

Edgar Filing: BLACK HILLS CORP /SD/ - Form SC 13G

BLACK HILLS CORP /SD/  
Form SC 13G  
February 11, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
ANNUAL FILING

BLACK HILLS CORP  
(NAME OF ISSUER)  
COMMON STOCK  
(TITLE OF CLASS OF SECURITIES)  
092113109  
(CUSIP NUMBER)  
12/31/2014  
(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

CHECK THE APPROPRIATE BOX TO DESIGNATE THE RULE PURSUANT TO WHICH THIS  
SCHEDULE IS FILED:

- (X) RULE 13D-1 (B)  
 ( ) RULE 13D-1 (C)  
 ( ) RULE 13D-1 (D)

\*THE REMAINDER OF THIS COVER PAGE SHALL BE FILLED OUT FOR A  
REPORTING PERSON'S INITIAL FILING ON THIS FORM WITH RESPECT TO THE  
SUBJECT CLASS OF SECURITIES, AND FOR ANY SUBSEQUENT AMENDMENT  
CONTAINING INFORMATION WHICH WOULD ALTER THE DISCLOSURES PROVIDED  
IN A PRIOR COVER PAGE.

THE INFORMATION REQUIRED IN THE REMAINDER OF THIS COVER PAGE SHALL  
NOT BE DEEMED TO BE "FILED" FOR THE PURPOSE OF SECTION 18 OF THE  
SECURITIES EXCHANGE ACT OF 1934 ("ACT") OR OTHERWISE SUBJECT TO THE  
LIABILITIES OF THAT SECTION OF THE ACT BUT SHALL BE SUBJECT TO ALL  
OTHER PROVISIONS OF THE ACT (HOWEVER, SEE THE NOTES).

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Page 2 of 5 Pages

1. NAME OF REPORTING PERSON: STATE STREET CORPORATION

I.R.S. IDENTIFICATION NO. OF THE ABOVE PERSON: 04-2456637

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

NOT APPLICABLE

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

BOSTON, MASSACHUSETTS

5. SOLE VOTING POWER

0 SHARES

6. SHARED VOTING POWER

3,422,851

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

3,422,851

9. AGGREGATED AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,422,851

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

NOT APPLICABLE

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.7%

12. TYPE OF REPORTING PERSON

HC

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CUSIP NO: 092113109 13G Page 3 of 5 Pages

ITEM 1.

- (A) NAME OF ISSUER  
BLACK HILLS CORP
- (B) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES  
625 NINTH STREET  
RAPID CITY, SD 57701

ITEM 2.

- (A) NAME OF PERSON FILING  
  
STATE STREET CORPORATION AND ANY OTHER REPORTING PERSON  
IDENTIFIED ON THE SECOND PART OF THE COVER PAGES HERETO
- (B) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IN NONE,  
RESIDENCE  
  
STATE STREET FINANCIAL CENTER  
ONE LINCOLN STREET  
BOSTON, MA 02111  
(FOR ALL REPORTING PERSONS)
- (C) CITIZENSHIP: SEE ITEM 4 (CITIZENSHIP OR PLACE OF  
ORGANIZATION) OF COVER PAGES
- (D) TITLE OF CLASS OF SECURITIES  
  
COMMON STOCK
- (E) CUSIP NUMBER:  
  
092113109

ITEM 3.

IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B)  
OR (C), CHECK WHETHER THE PERSON FILING IS A:

SEE ITEM 12 (TYPE OF REPORTING PERSON) OF THE COVER PAGE  
FOR EACH REPORTING PERSON AND THE TABLE BELOW, WHICH EXPLAINS  
THE MEANING OF THE TWO LETTER SYMBOLS APPEARING IN ITEM 12 OF  
THE COVER PAGES.

SYMBOL	CATEGORY
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BK	BANK AS DEFINED IN SECTION 3(A) (6) OF THE ACT.
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IC INSURANCE COMPANY AS DEFINED IN SECTION 3 (A) (19)  
OF THE ACT  
IC INVESTMENT COMPANY REGISTERED UNDER SECTION 8 OF  
THE INVESTMENT COMPANY ACT OF 1940.  
IA AN INVESTMENT ADVISOR IN ACCORDANCE WITH RULE  
13D-1(B) (1) (II) (E).  
EP AN EMPLOYEE BENEFIT PLAN OR ENDOWMENT FUND IN  
ACCORDANCE WITH RULE 13D-1(B) (1) (II) (F) .  
HC A PARENT HOLDING COMPANY OR CONTROL PERSON IN  
ACCORDANCE WITH RULE 13D-1(B) (1) (II) (G) .  
SA A SAVINGS ASSOCIATIONS AS DEFINED IN SECTION 3(B)  
OF THE FEDERAL DEPOSIT INSURANCE ACT (12 U.S.C. 1813).  
CP A CHURCH PLAN THAT IS EXCLUDED FROM THE DEFINITION OF  
AN INVESTMENT COMPANY UNDER SECTION 3(C) (14) OF THE  
INVESTMENT COMPANY ACT OF 1940.

