276	112,660	96,276	112,660
Loans (note 9)			324,397	239,930	324,397	239,930
Short-term investments / Investments (2)	1,108,688	1,412,428	86,604	28,078	1,195,292	1,440,506
Exclusive funds (note 9)		110,075				110,075
Other receivables (3) (note 9)	13,530	32,479	338,284	303,441	351,814	335,920
	2,634,626	**3,432,822**	**845,561**	**684,109**	**3,480,187**	**4,116,931**
Liabilities						
Borrowings and financing						
Prepayment (note 13)	46,845	85,987	4,857,536	5,843,050	4,904,381	5,929,037
Fixed Rate Notes and Intercompany Bonds (note 13)	71,369	32,402	3,372,186	4,056,347	3,443,555	4,088,749
Intercompany Loans (note 13)	141,747	1,261,861	2,707,992	2,137,040	2,849,739	3,398,901
	259,961	**1,380,250**	**10,937,714**	**12,036,437**	**11,197,675**	**13,416,687**
Other payables (note 15)						

Trade payables (4)	152,815	110,106	73,982	118,653	226,797	228,759
Exclusive funds (2) (note 15)	50	25,387			50	25,387
Trade payables	141,820	153,559			141,820	153,559
Actuarial liabilities			25,293	25,293	25,293	25,293
	294,685	**289,052**	**99,275**	**143,946**	**393,960**	**432,998**

	09/30/2016	**09/30/2015**
P&L		
Revenues		
Sales	2,075,902	4,508,821
Interest (Note 25)	27,989	18,002
Exclusive funds (Note 25)		1,064,805
Expenses		
Purchases	(1,021,215)	(1,373,312)
Interest	(387,998)	(1,137,175)
Foreing exchange and monetary variations, net	(2,070,443)	(3,989,244)
Exclusive funds	(687,971)	
	(2,063,736)	**(908,103)**

(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$ 1,108,688 as of September 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$86,604 (R$28,078 as of December 31, 2015).
(3) Non-current: Refers mainly to advances for future capital increases, dividends to be received and receivables from acquisition of debentures.
(4) Current: Refers mainly to commission and logistics expenses related to sale of steel to be resale by CSN LLC.
Non-current: Refers mainly to assignment of tax loss credits of income tax and social contribution related to FTL (Ferrovia Transnordestina Logistica)

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- **By company**

	Assets			**Liabilities**	
	Current	**Non-current**	**Total**	**Current**	**Non-curre**
Subsidiaries					
Companhia Metalúrgica Prada (1)	266,075	121,336	387,411	11,650	1
Estanho de Rondônia S.A.	1,061	4,775	5,836	2,215	
Sepetiba Tecon S.A.	10,589	106,079	116,668	22,962	
Minérios Nacional S.A.		9,146	9,146		
CSN Mineração S.A. (2)	698,959		698,959	39,911	
CSN Energia S.A.				16,206	
Ferrovia Transnordestina Logística S.A.	8	39,340	39,348		73,7
Companhia Siderúrgica Nacional, LLC (3)	341,310		341,310	149,595	
CSN Europe Lda.				12,334	99,7
CSN Resources S.A. (4)				227,475	8,237,3
Lusosider Aços Planos, S.A.	74,652		74,652	168	
CSN Islands XI Corp. (5)					1,038,7
CSN Islands XII Corp. (6)				20,150	1,473,7
CSN Ibéria Lda.					88,0
Companhia de Embalagens Metálicas MMSA	5,404	44,859	50,263		
Companhia Florestal do Brasil		5,179	5,179		
Stahlwerk Thüringen GmbH				4,525	
	1,398,058	**330,714**	**1,728,772**	**507,191**	**11,011,69**
Joint-venture e Joint-operation					

ITA Energética S.A	12,188		12,188		
MRS Logística S.A.	13,096		13,096	36,364	
CBSI - Companhia Brasileira de Serviços e Infraestrutura	906		906	10,666	
Transnordestina Logística S.A.		280,150	280,150		
	26,190	**280,150**	**306,340**	**47,030**	
Other related parties					
CBS Previdência		96,276	96,276		25,2
Fundação CSN	1,829		1,829	180	
Banco Fibra					
Usiminas				124	
Panatlântica	99,623	3,375	102,998	71	
Ibis Participações e Serviços					
Partifib Projetos Imobiliários	238		238		
	101,690	**99,651**	**201,341**	**375**	**25,29**
Associates					
Arvedi Metalfer do Brasil S.A.		48,442	48,442		
Exclusive Funds					
Diplic, Caixa Vertice, VR1, BB Steel	1,108,688	86,604	1,195,292	50	
Discountined Operations					
Cia Metalic Nordeste					
Total at 09/30/2016	**2,634,626**	**845,561**	**3,480,187**	**554,646**	**11,036,98**
Total at 12/31/2015 (Restated)	**3,432,822**	**684,109**	**4,116,931**	**1,669,302**	**12,180,3**
Total at 09/30/2015					

(1) Companhia Metalurgica Prada refers mainly to accounts receivable and debentures from CBL amounting to R$266,060 and 121,336, respectively, as of September 30, 2016.
(2) Csn Mineração : Refers mainly to dividends declared by Namisa amounting to R$694,080 and posteriorly assumed by Csn Mineração due to the merger on December 31, 2015. Liabilities: Account payables related to purchases of iron ore and port services.
(3) Companhia Siderurgica Nacional, LLC: On September 30, 2016 the carrying amounts of trade accounts receivable totaled R$ 341,294 (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 September 30, 2016, the loans amounted to R$8,464,815 (R$10,146,701 on December 31, 2015).
(5) CSN Islands XI Corp.: Contracts in US dollars, without interest, maturing on August 2017. On September 30 2016, the loans amounted to R$1,038,784 (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 September 30, 2016, the loans amounted to R$1,493,925 (R$1,784,417 on December 31, 2015).

