

NATIONAL STEEL CO  
Form 6-K  
December 27, 2016

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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 December, 2016**  
**Commission File Number 1-14732**

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**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

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

ITR — Quarterly Financial Information - September 30, 2016 – CVersion: 1  
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**Company Information / Capital Breakdown**

<b>Number of Shares</b>	<b>Current Quarter</b>
<b>(Units)</b>	<b>09/30/2016</b>
<b>Paid-in Capital</b>	
<b>Common</b>	1,387,524,047
<b>Preferred</b>	0
<b>Total</b>	1,387,524,047
<b>Treasury Shares</b>	
<b>Common</b>	30,391,000
<b>Preferred</b>	0
<b>Total</b>	30,391,000

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2016</b>	<b>Previous Year 12/31/2015</b>
1	Total Assets	42,525,094	45,605,526
1.01	Current assets	7,686,024	8,842,440
1.01.01	Cash and cash equivalent	2,434,980	1,885,199
1.01.02	Financial investments	90,711	763,599
1.01.02.02	Financial investments at amortized cost	90,711	763,599
1.01.03	Trade receivables	2,147,621	2,467,523
1.01.04	Inventory	2,270,159	2,850,744
1.01.08	Other current assets	742,553	875,375
1.01.08.01	Non-current assets available-for-sale	157,792	-
1.01.08.03	Others	584,761	875,375
1.02	Non-current assets	34,839,070	36,763,086
1.02.01	Long-term assets	4,310,564	4,510,431
1.02.01.06	Deferred tax assets	3,029,672	3,228,961
1.02.01.09	Other non-current assets	1,280,892	1,281,470
1.02.02	Investments in affiliates	21,058,572	23,323,565
1.02.03	Property, plant and equipment	9,411,399	8,866,348
1.02.04	Intangible assets	58,535	62,742

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2016</b>	<b>Previous Year 12/31/2015</b>
2	Total liabilities	42,525,094	45,605,526
2.01	Current liabilities	3,605,010	4,272,372
2.01.01	Payroll and related taxes	156,077	141,496
2.01.02	Trade payables	1,003,260	742,364
2.01.03	Tax payables	74,245	5,814
2.01.04	Borrowings and financing	1,844,487	2,879,073
2.01.05	Other payables	413,812	411,699
2.01.06	Provisions	78,627	91,926
2.01.06.01	Provision for tax, social security, labor and civil risks	78,627	91,926
2.01.07	Liabilities over non-current assets held for sale and discontinued operations	34,502	-
2.01.07.01	Liabilities over non-current assets held for sale	34,502	-
2.02	Non-current liabilities	30,858,103	33,668,407
2.02.01	Long term Borrowings and financing	28,337,424	31,109,017
2.02.02	Other payables	82,699	126,450
2.02.04	Provisions	2,437,980	2,432,940
2.02.04.01	Provision for tax, social security, labor and civil risks	562,644	564,372
2.02.04.02	Other provisions	1,875,336	1,868,568
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	252,355	259,115
2.02.04.02.04	Pension and healthcare plan	514,367	514,367
2.02.04.02.05	Provision for losses on investments	1,108,614	1,095,086
2.03	Consolidated Shareholders' equity	8,061,981	7,664,747
2.03.01	Share Capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,464,701	2,464,701
2.03.04.01	Legal reserve	442,531	442,531
2.03.04.02	Statutory reserve	2,151,920	2,151,920
2.03.04.04	Earnings reserves	109,226	109,226
2.03.04.09	Treasury shares	(238,976)	(238,976)
2.03.05	Accumulated profit/losses	(1,031,122)	-
2.03.08	Other comprehensive income	2,088,372	660,016



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

Code	Description	Current	Year to	Same	YTD
		Quarter	date	quarter	previous
		07/01/2016	01/01/2016	07/01/2015	01/01/2015
		to	to	to	to
		09/30/2016	09/30/2016	09/30/2015	09/30/2015
3.01	Revenues from sale of goods and rendering of services	2,288,121	6,457,435	3,118,708	9,047,581
3.02	Costs from sale of goods and rendering of services	(1,825,749)	(5,370,811)	(2,472,690)	(6,929,971)
3.03	Gross profit	462,372	1,086,624	646,018	2,117,610
3.04	Operating expenses/income	149,553	(1,371,135)	2,232,878	2,479,681
3.04.01	Selling expenses	(141,831)	(448,060)	(185,331)	(479,481)
3.04.02	General and administrative expenses	(87,854)	(283,481)	(96,783)	(272,151)
3.04.04	Other operating income	152,150	156,720	16,403	28,671
3.04.05	Other operating expenses	(79,647)	(269,115)	(102,664)	(509,351)
3.04.06	Equity in income of affiliates and join ventures	306,735	(527,199)	2,601,253	3,711,991
3.05	Profit before finance income (expenses) and taxes	611,925	(284,511)	2,878,896	4,597,291
3.06	Finance income (expenses)	(713,121)	(600,636)	(3,287,418)	(5,871,011)
3.06.01	Finance income	65,651	152,322	726,759	1,133,811
3.06.02	Finance expenses	(778,772)	(752,958)	(4,014,177)	(7,004,821)
3.06.02.01	Net exchange differences over financial instruments	(119,842)	2,014,530	(2,985,847)	(4,334,951)
3.06.02.02	Finance expenses	(658,930)	(2,767,488)	(1,028,330)	(2,669,871)
3.07	Profit (loss) before taxes	(101,196)	(885,147)	(408,522)	(1,273,711)
3.08	Income tax and social contribution	(29,015)	(139,189)	(123,263)	512,981
3.09	Profit (loss) from continued operations	(130,211)	(1,024,336)	(531,785)	(760,731)
3.10	Profit (loss) from discontinued operations	(6,984)	(6,786)	(728)	6,001
3.11	Consolidated Profit (loss) for the year	(137,195)	(1,031,122)	(532,513)	(754,721)
3.99.01.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)
3.99.02.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)

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

Code	Description	Current	Same quarter	YTD previous	
		Quarter	Year to date	year	
		07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
4.01	Consolidated profit for the year	(137,195)	(1,031,122)	(532,513)	(754,725)
4.02	Other comprehensive income	620,079	1,428,356	(1,026,861)	(1,040,896)
4.02.01	Actuarial gains over pension plan of affiliates	-	144	-	(96)
4.02.02	Actuarial gains (losses) on defined benefit pension plan	30	-	-	348
4.02.03	Income tax and social contribution on actuarial gains (losses) in pension plan	-	-	-	(118)
4.02.04	Cumulative translation adjustments for the year	75,140	(392,797)	550,919	719,875
4.02.05	Available-for-sale assets	647,550	775,403	(445,407)	(443,153)
4.02.06	Income tax and social contribution on available-for-sale assets	(42,734)	(42,734)	-	(767)
4.02.07	Available-for-sale assets from investments in affiliates, net of taxes	-	-	-	(20,817)
4.02.08	Impairment of available-for-sale assets	-	-	81,016	178,867
4.02.09	Income tax and social contribution on impairment of available-for-sale assets	-	-	-	(33,269)
4.02.10	(Loss) / gain on the percentage change in investments	740	1,324	245	202
4.02.11	Gain (loss) on cash flow hedge accounting	(56,324)	1,016,560	(1,171,346)	(1,517,306)
4.02.12	Income tax and social contribution on cash flow hedge accounting	-	(13,808)	-	117,626
4.02.13		5,949	26,472	-	-



	Realization of cash flow hedge accounting reclassified to income statement				
4.02.14	Gain (Loss) on net investment hedge from investments in affiliates	(10,272)	57,792	(42,288)	(42,288)
4.03	Consolidated comprehensive income for the year	482,884	397,234	(1,559,374)	(1,795,621)

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

Code	Description	Year to	YTD
		date	previous year
		01/01/2016	01/01/2015
		to	to
		09/30/2016	09/30/2015
6.01	Net cash from operating activities	1,418,549	282,033
6.01.01	Cash from operations	(393,672)	3,532,689
6.01.01.01	Profit (loss) for the period	(1,031,122)	(754,725)
6.01.01.03	Finance charges in borrowing	1,909,151	2,510,054
6.01.01.04	Finance charges in lending	(27,919)	(15,749)
6.01.01.05	Depreciation, depletion and amortization	418,828	651,952
6.01.01.06	Equity in gain (loss) of affiliates	527,199	(3,718,002)
6.01.01.07	Deferred tax	139,138	(593,287)
6.01.01.08	Provision for tax, social security, labor, civil and environmental risks	(15,027)	84,671
6.01.01.09	Exchange differences, net	(2,320,143)	5,144,844
6.01.01.11	Impairment of available-for-sale assets	-	178,867
6.01.01.12	Write-off of PPE and Intangible assets	20,751	3,935
6.01.01.13	Provision for environmental liabilities and decommissioning of assets	(6,760)	(2,014)
6.01.01.14	Business combination gains	(28,013)	-
6.01.01.15	Others	20,245	42,143
6.01.02	Changes in assets and liabilities	1,812,221	(3,250,656)
6.01.02.01	Trade receivables - third parties	(118,462)	(19,562)
6.01.02.02	Trade receivables - related parties	430,601	(1,412,278)
6.01.02.03	Inventories	580,585	(94,391)
6.01.02.04	Receivables - related parties	36,264	78,255
6.01.02.05	Tax assets	250,807	(155,883)
6.01.02.06	Judicial deposits	27,745	(27,112)
6.01.02.07	Dividends received - related parties	2,313,552	12,215
6.01.02.09	Trade payables	261,063	220,235
6.01.02.10	Payroll and related taxes	20,000	65,289
6.01.02.11	Taxes in installments - REFIS	71,734	55,410
6.01.02.13	Payables to related parties	(2,986)	74,645
6.01.02.15	Interest paid	(2,023,675)	(2,079,553)
6.01.02.16	Interest received - Related Parties	-	651
6.01.02.18	Others	(35,007)	31,423
6.02	Net cash used in investing activities	(400,203)	(1,453,885)
6.02.01	Advance for future capital increase	(222,374)	(28,083)
6.02.02	Purchase of property, plant and equipment	(878,908)	(1,597,232)
6.02.03	Cash from incorporation of affiliates	-	129,745

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6.02.04	Capital reduction in joint venture	-	486,758
6.02.07	Intercompany loans granted	(56,547)	(43,475)
6.02.09	Intercompany loans received	-	5,546
6.02.10	Exclusive funds	84,738	220,274
6.02.11	Financial Investments, net of redemption	672,888	(627,418)
6.03	Net cash used in financing activities	(469,845)	378,601
6.03.01	Borrowings and financing, net of transaction cost	(26,018)	934,396
6.03.02	Borrowings and financing, related parties	40,239	1,725,595
6.03.03	Forfeiting capitalization / drawee Risk	78,240	625,117
6.03.04	Forfeiting amortization / drawee Risk	(300,321)	(861,617)
6.03.05	Amortization of borrowings and financing	(221,693)	(938,239)
6.03.06	Amortization of borrowings and financing - related parties	(40,239)	(547,429)
6.03.07	Payments of dividends and interests on shareholder's equity	(53)	(549,832)
6.03.08	Treasury shares	-	(9,390)
6.04	Exchange rate on translating cash and cash equivalents	1,280	-
6.05	Increase (decrease) in cash and cash equivalents	549,781	(793,251)
6.05.01	Cash and equivalents at the beginning of the year	1,885,199	3,146,393
6.05.02	Cash and equivalents at the end of the year	2,434,980	2,353,142

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

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**Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2016 to 09/30/2016 (R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, granted options and treasury shares</b>	<b>Earnings reserve</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other comprehensive income</b>	<b>Shareholders' equity</b>
5.01	Opening balances	4,540,000	302,464,701	-	-	660,016	7,664,747
5.03	Adjusted opening balances	4,540,000	302,464,701	-	-	660,016	7,664,747
5.05	Total comprehensive income	-	-	-	(1,031,122)	1,428,356	397,234
5.05.01	Profit for the period	-	-	-	(1,031,122)	-	(1,031,122)
5.05.02	Other comprehensive income	-	-	-	-	1,428,356	1,428,356
5.05.02.04	Translation adjustments for the year	-	-	-	-	(392,797)	(392,797)
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	144	144
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	732,669	732,669
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	1,324	1,324
5.05.02.11	(Loss) / gain on cash flow hedge accounting, net of taxes	-	-	-	-	1,029,224	1,029,224
5.05.02.12	(Loss) / gain on net investment hedge, net of taxes	-	-	-	-	57,792	57,792

5.07	Closing balance	4,540,000	302,464,701	(1,031,122)	2,088,372	8,061,981
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**Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2015 to 09/30/2015 (R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-in capital</b>	<b>Capital reserve, granted options and treasury shares</b>	<b>Earnings reserve</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other comprehensive income</b>	<b>Shareholders' equity</b>
5.01	Opening balances	4,540,000	30 1,131,298		-	25,140	5,696,468
5.03	Adjusted opening balances	4,540,000	30 1,131,298		-	25,140	5,696,468
5.04	Capital transactions with shareholders	-	- (284,390)		-	-	(284,390)
5.04.04	Treasury shares acquired	-	- (9,390)		-	-	(9,390)
5.04.06	Dividends	-	- (275,000)		-	-	(275,000)
5.05	Total comprehensive income	-	-	-	(754,725)	(1,040,896)	(1,795,621)
5.05.01	Profit for the period	-	-	-	(754,725)	-	(754,725)
5.05.02	Other comprehensive income	-	-	-	-	(1,040,896)	(1,040,896)
5.05.02.04	Translation adjustments for the period	-	-	-	-	719,875	719,875
5.05.02.08	(Actuarial (losses) gains on pension plan, net of taxes	-	-	-	-	134	134
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	(319,139)	(319,139)
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	202	202