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ITEM 4. OWNERSHIP

THE INFORMATION SET FORTH IN ROWS 5 THROUGH 11 OF THE COVER PAGE  
HERETO FOR EACH OF THE REPORTING PERSONS IS INCORPORATED  
HEREIN BY REFERENCE.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF CLASS

NOT APPLICABLE

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

NOT APPLICABLE

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH  
ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING  
COMPANY OR CONTROL PERSON

SEE EXHIBIT 1 ATTACHED HERETO

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

NOT APPLICABLE

ITEM 9. NOTICE OF DISSOLUTION OF GROUP

NOT APPLICABLE

ITEM 10. CERTIFICATION

BY SIGNING BELOW I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE  
AND BELIEF, THE SECURITIES REFERRED TO ABOVE WERE ACQUIRED AND ARE  
HELD IN THE ORDINARY COURSE OF BUSINESS AND WERE NOT ACQUIRED AND ARE  
NOT HELD FOR THE PURPOSE OR WITH THE EFFECT OF CHANGING OR INFLUENCING  
THE CONTROL OF THE ISSUER OF THE SECURITIES AND WERE NOT ACQUIRED AND  
ARE NOT HELD IN CONNECTION WITH OR AS A PARTICIPANT IN ANY TRANSACTION  
HAVING THAT PURPOSE OR EFFECT.

SIGNATURES

AFTER REASONABLE INQUIRY AND TO THE BEST OF HIS KNOWLEDGE AND  
BELIEF, EACH OF THE UNDERSIGNED CERTIFIES THAT THE INFORMATION SET FORTH

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IN THIS STATEMENT IS TRUE, COMPLETE AND CORRECT.

11 February 2015  
STATE STREET CORPORATION

/s/ SEAN P. NEWTH  
SENIOR VICE PRESIDENT,  
CHIEF ACCOUNTING OFFICER AND CONTROLLER

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### EXHIBIT 1

THE FOLLOWING TABLE LISTS THE IDENTITY AND ITEM 3 CLASSIFICATION OF EACH SUBSIDIARY OF STATE STREET CORPORATION, THE PARENT HOLDING COMPANY, THAT BENEFICIALLY OWNS THE ISSUER'S COMMON STOCK. PLEASE REFER TO ITEM 3 OF THE ATTACHED SCHEDULE 13G FOR A DESCRIPTION OF EACH OF THE TWO-LETTER SYMBOLS REPRESENTING THE ITEM 3 CLASSIFICATION BELOW.

SUBSIDIARY	ITEM 3 CLASSIFICATION
STATE STREET BANK AND TRUST COMPANY	BK
SSGA FUNDS MANAGEMENT, INC	IA
STATE STREET GLOBAL ADVISORS LIMITED	IA
STATE STREET GLOBAL ADVISORS LTD	IA
STATE STREET GLOBAL ADVISORS, AUSTRALIA LIMITED	IA
STATE STREET GLOBAL ADVISORS, ASIA LIMITED	IA

NOTE: ALL OF THE LEGAL ENTITIES ABOVE ARE DIRECT OR INDIRECT SUBSIDIARIES OF STATE STREET CORPORATION.

Average net export revenue per tonne in Reais fell by 36% over the 1Q09, chiefly due to reduced prices, different mix and the period exchange variation.

## Mining

### PRODUCTION

Own iron ore production plus purchases from third parties totaled 7.3 million tonnes in the 2Q09, 5.8 million of which from Casa de Pedra, 0.9 million from Namisa and 0.6 million from third parties. Of own production of 6.7 million tonnes, 5.2 million referred to finished products\* and 1.5 million was run-of-mine.



## Sales

Second-quarter iron-ore sales totaled 4.0 million tonnes, 1.4 million less than the 1Q09 figure mainly due to the decline in export volume caused by the reduced availability of ships for loading in May and June, which negatively affected CSN's overseas sales in that period. Exports came to 3.3 million tonnes, accounting for 83% of total sales volume. The domestic market absorbed 0.7 million tonnes, 0.6 million of which run-of-mine.

1H09 ore sales stood at 9.4 million tonnes, 22% up year-on-year. Exports came to 8.3 million tonnes, 36% more year-on-year, and accounted for 87% of total sales in the period, while the domestic market accounted for the remaining 1.1 million tonnes, including 0.8 million of run-of-mine sales.

The Presidente Vargas Steelworks absorbed 1.3 million tonnes in the second quarter and 2.9 million tonnes in the first half of 2009.

## INVENTORIES

Iron ore inventories closed the 2Q09 at around 13.9 million tonnes, 9.6 million of which finished products\*.

\* *Finished products: lump, sinter feed, pellet feed, hematite and mixed hematite.*

\* CSN's consolidated sales include 100% of NAMISA's sales up to November 30, 2008, and 60% as of December 1, 2008, due to the alienation of 40% of NAMISA's capital to the Japanese-Korean Consortium.

## Net Revenue

Net revenue totaled R\$2.49 billion in the 2Q09, 2% up on the R\$2.44 billion recorded in the 1Q09, due to the 47% upturn in steel products sales volume, partially offset by the reduction in average quarterly prices and lower iron ore sales volume.

## Selling, General and Administrative Expenses

Selling, general and administrative expenses totaled R\$321 million in the 2Q09, R\$46 million up on the previous quarter, chiefly due to greater sales efforts and higher provisions for doubtful accounts.

### Other Revenue and Expenses

In the 2Q09, CSN recorded a negative R\$103 million in the Other Revenue and Expenses line, R\$79 million higher than the previous quarter, chiefly due to the reversal of R\$72 million in provisions for CPMF (financial transaction tax) occurred in the 1Q09.

In the 1H09, expenses totaled R\$128 million, in line with the first six months of 2008.