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19.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 September 30, 2016.

	Nine months ended		**Three months ended**	
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
	Statement of income		**Statement of income**	
Short-term benefits for employees and officers	67,797	30,091	4,661	3,794
Post-employment benefits	256	197	53	80
	68,053	**30,288**	**4,714**	**3,874**

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

20. SHAREHOLDERS' EQUITY

20.a) Paid-in capital

Fully subscribed and paid-in capital as of September 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.

20.b) Authorized capital

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

20.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.

20.d) Ownership structure

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

			09/30/2016			**12/31/2015**
	Number of common shares	**% of total shares**	**% of voting capital**	**Number of common shares**	**% of total shares**	**% of voting capital**
Vicunha Aços S.A.	697,719,990	50.29%	51.41%	697,719,990	50.29%	51.41%
Rio Iaco Participações S.A.	58,193,503	4.19%	4.29%	58,193,503	4.19%	4.29%
Caixa Beneficente dos Empregados da CSN - CBS	20,143,031	1.45%	1.48%	20,143,031	1.45%	1.48%
BNDES Participações S.A. – BNDESPAR	8,794,890	0.63%	0.65%	8,794,890	0.63%	0.65%
NYSE (ADRs)	323,994,764	23.35%	23.87%	336,435,464	24.25%	24.79%
BM&FBovespa	248,286,869	17.89%	18.30%	235,846,169	17.00%	17.38%
Total shares outstanding	**1,357,133,047**	**97.81%**	**100.00%**	**1,357,133,047**	**97.81%**	**100.00%**
Treasury shares	30,391,000	2.19%		30,391,000	2.19%	
Total shares	**1,387,524,047**	**100.00%**		**1,387,524,047**	**100.00%**	

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20.e) Treasury shares

The Board of Directors authorized various share buyback programs in order to hold shares in treasury for subsequent disposal and/or cancelation with a view to maximizing the generation of value to the shareholder through an efficient capital structure management, as shown in the table below:

Program	Board's Authorization	Authorized quantity	Program period	Average buyback price	Minimum and maximum buyback price	bo
1º	3/13/2014	70,205,661	From 3/14/2014 to 4/14/2014	R$ 9.34	R$ 9.22 and R$ 9.45	
2º	4/15/2014	67,855,661	From 4/16/2014 to 5/23/2014	R$ 8.97	R$ 8.70 and R$ 9.48	
3º	5/23/2014	58,326,161	From 5/26/2014 to 6/25/2014	R$ 9.21	R$ 8.61 and R$ 9.72	
4º	6/26/2014	26,781,661	From 6/26/2014 to 7/17/2014	R$ 10.42	R$ 9.33 and R$ 11.54	
	7/18/2014			Not applicable	Not applicable	
5º	7/18/2014	64,205,661	From 7/18/2014 to 8/18/2014	R$ 11.40	R$ 11.40	
	8/19/2014			Not applicable	Not applicable	
6º	8/19/2014	63,161,055	From 8/19/2014 to 9/25/2014	R$ 9.82	R$ 9.47 and R$ 10.07	
7º	9/29/2014	56,369,755	From 9/29/2014 to 2/29/2014	R$ 7.49	R$ 4.48 and R$ 9.16	
8º	12/30/2014	34,611,155	From 12/31/2014 to 3/31/2015	R$ 5.10	R$ 4.90 and R$ 5.39	
9º (*)	03/31/2015	32,770,055	From 4/01/2015 to 6/30/2015			

(*) There were no share buyback in this program.
(1) In 2014 the Board of Directors approved the cancelation of 70,446,061 treasury shares without change in the Company's share capital.

As of September 30, 2016, the position of the treasury shares was as follows:

Quantity purchased (Units)	Amount paid for the shares	Share price			Market price of the shares on 09/30/2016
		Minimum	Maximum	Average	

					(*)
30,391,000	R$ 238,976	R$ 4.48	R$ 10.07	R$ 7.86	R$ 276,254

(*) Using the last share quotation on BM&F Bovespa as of September 30, 2016 of R$ 9.09 per share.

20.f) Policy on investments and payment of interest on capital and dividends

At a meeting held on December 11, 2000, the Board of Directors decided to adopt a profit distribution policy which, after compliance with the provisions in Law 6,404/76, as amended by Law 9,457/97, will entail the distribution of all the profit to the Company's shareholders, provided that the following priorities are observed, irrespective of their order: (i) carrying out the business strategy; (ii) fulfilling its obligations; (iii) making the required investments; and (iv) maintaining a healthy financial situation of the Company.

