

NATIONAL STEEL CO
Form 6-K
May 12, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of May 12, 2016
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes No

São Paulo, May 12, 2016

1Q16 Earnings Release

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its consolidated results for the first quarter of 2016 (1Q16), which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting norms, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's 1Q16 consolidated results and comparisons refer to the fourth quarter of 2015 (4Q15) and the first quarter of 2015 (1Q15), unless otherwise stated. The Real/U.S. Dollar exchange rate was R\$3.5583 on March 31, 2016 and R\$3.9048 on December 31, 2015

| | | | | | |
|--|--------------|--------------|--------------|------------|--------------|
| Steel Sales (thousand t) | 1,407 | 1,130 | 1,246 | 10% | (11%) |
| - Domestic Market | 63% | 57% | 52% | (5%) | (11%) |
| - Overseas Subsidiaries | 34% | 37% | 42% | 5% | 8% |
| - Exports | 6% | 6% | 6% | 0% | 0% |
| Iron Ore Sales (thousand t)¹ | 5,442 | 6,656 | 8,295 | 25% | 52% |
| - Domestic Market | 1% | 7% | 13% | 6% | 12% |
| - Exports | 99% | 93% | 87% | (6%) | (12%) |
| Consolidated Results (R\$ Million) | | | | | |
| Net Revenue | 4,010 | 3,678 | 3,844 | 5% | (4%) |
| Gross Profit | 985 | 767 | 926 | 21% | (6%) |
| Adjusted EBITDA ² | 911 | 686 | 733 | 7% | (20%) |
| Adjusted Net Debt ³ | 19,979 | 26,499 | 26,654 | 1% | 33% |
| Adjusted Cash Position | 12,251 | 8,862 | 6,472 | (27%) | (47%) |

| | | | | | |
|----------------------------|------|------|------|------|------|
| Net Debt / Adjusted EBITDA | 4.8x | 8.2x | 8.7x | 0.5x | 3.9x |
|----------------------------|------|------|------|------|------|

¹ Iron ore sales volumes include 100% of the stake in NAMISA until November 2015 and 100% of the stake in Congonhas Minérios as of December 2015.

² Adjusted EBITDA is calculated based on net income/loss, before depreciation and amortization, income taxes, the net financial result, results from investees, and other operating income (expenses) and includes the proportional share of the EBITDA of the jointly-owned investees MRS Logística and CBSI, as well as the Company's 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

³ Adjusted Net Debt and Adjusted Cash and Cash Equivalents included 33.27% of the stake in MRS, 60% of the interest in Namisa and 50% of the stake in CBSI until November 2015. As of December 2015, they included 100% of Congonhas Minérios, 32.27% of MRS and 50% of CBSI, excluding Forfeiting and drawee risk operations.

BM&FBovespa (CSNA3): R\$7.15/share

Market Cap BM&FBovespa: R\$9.92 billion

NYSE (SID): US\$1.97/ADR (1 ADR = 1 share)

Market Cap NYSE: US\$2.73 billion

Total no. of shares = 1,387,524,047

| | | |
|-------------------------------|--------|-------|
| IPCA (%) | 7.00 | 5.62 |
| Commercial Dollar (EoP - R\$) | 3.70 | 3.90 |
| SELIC Target (EoP - %) | 13.00 | 11.75 |
| GDP (%) | (3.86) | 0.50 |
| Industrial Production (%) | (5.95) | 0.74 |

Source: FOCUS BACEN

Base: 05/06/2016

CSN's Consolidated Results

- Net revenue** totaled R\$3,844 million in 1Q16, 5% up on 4Q15 and 4% down on the same period last year. Regarding 4Q15, the increase was due to the higher sales volume in the steel and mining segments, offsetting the decrease in the average steel and mining prices, which suffered the additional impact of BRL appreciation. Compared with 1Q15, the reduction was a result of lower sales volume in the steel segment.
- COGS** amounted to R\$2,918 million, in line with the previous quarter and 4% less than in 1Q15. The year-on-year reduction was mainly due to lower steel and mining segments unit costs.
- First-quarter **gross profit** came to R\$926 million, 21% more than in 4Q15, while the gross margin widened by 3p.p. to 24%. In comparison with 1Q15, gross profit fell by 6% and the gross margin narrowed by 1p.p., from 25% to 24%.
- Selling, general and administrative expenses** totaled R\$611 million in 1Q16, 12% and 49% up on 4Q15 and 1Q15, respectively, chiefly due to higher freight (related to distribution costs), due to the increase in iron sales and the higher CIF sales model, and personnel expenses.
- Other operating income (expenses)** was a net expense of R\$127 million in 1Q16, versus expense of R\$214 million in 1Q15. Most of the amount in question referred to expenses with labor provisions and judicial deposits. The positive result registered in 4Q15

was due to the Business Combination effect in the mining segment.