### EBITDA

Second-quarter EBITDA totaled R\$728 million, 7% up on the 1Q09, primarily due to the increase in steel product sales volume and the decline in production costs.

1H09 EBITDA stood at R\$1.4 billion, 53% down year-on-year, due to the lower demand in the domestic and export markets.

Despite the adverse effects of the crisis, CSN showed strong resilience recording an EBITDA margin of 29% in the 2Q09, 1 p.p. up on the previous three months.

### Financial Result and Debt

The 2Q09 net financial result was positive by R\$204 million, chiefly due to the following factors:

- Provisions for interest on loans and financing totaling R\$255 million;
- Monetary restatement of tax provisions in accordance with the SELIC rate, amounting to R\$92 million;
- Gains of R\$344 million from derivative transactions, including the corresponding exchange variation;
- Monetary and exchange rate variation gain of R\$143 million;
- Returns on financial investments, totaling R\$55 million.

Consolidated net debt moved up by R\$2.1 billion, from R\$2.8 billion on March 31 to R\$4.9 billion on June 30, 2009, due to the following factors:

- EBITDA of R\$0.7 billion in the 2Q09;
- Exchange variation gain of R\$0.8 billion in the 2Q09;
- Reduction of R\$0.1 billion in the working capital invested in the business;
- Investments of R\$0.5 billion;
- Payment of dividends and interest on equity of R\$1.8 billion;
- A R\$0.7 billion increase in judicial deposits;
- Payment of taxes (income tax + social contribution) totaling R\$0.4 billion;
- Effect of R\$0.3 billion related to cost of debt allocated to the business.

The net debt/EBITDA ratio, based on EBITDA of R\$5.02 billion of the last 12 months, came to 0.97 time at the end of the second quarter, a 0.50 time increase over the 0.47 time recorded at the end of the 1Q09.



### Income Taxes

In the 2Q09, income tax and social contribution totaled R\$274 million, R\$189 million up on the 1Q09, chiefly due to higher taxable income in the quarter and the impact of the appreciation of the Real against the US dollar on income tax and social contribution in the period.

The effective income tax rate in the 1H09 was 34%.

### Net Income

CSN posted a 2Q09 net income of R\$335 million, 9% down on the 1Q09, chiefly due to the increase in income tax and social contribution. Pre-tax income totaled R\$609 million in the 2Q09, a 34% quarter-over-quarter improvement.

### Capex

CSN invested R\$501 million in the 2Q09, R\$405 million of which went to the parent company, mostly to the following projects:

Expansion of the Casa de Pedra mine: R\$179 million;

Maintenance and repairs: R\$80 million;

Technological improvements: R\$77 million;

Expansion of the Port of Itaguaí: R\$11 million;

Works plan: R\$11 million.

Investments in the subsidiaries accounted for the remaining R\$96 million, mostly in:

MRS Logística: R\$26 million;

CSN Cimentos: R\$23 million;

CSN Aços Longos: R\$14 million;

NAMISA: R\$10 million;

Transnordestina Logística: R\$9 million;

CSN LLC: R\$7 million.

It is worth noting that after around 90 days of programmed maintenance stoppage at Blast Furnace 2, the equipment resumed operations in June 2009. CSN invested R\$93 million in the modernization project, including the remodeling of regenerators. These amounts were booked under technological improvements in the 1H09.

### Cement

At the end of the 2Q09, the Company began producing and selling cement under the CSN brand in the recently built plant adjacent to the Presidente Vargas Steelworks in the Volta Redonda complex.

With estimated production and sales of 300,000 tonnes in 2009, the plant marks CSN's entry into yet another new business that has strong synergies with its existing activities, given that the project's main advantages lie in its raw materials self-sufficiency and the use of previously existing logistics. The slag used in cement production comes from the Company's blast furnace and the clinker currently acquired from third parties will shortly be produced in the CSN's Arcos mine in the state of Minas Gerais. CSN also has its own railway and distribution infrastructure, which is essential for the sales process.

### Working Capital

Working capital closed June at R\$2.4 billion, R\$89 million down on the March 31 figure, mainly thanks to the R\$148 million decrease in assets, chiefly pressured by the R\$426 downturn in Inventories and partially offset by the R\$337 million increase in estimated tax payments made during the 2Q09. This effect was partially offset by a R\$60 million decline in liabilities, mostly due to the R\$469 million decrease in the Suppliers account, partially reduced by the increase in Taxes Payable (R\$380 million).

The average supplier payment period in June stood at 72 days, 27 days less when compared to March 2009, while the average receivables period shortened from 35 to 30 days. The inventory turnover period averaged 165 days, 24 days down on the previous quarter, mainly due to the reduction in semi-finished product inventories.