5.05.02.11	(Loss) gain on cash flow hedge accounting, net of taxes	-	-	-	-	(1,399,680)	(1,399,680)
5.05.02.12	(Loss) / gain on net investment hedge	-	-	-	-	(42,288)	(42,288)
5.07	Closing balances	4,540,000	30	846,908	(754,725)	(1,015,756)	3,616,457

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

<b>Code</b>	<b>Description</b>	<b>Year to date</b>	<b>Previous year</b>
		<b>01/01/2016 to 09/30/2016</b>	<b>01/01/2015 to 09/30/2015</b>
7.01	Revenues	8,039,004	10,792,661
7.01.01	Sales of products and rendering of services	8,062,255	10,729,818
7.01.02	Other revenues	(14,491)	82,703
7.01.04	Allowance for (reversal of) doubtful debts	(8,760)	(19,860)
7.02	Raw materials acquired from third parties	(6,173,207)	(7,758,535)
7.02.01	Cost of sales and services	(5,584,069)	(6,236,049)
7.02.02	Materials, electric power, outsourcing and other	(575,846)	(1,347,066)
7.02.03	Impairment/recovery of assets	(13,292)	3,447
7.02.04	Others	-	(178,867)
7.02.04.01	Impairment of available-for-sale assets	-	(178,867)
7.03	Gross value added	1,865,797	3,034,126
7.04	Retentions	(418,828)	(651,952)
7.04.01	Depreciation, amortization and depletion	(418,828)	(651,952)
7.05	Wealth created	1,446,969	2,382,174
7.06	Value added received	(670,662)	5,959,392
7.06.01	Equity in income of affiliates	(527,199)	3,711,993
7.06.02	Finance income	152,322	1,133,815
7.06.03	Others	(295,785)	1,113,584
7.06.03.01	Others and exchange gains	(295,785)	1,113,584
7.07	Wealth for distribution	776,307	8,341,566
7.08	Wealth distributed	776,307	8,341,566
7.08.01	Personnel	835,872	1,067,905
7.08.01.01	Salaries and wages	647,165	817,157
7.08.01.02	Benefits	142,510	197,830
7.08.01.03	Severance payment (FGTS)	46,197	52,918
7.08.02	Taxes, fees and contributions	509,349	(82,830)
7.08.02.01	Federal	441,883	(188,833)
7.08.02.02	State	67,465	99,758
7.08.02.03	Municipal	1	6,245
7.08.03	Remuneration on third-party capital	455,422	8,117,225
7.08.03.01	Interest	2,767,491	2,668,737
7.08.03.02	Leases	7,983	7,505
7.08.03.03	Others	(2,320,052)	5,440,983



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7.08.03.03.01	Others and exchange losses	(2,320,052)	5,440,983
7.08.04	Remuneration on Shareholders' capital	(1,031,122)	(754,725)
7.08.04.03	Retained earnings (accumulated losses)	(1,031,122)	(754,725)
7.08.05	Others	6,786	(6,009)
7.08.05.01	Gain (loss) on discontinued operations	6,786	(6,009)

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter</b>	<b>Previous Year</b>
		<b>09/30/2016</b>	<b>12/31/2015</b>
1	Total Assets	45,261,315	48,649,974
1.01	Current assets	12,127,269	16,430,691
1.01.01	Cash and cash equivalent	5,127,122	7,861,052
1.01.02	Financial investments	305,934	763,599
1.01.02.02	Financial investments at amortized cost	305,934	763,599
1.01.03	Trade receivables	1,859,630	1,578,277
1.01.04	Inventory	3,799,306	4,941,314
1.01.08	Other current assets	1,035,277	1,286,449
1.01.08.01	Non-current assets available for sale	157,792	-
1.01.08.03	Others	877,485	1,286,449
1.02	Non-current assets	33,134,046	32,219,283
1.02.01	Long-term assets	4,652,525	4,890,948
1.02.01.06	Deferred tax assets	3,097,738	3,307,027
1.02.01.09	Other non-current assets	1,554,787	1,583,921
1.02.02	Investments	5,078,276	3,998,227
1.02.03	Property, plant and equipment	18,058,891	17,871,599
1.02.04	Intangible assets	5,344,354	5,458,509

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

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

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2016</b>	<b>Previous Year 12/31/2015</b>
2	Total liabilities	45,261,315	48,649,974
2.01	Current liabilities	5,406,604	5,325,571
2.01.01	Payroll and related taxes	286,640	256,840
2.01.02	Trade payables	1,580,180	1,293,008
2.01.03	Tax payables	593,038	700,763
2.01.04	Borrowings and financing	1,831,210	1,874,681
2.01.05	Other payables	970,386	1,073,017
2.01.06	Provisions	110,648	127,262
2.01.06.01	Provision for tax, social security, labor and civil risks	110,648	127,262
2.01.07	Liabilities over non-current assets held for sale and discontinued operations	34,502	-
2.01.07.01	Liabilities over non-current assets held for sale	34,502	-
2.02	Non-current liabilities	30,671,949	34,588,740
2.02.01	Long term Borrowings and financing	28,497,797	32,407,834
2.02.02	Other payables	131,539	131,284
2.02.03	Deferred tax liabilities	495,365	494,851
2.02.04	Provisions	1,547,248	1,554,771
2.02.04.01	Provision for tax, social security, labor and civil risks	704,087	711,472
2.02.04.02	Other provisions	843,161	843,299
2.02.04.02.03	Provision for environmental liabilities and decommissioning of assets	328,793	328,931
2.02.04.02.04	Pension and healthcare plan	514,368	514,368
2.03	Consolidated Shareholders' equity	9,182,762	8,735,663
2.03.01	Share Capital	4,540,000	4,540,000
2.03.02	Capital reserves	30	30
2.03.04	Earnings reserves	2,464,701	2,464,701
2.03.04.01	Legal reserve	442,531	442,531
2.03.04.02	Statutory reserve	2,151,920	2,151,920
2.03.04.04	Earnings reserves	109,226	109,226
2.03.04.09	Treasury shares	(238,976)	(238,976)
2.03.05	Accumulated profit/losses	(1,031,122)	-
2.03.08	Other comprehensive income	2,088,372	660,016
2.03.09	Profit attributable to the non-controlling interests	1,120,781	1,070,916



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

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

Code	Description	Current	Year to	Same	YT
		Quarter	date	quarter	previous
		07/01/2016	01/01/2016	07/01/2015	01/01/2015
		to	to	to	to
		09/30/2016	09/30/2016	09/30/2015	09/30/2015
3.01	Revenues from sale of goods and rendering of services	4,469,240	12,630,353	3,933,604	11,609,222
3.02	Costs from sale of goods and rendering of services	(3,157,057)	(9,470,412)	(2,993,905)	(8,851,522)
3.03	Gross profit	1,312,183	3,159,941	939,699	2,757,700
3.04	Operating expenses/income	(498,861)	(1,840,607)	246,828	(664,833)
3.04.01	Selling expenses	(405,411)	(1,247,971)	(409,430)	(1,018,488)
3.04.02	General and administrative expenses	(117,792)	(382,114)	(120,037)	(339,766)
3.04.04	Other operating income	168,599	202,617	29,602	48,122
3.04.05	Other operating expenses	(170,377)	(501,612)	(114,659)	(569,555)
3.04.06	Equity in income of affiliates and jointly operations	26,120	88,473	861,352	1,214,844
3.05	Profit before finance income (expenses) and taxes	813,322	1,319,334	1,186,527	2,092,866
3.06	Finance income (expenses)	(760,015)	(1,908,517)	(1,549,045)	(3,193,295)
3.06.01	Finance income	140,423	522,995	105,446	202,295
3.06.02	Finance expenses	(900,438)	(2,431,512)	(1,654,491)	(3,395,590)
3.06.02.01	Net exchange differences over financial instruments	(67,202)	102,278	(644,421)	(717,070)
3.06.02.02	Finance expenses	(833,236)	(2,533,790)	(1,010,070)	(2,678,520)
3.07	Profit (loss) before taxes	53,307	(589,183)	(362,518)	(1,100,422)
3.08	Income tax and social contribution	(152,967)	(384,682)	(169,405)	338,970
3.09	Profit (loss) from continued operations	(99,660)	(973,865)	(531,923)	(761,452)
3.10	Profit (loss) from discontinued operations	(6,984)	(6,786)	(728)	6,000
3.11	Consolidated Profit (loss) for the year	(106,644)	(980,651)	(532,651)	(755,442)
3.11.01	Profit attributable to the controlling interests	(137,195)	(1,031,122)	(532,513)	(754,722)
3.11.02	Profit attributable to the non-controlling interests	30,551	50,471	(138)	(71,280)
3.99.01.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)
3.99.02.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)

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

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

Code	Description	Current	Same quarter	YTD previous
		Quarter	Year to date	previous year
		07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015
4.01	Consolidated profit for the year	(106,644)	(980,651)	(532,651)
4.02	Other comprehensive income	620,079	1,428,356	(1,026,861)
4.02.02	Actuarial gains (losses) on defined benefit pension plan	30	144	-
4.02.02	Income tax and social contribution on actuarial (losses) gains in pension plan	-	-	-
4.02.03				(68)
4.02.04	Cumulative translation adjustments for the year	75,140	(392,797)	550,919
4.02.05	Available-for-sale assets	647,550	775,403	(445,407)
4.02.06	Income tax and social contribution on available-for-sale assets	(42,734)	(42,734)	-
4.02.07	Impairment of available-for-sale assets	-	-	81,016
4.02.08	Income tax and social contribution on impairment of available-for-sale assets	-	-	-
4.02.09	(Loss) / gain on the percentage change in investments	740	1,324	245
4.02.10	Gain (loss) on cash flow hedge accounting	(56,324)	1,016,560	(1,171,346)
4.02.11	Income tax and social contribution on cash flow hedge accounting	-	(13,808)	-
4.02.12	Gain (Loss) on net investment hedge	(10,272)	57,792	(42,288)
4.02.13	Realization of cash flow hedge accounting reclassified to income statement	5,949	26,472	-
4.03		513,435	447,705	(1,559,512)

	Consolidated comprehensive income for the year				
4.03.01	Attributed to controlling Shareholders	482,884	397,234	(1,559,374)	(1,795,621)
4.03.02	Attributed to non-controlling Shareholders	30,551	50,471	(138)	(717)

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

Code	Description	Year to	YTD
		date	previous year
		01/01/2016	01/01/2015
		to	to
		09/30/2016	09/30/2015
6.01	Net cash from operating activities	(225,880)	1,417,451
6.01.01	Cash from operations	980,890	4,834,421
6.01.01.01	Profit attributable to the controlling interests	(1,031,122)	(754,725)
6.01.01.03	Profit attributable to the non-controlling interests	50,471	(717)
6.01.01.04	Finance charges in borrowing	2,230,131	2,489,354
6.01.01.05	Finance charges in lending	(42,379)	(25,168)
6.01.01.06	Depreciation, depletion and amortization	956,715	857,137
6.01.01.07	Equity in gain (loss) of affiliates	(88,473)	(1,215,784)
6.01.01.08	Deferred tax	187,530	(543,095)
6.01.01.09	Provision for tax, social security, labor, civil and environmental risks	(23,999)	123,438
6.01.01.10	Exchange differences, net	(1,140,319)	3,647,017
6.01.01.11	Gain (loss) of derivative financial instruments	362	3,775
6.01.01.12	Impairment of available-for-sale assets	-	178,867
6.01.01.13	Write-down of PPE and Intangible assets	61,791	4,773
6.01.01.14	Gain on repurchase of debt securities	(146,214)	-
6.01.01.15	Gain resulted from business combination	(28,013)	-
6.01.01.16	Provision for environmental liabilities and decommissioning of assets	(138)	(2,417)
6.01.01.17	Others	(5,453)	71,966
6.01.02	Changes in assets and liabilities	(1,206,770)	(3,416,970)
6.01.02.01	Trade receivables - third parties	(302,616)	(602,122)
6.01.02.02	Trade receivables - related parties	(1,097)	(82,273)
6.01.02.03	Inventories	1,112,678	(530,308)
6.01.02.04	Receivables - related parties	6,449	-
6.01.02.05	Tax assets	330,029	(200,825)
6.01.02.06	Judicial deposits	25,556	(40,980)
6.01.02.08	Trade payables	286,655	342,768
6.01.02.09	Payroll and related taxes	28,739	94,574
6.01.02.10	Taxes in installments - REFIS	(118,462)	32,735
6.01.02.11	Payables to related parties	376	1,032
6.01.02.13	Interest paid	(2,494,408)	(2,472,131)
6.01.02.15	Interest received - Related Parties	-	8,627
6.01.02.17	Others	(80,669)	31,933



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6.02	Net cash used in investing activities	(1,697,341)	(213,236)
6.02.02	Advance for future capital increase	(190,435)	-
6.02.03	Purchase of property, plant and equipment	(1,179,636)	(1,703,793)
6.02.04	Capital reduction in joint venture	-	466,758
6.02.05	Receivable/payable from derivative financial instruments	(713,049)	1,216,913
6.02.06	Acquisition of intangible assets	(7)	(440)
6.02.08	Intercompany loans granted	(32,118)	(43,475)
6.02.09	Intercompany loans received	-	443,345
6.02.10	Financial Investments, net of redemption	457,665	(592,544)
6.02.11	Cash and cash equivalents from discontinued operations	(40,702)	-
6.02.12	Cash and cash equivalents in control acquisition (business combination)	941	-
6.03	Net cash used in financing activities	(754,658)	(2,286,202)
6.03.01	Borrowings and financing, net of transaction cost	(27,089)	937,005
6.03.02	Forfeiting capitalization / drawee Risk	78,240	625,117
6.03.03	Forfeiting amortization / drawee Risk	(300,321)	(861,617)
6.03.04	Amortization of borrowings and financing	(354,337)	(2,333,975)
6.03.06	Amortization of borrowings and financing - related parties	-	(52,839)
6.03.07	Payments of dividends and interests on shareholder's equity	(53)	(549,832)
6.03.08	Treasury shares	-	(9,390)
6.03.09	Buyback of debt securities	(151,098)	(40,671)
6.04	Exchange rate on translating cash and cash equivalents	(56,051)	(4,672)
6.05	Increase (decrease) in cash and cash equivalents	(2,733,930)	(1,086,659)
6.05.01	Cash and equivalents at the beginning of the year	7,861,052	8,686,021
6.05.02	Cash and equivalents at the end of the year	5,127,122	7,599,362