- **The proportional net financial result** was negative by R\$968 million in 1Q16, due to: i) financial expenses (excluding the exchange variation) of R\$890 million; ii) the negative exchange variation result of R\$329 million; and iii) financial revenue of R\$251 million.

| | | | |
|---|--------------|--------------|----------------|
| Financial Result - IFRS | (870) | (183) | (943) |
| (+) Financial Result of Joint-Venture | 500 | (48) | (25) |
| (+) Namisa | 520 | (34) | - |
| (+) MRS | (20) | (15) | (25) |
| (=) Proporcional Financial Result | (370) | (231) | (968) |
| Financial Revenues | 63 | 289 | 251 |
| Financial Expenses | (433) | (531) | (1.219) |
| Financial Expenses (ex-exchange rates variation) | (878) | (483) | (890) |
| Result with Exchange Rate Variation | 445 | (48) | (329) |
| Monetary and Exchange Rate Variation | (482) | 245 | 949 |
| Hedge Accounting | 428 | (140) | (566) |
| Notional Amount of Derivatives Contracted | 500 | (153) | (713) |
| Others | - | 12 | - |

¹ The proportional financial result considered stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of

100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

- CSN's **equity result** was a positive R\$45 million in 1Q16, versus a negative R\$55 million in 4Q15 and a positive R\$398 million in 1Q15, chiefly due to MRS's equity result in the 1Q16 and 4Q15, and Namisa's equity result in the 1Q15. The table below presents a breakdown of this item:

| | | | | | |
|---|------------|-------------|-----------|----------|--------------|
| Namisa | 396 | (58) | - | - | - |
| MRS Logística | 15 | 29 | 61 | 111% | 302% |
| CBSI | (2) | (1) | 1 | - | - |
| TLSA | (8) | (8) | (7) | (10%) | (8%) |
| Arvedi Metalfer BR | - | (8) | - | - | - |
| Eliminations | (4) | (9) | (11) | 18% | 173% |
| Share of profits (losses) of investees | 398 | (55) | 45 | - | (89%) |

- CSN recorded a first-quarter **net loss** of R\$831 million, versus net income of R\$2,371 million in 4Q15 and net income of R\$392 million in 1Q15. The worsening in this result, compared with 4Q15, is explained by the gains registered with the conclusion of the mining segment Business Combination last quarter. Regarding 1Q15, the lower result was due to the exchange rate variation result and taxes payment.

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Profit (loss) for the Period | 392 | 2,371 | (831) | - | - |
| (-) Depreciation | 264 | 308 | 310 | 1% | 17% |
| (+) Income Tax and Social Contribution | (503) | 527 | 122 | (77%) | - |
| (+) Finance Income | 870 | 183 | 943 | 416% | 8% |
| EBITDA (ICVM 527) | 1,023 | 3,389 | 544 | (84%) | (47%) |
| (+) Other Operating Income (Expenses) | 214 | (2,913) | 127 | - | (41%) |
| (+) Share of Profit (Loss) of Investees | (398) | 55 | (45) | - | (89%) |
| (-) Proportionate EBITDA of Joint Ventures | 73 | 155 | 107 | (31%) | 48% |
| Adjusted EBITDA | 911 | 686 | 733 | 7% | (20%) |

- Adjusted EBITDA** amounted to R\$733 million in 1Q16, 7% up on the previous quarter, but 20% down on 1Q15, accompanied by an adjusted EBITDA margin of 18.1%, 1.1 p.p. more than in 4Q15, but 3.4% less than in 1Q15.

¹ The adjusted EBITDA margin is calculated as the ratio between Adjusted EBITDA and Adjusted Net Income, which considers stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

3

Debt

The adjusted amounts of EBITDA, Debt and Cash included the stakes of 60% in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and the stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI, as of December 2015, as well as financial investments used as collateral for exchange operations on the BM&FBovespa. On March 31, 2016, consolidated net debt totaled R\$26,654 million, while the net debt/EBITDA ratio, was 8.67x based on LTM adjusted EBITDA.

Foreign Exchange Exposure

Net foreign exchange exposure generated by the difference in dollar-denominated assets and liabilities, contracted derivatives and hedge accounting booked by CSN totaled US\$115 million on March 31, 2016. The derivatives contracted form a long USD position achieved through the purchase of NDFs (Non-Deliverable Forwards). The hedge accounting adopted by CSN correlates the projected export flows in dollars with part of the future debt maturities in the same currency. As a result, the exchange variation of part of dollar-denominated debt is temporarily recorded under shareholder's equity, being transferred to the income statement when the dollar revenue from these exports is received.

| | | |
|------------------------------------|----------------|----------------|
| Cash and cash equivalents overseas | 1,625 | 1,288 |
| Accounts Receivables | 170 | 321 |
| Total Assets | 1,795 | 1,610 |
| Borrowings and Financing | (4,569) | (4,466) |
| Accounts Payable | (20) | (7) |
| Other Liabilities | (25) | (6) |
| Total Liabilities | (4,615) | (4,479) |

| | | |
|--|----------------|----------------|
| Foreign Exchange Exposure | (2,820) | (2,870) |
| Notional Amount of Derivatives Contracted, Net | 1,435 | 1,435 |
| Cash Flow Hedge Accounting | 1,558 | 1,549 |
| Net Foreign Exchange Exposure | 173 | 115 |

¹As of the conclusion of the Business Combination, through asset transfers to Congonhas Minérios, CSN has been consolidating 100% of the new Company's cash. As a result, a proportional view of foreign exchange exposure is no longer necessary.

²Proportional foreign exchange exposure includes the 60% stake in Namisa and excludes the stake in MRS.

³IFRS foreign exchange exposure on March 31, 2015 includes the 100% stake in Congonhas Minérios and excludes the stake in MRS.