R\$ MILLION

WORKING CAPITAL	Mar/09	Jun/09	Change
<b>Assets</b>	<b>5,048</b>	<b>4,900</b>	<b>148</b>
<b>Accounts Receivable</b>	<b>1,225</b>	<b>1,079</b>	<b>146</b>
- Domestic Market	1,096	1,110	(14)
- Export Market	369	246	122
- Allowance for Debtful	(240)	(278)	38
<b>Inventory</b>	<b>3,457</b>	<b>3,030</b>	<b>426</b>
<b>Advances to Suppliers</b>	<b>289</b>	<b>377</b>	<b>(88)</b>
<b>Advances to Taxes</b>	<b>77</b>	<b>414</b>	<b>(337)</b>
<b>Liabilities</b>	<b>2,558</b>	<b>2,498</b>	<b>60</b>
suppliers	1,795	1,326	469
<b>Salaries and Social Contribution</b>	<b>106</b>	<b>130</b>	<b>(24)</b>
<b>Taxes Payable</b>	<b>596</b>	<b>976</b>	<b>(380)</b>
<b>Advances from Clients</b>	<b>61</b>	<b>66</b>	<b>(5)</b>
<b>Working Capital</b>	<b>2,491</b>	<b>2,402</b>	<b>89</b>

### TURN OVER RATIO

Average Periods	Mar/09	Jun/09	Change
<b>Receivables</b>	<b>35</b>	<b>30</b>	<b>5</b>
<b>Supplier Payment</b>	<b>99</b>	<b>72</b>	<b>27</b>

<b>Inventory Turnover</b>	<b>189</b>	<b>165</b>	<b>24</b>
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### Capital Market

#### Share Performance

CSN's shares appreciated by a hefty 61% in the 1H09, the fourth highest upturn among those companies making up the IBOVESPA index, versus 37% for the IBOVESPA itself. In the 2Q09 CSN's shares increased by 28%, while the IBOVESPA climbed by 26% in the same period.

On the NYSE, CSN's ADRs moved up by an even more substantial 86% in the 1H09, which is especially significant given that the Dow Jones index fell by 4% in the same period. In the 2Q09, CSN's ADRs appreciated by 52%, versus an 11% upturn by the Dow Jones.

### CAPITAL MARKETS - CSNA3 / SID / IBOVESPA / DOW JONES

	1Q09	2Q09	1H09
<b># of shares</b>	<b>793,403,838</b>	<b>793,403,838</b>	<b>793,403,838</b>
<b>Market Capitalization</b>			
Closing Price (R\$/share)	34.40	43.62	43.62
Closing Price (US\$/ADR)	14.84	22.35	22.35
Market Capitalization (R\$ million)	26,098	33,093	33,093
Market Capitalization (US\$ million)	11,259	16,956	16,956
<b>Total return including dividends and interest on equity</b>			
CSNA3	26%	28%	61%
SID	23%	52%	86%
Ibovespa	9%	26%	37%
Dow Jones	-13%	11%	-4%
<b>Volume</b>			
Average daily (thousand shares)	2,983	2,520	2,752
Average daily (R\$ thousand)	103,340	107,974	105,657
Average daily (thousand ADRs)	4,609	3,544	4,068
Average daily (US\$ thousand)	69,180	74,196	71,729

Source: *Economática*

Second-quarter daily traded volume averaged R\$108 million on the BOVESPA, versus R\$103 million in the 1Q09, and US\$74 million on the NYSE, versus the previous quarter's US\$69 million.

**Webcast 2Q09 Earnings Presentation**

CSN is pleased to invite you to attend its 2Q09 Earnings Conference Call and Webcast, as follows:

<p><b>English Conference Call</b>  August 7, 2009  12:00 p.m. (US EDT) / 01:00 p.m. (Brasília)  Connecting Number: +1 (973) 935-8893  Conference ID: 23205560  <b>Webcast:</b> <a href="http://www.csn.com.br/ir">www.csn.com.br/ir</a></p>	<p><b>Portuguese Conference Call</b>  August 7, 2009  10:00 a.m. (US EDT) / 11:00 a.m. (Brasília)  Connecting Number: +55 (11) 2188-0188  Conference ID: CSN  <b>Webcast:</b> <a href="http://www.csn.com.br/ri">www.csn.com.br/ri</a></p>
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Companhia Siderúrgica Nacional, located in the state of Rio de Janeiro, Brazil, is a steel complex comprising investments in infrastructure and logistics whose operations include captive mines, an integrated steel mill, service centers, ports, railways and cement. With a total annual production capacity of 5.6 million tonnes of crude steel and consolidated gross revenues of R\$17.9 billion in 2008, CSN is also the only tin-plate producer in Brazil and one of the five largest tin-plate producers worldwide. It is also one of the world's most profitable steelmakers.