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**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 09/30/2016 (R\$ thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings (accumulated reserve)	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-current interest
5.01	Opening balances	4,540,000	302,464,701	-	-	660,016	7,664,747	1,
5.03	Adjusted opening balances	4,540,000	302,464,701	-	-	660,016	7,664,747	1,
5.05	Total comprehensive income	-	-	-	(1,031,122)	1,428,356	397,234	
5.05.01	Profit for the year	-	-	-	(1,031,122)	-	(1,031,122)	
5.05.02	Other comprehensive income	-	-	-	-	1,428,356	1,428,356	
5.05.02.04	Translation adjustments for the year	-	-	-	-	(392,797)	(392,797)	
5.05.02.08	Actuarial gains on pension plan, net of taxes	-	-	-	-	144	144	
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	732,669	732,669	
5.05.02.10	(Loss) / gain on the percentage change in investments	-	-	-	-	1,324	1,324	
5.05.02.11	(Loss) / gain on hedge accounting, net of taxes	-	-	-	-	1,029,224	1,029,224	
5.05.02.12	(Loss) / gain on net investment hedge, net of	-	-	-	-	57,792	57,792	

	taxes							
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-	-
5.06.04	Non-controlling interests in affiliates	-	-	-	-	-	-	-
5.07	Closing balance	4,540,000	302,464,701	(1,031,122)	2,088,372	8,061,981	1,	

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**Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 09/30/2015 (R\$thousand)**

Code	Description	Paid-in capital	Capital reserve, granted options and treasury shares	Earnings (accumulated reserve)	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-current interest
5.01	Opening balances	4,540,000	301,131,298	-	-	25,140	5,696,468	
5.03	Adjusted opening balances	4,540,000	301,131,298	-	-	25,140	5,696,468	
5.04	Capital transactions with shareholders	-	(284,390)	-	-	-	(284,390)	
5.04.04	Treasury shares acquired	-	(9,390)	-	-	-	(9,390)	
5.04.06	Dividends	-	(275,000)	-	-	-	(275,000)	
5.05	Total comprehensive income	-	-	-	(754,725)	(1,040,896)	(1,795,621)	
5.05.01	Profit for the period	-	-	-	(754,725)	-	(754,725)	
5.05.02	Other comprehensive income	-	-	-	-	(1,040,896)	(1,040,896)	
5.05.02.04	Translation adjustments for the period	-	-	-	-	719,875	719,875	
5.05.02.08	(Actuarial (losses) gains on pension plan, net of taxes	-	-	-	-	134	134	
5.05.02.09	Available-for-sale assets, net of taxes	-	-	-	-	(319,139)	(319,139)	
5.05.02.10	(Loss) / gain on the percentage change in	-	-	-	-	202	202	

5.05.02.11	investments (Loss) gain on hedge accounting, net of taxes	-	-	-	-	(1,399,680)	(1,399,680)
5.05.02.12	(Loss) / gain on net investment hedge	-	-	-	-	(42,288)	(42,288)
5.06	Internal changes in shareholders' equity	-	-	-	-	-	-
5.06.04	Non-controlling interests in subsidiaries	-	-	-	-	-	-
5.07	Closing balances	4,540,000	30	846,908	(754,725)	(1,015,756)	3,616,457

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

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

Code	Description	Year to date		Previous year	
		01/01/2016 to 09/30/2016		01/01/2015 to 09/30/2015	
7.01	Revenues	14,377,707		13,543,497	
7.01.01	Sales of products and rendering of services	14,404,107		13,470,385	
7.01.02	Other revenues	(13,914)		94,272	
7.01.04	Allowance for (reversal of) doubtful debts	(12,486)		(21,160)	
7.02	Raw materials acquired from third parties	(9,917,875)		(9,564,670)	
7.02.01	Cost of sales and services	(8,108,324)		(7,489,862)	
7.02.02	Materials, electric power, outsourcing and other	(1,766,300)		(1,899,244)	
7.02.03	Impairment/recovery of assets	(43,251)		3,303	
7.02.04	Others	-		(178,867)	
7.02.04.01	Impairment of available-for-sale assets	-		(178,867)	

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7.03	Gross value added	4,459,832	3,978,827
7.04	Retentions	(956,715)	(853,477)
7.04.01	Depreciation, amortization and depletion	(956,715)	(853,477)
7.05	Wealth created	3,503,117	3,125,350
7.06	Value added received	(527,636)	4,681,917
7.06.01	Equity in income of affiliates	88,473	1,214,840
7.06.02	Finance income	522,995	202,296
7.06.03	Others	(1,139,104)	3,264,781
7.06.03.01	Others and exchange gains	(1,139,104)	3,264,781
7.07	Wealth for distribution	2,975,481	7,807,267
7.08	Wealth distributed	2,975,481	7,807,267
7.08.01	Personnel	1,521,714	1,530,257
7.08.01.01	Salaries and wages	1,218,725	1,214,437
7.08.01.02	Benefits	232,519	249,484
7.08.01.03	Severance payment (FGTS)	70,470	66,336
7.08.02	Taxes, fees and contributions	1,128,044	375,547
7.08.02.01	Federal	959,772	150,673
7.08.02.02	State	153,521	208,565
7.08.02.03	Municipal	14,751	16,309
7.08.03	Remuneration on third-party capital	1,299,588	6,662,914
7.08.03.01	Interest	2,533,793	2,677,387
7.08.03.02	Leases	17,214	11,226
7.08.03.03	Others	(1,251,419)	3,974,301
7.08.03.03.01	Others and exchange losses	(1,251,419)	3,974,301
7.08.04	Remuneration on Shareholders' capital	(980,651)	(755,442)
7.08.04.03	Retained earnings (accumulated losses)	(1,031,122)	(754,725)
7.08.04.04	Non-controlling interests in retained earnings	50,471	(717)
7.08.05	Others	6,786	(6,009)
7.08.05.01	Gain (loss) on discontinued operations	6,786	(6,009)

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

## **1. DESCRIPTION OF BUSINESS**

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

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

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

- **Steel:**

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

- **Mining:**

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

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

From November 30, 2015 the Company has transferred to its subsidiary Congonhas Minérios the mining assets, the logistical infrastructure, including the mine Casa de Pedra and the right to operate the terminal TECAR, S.A. On the same date, the Company acquired the Asian Consortium 40% stake in Namisa as an exchange for 12,48% stake in Congonhas Minérios S. A.

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

- **Cement:**

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



- **Logistics**

*Railroads:*

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

*Ports:*

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

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

- **Energy:**

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

The note 26 - "Segment Information" details the financial information per each of CSN's business segment.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.a) Basis of preparation**

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

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

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

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

Note 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

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## Note 29 – Commitments

The consolidated and parent company interim financial statements were approved by the Board of Directors on November 14, 2016.

### **2.b) Basis of presentation**

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates in effect at the dates of the transactions or valuation on which items are remeasured. The asset and liability balances are translated at the exchange rate in effect at the end of the reporting period. As of September 30, 2016, US\$1 is equivalent to R\$3.2462 (R\$3.9048 as of December 31, 2015), €1 is equivalent to R\$3.6484 (R\$4.2504 as of December 31, 2015).

### **2.c) Basis of consolidation**

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



- Companies**

<b>Companies</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>09/30/2016</b>	<b>12/31/2015</b>	
<b>Direct interest in subsidiaries: full consolidation</b>			
CSN Islands VII Corp.	100,00	100,00	Financial transactions
CSN Islands IX Corp.	100,00	100,00	Financial transactions
CSN Islands XI Corp.	100,00	100,00	Financial transactions
CSN Islands XII Corp.	100,00	100,00	Financial transactions
CSN Minerals S.L.U.	100,00	100,00	Equity interests
CSN Export Europe, S.L.U.	100,00	100,00	Financial transactions and Equity interests
CSN Metals S.L.U.	100,00	100,00	Equity interests and Financial transactions
CSN Americas S.L.U.	100,00	100,00	Equity interests and Financial transactions
CSN Steel S.L.U.	100,00	100,00	Equity interests and Financial transactions
TdBB S.A (*)	100,00	100,00	Equity interests
Sepetiba Tecon S.A.	99,99	99,99	Port services
Minérios Nacional S.A. (1)	99,99	99,99	Mining and Equity interests
Companhia Florestal do Brasil	99,99	99,99	Reforestation
Estanho de Rondônia S.A.	99,99	99,99	Tin Mining
Cia Metalic Nordeste (2)		99,99	Manufacture of containers and distribution of steel products
Companhia Metalúrgica Prada	99,99	99,99	Manufacture of containers and distribution of steel products
CSN Gestão de Recursos Financeiros Ltda. (*)	99,99	99,99	Management of funds and securities portfolio
Congonhas Minérios S.A.	87,52	87,52	Mining and Equity interests
CSN Energia S.A.	100,00	99,99	Sale of electric power

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FTL - Ferrovia Transnordestina Logística S.A.	89,79	89,79	Railroad logistics
Nordeste Logística S.A.	99,99	99,99	Port services
CGPAR - Construção Pesada S.A. (3)	100,00		Mining support services and Equity interests
<b>Indirect interest in subsidiaries: full consolidation</b>			
Companhia Siderúrgica Nacional LLC	100,00	100,00	Steel
CSN Europe Lda.	100,00	100,00	Financial transactions, product sales and Equity interests
CSN Ibéria Lda.	100,00	100,00	Financial transactions, product sales and Equity interests
Lusosider Projectos Siderúrgicos S.A.	99,94	99,94	Equity interests and product sales
Lusosider Aços Planos, S. A.	99,99	99,99	Steel and Equity interests
CSN Acquisitions, Ltd. (4)		100,00	Financial transactions and Equity interests
CSN Resources S.A.	100,00	100,00	Financial transactions and Equity interests
CSN Holdings (UK) Ltd (4)		100,00	Financial transactions and Equity interests
CSN Handel GmbH (5)		87,52	Financial transactions, product sales and Equity interests
Companhia Brasileira de Latas	100,00	100,00	Sale of cans and containers in general and Equity interests
Companhia de Embalagens Metálicas MMSA	99,67	99,67	Production and sale of cans and related activities
Companhia de Embalagens Metálicas - MTM	99,67	99,67	Production and sale of cans and related activities
CSN Steel Holdings 1, S.L.U.	100,00	100,00	Financial transactions, product sales and Equity interests
CSN Productos Siderúrgicos S.L.	100,00	100,00	Financial transactions, product sales and Equity interests
Stalwerk Thüringen GmbH	100,00	100,00	Production and sale of long steel and related activities
CSN Steel Sections UK Limited (*)	100,00	100,00	Sale of long steel
CSN Steel Sections Polska Sp.Z.o.o	100,00	100,00	Financial transactions, product sales and Equity interests
CSN Asia Limited	100,00	100,00	Commercial representation
Namisa International Minérios SLU	87,52	87,52	Financial transactions, product sales and Equity interests
Namisa Europe, Unipessoal Lda.	87,52	87,52	Equity interests, product and iron ore sales

CSN Mining GmbH (6)	87,52	87,52	Financial transactions, product sales and Equity interests
CSN Mining Asia Limited (7)	87,52	87,52	Commercial representation
<b>Direct interest in joint operations: proportionate consolidation</b>			
Itá Energética S.A.	48,75	48,75	Electric power generation
CGPAR - Construção Pesada S.A. (3)		50,00	Mining support services and Equity interests
Consórcio da Usina Hidrelétrica de Igarapava	17,92	17,92	Electric power consortium
<b>Direct interest in joint ventures: equity method</b>			
MRS Logística S.A.	18,64	18,64	Railroad transportation
Aceros Del Orinoco S.A.	31,82	31,82	Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50,00	50,00	Equity interests and product sales and iron ore
Transnordestina Logística S.A.	49,02	56,92	Railroad logistics
<b>Indirect interest in joint ventures: equity method</b>			
MRS Logística S.A.	16,30	16,30	Railroad transportation
<b>Direct interest in associates: equity method</b>			
Arvedi Metalfer do Brasil S.A.	20,00	20,00	Metallurgy and Equity interests
Cia Metalic Nordeste (2)	100,00		Manufacture of containers and distribution of steel products

(\*) They are dormant (or not active) Companies. Consequently, they are not presented in note 10 where is disclosed the information about companies evaluated by the equity method and classified as available-for-sale.

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

(2) Company considered as available for sale on September, 2016 as disclosed in note 4;

(3) Control acquired as of September, 2016 as disclose in note 3;

(4) Company liquidated in January 2016;

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

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

(7) New corporate name of Namisa Asia Limited amended in August 2016.





- **Exclusive funds**

<b>Exclusive funds</b>	<b>Equity interests (%)</b>		<b>Core business</b>
	<b>09/30/2016</b>	<b>12/31/2015</b>	
<b>Direct interest: full consolidation</b>			
Diplic II - Private credit balanced mutual fund	100.00		Investment fund
Caixa Vértice - Private credit balanced mutual fund	100.00	100.00	Investment fund
VR1 - Private credit balanced mutual fund	100.00	100.00	Investment fund
Diplic - Private credit balanced mutual fund (1)		100.00	Investment fund
BB Steel - Private credit balanced mutual fund (1)		100.00	Investment fund
(1) Multimarket investment fund fully redeemed.			