Capex

CSN invested R\$330 million in 1Q16 in the following projects:

- Investments in the new clinker kiln in Arcos/MG, which will permit the Cement segment to reach competitive margins and scale gains in the Southeast region as a result of the clinker production self-sufficiency.
- Revamp of the coke batteries, reducing imported coke needs and improving the fuel rate.
- Other projects designed to improve the environmental performance of the Presidente Vargas Plant and current investments in other operations.

Of total investments, R\$54 million went to spare parts and R\$155 million to current investments.

| | | | |
|------------------------------|------------|------------|------------|
| Steel | 121 | 130 | 119 |
| Mining | 116 | 97 | 62 |
| Cement | 90 | 218 | 139 |
| Logistics | 11 | 19 | 10 |
| Others | - | - | - |
| Total Investment IFRS | 338 | 464 | 330 |

Working Capital

In order to calculate working capital, CSN adjusts its assets and liabilities as shown below:

- Accounts Receivable: Excludes Dividends Receivable, Advances to Employees and Other Credits (Note 5 of the financial statements).
- Inventories: Includes Estimated Losses and excludes Spare Parts which is not part of the cash conversion cycle, and will be subsequently booked under Fixed Assets when consumed. (Note 6 of the financial statements);
- Recoverable Taxes: Composed only of Income (IRPJ) and Social Contribution (CSLL) Taxes included in Recoverable Taxes (Note 7 of the financial statements);
- Taxes Payable: Composed of Taxes Payable under Current Liabilities plus Taxes in Installments (Note 13 of the financial statements);
- Advances from Clients: Subaccount of Other Liabilities recorded under Current Liabilities (Note 13 of the financial statements);
- Suppliers: Includes Forfeiting and Drawee Risk (Note 11 of the financial statements).

As a result, working capital applied to the Company's business totaled R\$3,077 million in 1Q16, R\$90 million less than in 4Q15, chiefly due to the R\$472 million reduction in inventories, while accounts receivable increased by R\$245 million. On a same comparison basis, the average receivable period increased by 6 days, while payment periods and inventory turnover fell by 4 and 14 days, respectively.

| | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|------------|
| Assets | 5,145 | 5,869 | 5,664 | (205) | 519 |
| Accounts Receivable | 1,901 | 1,501 | 1,746 | 245 | (155) |
| Inventories Turnover | 3,107 | 4,092 | 3,621 | (472) | 514 |
| Advances to Taxes | 137 | 276 | 298 | 22 | 161 |
| Liabilities | 2,306 | 2,703 | 2,587 | (115) | 281 |
| Suppliers | 1,556 | 1,671 | 1,542 | (129) | (14) |
| Salaries and Social Contribution | 214 | 257 | 245 | (12) | 31 |
| Taxes Payable | 512 | 725 | 733 | 8 | 221 |
| Advances from Clients | 24 | 51 | 67 | 16 | 43 |
| Working Capital | 2,839 | 3,166 | 3,077 | (90) | 238 |
| Receivables | 36 | 30 | 36 | 6 | - |
| Supplier Payment | 46 | 52 | 48 | (4) | 2 |
| Inventory Turnover | 92 | 127 | 113 | (14) | 21 |
| Cash Conversion Cycle | 82 | 105 | 101 | (4) | 19 |

Results by Segment

The Company maintains integrated operations in five business segments: steel, mining, logistics, cement and energy. The main assets and/or companies comprising each segment are presented below:

¹ Namisa's former assets.

² As of 2013, the Company ceased the proportional consolidation of its jointly-owned subsidiaries Namisa, MRS and CBSI. For the purpose of preparing and presenting the information by business segment, Management opted to maintain the proportional consolidation of its jointly-owned subsidiaries, as historically presented. For the reconciliation of CSN's consolidated results, these companies' results are eliminated in the "corporate/elimination expenses" column.

³ In order to report the Company's 2015 results, after the combination of CSN's mining assets (Casa de Pedra, Namisa and Tecar), the consolidated result includes all this new company's information.

6

| | | | | | |
|---|--------------|------------|-----------|------------|-----------|
| Net Revenue | 2,809 | 777 | 50 | 303 | 11 |
| Domestic Market | 1,500 | 151 | 50 | 303 | 11 |
| Foreign Market | 1,309 | 626 | - | - | - |
| Cost of Goods Sold | (2,300) | (585) | (36) | (214) | (101) |
| Gross Profit | 509 | 192 | 14 | 89 | 1 |
| Selling, General and Administrative Expenses | (255) | (24) | (8) | (24) | (18) |
| Depreciation | 166 | 114 | 3 | 56 | 1 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - |
| Adjusted EBITDA | 420 | 283 | 9 | 121 | 8 |

| | | | | | |
|---|--------------|------------|-----------|------------|-----------|
| Net Revenue | 2,579 | 907 | 62 | 331 | 10 |
| Domestic Market | 1,473 | 88 | 62 | 331 | 10 |
| Foreign Market | 1,106 | 819 | - | - | - |
| Cost of Goods Sold | (2,267) | (598) | (42) | (207) | (89) |
| Gross Profit | 312 | 309 | 20 | 124 | 1 |
| Selling, General and Administrative Expenses | (267) | (22) | (5) | (23) | (21) |
| Depreciation | 178 | 105 | 3 | 50 | 1 |
| Proportional EBITDA of Jointly Controlled Companies | - | - | - | - | - |
| Adjusted EBITDA | 222 | 392 | 19 | 151 | 0 |

Steel

According to preliminary figures from the World Steel Association (WSA), global crude steel production totaled 386 million tonnes in 1Q16, 3.5% down on the same period last year, while the Brazilian Steel Institute (IABr) estimates a 12.3% reduction in domestic output to 7.4 million tonnes (also preliminary figures). Domestic production of rolled products came to 5.1 million tonnes, 17.5% less than in 1Q15, while apparent consumption fell by 29.3% to 4.3 million tonnes, with domestic sales of 4.0 million tonnes and imports of 368,000 tonnes. On the other hand, exports increased by 17.1% in the same period, reaching 3.3 million tonnes.