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20.g) Earnings/(loss) per share:

Basic earnings per share were calculated based on the profit attributable to the owners of CSN divided by the weighted average number of common shares outstanding during the period, excluding the common shares purchased and held as treasury shares, as follows:

				Parent Company
	Nine months ended		**Three months ended**	
	09/30/2016 Restated	**09/30/2015**	**09/30/2016 Restated**	**09/30/2015**
	Common Shares		**Common Shares**	
Loss for the period				
Continuing operations	(845,797)	(760,734)	(91,261)	(531,785)
Discontinued operations	(6,786)	6,009	(6,984)	(728)
	(852,583)	**(754,725)**	**(98,245)**	**(532,513)**
Weighted average number of shares	1,357,133,047	1,357,155,727	1,357,133,047	1,357,133,047
Basic and diluted EPS				
Continuing operations	(0.62322)	(0.56054)	(0.06725)	(0.39184)
Discontinued operations	(0.00500)	0.00443	(0.00515)	(0.00054)
	(0.62822)	**(0.55611)**	**(0.07240)**	**(0.39238)**

The Company does not hold potential dilutable outstanding ordinary shares that could result in dilution of earnings per share.

21. PAYMENT TO SHAREHOLDERS

The table below shows the dividends approved and paid for the last years:

Year	Approval Year	Dividends	Total	Year	Payment Year	Dividends	Total
2015	2015	275,000	275,000		2015	274,917	274,917
				2015	2015	274,918	274,918
					2016	53	-
Total approved		**975,000**	**975,000**	**Total paid**		**974,827**	**974,774**

22. NET SALES REVENUE

Net sales revenue is comprised as follows:

				Consolidated
	Nine months ended		**Three months ended**	
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
Gross revenue				
Domestic market	7,371,413	7,984,752	2,759,992	2,374,081
Foreign market	7,178,900	5,703,114	2,407,216	2,169,442
	14,550,313	**13,687,866**	**5,167,208**	**4,543,523**
Deductions				
Cancelled sales and discounts	(146,206)	(217,481)	(43,733)	(69,244)
Taxes on sales	(1,773,754)	(1,861,162)	(654,235)	(540,675)
	(1,919,960)	**(2,078,643)**	**(697,968)**	**(609,919)**
Net revenue	**12,630,353**	**11,609,223**	**4,469,240**	**3,933,604**

				Parent Company
	Nine months ended		Three months ended	
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
Gross revenue				
Domestic market	6,945,805	7,463,589	2,653,390	2,192,096
Foreign market	1,247,918	3,483,905	287,914	1,493,635
	8,193,723	**10,947,494**	**2,941,304**	**3,685,731**
Deductions				
Cancelled sales and discounts	(131,468)	(217,676)	(40,483)	(84,736)
Taxes on sales	(1,604,820)	(1,682,231)	(612,700)	(482,287)
	(1,736,288)	**(1,899,907)**	**(653,183)**	**(567,023)**
Net revenue	**6,457,435**	**9,047,587**	**2,288,121**	**3,118,708**

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23. EXPENSES BY NATURE

				Consolidated
	Nine months ended		Three months ended	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Raw materials and inputs	(3,292,835)	(3,781,011)	(1,170,470)	(1,144,473)
Labor cost	(1,861,056)	(1,378,334)	(576,707)	(506,876)
Supplies	(1,047,124)	(816,927)	(314,546)	(293,720)
Maintenance cost (services and materials)	(935,975)	(769,140)	(287,218)	(281,791)
Outsourcing services	(2,643,093)	(2,392,306)	(889,847)	(895,103)
Depreciation, amortization and depletion (note 11 a)	(922,985)	(824,051)	(311,351)	(283,298)
Others	(397,429)	(247,999)	(130,121)	(118,111)
	(11,100,497)	**(10,209,768)**	**(3,680,260)**	**(3,523,372)**
Classified as:				
Cost of sales	(9,470,412)	(8,851,521)	(3,157,057)	(2,993,905)
Selling expenses	(1,247,971)	(1,018,483)	(405,411)	(409,430)
General and administrative expenses	(382,114)	(339,764)	(117,792)	(120,037)
	(11,100,497)	**(10,209,768)**	**(3,680,260)**	**(3,523,372)**

				Parent Company
	Nine months ended		Three months ended	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Raw materials and inputs	(2,468,848)	(2,537,506)	(935,172)	(852,537)
Labor cost	(1,041,077)	(1,168,079)	(316,876)	(436,796)
Supplies	(746,352)	(803,940)	(227,480)	(290,705)
Maintenance cost (services and materials)	(542,163)	(759,403)	(151,814)	(278,899)
Outsourcing services	(772,395)	(1,551,830)	(249,105)	(570,909)
Depreciation, amortization and depletion (note 11 a)	(418,828)	(651,952)	(143,606)	(227,396)
Others	(112,689)	(208,895)	(31,381)	(97,562)
	(6,102,352)	**(7,681,605)**	**(2,055,434)**	**(2,754,804)**
Classified as:				
Cost of sales	(5,370,811)	(6,929,971)	(1,825,749)	(2,472,690)
Selling expenses	(448,060)	(479,481)	(141,831)	(185,331)
General and administrative expenses	(283,481)	(272,153)	(87,854)	(96,783)
	(6,102,352)	**(7,681,605)**	**(2,055,434)**	**(2,754,804)**

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24. OTHER OPERATING INCOME (EXPENSES)