## 2.d) Restatement of accounting balances

- **Forfaiting**

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

- **Drawee risk**

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

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

## a) Statements of cash flows at September 30, 2015

	Consolidated 09/30/2015			Parent Company 09/30/2015		
	Published balances	Reclassifications	Restated Cash Flows	Published balances	Reclassifications	Restated Cash Flows
<b>Cash generated by operating activities</b>						
Loss for the year attributable to the controlling shareholders	(754.725)		(754.725)	(754.725)		(754.725)
Trade payables	100.868	241.900	342.768	(21.665)	241.900	220.235
Paid Interests	(2.466.731)	(5.400)	(2.472.131)	(2.074.153)	(5.400)	(2.079.553)
Others	4.301.539		4.301.539	2.896.076		2.896.076
<b>Net cash generated by operating activities</b>	<b>1.180.951</b>	<b>236.500</b>	<b>1.417.451</b>	<b>45.533</b>	<b>236.500</b>	<b>282.033</b>
<b>Net cash used in investing activities</b>	<b>(213.236)</b>		<b>(213.236)</b>	<b>(1.453.885)</b>		<b>(1.453.885)</b>
<b>Cash generated by financing activities</b>						
		625.117	625.117		625.117	625.117

Forfeiting funding / drawee risk					
Forfeiting amortization / drawee risk		(861.617)	(861.617)		(861.617)
Others	(2.049.702)		(2.049.702)	615.101	615.101
<b>Net cash used in financing activities</b>	<b>(2.049.702)</b>	<b>(236.500)</b>	<b>(2.286.202)</b>	<b>615.101</b>	<b>378.601</b>
<b>Exchange rate changes on cash and cash equivalents</b>	<b>(4.672)</b>		<b>(4.672)</b>		
<b>Increase in cash and cash equivalents</b>	<b>(1.086.659)</b>		<b>(1.086.659)</b>	<b>(793.251)</b>	<b>(793.251)</b>

### b) Statement of income and statement of comprehensive income at September 30, 2015

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

### 3. BUSINESS COMBINATION – CONTROL AQUISITION OF CGPAR CONSTRUÇÃO PESADA S.A. (“CGPAR”)

On September 30, 2016, CSN acquired 50% shares of CGPAR previously held by GPA Construção Pesada e Mineração Ltda., increasing its participation to 100%. The total amount paid in consideration for the shares was R\$ 1.00 (One Real).

The consideration paid reflects an agreement to solve a legal dispute involving corporate and commercial issues, as well as to release dividends declared in previous fiscal years.

The business combination steps are described as follows:

**a) Determination of the purchase price**

Description	R\$	Ref.
Fair value of the equity interest held by the acquiring company in CGPAR immediately prior to the combination	36,621	(i)
Consideration paid in CGPAR acquisition	-	(ii)
<b>Purchase price considered for the business combination</b>	<b>36,621</b>	

(i) Fair value of 50% stake in CGPAR held immediately before the acquisition.

(ii) Amount related to the consideration paid for the acquiring company R\$ 1.00 (One real).

CSN held 50% shares of CGPAR immediately before the conclusion of the control acquisition, this investment was measured by the equity method.

According to the item 41 of the IFRS 3, those shares are part of the consideration paid and must be measured by their fair value on the acquisition date. The accounting rule determines that a gain or loss must be recorded resulting from the difference between the fair value and the book value before the transaction. Therefore, the CGPAR valuation by its fair value was calculated based in the discounted cash flow method, considering the business plan valid until the transaction date.

The results are presented in the following table:

**Premises**

Fair value as of September 30, 2016 (equity value)

Fair value attributed to 50% equity interest prior acquisition (a)

**Accounting Balances**

The equity interest prior acquisition (a) on September 30, 2016

**Gain in the valuation of the 50% interest by the fair value of the equity interest prior to the acquisition (a)-(b)****b) Goodwill generated from the control acquisition of CGPAR**

According to the item 32 of the IFRS 3, the acquirer must recognize the goodwill resulted from the future economic benefits at the acquisition date, measured by the amount in which the purchase price exceeds the fair value of assets acquired and liabilities assumed (Purchase Price Allocation - PPA). The generated and goodwill amounting to R\$ 1.784 million.

In the following table its presented the fair value allocation for 100% of assets acquired and liabilities assumed on September 30, 2016 which is being analyzed by an independent firm.

	<b>Carrying amounts</b>	<b>Fair value adjustments</b>	<b>09/30/2016 Total fair value</b>
Total assets acquired	49,750	21,231 (a)	70,981
Total liabilities assumed	32,535	3,609 (b)	36,144
	<b>17,215</b>	<b>17,622</b>	<b>34,837</b>

(a) Refers to property, plant and equipment adjusted by the difference between the fair value and the book value amounts.

(b) Refers to deferred tax.

The accounting record for the CGPAR acquisition was temporarily elaborated at the end of reporting period of these financial statements. At the date of these financial statements, the required market assessments, contractual obligations and other calculations had not been finalized and, as a consequence, had only been temporarily elaborated on the basis of management's best estimate of probable values.

#### **4. NON CURRENT ASSETS HELD FOR SALE AND RESULTS FROM DISCONTINUED OPERATIONS**

On August 23, 2016 the Company concluded a negotiation and signed a contract with Can-Pack S.A. to sell its 100% shares of the subsidiary Cia. Metalic do Nordeste, which is a player in the metallic packaging business. The agreement has been previously disclosed in the statement of material fact. The transaction value amounted to US\$ 98 million, subject to adjustments by the contract.

The closing of the transaction is subject to the fulfillment of certain contractual conditions previously established and considered common in this type of transaction.

In this context, on September 30, 2016, after meeting the requirements from IFRS 5 (Non-Current Assets Held For Sale and Discontinued Operations), the Company reclassified the carrying amounts from “investments” to “assets held for sale” and the results generated in 2016 and 2015 to “discontinued operations”.

The main assets and liabilities, as well as the results and cash flows from the discontinuing operations, are summarized as follows:



**4.a) Assets and liabilities:**

			09/30/2016
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>111,720</b>	<b>Current liabilities</b>	<b>14,622</b>
Cash and cash equivalents	40,702	Payroll and related taxes	1,887
Trade receivables	39,927	Trade payables	3,530
Inventories	29,430	Taxes payable	6,425
Other current assets	1,661	Other payables	2,780
<b>Non-current assets</b>	<b>46,072</b>	<b>Non-current liabilities</b>	<b>19,880</b>
Judicial deposits	819	Taxes payable	12,950
Other non-current assets	4	Provision for tax	6,711
Property, plant and equipment	45,017	Other payables	219
Intangible assets	232		
<b>TOTAL ASSESTS</b>	<b>157,792</b>	<b>TOTAL LIABILITIES</b>	<b>34,502</b>

**4.b) Results from discontinued operations**

	09/30/2016	09/30/2015
<b>Net revenue</b>	<b>74,786</b>	<b>85,050</b>
Cost of sales	(72,084)	(71,814)
<b>Gross profit</b>	<b>2,702</b>	<b>13,236</b>
Selling expenses	(3,109)	(4,529)
General and administrative expenses	(4,972)	(4,643)
Other operating expenses, net	(3,142)	(343)
<b>Profit/ (Loss) before financial result</b>	<b>(8,521)</b>	<b>3,721</b>
Finance income (costs), net	1,735	3,010
<b>Profit/(Loss) before taxes on income</b>	<b>(6,786)</b>	<b>6,731</b>
Income tax and social contribution		(722)
<b>Profit / (loss) for the period</b>	<b>(6,786)</b>	<b>6,009</b>

**4.c) Cash flow from discontinued operations**

	<b>09/30/2016</b>	<b>09/30/2015</b>
Net cash generated by operating activities	18,975	(17,790)
Net cash generated by investments activities	3,450	(1,463)
Net cash generated by financing activities		(20,000)

**5. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Current</b>				
<b>Cash and cash equivalents</b>				
<b>Cash and banks</b>	<b>561,641</b>	<b>434,014</b>	<b>93,247</b>	<b>37,003</b>
<b>Short-term investments</b>				
<b>In Brazil:</b>				
Public securities	51,226	165,520	49,903	164,311
Private securities	2,009,524	945,420	1,832,228	570,284
	<b>2,060,750</b>	<b>1,110,940</b>	<b>1,882,131</b>	<b>734,595</b>
<b>Abroad:</b>				
<i>Time deposits</i>	2,504,731	6,316,098	459,602	1,113,601
<b>Total short-term investments</b>	<b>4,565,481</b>	<b>7,427,038</b>	<b>2,341,733</b>	<b>1,848,196</b>
<b>Cash and cash equivalents</b>	<b>5,127,122</b>	<b>7,861,052</b>	<b>2,434,980</b>	<b>1,885,199</b>

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

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

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

**6. Financial Investments**

	<b>09/30/2016</b>	<b>Consolidated 12/31/2015</b>	<b>09/30/2016</b>
CDB - Letter of guarantee from Caixa Economica Federal (FINEP) (1)	24.932		24.932
Gouvernement securities - Guarantee of future exchange rate contracts			
Real x Dollar BM&Fbovespa (2)	65.779	763.599	65.779
Time Deposit - Letter of credit guarantee from Banco do Brasil (3)	215.223		
	<b>305.934</b>	<b>763.599</b>	<b>90.711</b>

(1) Financial investments linked to Bank Certificates of Deposit (CDBs), issued by Caixa Econômica Federal, to be used as a collateral to a bank guarantee letter (FINEP).

(2) The Company maintained financial investments in Public and Private Securities managed by its exclusive funds, which were used as collateral for future foreign exchange rate contracts, from Real to US Dollar, traded on BM&F Bovespa in the period as detailed in note 14 (b).

(3) Financial investments used as collateral to letters of credit issued by Banco do Brasil. The credit was directed to acquire cement manufacturing plants located in northeast and south regions.

**7. TRADE RECEIVABLES**

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Trade receivables</b>				
<b>Third parties</b>				
Domestic market	979,728	772,617	623,053	425,108
Foreign market	876,906	818,562	109,629	250,588
	<b>1,856,634</b>	<b>1,591,179</b>	<b>732,682</b>	<b>675,696</b>
Allowance for doubtful debts	(170,067)	(151,733)	(121,262)	(112,502)
	<b>1,686,567</b>	<b>1,439,446</b>	<b>611,420</b>	<b>563,194</b>
Related parties (Note 19 b)	103,693	61,366	791,263	1,140,172
	<b>1,790,260</b>	<b>1,500,812</b>	<b>1,402,683</b>	<b>1,703,366</b>
<b>Other receivables</b>				
Dividends receivable (Note 19 b) (*)	26,902	27,817	721,145	737,668
Advances to employees	30,402	40,190	18,933	24,465
Other receivables	12,066	9,458	4,860	2,024
	<b>69,370</b>	<b>77,465</b>	<b>744,938</b>	<b>764,157</b>
	<b>1,859,630</b>	<b>1,578,277</b>	<b>2,147,621</b>	<b>2,467,523</b>

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

In accordance with Group' internal sales policy the Group performs operations relating to assignment of receivables without co-obligation in which, after assigning the customer's trade notes/bills and receiving the amounts from each transaction closed, CSN settles the trade receivables and becomes entirely free of the credit risk on the transaction. This transaction totals R\$238,903 as of September 30, 2016 (R\$232,275 as of December 31, 2015), less the trade receivables.

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
Current	1,343,867	1,049,033	388,460	423,801
Past-due up to 180 days	240,647	353,443	136,807	118,488
Past-due over 180 days	272,120	188,703	207,415	133,407
	<b>1,856,634</b>	<b>1,591,179</b>	<b>732,682</b>	<b>675,696</b>

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(151,733)</b>	<b>(127,223)</b>	<b>(112,502)</b>	<b>(93,536)</b>
Estimated losses	(21,641)	(35,631)	(13,513)	(26,288)
Recovery of receivables	3,307	11,121	4,753	4,504
Incorporation of CSN Cimentos and assets				2,818
Spin-off to Congonhas				
<b>Closing balance</b>	<b>(170,067)</b>	<b>(151,733)</b>	<b>(121,262)</b>	<b>(112,502)</b>

## 8. INVENTORIES

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
Finished goods	1,093,532	1,912,868	752,056	1,078,554
Work in progress	702,244	1,007,630	482,337	746,614
Raw materials	824,945	1,062,557	486,293	563,119
Storeroom supplies	881,658	962,078	470,844	489,816
Iron ore	279,075	95,461	28,905	6,912
Advances to suppliers	102,178	12,147	100,566	6,191
Provision for losses	(84,326)	(111,427)	(50,842)	(40,462)
	<b>3,799,306</b>	<b>4,941,314</b>	<b>2,270,159</b>	<b>2,850,744</b>

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>(111,427)</b>	<b>(112,581)</b>	<b>(40,462)</b>	<b>(88,056)</b>
Reversal / (losses) for slow-moving and obsolescence (note 24)	27,101	1,154	(10,380)	15,835
Drop down of assets to Congonhas				31,759
<b>Closing balance</b>	<b>(84,326)</b>	<b>(111,427)</b>	<b>(50,842)</b>	<b>(40,462)</b>