In 2016, the IABr estimates an 8.8% decline in apparent consumption to 19.4 million tonnes, with domestic sales of 17.4 million tonnes and imports of 1.1 million tonnes.

According to INDA (the Brazilian Steel Distributors' Association), 1Q16 steel purchases and sales by distributors fell by 18.3% and 13.0% over 1Q15 to 761,000 and 776,000 tonnes, respectively. Inventories closed the quarter at 906,800 tonnes, in line with the previous month, representing 3.1 months of sales.

Automotive

According to ANFAVEA (the Auto Manufacturers' Association), vehicle production totaled 482,000 units in 1Q16, 28% down on 1Q15. In the same period, new car, light commercial vehicle, truck and bus licensing fell by 29% to 481,000 units. The association estimates a reduction in vehicle sales of up to 7.5% in 2016 over 2015, to 2.37 million units, while FENABRAVE (the Vehicle Distributors' Association) expects a 6% reduction in vehicle sales.

Construction

According to SECOVI-SP (the São Paulo Residential Builders' Association), during 1Q16 the residential real estate launches in the city of São Paulo totaled 2,856 units, 30% up on the 1,418 units launched in the 1Q15.

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials in 1Q16 fell by 17.3% over the same period last year. The association revised its 2016 estimate to a real decline of 4.5%.

Home Appliances

According to the Brazilian Institute of Geography and Statistics (IBGE), home appliance production accumulated until march 2016 fell by 22% over the same period in 2015, while output in the last 12 months dropped by 20% over the same period a year before, reflecting the low level of business and consumer confidence.

Results from CSN's Steel Operations

The parent company's slab production totaled 836,000 tonnes in 1Q16, 21% and 29% down on 4Q15 and 1Q15, respectively. It is worth noting that no slabs were purchased from third parties in 1Q16, versus 64,000 tonnes acquired in 4Q15. Flat rolled steel production came to 746,000 tonnes, 22% and 27% less than in 4Q15 and 1Q15, respectively.

| | | | | | |
|--|--------------|--------------|------------|--------------|--------------|
| Total Slabs (UPV + Third Parties) | 1,184 | 1,062 | 836 | (21%) | (29%) |
| Crude Steel Production | 1,115 | 998 | 835 | (16%) | (25%) |
| Third Parties Slabs | 69 | 64 | 0 | - | - |
| Total Rolled Products | 1,020 | 952 | 746 | (22%) | (27%) |

- Total steel product sales volume came to 1,246 thousand tonnes in 1Q16, 10% up on 4Q15. Of this total, 52% went to the domestic market, 42% were sold by our subsidiaries abroad and 6% went to exports.
- First-quarter **domestic** steel sales totaled 650,000 tonnes, 1% up on 4Q15, 611,000 tonnes of which flat steel and 38,000 tonnes long steel.
- First-quarter **foreign** sales amounted to 597,000 tonnes, 23% up on 4Q15. Of this total, the overseas subsidiaries sold 520,000 tonnes, 204,000 of which by LLC, 216,000 by SWT and 100,000 by Lusosider, while direct exports came to 78,000 tonnes.
- In the first quarter, CSN increased its share of coated products as a percentage of total sales volume, following the

strategy of adding more value to its product mix. **Domestic** sales of coated products such as galvanized items and tin plate accounted for 46% of flat steel sales, versus 45% in 4Q15. In the **foreign market**, the share of coated products moved up from 69% of flat steel sales to 77% in 1Q16.

- **Net revenue** totaled R\$2,809 million in 1Q16, 9% up on 4Q15, chiefly due to the increase in domestic sales volume and sales by subsidiaries abroad. In 1Q16, average net revenue per tonne remained in line with 1Q15, totaling R\$2,196.
- **COGS** came to R\$2,300 million in 1Q16, a slight 1% increase over 4Q15.
- The parent company's **production cost** reached R\$1,343 million in 1Q16, 21% down on 4Q15, chiefly due to the decrease in the consumption of imported raw material as a result of the extinguishing of blast furnace 2 and the startup of coke batteries, thus reducing the fuel rate, in addition to the lower electricity consumption and a downturn in maintenance expenses.

- **Slab production costs** came to R\$1,064/t, in line with 4Q15. In US dollars, however, the cost fell by 1.4%, from US\$276/t, in 4Q15, to US\$272/t. As a result, CSN maintained its position among those steel companies with the lowest slab costs in the world.

- **Adjusted EBITDA** amounted to R\$420 million in 1Q16, 89% up on the R\$222 million recorded in 4Q15, accompanied by an increase of 6p.p. in the margin, which widened from 9%, in 4Q15, to 15%.