	Nine months ended		Three m
	09/30/2016	**09/30/2015**	**09/30/201**
Other operating income			
Indemnities/gains on lawsuits	26,137	4,402	1,17
Rentals and leases	1,059	858	48
Dividends received		5,268	
Untimely PIS/COFINS/ICMS credits	128,083	12,067	128,08
Contractual fines		1,622	
Gain on business combination (note 3)	28,013		28,01
Other revenues	19,325	23,908	10,84
	202,617	**48,125**	**168,60**
	-	**-**	
Other operating expenses	**-**	**-**	
Taxes and fees	(94,803)	(8,858)	(4,63
Write-off/(Provision) of judicial deposits	(20,711)	(3,011)	(3,54
Expenses from enviromental liabilities, net	(2,065)	(1,863)	(1,52
Provision for tax, social security, labor, civil and environmental risks, net	(115,428)	(189,308)	(43,05
Depreciation of unused equipment and amortization of intangible assets (note 11a)	(33,730)	(29,426)	(10,42
Write-off of PPE and intangible assets (note 11 and 12)	(61,791)	(4,773)	(34,80
Inventory impairment losses/reversals(note8)	(27,101)	6,418	(39,61
Losses on spare parts	(8,760)	(35,019)	(1,28
Studies and project engineering expenses	(21,539)	(30,241)	(8,29
Research and development expenses	(1,690)	(2,477)	(52
Healthcare plan expenses	(59,497)	(41,396)	(25,58
Impairment of available-for-sale financial assets	-	(178,867)	
Other expenses	(54,497)	(50,733)	2,90
	(501,612)	**(569,554)**	**(170,37**
Other net operating income (expenses)	**(298,995)**	**(521,429)**	**(1,77**

	Nine months ended		Three m
	09/30/2016	**09/30/2015**	**09/30/201**
Other operating income			
Indemnities/gains on lawsuits	3,530	4,110	95
Rentals and leases	992	858	44
Dividends received		5,268	
Untimely PIS/COFINS/ICMS credits	121,090	12,067	121,09
Contractual fines	731	2,124	73
Gain on business combination (note 3)	28,013		28,01
Other revenues	2,364	4,245	91
	156,720	**28,672**	**152,15**
Other operating expenses			
Taxes and fees	(13,975)	(5,333)	(87
Write-off/(Provision) of judicial deposits	(11,885)	(3,016)	5,28
Provision for environmental risks	(482)	(1,863)	(1,22
Provision for tax, social security, labor, civil and environmental risks, net of reversals	(98,569)	(175,826)	(31,41
Write-off of PPE and intagible assets (note 11 and 12)	(20,751)	(3,935)	(2
Inventory impairment losses/reversals (note 8)	(10,380)	5,600	(9,96
Losses on spare parts	(2,369)	(35,019)	(1,28
Studies and project engineering expenses	(20,669)	(30,075)	(8,21
Research and development expenses	(1,690)	(2,477)	(52
Healthcare plan expenses	(59,502)	(41,396)	(25,58
Impairment of available-for-sale financial assets	-	(178,867)	
Other expenses	(28,844)	(37,144)	(5,82
	(269,116)	**(509,351)**	**(79,64**
Other net operating income (expenses)	**(112,396)**	**(480,679)**	**72,50**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

25. FINANCE INCOME (EXPENSES)

				Consolidated
	Nine months ended		Three months ended	
	09/30/2016		09/30/2016	
	Restated	**09/30/2015**	**Restated**	**09/30/2015**
Finance income				
Related parties (note 19 b)	43,700	52,587	16,226	20,468
Income from short-term investments	223,609	127,786	86,345	75,669
Gain from derivative		1,202		264
Repurchase of debt securities	170,275		13,946	
Other income	85,411	20,721	23,906	9,045
	522,995	**202,296**	**140,423**	**105,446**
Finance expenses				
Borrowings and financing - foreign currency	(706,611)	(673,136)	(218,727)	(256,106)
Borrowings and financing - local currency	(1,688,332)	(1,557,024)	(579,608)	(575,696)
Related parties (note 19 b)	(130)	(375,316)		(119,229)
Capitalized interest (notes 11 and 29)	164,942	116,122	54,067	45,639
Losses on derivatives	(362)	(4,977)		(1,381)
Interest, fines and late payment charges	(25,700)	(14,836)	(5,521)	(2,216)
Commissions and Bank charges	(118,239)	(59,370)	(49,682)	(19,232)
Pis/Cofins from financial Income	(31,936)	(43,650)	(6,671)	(43,650)
Other finance expenses	(64,161)	(66,333)	(17,371)	(38,199)
	(2,470,529)	**(2,678,520)**	**(823,513)**	**(1,010,070)**
Inflation adjustment and exchange differences, net				
Inflation adjustments, net	(15,974)	9,750	203	2,269
Exchange rates, net	922,948	(1,724,331)	(70,228)	(1,290,629)
Exchange gain (losses) on derivatives	(804,696)	997,510	2,823	643,939
	102,278	**(717,071)**	**(67,202)**	**(644,421)**
Finance income (expenses), net	**(1,845,256)**	**(3,193,295)**	**(750,292)**	**(1,549,045)**