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

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

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

## INCOME STATEMENT

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

	2Q08	1Q09	2Q09	1H08	1H09
<b>Gross Revenue</b>	<b>4,615,183</b>	<b>3,192,388</b>	<b>3,286,842</b>	<b>8,567,064</b>	<b>6,479,230</b>
Gross Revenue deductions	(1,060,470)	(748,405)	(795,141)	(1,982,126)	(1,543,546)
<b>Net Revenues</b>	<b>3,554,713</b>	<b>2,443,983</b>	<b>2,491,701</b>	<b>6,584,938</b>	<b>4,935,684</b>
Domestic Market	2,754,181	1,633,979	1,924,600	5,113,516	3,558,579
Export Market	800,532	810,003	567,101	1,471,422	1,377,104
<b>Cost of Good Sold (COGS)</b>	<b>(1,849,039)</b>	<b>(1,642,085)</b>	<b>(1,655,939)</b>	<b>(3,655,789)</b>	<b>(3,298,023)</b>
COGS, excluding depreciation	(1,552,591)	(1,485,603)	(1,442,747)	(3,047,454)	(2,928,349)
Depreciation allocated to COGS	(296,448)	(156,482)	(213,192)	(608,335)	(369,674)
<b>Gross Profit</b>	<b>1,705,674</b>	<b>801,898</b>	<b>835,762</b>	<b>2,929,149</b>	<b>1,637,660</b>
<i>Gross Margin (%)</i>	<i>48.0%</i>	<i>32.8%</i>	<i>33.5%</i>	<i>44.5%</i>	<i>33.2%</i>
Selling Expenses	(171,916)	(174,104)	(207,448)	(330,972)	(381,552)
General and administrative expenses	(127,935)	(101,683)	(113,909)	(221,285)	(215,593)
Depreciation allocated to SG&A	(12,911)	(8,450)	(6,687)	(26,265)	(15,137)
Other operation income (expense), net	(65,993)	(24,735)	(103,325)	(121,234)	(128,061)
<b>Operating income before financial equity interests</b>	<b>1,326,919</b>	<b>492,926</b>	<b>404,391</b>	<b>2,229,393</b>	<b>897,317</b>
<b>Net Financial Result</b>	<b>207,881</b>	<b>(39,204)</b>	<b>204,220</b>	<b>329,172</b>	<b>165,016</b>
Financial Expenses	(311,720)	(465,028)	(601,284)	(572,505)	(1,066,312)
Financial Income	245,251	374,238	493,844	490,511	868,082
Net monetary and foreign exchange variations	274,350	51,586	311,660	411,166	363,246
Equity interest in subsidiary	(57,730)	12	(8)	(115,780)	4
<b>Income Before Income and Social Contribution Taxes</b>	<b>1,477,070</b>	<b>453,734</b>	<b>608,603</b>	<b>2,442,785</b>	<b>1,062,337</b>
(Provision)/Credit for Income Tax	(390,610)	(86,361)	(336,732)	(491,116)	(423,093)
(Provision)/Credit for Social Contribution	(137,011)	(28,292)	(126,038)	(163,503)	(154,330)
Deferred Income Tax	56,744	21,859	139,585	4,896	161,445
Deferred Social Contribution	24,761	7,884	49,328	5,195	57,212
<b>Net Income (Loss)</b>	<b>1,030,954</b>	<b>368,825</b>	<b>334,745</b>	<b>1,798,257</b>	<b>703,570</b>
<b>EBITDA</b>	<b>1,702,271</b>	<b>682,593</b>	<b>727,596</b>	<b>2,985,227</b>	<b>1,410,189</b>
<i>EBITDA Margin (%)</i>	<i>47.9%</i>	<i>27.9%</i>	<i>29.2%</i>	<i>45.3%</i>	<i>28.6%</i>

## INCOME STATEMENT

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

	2Q08	1Q09	2Q09	1H08	1H09
<b>Gross Revenues</b>	<b>3,500,195</b>	<b>2,282,260</b>	<b>2,516,244</b>	<b>6,604,477</b>	<b>4,798,504</b>
Gross Revenues deductions	(914,986)	(476,242)	(579,945)	(1,693,595)	(1,056,187)
<b>Net Revenues</b>	<b>2,585,209</b>	<b>1,806,018</b>	<b>1,936,299</b>	<b>4,910,882</b>	<b>3,742,317</b>
Domestic Market	2,354,457	1,356,615	1,658,156	4,411,203	3,014,771
Export Market	230,752	449,402	278,143	499,679	727,546
<b>Cost of Good Sold (COGS)</b>	<b>(1,347,054)</b>	<b>(1,334,969)</b>	<b>(1,223,773)</b>	<b>(2,728,452)</b>	<b>(2,558,742)</b>
COGS, excluding depreciation	(1,092,482)	(1,222,524)	(1,056,731)	(2,201,427)	(2,279,255)
Depreciation allocated to COGS	(254,571)	(112,445)	(167,042)	(527,025)	(279,487)
<b>Gross Profit</b>	<b>1,238,156</b>	<b>471,049</b>	<b>712,526</b>	<b>2,182,430</b>	<b>1,183,575</b>
<i>Gross Margin (%)</i>	47.9%	26.1%	36.8%	44.4%	31.6%
Selling Expenses	(120,927)	(105,432)	(120,976)	(220,087)	(226,408)
General and administrative expenses	(85,616)	(68,948)	(82,567)	(150,442)	(151,515)
Depreciation allocated to SG&A	(5,922)	(2,955)	(3,155)	(11,917)	(6,109)
Other operation income (expense), net	(102,252)	(10,404)	(114,004)	(150,414)	(124,407)
<b>Operating income before financial equity interests</b>	<b>923,439</b>	<b>283,310</b>	<b>391,825</b>	<b>1,649,570</b>	<b>675,135</b>
<b>Net Financial Result</b>	231,410	(252,953)	457,639	(24,742)	204,686
Financial Expenses	(218,170)	(645,568)	(561,091)	(453,185)	(1,206,659)
Financial Income	(341,247)	283,674	(106,262)	(204,058)	177,412
Net monetary and foreign exchange variations	790,827	108,941	1,124,992	632,501	1,233,933
Equity interest in subsidiary	298,747	306,458	680,296	742,666	986,754
<b>Income Before Income and Social Contribution Taxes</b>	<b>1,453,596</b>	<b>336,815</b>	<b>1,529,760</b>	<b>2,367,494</b>	<b>1,866,575</b>
(Provision)/Credit for Income Tax	(346,278)	(62,408)	(245,034)	(402,577)	(307,442)
(Provision)/Credit for Social Contribution	(130,926)	(22,577)	(88,685)	(150,932)	(111,262)
Deferred Income Tax	52,262	45,678	(129,699)	3,835	(84,021)
Deferred Social Contribution	22,289	16,031	(47,291)	4,221	(31,260)
<b>Net Income (Loss)</b>	<b>1,050,943</b>	<b>313,539</b>	<b>1,019,051</b>	<b>1,822,041</b>	<b>1,332,590</b>
<b>EBITDA</b>	1,286,184	409,113	676,025	2,338,926	1,085,138
<i>EBITDA Margin (%)</i>	49.8%	22.7%	34.9%	47.6%	29.0%