Mining

In 1Q16, the seaborne iron ore market was positively impacted by the greater availability of credit and the recovery of construction activities in China, led by investments in new real estate projects. The improvement in demand led to higher prices and healthier margins for the local steel producers, as well as encouraging the build-up of inventories. In addition, seasonal factors, such as higher rainfall in Australia and Brazil, as well as the rigorous Chinese winter, played an important role in reducing the iron ore supply base. As a result, iron ore prices moved up by 3.5% over the previous quarter, averaging US\$48.30/dmt (Platts, 62% Fe, N. China).

Results from CSN's Mining Operations

- In 1Q16, **iron ore production** totaled 7,326 thousand tonnes, 2% and 23% up on 4Q15 and 1Q15, respectively.
- First-quarter **iron ore purchases** came to 617,000 tonnes, 58% down on 4Q15, but 7% up on 1Q15, chiefly due to the reduced availability of iron ore from small and medium-sized producers in this quarter.
- **Iron ore sales** came to 8,295,000 tonnes¹ in 1Q16, 11% and 21% up on 4Q15 and 1Q15, respectively, thanks to an improved sales performance in the domestic market. Shipped iron ore volume totaled 6,988 thousand tonnes, 12% down on 4Q15, but 11% more than in 1Q15. Almost 1,047,000 tonnes from Congonhas Minérios were sold to UPV.

| | | | | | |
|------------------------------------|--------------|--------------|--------------|-------------|------------|
| Iron Ore Production ¹ | 5,938 | 7,218 | 7,326 | 1% | 23% |
| Third Parties Purchase | 543 | 1,481 | 617 | (58%) | 14% |
| Total Production + Purchase | 6,481 | 8,698 | 7,943 | (9%) | 23% |
| UPV Transfer and Sale | 1,428 | 1,257 | 1,047 | (17%) | (27%) |
| Third Parties Sales Volume | 5,442 | 6,202 | 7,248 | 17% | 33% |
| Total Sales + Transfer | 6,870 | 7,459 | 8,295 | 11% | 21% |

| | | | | | |
|----------------|-------|-------|-------|--------------|------------|
| Shipped Volume | 6,282 | 7,939 | 6,988 | (12%) | 11% |
|----------------|-------|-------|-------|--------------|------------|

- **Net revenue** from mining operations totaled R\$777 million in 1Q16, 14% down on 4Q15, but 18% more than in 1Q15. The quarter-on-quarter decline was due to the reduction in the FOB price, which did not occur in 1Q15. FOB unit revenue came to US\$28/t in 1Q16, 23% less than in 4Q15.

- In the first quarter, mining segment **COGS** came to R\$585 million, in line with 4Q15 and 3% more than in 1Q15, due to the higher volume of iron ore sold in the quarter. In 1Q16, Casa de Pedra recorded a Chinese delivery cash cost excluding depreciation of US\$31.2/wmt, 6% down on 4Q15.

- **Adjusted EBITDA** stood at R\$283 million in 1Q16, 28% down on the R\$392 million recorded in 4Q15, while the adjusted EBITDA margin narrowed by 7 p.p., from 43%, in 4Q15, to 36%.

¹ *Production and sales volumes include the 100% stake in NAMISA until November 2015 and the 100% interest in Congonhas in December 2015.*

² As of December 2015, Congonhas Minérios began selling iron ore to the Presidente Vargas Plant.

Logistics

According to the ANTT (National Ground Transport Agency), the Brazilian rail container transport concessionaires transported 897,000 tonnes in 2016, 1.3% down on 1Q15.

Results from CSN's Logistic Operations

Railway Logistics: In 1Q16, **net revenue** came to R\$303 million, generating **EBITDA** of R\$121 million and an **EBITDA margin** of 40%

Port Logistics: In the first quarter, Sepetiba Tecon handled 143,000 tonnes of steel products, in addition to 12,000 tonnes of general cargo and approximately 39,000 containers handled. First-quarter **net revenue** stood at R\$50 million, generating **EBITDA** of R\$9 million, accompanied by an **EBITDA margin** of 19%.

| | | | | | |
|------------------------------------|-----|-----|-----|-------|-------|
| Containers Volume (thousand units) | 39 | 39 | 39 | - | - |
| Steel Products Volume (thousand t) | 141 | 261 | 143 | (45%) | 2% |
| General Cargo Volume (thousand t) | 73 | 2 | 12 | 368% | (84%) |

Cement

According to the IBGE's Monthly Industrial Survey (PIM-PF), Brazil's cement production fell by 17.0% in 1Q16 over 1Q15, handling with the construction industry performance.

Preliminary figures from SNIC (the Cement Industry Association) indicate domestic cement sales of 13.9 million tonnes in 1Q16, 14.7% less than in the same quarter the year before. For 2016 as a whole SNIC estimates respective annual declines of 12% to 15% in sales and 9% to 11% in apparent consumption.

Results of CSN's Cement Operations

In 1Q16, **cement sales** amounted to 571,000 tonnes, 15% up on 4Q15, while **net revenue** came to R\$114 million. **EBITDA** totaled R\$8 million, accompanied by an **EBITDA margin** of 7%, due to the ramp-up of the new operations in Arcos, Minas Gerais.

| | | | | | |
|------------------|-----|-----|-----|------|----|
| Total Production | 493 | 564 | 531 | (6%) | 8% |
| Total Sales | 525 | 496 | 571 | 15% | 8% |

Energy

According to the Energy Research Company (EPE), Brazilian electricity consumption totaled 121 TWh until March 2016, 4.2% less than the same period in 2015. Consumption in the industrial and residential segments fell by 7.5% and 2.5%, respectively, when the commercial segment decline 3.2%.