Statement of gains and (losses) on derivative transactions				
Dollar-to-CDI swap		(18)		
Dollar - to - real NDF		786,511		469,706
Future Dollar BM&F	(798,364)	177,788	2,257	177,788
Dollar - to - euro NDF		39,668		
Dollar - to - euro swap	(6,332)	(6,439)	566	(3,555)
	(804,696)	**997,510**	**2,823**	**643,939**
Fixed rate - to - CDI swap	(299)	(4,977)		(1,381)
CDI - to - fixed rate swap	(63)	1,202		264
	(362)	**(3,775)**		**(1,117)**
	(805,058)	**993,735**	**2,823**	**642,822**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

				Parent Company
	Nine months ended		Three months ended	
	09/30/2016 Restated	09/30/2015	09/30/2016 Restated	09/30/2015
Finance income				
Related parties (note 19 b)	27,989	1,082,807	10,369	699,279
Income from short-term investments	69,078	33,353	33,229	20,434
Other income	55,255	17,655	22,053	7,046
	152,322	**1,133,815**	**65,651**	**726,759**
Finance expenses				
Borrowings and financing - foreign currency	(167,840)	(145,621)	(53,153)	(59,601)
Borrowings and financing - local currency	(1,450,141)	(1,343,380)	(497,591)	(496,871)
Related parties (note 19 b)	(1,075,969)	(1,137,175)	(92,033)	(423,779)
Capitalized interest (notes 11 and 29)	96,828	116,122	33,886	45,639
Interest, fines and late payment charges	(7,605)	(9,794)	(409)	(1,330)
Commissions and Bank charges	(95,981)	(49,483)	(31,796)	(17,150)
Pis/Cofins from financial Income	(25,895)	(39,973)	(6,219)	(39,973)
Other finance expenses	(40,885)	(60,568)	(11,615)	(35,265)
	(2,767,488)	**(2,669,872)**	**(658,930)**	**(1,028,330)**
Inflation adjustment and exchange differences, net				
Inflation adjustments, net	(14,240)	(12,937)	(3,546)	(5,076)
Exchange rates, net	2,028,770	(4,322,016)	(116,296)	(2,980,771)
	2,014,530	**(4,334,953)**	**(119,842)**	**(2,985,847)**
Finance income (expenses), net	**(600,636)**	**(5,871,010)**	**(713,121)**	**(3,287,418)**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

26. SEGMENT INFORMATION

The segment information has not changed compared to the disclosed in the Company's financial statements as of December 31, 2015, therefore, the management decided not to repeat them in these condensed interim financial information.

According to the Group´s structure, the businesses are distributed and managed in five operating segments as follows:

P&L	**Steel**	**Mining**	**Logistics**		**Energy**	**Cement**
			Port	**Railroads**		
Metric tons (thou.) - (unaudited) (*)	3,670,243	27,792,213				2,015,76
Net revenues						
Domestic market	5,000,882	373,769	145,405	995,997	201,713	362,81
Foreign market	3,553,403	2,891,097				
Total net revenue (note 22)	**8,554,285**	**3,264,866**	**145,405**	**995,997**	**201,713**	**362,81**
Cost of sales and services	(7,059,177)	(2,302,736)	(107,331)	(677,624)	(147,598)	(334,320
Gross profit	**1,495,108**	**962,130**	**38,074**	**318,373**	**54,115**	**28,49**

General and administrative expenses	(652,786)	(52,068)	(19,332)	(74,044)	(18,568)	(54,248
Depreciation (note 11 a)	499,654	337,383	9,996	169,353	12,836	45,34
Proportionate EBITDA of joint ventures						
Adjusted EBITDA	**1,341,976**	**1,247,445**	**28,738**	**413,682**	**48,383**	**19,58**
Sales by geographic area						
Asia	30,814	2,487,222				
North America	1,490,339					
Latin America	198,366					
Europe	1,809,045	318,091				
Others	24,839	85,784				
Foreign market	**3,553,403**	**2,891,097**				
Domestic market	**5,000,882**	**373,769**	**145,405**	**995,997**	**201,713**	**362,81**
Total	**8,554,285**	**3,264,866**	**145,405**	**995,997**	**201,713**	**362,81**

P&L	**Steel**	**Mining**	**Logistics**		**Energy**	**Cement**
			Port	**Railroads**		
Metric tons (thou.) - (unaudited) (*)	1,171,543	10,229,984				849,94
Net revenues						
Domestic market	1,893,365	145,409	50,291	355,494	67,644	139,70
Foreign market	973,962	1,161,860				
Total net revenue (note 22)	**2,867,327**	**1,307,269**	**50,291**	**355,494**	**67,644**	**139,70**
Cost of sales and services	(2,300,364)	(810,708)	(37,137)	(236,653)	(48,639)	(130,885
Gross profit	**566,963**	**496,561**	**13,154**	**118,841**	**19,005**	**8,82**
General and administrative	(183,489)	(15,497)	(7,723)	(23,642)	(6,588)	(19,522

expenses						
Depreciation (note 11 a)	168,946	118,051	3,378	57,198	4,277	15,09
Proportionate EBITDA of joint ventures						
Adjusted EBITDA	**552,420**	**599,115**	**8,809**	**152,397**	**16,694**	**4,39**
Sales by geographic area						
Asia	2,614	1,047,724				
North America	401,920					
Latin America	55,867					
Europe	503,239	114,136				
Others	10,322					
Foreign market	**973,962**	**1,161,860**				
Domestic market	**1,893,365**	**145,409**	**50,291**	**355,494**	**67,644**	**139,70**
Total	**2,867,327**	**1,307,269**	**50,291**	**355,494**	**67,644**	**139,70**

(*) The volume of sales presented hereto considers the sales of the company together with the sales of its affiliates and joint ventures.