## 9. OTHER CURRENT AND NON-CURRENT ASSETS

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

	<b>Consolidated</b>						<b>Parent Company</b>	
	<b>Current</b>		<b>Non-current</b>		<b>Current</b>		<b>Non-current</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
Judicial deposits (note 17)			345.351	328.542			277.055	263.046
Credits with the PGFN (1)			46.007	87.761			46.007	87.761
Recoverable taxes (2)	746.422	996.679	366.154	445.926	542.268	702.722	155.480	245.833
Prepaid expenses	70.822	119.456	21.253	28.119	16.080	19.440		4.500
Actuarial asset -			93.066	114.433			96.276	112.660

related party (note 19 b)									
Derivative financial instruments (note 14 l)	558	118.592							
Exclusive funds							110.075		
Securities held for trading (note 14 l)	13.037	10.778			12.883	10.659			
Iron ore inventory (3)			144.499	144.499					
Northeast Investment Fund – FINOR			10.888	10.888			8.452	8.452	
Assets held for sale, Metalic (note 4)	157.792				157.792				
Other receivables (note 14 l)			15.825	6.877			3.810	1.439	
Loans with related parties (note 19 b)			447.689	373.214			324.397	239.930	
Other receivables from related parties (note 19 b)	6.677	9.420	32.395	29.020	13.530	32.479	338.284	303.441	
Others	39.969	31.524	31.660	14.642			31.131	14.408	
	<b>1.035.277</b>	<b>1.286.449</b>	<b>1.554.787</b>	<b>1.583.921</b>	<b>742.553</b>	<b>875.375</b>	<b>1.280.892</b>	<b>1.281.470</b>	

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

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

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

## 10. INVESTMENTS



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

- **Transnordestina**

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

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

Companies	Number of shares held by		% Direct equity interest	Assets	Participation in		09/30/2016	% Direct equity interest
	Common	Preferred			Shareholders' equity	Liabilities	Profit / (loss) for the period	
<b>Investments under the equity method</b>								
<b>Subsidiaries</b>								
CSN Islands VII Corp.	20.001.000		100,00	6.354.712	6.474.312	(119.600)	(159.599)	100,00
CSN Islands IX Corp.	3.000.000		100,00	1.019	4	1.015	(1.314)	100,00
CSN Islands X (*) Corp.								
CSN Islands XI Corp.	50.000		100,00	2.495.894	2.459.211	36.683	14.691	100,00
CSN Islands XII Corp.	1.540		100,00	2.261.607	3.250.621	(989.014)	106.072	100,00
CSN Minerals S.L.U.	3.500		100,00	4.053.336	11.167	4.042.169	(708.925)	100,00
CSN Export Europe, S.L.U.	3.500		100,00	662.182	32.525	629.657	(191.685)	100,00
CSN Metals S.L.U.	16.504.020		100,00	635.338	25.370	609.968	(181.007)	100,00
CSN Americas S.L.U.	3.500		100,00	1.555.349	6.368	1.548.981	(157.146)	100,00
CSN Steel S.L.U.	22.042.688		100,00	2.675.785	1.604.066	1.071.719	324.607	100,00
	254.015.052		99,99	433.142	161.927	271.215	12.554	99,99

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Sepetiba Tecon S.A.									
Mineração Nacional S.A.	66.393.587		99,99	498.815	167.794	331.021	(9.808)	99,99	
Estanho de Rondônia S.A.	121.861.697		99,99	35.426	20.221	15.205	(9.120)	99,99	
Cia Metalic Nordeste (**)	-		-	-	-	-	-	99,99	
Companhia Metalúrgica Prada	313.651.399		99,99	799.397	623.099	176.298	(36.635)	99,99	
CSN Cimentos S.A. (***)									
Congonhas Minérios S.A.	158.419.480		87,52	12.400.792	4.795.106	7.605.686	355.522	87,52	
CSN Energia S.A.	43.150		100,00	73.064	7.626	65.438	19.228	99,99	
FTL - Ferrovia Transnordestina Logística S.A.	353.190.644		89,79	520.942	193.045	327.897	(2.047)	89,79	
Companhia Florestal do Brasil	38.364.462		99,99	35.899	5.178	30.721	(1.522)	99,99	
Nordeste Logística	99.999		99,99	100	55	45	(55)	99,99	
CGPAR - Construção Pesada S.A. (****)	100.000		100,00	49.750	32.535	17.215	4.552	50,00	
Fair Value + Goodwill CGPAR (****)						23.015			
				<b>35.542.549</b>	<b>19.870.230</b>	<b>15.695.334</b>	<b>(621.637)</b>		
<b>Joint-venture e Joint-operation</b>									
Nacional Minérios S.A. (***)									
Itá Energética S.A.	253.606.846		48,75	284.002	28.554	255.448	7.344	48,75	
MRS Logística S.A.	26.611.282	2.673.312	18,64	1.487.493	863.466	624.027	67.757	18,64	
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1.876.146		50,00	13.813	12.257	1.556	1.942	50,00	
Transnordestina Logística S.A.	22.761.085	1.397.545	49,02	3.792.961	2.537.715	1.255.246	(17.122)	56,92	
Fair Value allocated to TLSA due to control loss						659.105			
				<b>5.578.269</b>	<b>3.441.992</b>	<b>2.795.382</b>	<b>59.921</b>		
<b>Associates</b>									

Arvedi Metalfer do Brasil	27.239.971	20,00	52.729	47.464	5.265	1.795	20,00
			<b>52.729</b>	<b>47.464</b>	<b>5.265</b>	<b>1.795</b>	

**Classified as available-for-sale**

Usiminas					1.416.041		
Panatlântica					21.471		
					<b>1.437.512</b>		

**Other investments**

Profits on subsidiaries' inventories					(47.076)	34.966	
Others					63.541	(2.244)	
					<b>16.465</b>	<b>32.722</b>	
<b>Total investments</b>					<b>19.949.958</b>	<b>(527.199)</b>	

**Classification of investments in the balance sheet**

Investments in assets					21.058.572		
Investments with negative equity					(1.108.614)		
					<b>19.949.958</b>		

(\*) Company extinguished in 2015;

(\*\*) Investment reclassified to non-current assets held for sale as detailed in note 4.

(\*\*\*) Company incorporated in 2015

(\*\*\*\*) Control acquisition as described in note 3, measured by the fair value at the acquisition date and generating i) goodwill of R\$ 1,784 arising from the expected future economic benefits; ii) property, plant and equipment amounting to R\$ 21,231.

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

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

	<b>Consolidated</b>		
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2015</b>
<b>Opening balance of investments</b>	<b>3,998,227</b>	<b>13,665,453</b>	<b>23,322,322</b>
<b>Opening balance of loss provisions</b>			<b>(1,095,000)</b>
Investment balance of Namisa 11.30.15		(10,160,981)	
Capital increase/acquisition of shares	190,435	3,575	20,000
Acquisition of Congonhas Minérios shares - 4,16%			
Capital reduction		(466,758)	
Dividends (1)		(54,464)	(2,296,000)
Comprehensive income (2)	776,881	(967,447)	44,000
Comprehensive income - Business Combination			
Equity pickup (3)	122,822	1,192,034	(527,000)
Incorporation of subsidiary - CSN Cimentos			
Drop down of MRS assets to Congonhas		786,800	
Transfer of assets - Casa de Pedra and Tecar			
Reclassification from Metalic's carrying amount of investments as of September 30, 2016 to assets held for sale			(123,000)
Reclassification of Metalic's profit or loss for the year to discontinued operations			(6,000)
Acquisition of a 50% interest in CGPAR (note 3)			
Fair value + goodwill - control acquisition - CGPAR (note 3)			2,000
Fair value amortization - Investment in MRS	(8,810)		
Others	(1,279)	15	(1,000)
<b>Closing balance of investments</b>	<b>5,078,276</b>	<b>3,998,227</b>	<b>21,052,322</b>
<b>Balance of provision for investments with negative equity</b>			<b>(1,108,000)</b>
<b>Total</b>	<b>5,078,276</b>	<b>3,998,227</b>	<b>19,944,322</b>

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

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

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

	<b>09/30/2016</b>	<b>Consolidated 09/30/2015</b>
<b>Equity in results of affiliated companies</b>		
Nacional Minérios S.A.		1,214,794
MRS Logística S.A.	135,480	55,544
CBSI - Companhia Brasileira de Serviços de Infraestrutura	1,942	(1,973)
Transnordestina	(17,122)	(23,158)
Arvedi Metalfer do Brasil	1,795	(7,582)
Others	727	652
	<b>122,822</b>	<b>1,238,277</b>
<b>Eliminations</b>		
To cost of sales	(33,712)	(29,678)
To net revenues		(4,403)
To taxes	11,462	
<b>Others</b>		
Fair value amortization - Investment in MRS	(8,810)	
Others	(3,289)	10,644
<b>Equity in results</b>	<b>88,473</b>	<b>1,214,840</b>

**10.c) Joint ventures and joint operations financial information**

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

	<b>09/30/2016</b>							
<b>Equity interest (%)</b>	<b>MRS Logística 34,94%</b>	<b>Joint-Venture</b>		<b>Joint-Operation</b>		<b>Joint-Venture</b>		
		<b>CBSI</b>	<b>Transnordestina Logística</b>	<b>Itá Energética</b>		<b>MRS Logística</b>	<b>CBSI</b>	<b>Transnordestina Logística</b>
		<b>50,00%</b>	<b>49,02%</b>	<b>48,75%</b>		<b>34,94%</b>	<b>50,00%</b>	<b>56,92%</b>
<b>Balance sheet</b>								
<b>Current assets</b>								
Cash and cash equivalents	504.463	1.346	2.164	11.209	671.475	3.343		75.977
Advances to suppliers	14.020	787	47.675	382	6.854	289		
Other current assets	604.622	21.274	87.580	16.940	657.000	22.726		67.540
<b>Total current assets</b>	<b>1.123.105</b>	<b>23.407</b>	<b>137.419</b>	<b>28.531</b>	<b>1.335.329</b>	<b>26.358</b>		<b>143.517</b>
<b>Non-current assets</b>								
Other non-current assets	695.592	488	257.885	45.180	533.897	139		280.718
Investments, PP&E and	6.161.674	3.731	7.342.795	508.856	6.191.459	4.689		7.006.464

intangible  
assets

<b>Total non-current assets</b>	<b>6.857.266</b>	<b>4.219</b>	<b>7.600.680</b>	<b>554.036</b>	<b>6.725.356</b>	<b>4.828</b>	<b>7.287.182</b>
<b>Total Assets</b>	<b>7.980.371</b>	<b>27.626</b>	<b>7.738.099</b>	<b>582.567</b>	<b>8.060.685</b>	<b>31.186</b>	<b>7.430.699</b>

**Current liabilities**

Borrowings and financing	780.904		42.573		844.296		167.112
Other current liabilities	861.229	23.847	182.647	56.180	893.883	28.794	250.440
<b>Total current liabilities</b>	<b>1.642.133</b>	<b>23.847</b>	<b>225.220</b>	<b>56.180</b>	<b>1.738.179</b>	<b>28.794</b>	<b>417.552</b>

**Non-current liabilities**

Borrowings and financing	2.397.192		4.952.025		2.772.462		4.560.078
Other non-current liabilities	593.155	667	-	2.392	564.407	1.389	220.001
<b>Total non-current liabilities</b>	<b>2.990.347</b>	<b>667</b>	<b>4.952.025</b>	<b>2.392</b>	<b>3.336.869</b>	<b>1.389</b>	<b>4.780.079</b>

**Shareholders' equity**

<b>Total liabilities and shareholders' equity</b>	<b>3.347.891</b>	<b>3.112</b>	<b>2.560.854</b>	<b>523.995</b>	<b>2.985.637</b>	<b>1.003</b>	<b>2.233.068</b>
<b>Total liabilities and shareholders' equity</b>	<b>7.980.371</b>	<b>27.626</b>	<b>7.738.099</b>	<b>582.567</b>	<b>8.060.685</b>	<b>31.186</b>	<b>7.430.699</b>

01/01/2016 at  
09/30/2016*Joint-Venture**Joint-Operation*

<b>Equity interest (%)</b>	<b>MRS Logística</b>	<b>CBSI</b>	<b>Transnordestina Logística</b>	<b>Itá Energética</b>	<b>MRS Logística</b>	<b>CBSI</b>	<b>Transnordestina Logística</b>
	<b>34,94%</b>	<b>50,00%</b>	<b>49,02%</b>	<b>48,75%</b>	<b>27,27%</b>	<b>50,00%</b>	<b>61,64%</b>

**Statements of Income**

Net revenue	2.469.568	90.745		130.832	2.287.354	114.090	
Cost of sales and services	(1.635.014)	(78.333)		(68.289)	(1.558.434)	(110.816)	
Gross profit	834.554	12.412		62.543	728.920	3.274	
Operating (expenses) income	(92.797)	(6.399)	(19.083)	(40.153)	(202.924)	(6.363)	(24.894)
Finance income (costs), net	(183.580)	(1.339)	(13.131)	407	(213.520)	(856)	(12.675)



Income before income tax and social contribution	558.177	4.674	(32.214)	22.797	312.476	(3.945)	(37.569)
Current and deferred income tax and social contribution	(194.663)	(790)		(7.733)	(108.791)		
<b>Profit / (loss) for the period</b>	<b>363.514</b>	<b>3.884</b>	<b>(32.214)</b>	<b>15.064</b>	<b>203.685</b>	<b>(3.945)</b>	<b>(37.569)</b>

## 11. PROPERTY, PLANT AND EQUIPMENT

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

	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Other
<b>Balance at December 31, 2015</b>	<b>264.289</b>	<b>2.696.126</b>	<b>11.109.272</b>	<b>38.986</b>	<b>3.199.386</b>	<b>563.5</b>
Cost	264.289	3.436.458	18.638.117	183.086	3.199.386	811.5
Accumulated depreciation		(740.332)	(7.528.845)	(144.100)		(247.9)
<b>Balance at December 31, 2015</b>	<b>264.289</b>	<b>2.696.126</b>	<b>11.109.272</b>	<b>38.986</b>	<b>3.199.386</b>	<b>563.5</b>
Effect of foreign exchange differences	(9.907)	(29.608)	(119.769)	(679)	(6.842)	(2.9)
Acquisitions	4	100	119.039	461	1.063.524	3.9
Capitalized interest (notes 25 and 29)					164.942	
Write-offs (note 24)	(129)	(2.346)	(7.383)	(7)	(32.209)	(6.6)
Depreciation		(86.346)	(805.110)	(4.364)		(19.7)
Transfers to other asset categories	14.951	112.781	896.118	92	(894.833)	(129.1)
Transfers to intangible assets					(14.822)	
Control acquisition - CGPAR (note 3)			7.377	189		5
Purchase price allocation in control acquisition CGPAR (note 3)			21.231			
Transfer of metallic - Held for sale (note 4)	(373)	(13.466)	(30.440)	(208)	(261)	(2)
Others		(294)	(3.819)	(45)	4.131	(1)
<b>Balance at September 30, 2016</b>	<b>268.835</b>	<b>2.676.947</b>	<b>11.186.516</b>	<b>34.425</b>	<b>3.483.016</b>	<b>409.1</b>
Cost	268.835	3.476.069	19.305.185	178.523	3.483.016	698.7
Accumulated depreciation		(799.122)	(8.118.669)	(144.098)		(289.6)
<b>Balance at September 30, 2016</b>	<b>268.835</b>	<b>2.676.947</b>	<b>11.186.516</b>	<b>34.425</b>	<b>3.483.016</b>	<b>409.1</b>