Results from CSN's Energy Operations

In 1Q16, **net revenue** from energy operations totaled R\$68 million, **EBITDA** stood at R\$15 million and the **EBITDA margin** came to 23%.

Capital Market

CSN's shares appreciated by 78.8% in 1Q16, while the Ibovespa increased by 15.5% in the same period. Daily traded volume on the BM&FBovespa averaged R\$41.1 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) moved up by 101.9%, versus the Dow Jones' 1.5% appreciation. On the NYSE, daily traded volume of CSN's ADRs averaged US\$2.7 million.

| | |
|-------------------------------------|------------------|
| Number of shares in thousand | 1,387,524 |
| Market Capitalization | |
| Closing price (R\$/share) | 7.15 |

| | |
|--|--------|
| Closing price (US\$/ADR) | 1.97 |
| Market Capitalization (R\$ million) | 9,921 |
| Market Capitalization (US\$ million) | 2,733 |
| Total return including dividends and interest on equity | |
| CSNA3 | 78.8% |
| SID | 101.9% |
| Ibovespa | 15.5% |
| Dow Jones | 1.5% |
| Volume | |
| Average daily (thousand shares) | 7,251 |
| Average daily (R\$ Thousand) | 41,089 |
| Average daily (thousand ADRs) | 1,791 |
| Average daily (US\$ Thousand) | 2,725 |

Source: Bloomberg

**Conference Call in Portuguese with
Simultaneous Translation into English**

May 12, 2016 – Thursday

3:30 p.m. – Brasília time/2:30 p.m. – US EST

**Phone: +1 516 300-1066 (EUA) / +55 (11)
3127-4971 (Brazil)**

Conference ID: CSN

Webcast: www.csn.com.br/ri

IR Executive Officer ~~Paulo~~ Rogério Caffarelli

Guilherme Hernandes
(guilherme.hernandes@csn.com.br)

Bruno Tetner (bruno.tetner@csn.com.br)

Ana Rayes (ana.rayes@csn.com.br)

Rodrigo Bonsaver
(rodrigo.bonsaver@csn.com.br)

Lucas Aparecida (lucas.aparecida@csn.com.br)

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 U.S., 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\$)

| | | | |
|---|--------------------|--------------------|--------------------|
| Net Revenues | 4,010,252 | 3,678,470 | 3,843,803 |
| Domestic Market | 2,240,781 | 1,703,493 | 1,712,078 |
| Foreign Market | 1,769,471 | 1,974,977 | 2,131,725 |
| Cost of Goods Sold (COGS) | (3,025,533) | (2,911,727) | (2,917,758) |
| COGS, excluding depreciation | (2,766,657) | (2,609,884) | (2,613,847) |
| Depreciation allocated to COGS | (258,876) | (301,843) | (303,911) |
| Gross Profit | 984,719 | 766,743 | 926,045 |
| Gross Margin (%) | 25% | 21% | 24% |
| Selling Expenses | (298,530) | (410,638) | (448,147) |
| General and Administrative Expenses | (106,523) | (126,715) | (156,460) |
| Depreciation allocated to SG&A | (5,622) | (6,218) | (5,925) |
| Other operation income (expense), net | (213,537) | 2,913,324 | (126,560) |
| Share of profits (losses) of investees | 398,478 | (55,436) | 44,979 |
| Operational Income before Financial Results | 758,985 | 3,081,060 | 233,932 |
| Net Financial Results | (869,700) | (182,788) | (943,014) |
| Income before social contribution and income taxes | (110,715) | 2,898,272 | (709,082) |
| Income Tax and Social Contribution | 502,517 | (526,879) | (122,210) |
| Profit/(Loss) for the period | 391,802 | 2,371,393 | (831,292) |

INCOME STATEMENT
PARENT COMPANY – Corporate Law (In thousand of R\$)

| | | | |
|----------------------------------|--------------------|--------------------|--------------------|
| Net Revenues | 3,058,032 | 2,670,782 | 1,977,640 |
| Domestic Market | 2,070,084 | 1,584,206 | 1,567,201 |
| Foreign Market | 987,948 | 1,086,576 | 410,439 |
| Cost of Goods Sold (COGS) | (2,189,432) | (2,207,557) | (1,638,396) |
| COGS, excluding depreciation | (1,987,020) | (2,000,004) | (1,506,928) |
| Depreciation allocated to COGS | (202,412) | (207,553) | (131,468) |

| | | | |
|---|--------------------|------------------|------------------|
| Gross Profit | 868,600 | 463,225 | 339,244 |
| Gross Margin (%) | 28% | 17% | 17% |
| Selling Expenses | (144,140) | (202,128) | (166,823) |
| General and Administrative Expenses | (82,425) | (99,771) | (121,013) |
| Depreciation allocated to SG&A | (3,917) | (4,236) | (4,057) |
| Other operation income (expense), net | (198,038) | (272,058) | (99,702) |
| Share of profits (losses) of investees | 1,442,550 | 2,250,870 | (487,079) |
| Operational Income before Financial Results | 1,882,630 | 2,135,902 | (539,430) |
| Net Financial Results | (2,028,355) | (170,213) | (267,878) |
| Income before social contribution and income taxes | (145,725) | 1,965,689 | (807,308) |
| Income Tax and Social Contribution | 537,781 | 46,932 | (29,382) |
| Profit/(Loss) for the period | 392,056 | 2,012,621 | (836,690) |