P&L	Steel	Mining	Logistics Port	Logistics Railroads	Energy	Cement
Metric tons (thou.) - (unaudited) (*)	3,859,824	17,692,070				1,679,64
Net revenues						
Domestic market	5,284,115	86,840	150,387	826,422	183,960	329,52
Foreign market	3,339,901	2,193,328				
Total net revenue (note 22)	**8,624,016**	**2,280,168**	**150,387**	**826,422**	**183,960**	**329,52**
Cost of sales and services	(6,859,881)	(1,725,772)	(99,896)	(581,275)	(145,392)	(241,09
Gross profit	**1,764,135**	**554,396**	**50,491**	**245,147**	**38,568**	**88,42**
General and administrative expenses	(687,890)	(47,186)	(15,650)	(66,474)	(17,158)	(52,02
Depreciation (note 11 a)	492,869	271,853	9,520	139,010	12,795	32,45
Proportionate EBITDA of joint ventures						
Adjusted EBITDA	**1,569,114**	**779,063**	**44,361**	**317,683**	**34,205**	**68,86**
Sales by geographic area						
Asia	15,522	2,033,115				
North America	1,415,385					
Latin America	274,614	42,730				
Europe	1,589,826	117,483				

Others	44,554					
Foreign market	**3,339,901**	**2,193,328**				
Domestic market	**5,284,115**	**86,840**	**150,387**	**826,422**	**183,960**	**329,52**
Total	**8,624,016**	**2,280,168**	**150,387**	**826,422**	**183,960**	**329,52**

	Steel	**Mining**	**Logistics**		**Energy**	**Cement**
			Port	**Railroads**		
Metric tons (thou.) - (unaudited) (*)	1,191,366	6,931,406				582,00
Net revenues						
Domestic market	1,538,645	13,999	60,194	295,386	59,913	113,56
Foreign market	1,198,251	927,916				
Total net revenue (note 22)	**2,736,896**	**941,915**	**60,194**	**295,386**	**59,913**	**113,56**
Cost of sales and services	(2,269,842)	(624,749)	(37,293)	(202,390)	(50,395)	(99,16
Gross profit	**467,054**	**317,166**	**22,901**	**92,996**	**9,518**	**14,40**
General and administrative expenses	(248,924)	(16,316)	(4,058)	(22,494)	(5,978)	(18,58
Depreciation (note 11 a)	167,761	94,495	3,175	48,010	4,278	12,88
Proportionate EBITDA of joint ventures						
Adjusted EBITDA	**385,891**	**395,345**	**22,018**	**118,512**	**7,818**	**8,70**
Sales by geographic area						
Asia	4,910	862,602				
North America	571,636					
Latin America	90,243					
Europe	504,698	65,314				
Others	26,764					
	1,198,251	**927,916**				

Foreign market						
Domestic market	**1,538,645**	**13,999**	**60,194**	**295,386**	**59,913**	**113,56**
Total	**2,736,896**	**941,915**	**60,194**	**295,386**	**59,913**	**113,56**

(*) The iron ore volumes (Mining segment) presented in this note considered the company's sales and sales from its subsidiaries and jointly ventures. (In 2015, considers 60% interest in Namisa).

- **Adjusted EBITDA**

Adjusted EBITDA is the measurement based on which the chief operating decision maker assesses the segment performance and the capacity to generate recurring operating cash, consisting of profit for the year less net finance income (costs), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, results of discontinued operations and other operating income (expenses), plus the proportionate EBITDA of joint ventures.

Even though it is an indicator used in segment performance measurement, EBITDA is not a measurement recognized by accounting practices adopted in Brazil or IFRS, it does not have a standard definition, and may not be comparable with measurements using similar names provided by other entities.

As required by IFRS 8, the table below shows the reconciliation of the measurement used by the chief operating decision maker with the results determined using the accounting practices:

			C
	Nine months ended		**Three months e**
	09/30/2016 Restated	**09/30/2015**	**09/30/2016 Restated**
Loss for the period	(797,325)	(755,442)	(66,751)
Result in descontinued operations	6,786	(6,009)	6,984
Depreciation / amortization / depletion (note 11 a)	922,985	824,051	311,351
Finance income (cost) (note 25)	264,617	(338,978)	122,796
Resultado financeiro (nota 25)	1,845,256	3,193,295	750,292
EBITDA	**2,242,319**	**2,916,917**	**1,124,672**
Other operating income / (expenses) (note 24)	298,995	521,429	1,776
Equity in results of affiliated companies	(88,473)	(1,214,840)	(26,117)
Proportionate Ebitida of joint ventures	373,024	341,936	138,223
Adjusted EBITDA (*)	**2,825,865**	**2,565,442**	**1,238,554**

(*) The Company discloses its adjusted EBITDA net of its share of investments and other operating income (expenses) because it understands that these should not be included in the calculation of recurring operating cash generation.