**BALANCE SHEET****Corporate Law - thousands of R\$**

	Consolidated		Parent Company	
	06/30/2009	03/31/2009	06/30/2009	03/31/2009
<b>Current Assets</b>	<b>13,528,284</b>	<b>17,929,924</b>	<b>8,636,526</b>	<b>12,747,945</b>
Cash and Cash Equivalents	182,004	295,815	100,992	231,864
Marketable securities	5,898,877	8,860,907	3,270,240	6,831,375
Trade Accounts Receivable	1,078,748	1,225,449	1,310,120	1,532,477
Inventory	3,030,372	3,456,802	2,326,383	2,586,753
Deffered Income Tax and Social Contribution	528,174	734,252	436,788	626,780
Financial Instruments Guarantee Margin	1,384,382	2,433,138	-	-
Subsidiaries loans	1,428	3,384	-	77,320
Accounts Receivable with subsidiaries	-	-	-	-
Other	1,424,299	920,177	1,192,003	861,376
<b>Non-Current Assets</b>	<b>14,121,425</b>	<b>13,805,840</b>	<b>25,617,521</b>	<b>25,749,040</b>
<b>Long-Term Assets</b>				
<b>Investments</b>	3,053,173	2,958,705	5,789,241	6,063,451
<b>PP&amp;E</b>	1,127	1,326	12,550,343	12,706,858
<b>Intangible</b>	10,524,104	10,279,579	7,155,868	6,909,519
<b>Deferred</b>	504,981	525,845	90,482	36,030
	38,040	40,385	31,587	33,183
<b>TOTAL ASSETS</b>	<b>27,649,709</b>	<b>31,735,764</b>	<b>34,254,047</b>	<b>38,496,985</b>
<b>Current Liabilities</b>	<b>6,942,100</b>	<b>9,503,430</b>	<b>5,823,889</b>	<b>7,805,142</b>
Loans, Financing and Debentures	2,942,097	3,123,262	2,764,380	3,159,460
Suppliers	1,325,743	1,795,182	1,240,240	1,668,275
Taxes and Contributions	1,106,516	701,668	825,464	458,767
Dividends Payable	225,372	1,852,552	194,481	1,852,552
Accounts Payable with subsidiaries		67,715		169,287
Other	1,342,372	1,963,051	799,324	496,801
<b>Non-Current Liabilities</b>	<b>13,780,068</b>	<b>15,324,743</b>	<b>21,439,647</b>	<b>23,762,965</b>
<b>Long-term Liabilities</b>	<b>13,771,898</b>	<b>15,316,140</b>	<b>21,439,647</b>	<b>23,762,965</b>
Loans, Financing and Debentures	8,021,150	8,871,743	10,941,835	12,516,942
Provisions for contingencies, net judicial deposits	1,835,461	2,504,595	1,752,860	2,415,717
Accounts Payable with subsidiaries	2,936,373	2,897,924	7,340,934	7,244,810
Other	978,914	1,041,878	1,404,018	1,585,496
<b>Future Period Results</b>	<b>8,170</b>	<b>8,603</b>	<b>-</b>	<b>-</b>
<b>Shareholders' Equity</b>	<b>6,927,542</b>	<b>6,907,591</b>	<b>6,990,511</b>	<b>6,928,878</b>
Capital	1,680,947	1,680,947	1,680,947	1,680,947
Capital Reserve	30	30	30	30
Earnings Reserve	5,307,106	5,417,126	4,294,574	4,404,591
Treasury Stock	(719,042)	(719,042)	(719,042)	(719,042)
Equity Adjustments	(45,069)	159,705	401,412	1,248,814
Retained Earnings	703,569	368,825	1,332,590	313,538



<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>27,649,709</b>	<b>31,735,764</b>	<b>34,254,047</b>	<b>38,496,985</b>
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**CASH FLOW STATEMENT****CONSOLIDATED - Corporate Law - thousands of R\$**