BALANCE SHEET
Company Corporate Law (In Thousand of R\$)

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| Current assets | 16,430,691 | 13,697,372 | 8,842,440 | 7,950,527 |
| Cash and cash equivalents | 8,624,651 | 6,305,072 | 2,648,798 | 1,919,314 |
| Trade receivables | 1,578,277 | 1,816,106 | 2,467,523 | 2,422,426 |
| Inventories | 4,941,314 | 4,494,832 | 2,850,744 | 2,834,277 |
| Other current assets | 1,286,449 | 1,081,362 | 875,375 | 774,510 |
| Non-current assets | 32,219,283 | 32,237,652 | 36,763,086 | 35,584,066 |
| Long-term receivables | 4,890,948 | 4,853,541 | 4,510,431 | 4,484,392 |
| Investments measured at amortized cost | 3,998,227 | 4,084,727 | 23,323,565 | 22,042,470 |
| Property, plant and equipment | 17,871,599 | 17,880,257 | 8,866,348 | 8,995,809 |
| Intangible assets | 5,458,509 | 5,419,127 | 62,742 | 61,395 |
| Total assets | 48,649,974 | 45,935,024 | 45,605,526 | 43,534,593 |
| Current liabilities | 5,325,571 | 4,819,168 | 4,272,372 | 4,016,450 |
| Payroll and related taxes | 256,840 | 245,177 | 141,496 | 128,882 |
| Suppliers | 1,293,008 | 1,235,417 | 742,364 | 738,848 |
| Taxes payable | 700,763 | 708,138 | 5,814 | 66,023 |
| Borrowings and financing | 1,874,681 | 1,459,777 | 2,879,073 | 2,536,813 |
| Other payables | 1,073,017 | 1,046,262 | 411,699 | 456,961 |
| Provisions | 127,262 | 124,397 | 91,926 | 88,923 |
| Non-current liabilities | 34,588,740 | 32,796,957 | 33,668,407 | 32,274,950 |
| Borrowings and financing | 32,407,834 | 30,561,057 | 31,109,017 | 29,552,923 |
| Deferred Income Tax and Social Contribution | 494,851 | 508,363 | - | - |
| Other payables | 131,284 | 148,318 | 126,450 | 109,836 |
| Provisions | 711,472 | 730,862 | 564,372 | 589,243 |
| Other provisions | 843,299 | 848,357 | 1,868,568 | 2,022,948 |
| Shareholders' equity | 8,735,663 | 8,318,899 | 7,664,747 | 7,243,193 |
| Paid-in capital | 4,540,000 | 4,540,000 | 4,540,000 | 4,540,000 |
| Capital reserves | 30 | 30 | 30 | 30 |
| Earnings reserves | 2,104,804 | 2,104,804 | 2,104,804 | 2,104,804 |
| Legal reserve | - | (836,690) | - | (836,690) |
| Statutory reserve | 1,019,913 | 1,435,049 | 1,019,913 | 1,435,049 |
| Non-controlling interests | 1,070,916 | 1,075,706 | - | - |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 48,649,974 | 45,935,024 | 45,605,526 | 43,534,593 |

CASH FLOW STATEMENT
CONSOLIDATED - Corporate Law (In Thousand of R\$)

| | | |
|--|--------------------|--------------------|
| Net cash generated by operating activities | 3,651,713 | (983,507) |
| (Net Losses) / Net income attributable to controlling shareholders | 2,012,621 | (836,690) |
| Loss for the period attributable to non-controlling interests | 358,772 | 5,398 |
| Charges on borrowings and financing | 359,893 | 734,734 |
| Depreciation, depletion and amortization | 319,703 | 321,944 |
| Share of profits (losses) of investees | 55,436 | (44,979) |
| Deferred income tax and social contribution | 350,888 | 69,681 |
| Foreign exchange and monetary variations, net | (257,569) | (379,360) |
| Result from derivative financial instruments | 311 | 362 |
| Impairment of available-for-sale assets | 376,431 | - |
| Write-off of permanent assets | 1,693 | 12,966 |
| Accrued actuarial liability | 1,193 | - |
| Buyback of debt securities | (166,642) | (146,214) |
| Gain with business combination | (3,413,033) | - |
| Provisions | (5,168) | 26,997 |
| Working Capital | 3,657,184 | (748,346) |
| Accounts Receivable | 810,610 | (219,640) |
| Trade Receivables – Related Parties | 299,712 | (8,407) |
| Inventory | (196,492) | 443,691 |
| Interest receive - Related Parties | 3,545,142 | - |
| Judicial Deposits | 5,565 | 4,098 |
| Suppliers | (41,647) | (59,340) |
| Taxes and Contributions | (302,944) | 57,839 |
| Interest Expenses | (492,922) | (932,279) |
| Others | 30,160 | (34,308) |
| Cash Flow from Investment Activities | (2,651,757) | (887,053) |
| Investments | (2,727,036) | - |
| Fixed Assets/Intangible | 86,598 | (329,838) |
| Derivative transactions | (313,760) | (556,682) |
| Cash and Cash Equivalent from Namisa Consolidation | 456,364 | - |
| Related parties loans | (17,742) | - |
| Short-term investment, net of redeemed amount | (136,181) | (533) |
| Cash Flow from Financing Companies | (804,567) | (438,466) |
| Borrowings and financing raised, net of transaction costs | (563,514) | (26,770) |
| Amortizations/funding for Forfeiting/Drawee risk | 14,899 | (44,842) |
| Amortizations | (46,993) | (215,756) |
| Buyback of debt securities | (208,959) | (151,098) |
| Foreign Exchange Variation on Cash and Cash Equivalents | 66,301 | (55,143) |
| Free Cash Flow | 261,690 | (2,364,169) |