27. GUARANTEES

The Company is liable for guarantees of its subsidiaries and joint ventures as follows:

	Currency	**Maturities**	**Borrowings**		**Tax fore**
			09/30/2016	**12/31/2015**	**09/30/2016**
Transnordestina Logísitca	R$	Up to 09/19/2056 and Indefinite	2,544,600	2,544,600	23,007
FTL - Ferrovia Transnordestina	R$	11/15/2020	81,700	81,700	
Sepetiba Tecon	R$	Indefinite			
Cia Metalurgica Prada	R$	Indefinite			333
CSN Energia	R$	Indefinite			2,829
Congonhas Minérios	R$	09/22/2022	2,000,000	2,000,000	
Fundação CSN	R$	Indefinite		1,003	
Others	R$			12,000	
Total in R$			**4,626,300**	**4,639,303**	**26,169**
CSN Islands XI	US$	09/21/2019	750,000	750,000	
CSN Islands XII	US$	Perpetual	1,000,000	1,000,000	
CSN Resources	US$	07/21/2020	1,200,000	1,200,000	
Total in US$			**2,950,000**	**2,950,000**	
CSN Steel S.L.	EUR	1/31/2020	120,000	120,000	
Lusosider Aços Planos	EUR	Indefinite	25,000	25,000	
Total in EUR			**145,000**	**145,000**	
Total in R$			**10,105,308**	**12,135,468**	
			14,731,608	**16,774,771**	**26,169**

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28. INSURANCE

Aiming to properly mitigate risk and in view of the nature of its operations, the Company and its subsidiaries have taken out several different types of insurance policies. Such policies are contracted in line with the CSN Risk Management policy and are similar to the insurance taken out by other companies operating in the same lines of business as CSN and its subsidiaries. The risks covered under such policies include the following: Domestic Transportation, International Transportation, Life and Casualty, Health Coverage, Fleet Vehicles, D&O (Civil Liability Insurance for Directors and Officers), General Civil Liability, Engineering Risks, naming Risks, Export Credit, warranty and Port Operator's Civil Liability.

In 2015, after negotiation with insurers and reinsurers in Brazil and abroad, an insurance policy was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from September 30, 2015 to October 30, 2016. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US$600 million and covers the following units and subsidiaries of the Company: Presidente Vargas steelworks, CSN Mineração, Sepetiba Tecon, and CSN Mining. CSN takes responsibility for a range of retention of US$375 million in excess of the deductibles for property damages and loss of profits.

In view of their nature, the risk assumptions adopted are not part of the scope of an audit of the financial statements and, accordingly, were not audited by our independent auditors.

29. ADDITIONAL INFORMATION TO CASH FLOWS

The following table provides additional information on transactions related to the statement of cash flows:

		Consolidated		Parent Company
	09/30/2016	**09/30/2015**	**09/30/2016**	**09/30/2015**
Income tax and social contribution paid	209,473	134,667		120,075
Addition to PP&E with interest capitalization (Notes 11 and 25)	164,942	116,122	96,828	116,122
Acquisition of fixed assets without adding cash	7,437			
Subsidiary capitalization from granted loan			12,862	
	381,852	**250,789**	**109,690**	**236,197**

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30. COMPREHENSIVE INCOME STATEMENT

	Nine mor
	09/30/2016
(Loss)/ Profit for the period	**(797,325)**
Other comprehensive income	
Items that will not be subsequently reclassified to the statement of income	
Actuarial (loss) gain the defined benefit plan from investments in subsidiaries, net of taxes	143
Actuarial (losses)/gains on defined benefit pension plan	
Income tax and social contribution on actuarial (losses)/gains on defined benefit pension plan	
	143
Items that could be subsequently reclassified to the statement of income	
Cumulative translation adjustments for the period	(386,136)
Assets available for sale	775,403
Income taxes and social contribution available for sale assets	
Available for sale assets from investments in subsidiaries, net of taxes	
Impairment on available for sale assets	
Income taxes and social contribution on impairment of available for sale assets	
(Loss) / gain on the percentage change in investments	1,324
(Loss)/gain on cash flow hedge accounting	1,016,560
Income tax and social contribution on (loss)/gain on cash flow hedge accounting	
Realization of cash flow hedge accounting reclassified to income statements	26,472
(Loss)/gain on investments hedge of investments in subsidiaries	
(Loss)/gain on foreing investment hedge	57,792

	1,491,417
	1,491,560
Total comprehensive income for period	**694,235**
Attributable to:	
Participation of controlling interest	638,977
Participation of non - controlling interest	55,258
	694,235

31. SUBSEQUENT EVENTS

• **Possible Proceedings**

• **Significant development of Proceeding No. 19515.723039/2012-79**

In February 2017, the Company was notified of the judgment of the Amendment of Judgment filed due the CARF's decision on case 19515.723039 / 2012-79, in which the Federal Revenue Service of Brazil challenges the capital gain on the alleged sale of 40% of NAMISA (currently CSN Mineração S.A.). The CARF, in short, agreed with the infringement notice. The Company, however, is taking of the lawfulness of the operation and, therefore, is evaluating the appropriate legal and procedural measures to reverse the decision. It is important to emphasize, finally, that this decision does not alter the assessment of loss on the case, which remains as possible, see note 17.