	Land	Buildings and Infrastructure	Machinery, equipment and facilities	Furniture and fixtures	Construction in progress	Other (*)
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
Cost	83,350	1,025,848	10,677,122	118,301	1,723,327	159,914
Accumulated depreciation		(156,777)	(4,573,402)	(100,622)		(90,713)
<b>Balance at December 31, 2015</b>	<b>83,350</b>	<b>869,071</b>	<b>6,103,720</b>	<b>17,679</b>	<b>1,723,327</b>	<b>69,201</b>
Acquisitions			82,129	165	796,601	13
Capitalized interest (notes 25 and 29)					96,828	
Write-offs (note 24)		(34)	(17)	(8)		(7,598)
Depreciation		(19,029)	(389,006)	(2,173)		(4,557)
Transfers to other asset categories		81,990	461,339	14	(503,037)	(40,306)
Transfers to intangible assets					(12,950)	
Others			(33)		4,720	
<b>Balance at September 30, 2016</b>	<b>83,350</b>	<b>931,998</b>	<b>6,258,132</b>	<b>15,677</b>	<b>2,105,489</b>	<b>16,753</b>
Cost	83,350	1,107,970	11,219,656	118,052	2,105,489	117,857
Accumulated depreciation		(175,972)	(4,961,524)	(102,375)		(101,104)
<b>Balance at September 30, 2016</b>	<b>83,350</b>	<b>931,998</b>	<b>6,258,132</b>	<b>15,677</b>	<b>2,105,489</b>	<b>16,753</b>

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

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

Project description	Start date	Completion date	Consolidated	
			09/30/2016	12/31/2015
<b>Logistics</b>				
Current investments for maintenance of current operations.			89,094	35,457
			<b>89,094</b>	<b>35,457</b>
<b>Mining</b>				
Expansion of Casa de Pedra Mine capacity production.	2007	2016/2017 (1)	699,684	709,945
Expansion of TECAR export capacity.	2009	2020 (2)	242,710	390,920
Current investments for maintenance of current operations.			313,447	302,764
			<b>1,255,841</b>	<b>1,403,629</b>
<b>Steel</b>				
Equipment supply for use in the steel operation.	2008	2016	91,660	105,697
Expansion of the service center/Mogi.	2013	2015/2016 (3)	258	14,950
Current investments for maintenance of current operations.			(4) 316,839	375,579
			<b>408,757</b>	<b>496,226</b>
<b>Cement</b>				
Construction of cement plants.	2011	2016 (5)	1,664,846	1,254,897
Current investments for maintenance of current operations.			64,478	9,177
			<b>1,729,324</b>	<b>1,264,074</b>
<b>Construction in progress</b>			<b>3,483,016</b>	<b>3,199,386</b>

- (1) Estimated completion date of the Central Plant Step 1;
- (2) Estimated completion date of phase 60 Mtpa;
- (3) Estimated completion date of Mogi Service Center;
- (4) Refers substantially to the reforming of batteries for coke ovens;
- (5) Estimated completion date of the unit Arcos / Minas Gerais. The estimated useful lives are as follows:

The estimated useful lives are as follows:

<i>In Years</i>	<b>Consolidated</b>		<b>Parent Company</b>	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Buildings	43	43	43	43
Machinery, equipment and facilities	18	18	18	18
Furniture and fixtures	11	11	11	11
Others	14	14	11	11

#### 11.a) Depreciation, amortization and depletion expenses:

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

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>Nine months ended</b>		<b>Three months ended</b>	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Production costs	905,767	807,217	305,689	277,612
Sales expenses	6,708	6,826	2,299	2,317
General and Administrative Expenses	10,510	10,008	3,363	3,369
	<b>922,985</b>	<b>824,051</b>	<b>311,351</b>	<b>283,298</b>
Other operating expenses (*)	33,730	29,426	10,426	10,949
	<b>956,715</b>	<b>853,477</b>	<b>321,777</b>	<b>294,247</b>

  

	<b>Parent Company</b>		<b>Parent Company</b>	
	<b>Nine months ended</b>		<b>Three months ended</b>	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
Production costs	406,700	640,172	139,532	223,487
Sales expenses	5,522	5,577	1,914	1,919
General and Administrative Expenses	6,606	6,203	2,160	1,990
	<b>418,828</b>	<b>651,952</b>	<b>143,606</b>	<b>227,396</b>

(\*) Refers to the amortization of intangible assets as described in note 24.

## 12. INTANGIBLE ASSETS

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

	Goodwill	Customer relationships	Software	Trademarks and patents	Rights and licenses (*)	Other
<b>Balance at December 31, 2015</b>	<b>4.098.465</b>	<b>413.387</b>	<b>75.236</b>	<b>143.636</b>	<b>727.390</b>	<b>39</b>
Cost	4.357.799	549.413	173.154	143.636	727.390	39
Accumulated amortization	(150.004)	(136.026)	(97.918)			
Adjustment for accumulated recoverable value	(109.330)					
<b>Balance at December 31, 2015</b>	<b>4.098.465</b>	<b>413.387</b>	<b>75.236</b>	<b>143.636</b>	<b>727.390</b>	<b>39</b>
Effect of foreign exchange differences		(55.791)	(174)	(20.343)		(5)
Acquisitions and expenditures			7			
Transfer of property, plant and equipment			14.822			
Write-offs (note 24)	(13.091)		(3)			
Amortization		(31.923)	(8.696)		(503)	
Control acquisition – CGPAR (note 3)			47			
Goodwill – Control acquisition CGPAR (note 3)	1.784					
Transfer of Metalic – held for sale (note 4)			(232)			
<b>Balance at September 30, 2016</b>	<b>4.087.158</b>	<b>325.673</b>	<b>81.007</b>	<b>123.293</b>	<b>726.887</b>	<b>33</b>
Cost	4.461.154	471.815	180.849	123.293	727.390	33
Accumulated amortization	(264.666)	(146.142)	(99.842)		(503)	
Adjustment for accumulated recoverable value	(109.330)					
<b>Balance at September 30, 2016</b>	<b>4.087.158</b>	<b>325.673</b>	<b>81.007</b>	<b>123.293</b>	<b>726.887</b>	<b>33</b>

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

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

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

### 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:

	Rates p.a. (%)	Consolidated		Consolidated		Current
		Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities	Current
		09/30/2016	12/31/2015	09/30/2016	12/31/2015	09/30/2016
<b>FOREIGN CURRENCY</b>						
Prepayment (*)	1% até 3,5%	110.463	207.657	507.489	2.633.137	110.463
Prepayment (*)	3,51% até 8%	457.016	286.487	4.273.082	3.429.716	503.860
Perpetual bonds	7%	4.418	5.315	3.246.200	3.904.800	
Fixed rate notes (*)	4,14% até 10%	45.028	175.768	5.507.493	6.910.992	71.369
Intercompany Bonds (*)	Libor 6M até 3%					141.747
Forfeiting (**)	Libor + Spread	109.364	288.772			109.364
Others	1,2% até 8%	97.842	115.594	275.344	425.635	
		<b>824.131</b>	<b>1.079.593</b>	<b>13.809.608</b>	<b>17.304.280</b>	<b>936.803</b>
<b>LOCAL CURRENCY</b>						
BNDES/FINAME	1,3% + TJLP e Fixa 2,5% até 6% + 1,5%	74.327	55.435	1.002.775	1.018.189	43.488
Debentures	110,8% até 113,7% CDI	518.195	60.670	1.270.383	1.750.000	518.195

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Prepayment (*)	109,5% até 116,5% CDI e fixa de 8%	360.908	522.418	5.280.000	5.200.000	287.845
CCB	112,5% e 113% CDI	90.793	92.976	7.200.000	7.200.000	90.793
Drawee Risk (**)			84.063			
Others			6.229		12.107	
		<b>1.044.223</b>	<b>821.791</b>	<b>14.753.158</b>	<b>15.180.296</b>	<b>940.321</b>
<b>Total Borrowings and Financing</b>		<b>1.868.354</b>	<b>1.901.384</b>	<b>28.562.766</b>	<b>32.484.576</b>	<b>1.877.124</b>
Transaction Costs and Issue Premiums		(37.144)	(26.703)	(64.969)	(76.742)	(32.637)
<b>Total Borrowings and Financing + Transaction Costs</b>		<b>1.831.210</b>	<b>1.874.681</b>	<b>28.497.797</b>	<b>32.407.834</b>	<b>1.844.487</b>

(\*) The balances of Pre-export loans, Fixed Rate Notes and Intercompany Bonds from related parties of the parent company totals 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).



**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:

		<b>Consolidated</b>		<b>Parent Company</b>	
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%			
	<b>28,562,766</b>	<b>100%</b>	<b>28,397,557</b>	<b>100%</b>	

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

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

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>
<b>Opening balance</b>	<b>34,282,515</b>	<b>30,354,058</b>	<b>33,988,090</b>	<b>29,560,826</b>
Funding transactions	7,437	978,206	40,239	2,694,533
Forfeiting funding / Drawee Risk	78,240	924,706	78,240	924,706
Repayment	(664,043)	(2,850,077)	(261,932)	(1,542,921)
Charges - payments	(300,321)	(1,146,306)	(300,321)	(1,146,306)
Forfeiting payments	(2,492,040)	(2,957,762)	(2,021,307)	(2,656,208)
Forfeiting charges	(2,368)	(7,064)	(2,368)	(7,064)
Provision of charges	2,391,019	3,052,164	2,002,054	2,996,662
Provision charges Forfeiting / Drawee Risk	3,924	2,032	3,924	2,032
Others (1)	(2,975,356)	5,932,558	(3,344,708)	3,161,830

<b>Closing balance</b>	<b>30,329,007</b>	<b>34,282,515</b>	<b>30,181,911</b>	<b>33,988,090</b>
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(1) Includes interests and unrealized foreign exchange variances.

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

- **Capitalization**

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

- **Amortization**

<b>Transaction</b>	<b>Payment of principal</b>	<b>Consolidated Debt charges</b>
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
<b>Total</b>	<b>664,043</b>	<b>2,492,040</b>

- **Covenants**

Some of the Company's debt contracts contain covenants clauses, which require it to maintain certain net debt indices over the EBITDA. On September 30, 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**

Consolidated	Notes	Available for sale	Fair value through profit or loss	Loans and receivables - effective interest rate	Other liabilities - amortized cost method	09/30/2016	
						Balances	Availa for s
<b>Assets</b>							
<b>Current</b>							
Cash and cash equivalents	5			5.127.122		5.127.122	
Short-term investments - margin deposit	6			305.934		305.934	
Trade receivables	7			1.790.260		1.790.260	
Derivative financial instruments	9		558			558	
Trading securities	9		13.037			13.037	
<b>Total</b>			<b>13.595</b>	<b>7.223.316</b>		<b>7.236.911</b>	
<b>Non-current</b>							
Other trade receivables	9			15.825		15.825	
Investments	10	1.437.512				1.437.512	471.
Loans - related parties	9			447.689		447.689	
<b>Total</b>		<b>1.437.512</b>		<b>463.514</b>		<b>1.901.026</b>	<b>471.</b>
<b>Total Assets</b>		<b>1.437.512</b>	<b>13.595</b>	<b>7.686.830</b>		<b>9.137.937</b>	<b>471.</b>
<b>Liabilities</b>							
<b>Current</b>							
Borrowings and financing	13				1.868.354	1.868.354	
Derivative financial instruments	15		50			<b>R\$ 50,0</b>	
Trade payables					1.580.180	1.580.180	
Dividends and interest on capital	15				464.929	464.929	
<b>Total</b>			<b>50</b>		<b>3.913.463</b>	<b>3.913.513</b>	
<b>Non-current</b>							
Borrowings and financing	13				28.562.766	28.562.766	

<b>Total</b>		<b>28.562.766</b>	<b>28.562.766</b>
<b>Total Liabilities</b>	<b>50</b>	<b>32.476.229</b>	<b>32.476.279</b>

- Fair value measurement**

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

Consolidated	09/30/2016		12/31/2015	
	Level 1	Level 2	Level 1	Level 2
<b>Assets</b>				
<b>Current</b>				
<b>Financial assets at fair value through profit or loss</b>				
Derivative financial instruments		558	118,592	118,592
Trading securities	13,037		10,778	10,778
<b>Non-current</b>				
<b>Available-for-sale financial assets</b>				
Investments	1,437,512		471,674	471,674
<b>Total Assets</b>	<b>1,450,549</b>	<b>558</b>	<b>482,452</b>	<b>601,944</b>
<b>Liabilities</b>				
<b>Current</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
Derivative financial instruments		50	26,257	26,257
<b>Total Liabilities</b>		<b>50</b>	<b>26,257</b>	<b>26,257</b>

## 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):

Class of shares	Quantity	09/30/2016		12/31/2015			Variation in the period	
		Share price	Closing Balance	Quantity	Share price	Closing Balance	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
	<b>221,437,207</b>		<b>1,416,041</b>			<b>450,073</b>		<b>965,968</b>