SALES VOLUME CONSOLIDATED (thousand tonnes)

| | | | | | |
|--------------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| <u>Flat Steel</u> | <u>847</u> | <u>599</u> | <u>611</u> | <u>12</u> | <u>(236)</u> |
| Slabs | 4 | 2 | - | (2) | (4) |
| Hot Rolled | 358 | 207 | 220 | 13 | (138) |
| Cold Rolled | 154 | 123 | 108 | (15) | (46) |
| Galvanized | 237 | 181 | 197 | 16 | (40) |
| Tin Plates | 94 | 86 | 85 | (1) | (9) |
| Long Steel UPV | 34 | 44 | 38 | (6) | 4 |
| DOMESTIC MARKET | 881 | 643 | 649 | 6 | (232) |

| | | | | | |
|------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| <u>Flat Steel</u> | <u>314</u> | <u>333</u> | <u>381</u> | <u>48</u> | <u>67</u> |
| Hot Rolled | 57 | 51 | 59 | 8 | 2 |
| Cold Rolled | 62 | 51 | 27 | (24) | (35) |
| Galvanized | 166 | 188 | 265 | 77 | 99 |
| Tin Plates | 29 | 43 | 30 | (13) | 1 |
| Long Steel (profiles) | 212 | 154 | 216 | 62 | 4 |
| FOREIGN MARKET | 526 | 487 | 597 | 110 | 71 |

| | | | | | |
|------------------------------|---------------------|-------------------|-------------------|------------------|---------------------|
| <u>Flat Steel</u> | <u>1,161</u> | <u>933</u> | <u>992</u> | <u>59</u> | <u>(169)</u> |
| Slabs | 4 | 2 | - | (2) | (4) |
| Hot Rolled | 415 | 258 | 280 | 22 | (135) |
| Cold Rolled | 215 | 174 | 135 | (39) | (80) |
| Galvanized | 403 | 369 | 462 | 93 | 59 |
| Tin Plates | 124 | 129 | 115 | (14) | (9) |
| Long Steel UPV | 34 | 44 | 38 | (6) | 4 |
| Long Steel (profiles) | 212 | 154 | 216 | 62 | 4 |
| TOTAL MARKET | 1,407 | 1,130 | 1,246 | 116 | (161) |

SALES VOLUME PARENT COMPANY (thousand tonnes)

| | | | | | |
|--------------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| <u>Flat Steel</u> | <u>955</u> | <u>677</u> | <u>709</u> | <u>32</u> | <u>(246)</u> |
| Slabs | 4 | 2 | - | (2) | (4) |
| Hot Rolled | 399 | 236 | 244 | 8 | (155) |
| Cold Rolled | 175 | 145 | 124 | (21) | (51) |
| Galvanized | 279 | 205 | 253 | 48 | (26) |
| Tin Plates | 98 | 88 | 89 | 1 | (9) |
| Long Steel UPV | 34 | 44 | 38 | (6) | 4 |

| | | | | | |
|------------------------------|--------------|------------|------------|-------------|--------------|
| DOMESTIC MARKET | 989 | 721 | 747 | 26 | (242) |
| Flat Steel | 186 | 263 | 186 | (77) | 0 |
| Hot Rolled | 77 | 113 | 53 | (60) | (24) |
| Cold Rolled | 36 | 18 | - | (18) | (36) |
| Galvanized | 43 | 89 | 103 | 14 | 60 |
| Tin Plates | 29 | 43 | 30 | (13) | 1 |
| Long Steel (profiles) | - | - | - | - | - |
| FOREIGN MARKET | 186 | 263 | 186 | (77) | 0 |
| Flat Steel | 1,140 | 940 | 895 | (45) | (245) |
| Slabs | 4 | 2 | - | (2) | (4) |
| Hot Rolled | 476 | 349 | 297 | (52) | (179) |
| Cold Rolled | 211 | 163 | 124 | (39) | (87) |
| Galvanized | 322 | 294 | 356 | 62 | 34 |
| Tin Plates | 127 | 131 | 119 | (12) | (8) |
| Long Steel UPV | 34 | 44 | 38 | (6) | 4 |
| Long Steel (profiles) | - | - | - | - | - |
| TOTAL MARKET | 1,174 | 984 | 933 | (51) | (241) |

NET REVENUE PER UNIT

| | | | | | |
|------------------------------------|-------|-------|-------|------|----|
| Average (DM and FM) - R\$/t | 2,162 | 2,222 | 2,196 | (26) | 34 |
|------------------------------------|-------|-------|-------|------|----|