• **Significant development of Proceeding No. 19515.723053/2012-72**

The Superior Board of Tax Appeals of CARF ruled on 03/14/2017 a special appeal by the National Treasury against a previous decision favorable to Namisa, (currently CSN Mineração S.A.) filed in case No. 19515.723053 / 2012-72, in which the Federal Revenue Service of Brazil challenges the deductibility of goodwill amortization expenses arising from the operation carried out with the Asian Consortium in 2008. The CARF, in summary, agreed with the infringement notice. The Company, however, has absolute conviction of the lawfulness of the operation and, therefore, Is taking legal measures. It is important to emphasize, finally, that this decision does not alter the assessment of loss of the case, which remains as possible, see note 17.

- **Cautionary decision – TCU – Transnordestina Logistica**

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

The Brazilian Court of Auditors (“TCU”) issued a cautionary decision in May 2016 referred to the action TC 012.179/2016 by which it prohibited new transfers of Government funds to TLSA to be made by Valec Engenharia, Construções e Ferrovias S.A., Fundo de Investimento do Nordeste – FINOR, Fundo Constitucional de Financiamento do Nordeste – FNE, Fundo de Desenvolvimento do Nordeste – FDNE, Banco Nacional de Desenvolvimento Econômico e Social – BNDES and BNDES Participações S.A. – BNDESPar. After TLSA appeal against the cautionary decision and further details to have been provided, in June 2016 the preliminary injunction given by TCU was unanimously revoked by the Court and the continuity of the transfer of funds was re-established.

By means of another protective order issued in January 2017, relating to the case TC 012.179/2016, the Court of Auditors of the Union forbade new transfers of public resources to TLSA by Valec Engenharia, Construções e Ferrovias S.A., Fundo de Investimento do Nordeste – FINOR, Fundo Constitucional de Financiamento do Nordeste – FNE, Fundo de Desenvolvimento do Nordeste – FDNE, Banco Nacional de Desenvolvimento Econômico e Social – BNDES and BNDES Participações S.A.– BNDESPar. The Company has provided the required clarifications to the TCU and has acted firmly in order that the decision can be repealed soon and the flow of investments planned can be restored.

There is an administrative procedure before the Transportation National Agency (“ANTT”), that assesses the regular fulfilling by the grantee FTL of the obligations contained in the Concession Agreement. By an unilateral assessment, ANTT considered that FTL was not compliant with the Term of Conduct Adjustment (“TAC”) signed in 2013 alleging that FTL had not fulfilled the 2013 production plan. ANTT decided to set up an administrative proceedings to investigate the supposed unfulfillment of the concession agreement and, in the case of confirming irregularities, may apply several penalties, including the early termination of the concession agreement. The grantee filed its defense against the administrative proceedings and currently no new decisions have been taken.

- **<u>Independent investigation – Construction of the Long Steel Plant</u>**

Considering the mentioning of a Company's officer in an article disclosed by the press, based on testimonials made before the Court, the Audit Committee decided to hire a specialized forensic service to conduct an external and independent investigation of the contractual relationship related to the construction of CSN's Long Steel Plant (contract in which there would have been alleged improper payments, as bonus, as reimbursement of payments made to political parties supposedly requested by such officer) and to analyze the extent of the commercial relationship between contractor . The conclusion of the investigation is that nothing in the testimonials referred to above was confirmed, there being no contingencies arising from the matters investigated. Consequently, understands the Company that at this moment there is no basis to justify the setting up of a provision for losses or the disclosure of a contingency.

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of

Companhia Siderúrgica Nacional

São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Siderúrgica Nacional ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2016, which comprises the balance sheet as at September 30, 2016, and the statement of profit and loss and statement of comprehensive income for the three- and nine-month periods then ended, and the statement of changes in equity and statement of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Emphasis of matter

Restatement of the interim financial information for the nine-month period ended September 30, 2016

On November 14, 2016, we issued the review report, without modification, on the Company's individual and consolidated interim financial information for the three- and nine-month periods ended September 30, 2016. As described in note 2.e), the interim financial information referred to above has been adjusted and is being restated to reflect the impacts arising from the restatement of the financial statements for the year ended December 31, 2015, relating to: (i) the accounting and fair value measurement adjustments upon the application of technical pronouncement CPC 15 (R1) - Business Combination and international standard IFRS 3 - Business Combination, issued by the IASB, concerning the business combination conducted by subsidiary Congonhas Minérios S.A. and (ii) the review of the recoverability analysis and adjustments to deferred income tax and social contribution balances.

Continuity as a going concern of the joint venture Transnordestina Logística S.A.

We draw attention to note 10 to the interim financial information, which describes the completion stage of the new railway network of the joint venture Transnordestina Logística S.A. ("TLSA"), currently under construction, the completion period of which was initially expected for January 2017 and is currently being reviewed and discussed with the relevant governmental agencies. The completion of the construction and consequent startup of operations depend on the continuing contribution of funds by its shareholders and third parties. Those events or conditions, along with other matters described in said note, indicate that a material uncertainty exists, which may cast significant doubt on TLSA's ability to continue as a going concern.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
Date: December 5, 2017

COMPANHIA SIDERÚRGICA NACIONAL

By: /s/ Benjamin Steinbruch

Benjamin Steinbruch
Chief Executive Officer

By: /s/ David Moise Salama

David Moise Salama
Executive Officer

FORWARD-LOOKING STATEMENTS

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