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:

<b>Foreign Exchange Exposure</b>	<b>(Amounts in US\$'000)</b>	<b>09/30/2016 (Amounts in €'000)</b>
Cash and cash equivalents overseas	850,704	29,999
Trade receivables	297,880	10,591
Other assets	14,055	37,786
<b>Total Assets</b>	<b>1,162,639</b>	<b>78,376</b>
Borrowings and financing	(3,392,998)	(96,651)
Trade payables	(17,990)	(36,378)
Other liabilities	(12,266)	(35,326)
<b>Total Liabilities</b>	<b>(3,423,254)</b>	<b>(168,355)</b>
<b>Foreign exchange exposure</b>	<b>(2,260,615)</b>	<b>(89,979)</b>
Future dollar	(98,000)	
Cash flow hedge accounting	1,532,667	
Net Investment hedge accounting		96,000
<b>Net foreign exchange exposure</b>	<b>(825,948)</b>	<b>6,021</b>
Perpetual Bonds	(1,000,000)	
<b>Net currency exposure of the Perpetual Notes</b>	<b>(1,825,948)</b>	<b>6,021</b>

- **Interest rate risk**

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

#### **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**

Counterparties	Functional Currency	Notional amount	Appreciation (R\$)		09/30/2016	Appreciation (R\$)		
			Asset position	Liability position	Fair value (market) Amounts receivable / (payable)	Notional amount	Asset position	Liability position
BM&FBovespa	Dollar	(98.000)			(50)	1.435.000	110.075	
<b>Total forward dollar</b>		<b>(98.000)</b>			<b>(50)</b>	<b>1.435.000</b>	<b>110.075</b>	
BBVA	Dollar					39.450	154.017	(147.674)
BNPP	Dollar	12.334	40.318	(39.760)	558	18.700	73.007	(71.703)
<b>Total dollar-to-euro swap</b>		<b>12.334</b>	<b>40.318</b>	<b>(39.760)</b>	<b>558</b>	<b>58.150</b>	<b>227.024</b>	<b>(219.377)</b>
Itaú BBA	Real					150.000	189.760	(200.680)
HSBC	Real					185.000	233.125	(247.710)
Deutsche Bank	Real					10.000	12.579	(13.331)
<b>Total Fixed rate-to-CDI interest rate swap</b>							<b>345.000</b>	<b>435.464</b>
Itaú BBA	Real					30.000	33.396	(33.232)
HSBC	Real					120.000	133.508	(132.802)
<b>Total interest rate- to-CDI swap</b>						<b>150.000</b>	<b>166.904</b>	<b>(166.034)</b>
			<b>40.318</b>	<b>(39.760)</b>	<b>508</b>		<b>939.467</b>	<b>(847.132)</b>

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

Instruments	Assets		Liabilities		09/30/2016
	Current	Total	Current	Total	Finance Income and expenses, net (note 23)
<i>Future Dollar BM&amp;F</i>			50	50	(798,364)
<i>Dollar - to - euro swap</i>	558	558			(6,332)
<i>Fixed rate - to - CDI swap</i>					(299)
<i>CDI - to - fixed rate swap</i>					(63)
	<b>558</b>	<b>558</b>	<b>50</b>	<b>50</b>	<b>(805,058)</b>

Instruments	Assets		Liabilities		09/30/2015
	Current	Total	Current	Total	Finance Income and expenses, net (note 23)
<i>Dollar - to - CDI swap</i>					(18)
<i>Dollar - to - real NDF</i>					786,511
<i>Future Dollar BM&amp;F</i>	110,075	110,075			177,788
<i>Dollar - to - euro NDF</i>					39,668
<i>Dollar - to - euro swap</i>	7,647	7,647			(6,439)
<i>Fixed rate - to - CDI swap</i>			26,257	26,257	(4,977)
<i>CDI - to - fixed rate swap</i>	870	870			1,202
	<b>118,592</b>	<b>118,592</b>	<b>26,257</b>	<b>26,257</b>	<b>993,735</b>

- **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)	Amortized part (USD'000)	Impact on finance income (cost) (*)
11/03/2014	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		
12/01/2014	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)	2,5601	175.000	(33.333)	26.472
12/18/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	May 2020	2,6781	100.000		
07/21/2015	Export prepayments 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	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	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,285	30.000
07/24/2015	Export prepayments in US\$ to third parties	iron ore exports 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	iron ore exports 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	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3557	70.000
07/27/2015	Export prepayments in US\$ to third parties	iron ore exports 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	iron ore exports 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
08/01/2015		iron ore exports		(1)	3,3940	(9.000)

	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate				
08/03/2015	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	
	<b>Total</b>					<b>1.566.000</b>	<b>(33.333) 26.472</b>

(\*) 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:

	<b>12/31/2015</b>	<b>Movement</b>	<b>Realiza</b>
Cash flow hedge accounting	1,520,090	(1,016,560)	(26,4
Income tax and social contribution on cash flow hedge accounting	(516,831)	345,631	9,
Not recorded Income tax and social contribution on cash flow hedge accounting	357,951	(340,823)	
<b>Cash flow hedge accounting</b>	<b>1,361,210</b>	<b>(1,011,752)</b>	<b>(17,4</b>

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.

- **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 1<sup>st</sup>, 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
09/01/2015	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)	
<b>Total</b>					<b>96.000</b>	<b>37.644</b>

(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)
<b>Fair value of net investment hedge in foreign operations</b>	<b>20,148</b>	<b>(57,792)</b>		<b>(37,644)</b>

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:

Currency	Exchange rate	Probable scenario	Scenario 1	09/30/2016	
				Scenario 1	Scenario 2
USD	3.2462	3.2125	4.0578	4.8693	
EUR	3.6484	3.5845	4.5605	5.4726	
USD x EUR	1.1161	1.1160	1.3951	1.6742	

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

Instruments	Notional	Risk	Probable scenario (*)	09/30/2016	
				Scenario 1	Scenario 2
Future dólar	(98,000)	Dollar	3,303	(79,532)	(159,064)
Hedge accounting of exports	1,532,667	Dollar	(51,651)	1,243,836	2,487,672

Currency position (not including exchange derivatives above)	(3,260,615)	Dollar	109,883	(2,646,152)	(5,292,304)
<b>Consolidated exchange position</b> (including exchange derivatives above)	<b>(1,825,948)</b>	<b>Dollar</b>	<b>61,535</b>	<b>(1,481,848)</b>	<b>(2,963,696)</b>
Net Investment hedge accounting	96,000	Euro	(6,134)	87,562	175,124
Currency position	(89,979)	Euro	5,750	(82,070)	(164,140)
<b>Consolidated exchange position</b> (including exchange derivatives above)	<b>6,021</b>	<b>Euro</b>	<b>(384)</b>	<b>5,492</b>	<b>10,984</b>
Dollar-to-euro swap	12,334	Dólar	(277)	(2,488)	(3,962)

(\*) The probable sceneries were calculated considering the following variations to the specified risks: Real x Dollar – Appreciation of Real in 1.04% / Real x Euro – Appreciation of real in 1,75% / Dollar x Euro – Appreciation of dollar in 0.01%. Source: Quotation from Brazil and Europe Central Banks on 10/10/2016.

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

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

Changes in interest rates	% p. a	Probable scenario (*)	Impact on profit or loss	
			Scenario 1	Scenario 2
TJLP	7.50	(3,048)	(19,366)	(38,732)
Libor	1.24	(64,318)	(16,376)	(32,752)
CDI	14.13	(255,670)	(439,757)	(879,515)

(\*) 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.

					<b>Consolidated</b>
	<b>Less than one year</b>	<b>From one to two years</b>	<b>From two to five years</b>	<b>Over five years</b>	<b>Total</b>
<b>At September 30, 2016</b>					
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

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

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

		<b>09/30/2016</b>		<b>12/31/2015</b>
	<b>Closing balance</b>	<b>Fair value</b>	<b>Closing Balance</b>	<b>Fair value</b>
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:

	<b>Current</b>		<b>Co</b>
	<b>09/30/2016</b>	<b>12/31/2015</b>	
Payables to related parties (note 19 b)	7.816	6.798	
Derivative financial instruments (note 14 I)	50	26.257	
Exclusive funds (1)			
Dividends and interest on capital payable to non-controlling shareholders	464.929	464.982	
Advances from customers	63.071	49.505	
Taxes in installments	25.347	24.237	84.007
Profit sharing - employees	136.958	171.695	
Provision for freight	36.406	105.104	
Provision industrial restructuring	96.390	122.854	
Taxes payable			8.661
Other provisions	39.150	30.784	
Other payables	100.269	70.801	38.871
	<b>970.386</b>	<b>1.073.017</b>	<b>131.539</b>

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

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

## 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:

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>Income tax and social contribution income (expense)</b>				<b>Consolidated</b>
Current	(197,152)	(204,117)	(110,026)	(112,802)
Deferred	(187,530)	543,095	(42,941)	(56,603)
	<b>(384,682)</b>	<b>338,978</b>	<b>(152,967)</b>	<b>(169,405)</b>

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>Income tax and social contribution income (expense)</b>				<b>Parent Company</b>
Current	(51)	(80,307)		(74,267)
Deferred	(139,138)	593,287	(29,015)	(48,996)
	<b>(139,189)</b>	<b>512,980</b>	<b>(29,015)</b>	<b>(123,263)</b>

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:

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	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>(Loss)/Profit before income tax and social contribution</b>	<b>(589.183)</b>	<b>(1.100.429)</b>	<b>53.307</b>	<b>(119.920)</b>
Tax rate	34%	34%	34%	34%
<b>Income tax and social contribution at combined statutory rate</b>	<b>200.322</b>	<b>374.146</b>	<b>(18.124)</b>	<b>(41.274)</b>
<b>Adjustment to reflect the effective rate:</b>				
Equity pickup	33.076	413.046	11.876	49.688
Profit with differentiated rates or untaxed	(310.782)	766.352	47.393	32.055
Transfer pricing adjustment	(25.569)	(40.189)	(12.541)	(10.162)
Tax loss carryforwards without recognizing deferred taxes	(907.806)	(42.735)	(116.546)	(119.920)
Indebtdness limit	(27.391)	(34.274)	(8.710)	(8.710)
Deferred taxes on temporary differences - non computed (1)	647.432	(1.107.385)	(55.887)	(1.107.385)
Deferred taxes on foreign profit			-	-
Other permanent deductions (add-backs)	6.036	10.017	(428)	10.017
<b>Income tax and social contribution in profit for the period</b>	<b>(384.682)</b>	<b>338.978</b>	<b>(152.967)</b>	<b>(1.107.385)</b>
<b>Effective tax rate</b>	<b>-65%</b>	<b>31%</b>	<b>287%</b>	<b>287%</b>
				<b>Consolidated</b>
				<b>Parent Company</b>
				<b>09/30/2016</b>
				<b>09/30/2015</b>
				<b>09/30/2016</b>
				<b>09/30/2015</b>
<b>(Loss)/Profit before income tax and social contribution</b>	<b>(885.147)</b>	<b>(1.273.714)</b>	<b>(101.196)</b>	<b>(1.273.714)</b>
Tax rate	34%	34%	34%	34%
<b>Income tax and social contribution at combined statutory rate</b>	<b>300.950</b>	<b>433.063</b>	<b>34.407</b>	<b>433.063</b>
<b>Adjustment to reflect the effective rate:</b>				
Equity pickup	(179.248)	1.262.078	104.290	1.262.078
Transfer pricing adjustment		(40.189)		(40.189)
Indebtdness limit	(27.391)	(34.274)	(8.710)	(34.274)
Tax loss carryforwards without recognizing deferred taxes	(883.415)		(106.725)	
Deferred taxes on temporary differences - non computed (1)	637.152	(1.111.850)	(62.994)	(1.111.850)
Other permanent deductions (add-backs)	12.763	4.152	10.717	4.152
<b>Income tax and social contribution in profit for the period</b>	<b>(139.189)</b>	<b>512.980</b>	<b>(29.015)</b>	<b>433.063</b>
<b>Effective tax rate</b>	<b>-16%</b>	<b>40%</b>	<b>-29%</b>	<b>40%</b>



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

**16.b) Deferred income tax and social contribution:**

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

	<b>Opening balance</b>	<b>Comp</b>
	<b>12/31/2015</b>	<b>ir</b>
<b>Deferred tax assets</b>		
Income tax losses	264.161	
Social contribution tax losses	106.654	
<b>Temporary differences</b>	<b>2.936.212</b>	
- Provision for tax. social security, labor, civil and environmental risks	231.054	
- Provision for environmental liabilities	88.501	
- Asset impairment losses	68.711	
- Inventory impairment losses	17.884	
- (Gains)/losses on financial instruments	(5.454)	
- (Gains)/losses on available-for-sale financial assets	947.989	
- Income tax and social contribution non computed o/ available-for-sale financial assets	(155.533)	
- Actuarial liability (pension and healthcare plan)	163.559	
- Accrued supplies and services	49.423	
- Allowance for doubtful debts	49.394	
- Unrealized exchange differences (*)	2.427.926	
- (Gain) on loss of control over Transnordestina	(224.096)	
- Cash flow hedge accounting	516.831	
- Income tax and social contribution non computed o/ cash flow hedge accounting	(357.951)	

- Deferred taxes non computed	(1.087.695)
- Goodwill on merger	9.211
- Other	196.458
<b>Non-current assets</b>	<b>3.307.027</b>
<b>Deferred tax liabilities</b>	
Income tax losses	(385)
Social contribution tax losses	(138)
<b>Temporary differences</b>	<b>495.374</b>
- Provision for tax. social security, labor, civil and environmental risks	(14.869)
- Provision for environmental liabilities	(789)
- Asset impairment losses	(18.441)
- Inventory impairment losses	(11.164)
- Actuarial liability (pension and healthcare plan)	(608)
- Accrued supplies and services	(42.977)
- Allowance for doubtful debts	(1.128)
- Fair value adjustment - SWT Aquisition	252.549
- Fair Value adjustment - Mining Business combination	336.443
- Unrealized exchange differences (*)	
- Deferred taxes non computed	614
- Others	(4.256)
<b>Non-current liabilities</b>	<b>494.851</b>