	<b>2Q08</b>	<b>1Q09</b>	<b>2Q09</b>	<b>1H08</b>	<b>1H09</b>
<b>Cash Flow from Operating Activities</b>	<b>1,088,990</b>	<b>(113,191)</b>	<b>(1,509,338)</b>	<b>1,628,539</b>	<b>(1,622,529)</b>
Net Income for the period	1,030,952	368,825	334,744	1,798,257	703,569
Net exchange and monetary variations	(543,540)	(210,793)	(702,798)	(645,617)	(913,591)
Provision for financial expenses	154,870	292,272	254,805	316,866	547,077
Depreciation, exhaustion and amortization	309,359	164,932	219,798	634,600	384,730
Fixed Assets Write-off	(713)	216	8,831	8,067	9,047
Equity results	57,707	-	-	115,757	-
Gains and losses in percentage variation	150,356	(197,713)	(209,725)	(437,568)	(407,438)
Provisions for Swap/Forward	(81,505)	(29,743)	(188,913)	(10,092)	(218,656)
Deferred income taxes and social contributions	(23,296)	60,106	1,524	10,072	61,630
Provisions	34,800	(561,293)	(1,227,604)	(161,803)	(1,788,897)
<b>Working Capital</b>	<b>(183,099)</b>	<b>(159,722)</b>	<b>123,748</b>	<b>(198,879)</b>	<b>(35,974)</b>
Accounts Receivable	(143,360)	(60,049)	163,371	94,430	103,322
Inventory	152,838	(133,342)	(106,368)	(110,530)	(239,710)
Suppliers	512,702	73,479	(24,165)	340,046	49,314
Taxes	(450,119)	(225,226)	(243,010)	(649,555)	(468,236)
Interest Expenses	-	(49,915)	(1,114,852)	-	(1,164,767)
Others	145,838	(6,518)	(26,328)	362,685	(32,846)
<b>Cash Flow from Investment Activities</b>	<b>(633,178)</b>	<b>(189,287)</b>	<b>(91,904)</b>	<b>(1,012,336)</b>	<b>(281,191)</b>
Swap Received	-	203,840	32,051	-	235,891
Equity Swap Net Effects	-	-	1,089,594	-	1,089,594
Investments	-	-	-	-	-
Fixed Assets/Deferred/Judicial Deposits	(633,178)	(393,127)	(1,213,549)	(1,012,336)	(1,606,676)
<b>Cash Flow from Financing Activities</b>	<b>(466,385)</b>	<b>235,089</b>	<b>(1,474,600)</b>	<b>(1,303,565)</b>	<b>(1,239,511)</b>
Issuances	907,121	501,954	698,875	1,124,493	1,200,829
Inflow from shares issue	-	-	-	-	-
Amortizations	(58,822)	(266,863)	(405,386)	(312,534)	(672,249)
Dividends/Equity Interest	(1,314,684)	(2)	(1,768,089)	(2,115,524)	(1,768,091)
Shares in treasury	-	-	-	-	-
<b>Free Cash Flow</b>	<b>(10,573)</b>	<b>(67,390)</b>	<b>(3,075,841)</b>	<b>(687,362)</b>	<b>(3,143,231)</b>

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

	2Q08	1Q09	2Q09	1H08	1H09
<b>Financial Expenses</b>	<b>(593,502)</b>	<b>(465,028)</b>	<b>(601,284)</b>	<b>(927,962)</b>	<b>(1,066,311)</b>
Loans and financing	(155,242)	(290,655)	(255,476)	(317,238)	(546,130)
Local currency	(47,991)	(129,701)	(127,455)	(94,050)	(257,156)
Foreign currency	(107,251)	(160,953)	(128,021)	(223,188)	(288,974)
Taxes	(143,816)	(104,663)	(92,155)	(223,957)	(196,818)
Losses in derivative operations	(281,782)	(4,944)	(195,372)	(355,457)	(200,316)
Other financial expenses	(12,662)	(64,766)	(58,281)	(31,310)	(123,047)
<b>Financial Income</b>	<b>535,513</b>	<b>374,238</b>	<b>493,844</b>	<b>852,935</b>	<b>868,082</b>
Income from cash investments	16,233	48,195	54,914	49,172	103,109
Gains in derivative operations	469,192	237,936	369,820	715,216	607,756
Other income	50,088	88,107	69,110	88,547	157,217
<b>Exchange and monetary variations</b>	<b>265,871</b>	<b>51,586</b>	<b>311,660</b>	<b>404,199</b>	<b>363,246</b>
Net monetary change	(23,887)	6,882	44,090	(34,429)	50,972
Net exchange change	519,255	(32,492)	98,515	645,832	66,023
Exchange variation in derivatives	(229,497)	77,196	169,055	(207,204)	246,251
<b>Net Financial Result</b>	<b>207,882</b>	<b>(39,204)</b>	<b>204,221</b>	<b>329,172</b>	<b>165,017</b>

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

	2Q08	1Q09	2Q09	1H08	1H09
<b>Financial Expenses</b>	<b>(499,952)</b>	<b>(645,568)</b>	<b>(570,356)</b>	<b>(516,842)</b>	<b>(1,215,924)</b>
Loans and financing	(46,960)	(298,473)	(268,724)	(185,517)	(567,197)
Local currency	(41,754)	(257,758)	(257,606)	(81,210)	(515,364)
Foreing currency	(5,206)	(40,715)	(11,118)	(104,307)	(51,833)
Transaction with subsidiaries	(84,075)	(194,422)	(159,750)	(89,267)	(354,172)
Taxes	(77,237)	(90,043)	(83,717)	(155,003)	(173,760)
Losses in derivative operations	(281,782)	(4,944)	(4,320)	(63,657)	(9,264)
Other financial expenses	(9,898)	(57,686)	(53,845)	(23,398)	(111,531)
<b>Financial Income</b>	<b>(59,465)</b>	<b>283,674</b>	<b>(96,997)</b>	<b>(140,401)</b>	<b>186,677</b>
Transaction with subsidiaries	(178,440)	133,156	(191,620)	9,837	(58,464)
Income from cash investments	1,540	3,077	4,487	(277,587)	7,564
Gains in derivative operations	71,958	-	-	51,206	-
Other income	45,477	147,441	90,136	76,143	237,577

<b>Exchange and monetary variations</b>	<b>790,827</b>	<b>108,941</b>	<b>1,124,992</b>	<b>632,501</b>	<b>1,233,933</b>
<b>Net monetary change</b>	(25,863)	5,889	(568)	(36,153)	5,321
<b>Net exchange change</b>	816,690	103,052	1,125,560	668,654	1,228,612
<b>Net Financial Result</b>	<b>231,410</b>	<b>(252,953)</b>	<b>457,639</b>	<b>(24,742)</b>	<b>204,686</b>

**SALES VOLUME****Consolidated Thousand t**

	2Q08	1Q09	2Q09	1H08	1H09
<b>DOMESTIC MARKET</b>	<b>1,103</b>	<b>560</b>	<b>795</b>	<b>2,218</b>	<b>1,355</b>
Slabs	25	1	2	47	3
Hot Rolled	452	176	301	938	477
Cold Rolled	180	112	156	364	268
Galvanized	284	152	211	565	363
Tin Plate	162	118	125	304	243
<b>EXPORT MARKET</b>	<b>224</b>	<b>83</b>	<b>153</b>	<b>500</b>	<b>236</b>
Slabs	32	-	30	32	30
Hot Rolled	9	(0)	0	22	0
Cold Rolled	3	0	1	31	1
Galvanized	145	56	95	319	151
Tin Plate	35	27	26	96	53
<b>TOTAL MARKET</b>	<b>1,327</b>	<b>643</b>	<b>947</b>	<b>2,719</b>	<b>1,591</b>
Slabs	57	1	32	79	33
Hot Rolled	461	176	301	960	477
Cold Rolled	182	112	157	396	269
Galvanized	429	208	307	884	515
Tin Plate	198	145	151	400	296

**SALES VOLUME****Parent Company - Thousand t**

	2Q08	1Q09	2Q09	1H08	1H09
<b>DOMESTIC MARKET</b>	<b>1,133</b>	<b>554</b>	<b>787</b>	<b>2,248</b>	<b>1,341</b>
Slabs	25	1	2	47	4
Hot Rolled	452	176	281	934	458
Cold Rolled	258	154	228	503	381
Galvanized	226	104	152	445	257
Tin Plate	172	119	124	319	242
<b>EXPORT MARKET</b>	<b>105</b>	<b>100</b>	<b>89</b>	<b>258</b>	<b>189</b>
Slabs	32	-	30	32	30

<b>Hot Rolled</b>	29	26	32	90	58
<b>Cold Rolled</b>	1	46	-	3	46
<b>Galvanized</b>	10	1	1	31	2
<b>Tin Plate</b>	33	27	26	102	53
<b>TOTAL MARKET</b>	<b>1,236</b>	<b>654</b>	<b>876</b>	<b>2,506</b>	<b>1,530</b>
<b>Slabs</b>	57	1	32	79	34
<b>Hot Rolled</b>	481	202	313	1,024	515
<b>Cold Rolled</b>	259	199	228	506	427
<b>Galvanized</b>	235	105	153	476	258
<b>Tin Plate</b>	204	146	150	421	295

**NET REVENUE PER UNIT**

Consolidated - In R\$/t

	2Q08	1Q09	2Q09	1H08	1H09
<b>DOMESTIC MARKET</b>	2,053	2,403	2,069	1,953	2,207
<b>EXPORT MARKET</b>	1,813	2,160	1,391	1,693	1,662
<b>TOTAL MARKET</b>	2,013	2,372	1,960	1,905	2,127
<b>Slabs</b>	1,139	1,005	765	1,053	776
<b>Hot Rolled</b>	1,715	1,905	1,582	1,572	1,701
<b>Cold Rolled</b>	1,876	2,008	1,834	1,753	1,907
<b>Galvanized</b>	2,340	2,410	2,037	2,209	2,188
<b>Tin Plate</b>	2,375	3,176	2,943	2,350	3,058

**NET REVENUE PER UNIT**

Parent Company - In R\$/t

	2Q08	1Q09	2Q09	1H08	1H09
<b>DOMESTIC MARKET</b>	1,955	2,175	1,941	1,849	2,038
<b>EXPORT MARKET</b>	1,544	1,751	1,320	1,424	1,548
<b>TOTAL MARKET</b>	1,920	2,110	1,878	1,805	1,977
<b>Slabs</b>	1,141	1,005	716	1,055	729
<b>Hot Rolled</b>	1,714	1,790	1,569	1,543	1,655
<b>Cold Rolled</b>	1,755	1,678	1,695	1,666	1,687
<b>Galvanized</b>	2,520	2,543	2,258	2,403	2,374
<b>Tin Plate</b>	2,142	2,845	2,666	2,075	2,754

**US DOLLAR EXCHANGE RATE**

in R\$ / US\$

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09

<b>End of Period</b>	1.749	1.592	1.914	2.337	2.315	1.952
<b>Change (%)</b>	-1.2%	-9.0%	20.3%	22.1%	-0.9%	-15.7%



**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: August 07, 2009

**COMPANHIA SIDERÚRGICA NACIONAL**

By:           /s/ Benjamin Steinbruch

**Benjamin Steinbruch**  
**Chief Executive Officer**

By:           /s/ Paulo Penido Pinto  
                  Marques

**Paulo Penido Pinto Marques**  
**Chief Financial Officer and**  
**Investor Relations Officer**

**FORWARD-LOOKING STATEMENTS**

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

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