	Opening balance 12/31/2015	Comp in
<b>Deferred tax assets</b>		
Income tax losses	226.246	
Social contribution tax losses	93.031	
	<b>2.909.684</b>	
<b>Temporary differences</b>		
- 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	
- (Gains)/losses on financial instruments	(5.454)	
- (Gains)/losses on available-for-sale financial assets	947.989	
- Income tax and social contribution non computed o/ available-for-sale financial assets	(155.533)	
- 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) loss control Transnordestina " TLSA"	(224.096)	
- Cash flow hedge accounting	516.831	
- Income tax and social contribution non computed o/ cash flow hedge accounting	(357.951)	
- Deferred taxes non computed	(977.558)	
- Deferred income tax and social contribution resulted from CGPAR business combination		
- Other	110.240	
<b>Non-current assets</b>	<b>3.228.961</b>	

(\*) 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 3<sup>rd</sup> 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			Parent Co
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
<b>Income tax and social contribution</b>				
Actuarial gains on defined benefit pension plan	64,632	64,489	65,128	
Changes in the fair value on available-for-sale financial assets	(42,696)	38	(42,696)	
Actuarial gains and assets available for sale by incorporation				
Exchange differences on translating foreign operations	(425,510)	(425,510)	(425,510)	(425,510)
Cash flow hedge accounting	145,072	158,880	145,072	
	<b>(258,502)</b>	<b>(202,103)</b>	<b>(258,006)</b>	<b>(258,006)</b>

**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			Consolidated			Parent
	Accrued liabilities			Judicial deposits			Judicial
	09/30/2016	12/31/2015	09/30/2016	12/31/2015	09/30/2016	12/31/2015	09/30/2016
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

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Environmental	8.929	17.646	1.190	1.697	2.341	12.536	1.121
Judicial deposits			8.758	8.519			
	<b>814.735</b>	<b>838.734</b>	<b>345.351</b>	<b>328.542</b>	<b>641.271</b>	<b>656.298</b>	<b>277.055</b>

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

Nature	12/31/2015	Additions	Net update on amount	Net utilization of reversal	Consolidated
					Current + Non-current
					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
	<b>838,734</b>	<b>53,178</b>	<b>72,434</b>	<b>(149,611)</b>	<b>814,735</b>

Nature	12/31/2015	Additions	Net update on amount	Net utilization of reversal	Parent Company
					Current + Non-current
					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
	<b>656,298</b>	<b>34,222</b>	<b>61,536</b>	<b>(110,785)</b>	<b>641,271</b>

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



- Other administrative and judicial proceedings

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

	<b>09/30/16</b>
Tax assessment notice issued against the Company for an alleged sale of 40% of the shares of its joint venture NAMISA to a Japanese-Korean consortium	8.245
Income tax / Social contribution - Assessment Notice and Imposition of Fine (AIIM) - - Disallowance of deductions of goodwill generated in the reverse incorporation of Big Jump by Namisa	2.405
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	1.186
Tax foreclosures - ICMS - Electricity credits	812
Installments MP 470 - alleged insufficiency of tax losses	636
Offset of taxes that were not approved by the Federal Revenue Service - IRPJ/CSLL, PIS/COFINS e IPI	1.468
Notices of violation and imposition of fine - Income taxes and social contribution due to profits from foreign subsidiaries (years 2008,2010 and 2011) (1)	1.608
Disallowance of the ICMS credits - Transfer of iron ore	557
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	272
Disallowance of the tax losses arising on adjustments to the SAPLI	443
Assessment Notice - ICMS - shipping and return merchandise for Industrialization	588
Assessment Notice- Income tax- Capital Gain of CFM vendors located outside	177
CFEM – Divergence on the understanding between CSN and DNPM on the calculation basis	343
Other tax (federal, state, and municipal) lawsuits	2.474
Social security lawsuits	282
Law suit applied by Brazilian antitrust authorities (CADE)	96
Other civil lawsuits	797
Labor and social security lawsuits	1.137
Environmental lawsuits	354
	<b>23.886</b>

(\*) 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.

## 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:

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

**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**

	<b>Current</b>		<b>Non-current</b>		<b>Con</b>
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>Total</b>
<b>Assets</b>					
Trade receivables (note 7)	103,693	61,366			103,693
Dividends receivable (note 7)	26,902	27,817			26,902
Actuarial assets (note 9)			93,066	114,433	93,066
Financial investments/ investments	54,504				54,504
Loans (note 9)			447,689	373,214	447,689
Other receivables (note 9)	6,677	9,420	32,395	29,020	39,072
	<b>191,776</b>	<b>98,603</b>	<b>573,150</b>	<b>516,667</b>	<b>764,926</b>
<b>Liabilities</b>					
<b>Other payables (Note 16)</b>					
Accounts payable	7,816	6,798			7,816
Trade payables	91,747	67,443			91,747
Actuarial liabilities			514,368	514,368	514,368
	<b>99,563</b>	<b>74,241</b>	<b>514,368</b>	<b>514,368</b>	<b>613,931</b>
	<b>09/30/2016</b>	<b>09/30/2015</b>			
<b>P&amp;L</b>					
<b>Revenues</b>					
Sales	610,287	564,794			
Interest	43,700	52,587			
<b>Expenses</b>					

Purchases	(748,007)	(896,414)
Interest	(130)	(375,316)
Foreign exchange and monetary variations, net	(19,043)	
	<b>(113,193)</b>	<b>(654,349)</b>

- **By company**

	Assets			Liabilities			Sales	Purchases
	Current	Non-current	Total	Current	Non-current	Total		
<b>Subsidiaries</b>								
Ferrovia Transnordestina Logística S.A.				28.054		28.054		
				<b>28.054</b>		<b>28.054</b>		
<b>Joint-venture e Joint-operation</b>								
Itá Energética S.A.				2.653		2.653		-24.233
MRS Logística S.A.	26.183		26.183	45.200		45.200		(663.793)
CBSI - Companhia Brasileira de Serviços e Infraestrutura Transnordestina Logística S.A (1)	4.071		4.071	15.396		15.396	7	(51.166)
		428.267	428.267	7.440		7.440		
	<b>30.254</b>	<b>428.267</b>	<b>458.521</b>	<b>70.689</b>		<b>70.689</b>	<b>7</b>	<b>(739.192)</b>
<b>Other related parties</b>								
CBS Previdência		93.066	93.066		514.368	514.368		
Fundação CSN	1.829		1.829	249		249		1.47
Banco Fibra	54.504		54.504					
Usiminas				124		124	17.027	(5.489)
Panatlântica	99.623	3.375	102.998	71		71	536.122	
Ibis Participações e Serviços							47	(4.935)
Partifib Projetos Imobiliários	236		236				2.101	
	<b>156.192</b>	<b>96.441</b>	<b>252.633</b>	<b>444</b>	<b>514.368</b>	<b>514.812</b>	<b>555.297</b>	<b>(8.953)</b>
<b>Associates</b>								
Arvedi Metalfer do Brasil S.A.	5.330	48.442	53.772	376		376	22.555	
Cia Metalic Nordeste							32.428	138

<b>Total at 09/30/2016</b>	<b>191.776</b>	<b>573.150</b>	<b>764.926</b>	<b>99.563</b>	<b>514.368</b>	<b>613.931</b>	<b>610.287</b>	<b>(748.007)</b>
<b>Total at 12/31/2015</b>	<b>98.603</b>	<b>516.667</b>	<b>615.270</b>	<b>74.241</b>	<b>514.368</b>	<b>588.609</b>	<b>725.285</b>	<b>-1.103.428</b>
<b>Total at 09/30/2015</b>							<b>564.794</b>	<b>-896.414</b>

(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**

	<b>Current</b>		<b>Non-current</b>		<b>Par</b>
	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>09/30/2016</b>	<b>12/31/2015</b>	<b>Tot</b>
<b>Assets</b>					
Trade receivables (1) (note 7)	791,263	1,140,172			791,263
Dividends receivable (note 7)	721,145	737,668			721,145
Actuarial asset (note 9)			96,276	112,660	96,276
Loans (note 9)			324,397	239,930	324,397
Short-term investments / Investments (2)	1,108,688	1,412,428	86,604	28,078	1,195,292
Exclusive funds (note 9)		110,075			
Other receivables (3) (note 9)	13,530	32,479	338,284	303,441	351,814
	<b>2,634,626</b>	<b>3,432,822</b>	<b>845,561</b>	<b>684,109</b>	<b>3,480,187</b>
<b>Liabilities</b>					
<b>Borrowings and financing</b>					
Prepayment (note 13)	46,845	85,987	4,857,536	5,843,050	4,904,381
Fixed Rate Notes and Intercompany Bonds (note 13)	71,369	32,402	3,372,186	4,056,347	3,443,555
Intercompany Loans (note 13)	141,747	1,261,861	2,707,992	2,137,040	2,849,739
	<b>259,961</b>	<b>1,380,250</b>	<b>10,937,714</b>	<b>12,036,437</b>	<b>11,197,675</b>
<b>Other payables (note 15)</b>					
Trade payables (4)	152,815	110,106	73,982	118,653	226,797
Exclusive funds (2) (note 15)	50	25,387			50
Trade payables	141,820	153,559			141,820
Actuarial liabilities			514,367	514,367	514,367
	<b>294,685</b>	<b>289,052</b>	<b>588,349</b>	<b>633,020</b>	<b>883,034</b>
	<b>09/30/2016</b>	<b>09/30/2015</b>			
<b>P&amp;L</b>					
<b>Revenues</b>					
Sales	2,075,902	4,508,821			
Interest	27,989	18,002			
Exclusive funds		1,064,805			
<b>Expenses</b>					
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)				
	<b>(2,063,736)</b>	<b>(908,103)</b>			

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

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(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 resold by CSN LLC.

Non-current: Refers mainly to assignment of tax loss credits of income tax and social contribution related to FTL (Ferrovia Transnordestina Logística)

### By company

	Assets			Liabilities		
	Current	Non-current	Total	Current	Non-current	Total
<b>Subsidiaries</b>						
Companhia Metalúrgica Prada (1)	266.075	121.336	387.411	11.650	196	11.84
Estanho de Rondônia S.A.	1.061	4.775	5.836	2.215		2.21
Sepetiba Tecon S.A.	10.589	106.079	116.668	22.962		22.96
Minérios Nacional S.A.		9.146	9.146			
Congonhas Minérios S.A. (2)	698.959		698.959	39.911		39.91
CSN Energia S.A.				16.206		16.20
Ferrovia Transnordestina Logística S.A.	8	39.340	39.348		73.784	73.78
Companhia Siderúrgica Nacional, LLC (3)	341.310		341.310	149.595		149.59
CSN Europe Lda.				12.334	99.722	112.05
CSN Resources S.A. (4)				227.475	8.237.340	8.464.81
Lusosider Aços Planos, S.A.	74.652		74.652	168		16
CSN Islands XI Corp. (5)					1.038.784	1.038.78
CSN Islands XII Corp. (6)				20.150	1.473.775	1.493.92
CSN Ibéria Lda.					88.095	88.09

Companhia de Embalagens Metálicas MMSA	5.404	44.859	50.263			
Companhia Florestal do Brasil		5.179	5.179			
Stahlwerk Thüringen GmbH				4.525		4.52
	<b>1.398.058</b>	<b>330.714</b>	<b>1.728.772</b>	<b>507.191</b>	<b>11.011.696</b>	<b>11.518.88</b>
<b>Joint-venture e Joint-operation</b>						
ITA Energética S.A	12.188		12.188			
MRS Logística S.A.	13.096		13.096	36.364		36.36
CBSI - Companhia Brasileira de Serviços e Infraestrutura	906		906	10.666		10.66
Transnordestina Logística S.A.		280.150	280.150			
	<b>26.190</b>	<b>280.150</b>	<b>306.340</b>	<b>47.030</b>		<b>47.03</b>
<b>Other related parties</b>						
CBS Previdência		96.276	96.276		514.367	514.36
Fundação CSN	1.829		1.829	180		18
Banco Fibra						
Usiminas				124		12
Panatlântica	99.623	<b>3.375</b>	102.998	71		7
Ibis Participações e Serviços Partifib Projetos Imobiliários	238		238			
	<b>101.690</b>	<b>99.651</b>	<b>201.341</b>	<b>375</b>	<b>514.367</b>	<b>514.74</b>
<b>Associates</b>						
Arvedi Metalfer do Brasil S.A.		48.442	48.442			
<b>Exclusive Funds</b>						
Diplic, Caixa Vertice, VR1, BB Steel	1.108.688	86.604	1.195.292	50		5
<b>Discontinued operations</b>						
Companhia Metalic Nordeste				-		
<b>Total at 09/30/2016</b>	<b>2.634.626</b>	<b>845.561</b>	<b>3.480.187</b>	<b>554.646</b>	<b>11.526.063</b>	<b>12.080.70</b>
<b>Total at 12/31/2015</b>	<b>3.432.822</b>	<b>684.109</b>	<b>4.116.931</b>	<b>1.669.302</b>	<b>12.669.457</b>	<b>14.338.75</b>
<b>Total at 09/30/2015</b>						

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

**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.

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
	<b>P&amp;L</b>		<b>P&amp;L</b>	
Short-term benefits for employees and officers	67,797	30,091	4,661	3,794
Post-employment benefits	256	197	53	80
	<b>68,053</b>	<b>30,288</b>	<b>4,714</b>	<b>3,874</b>

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:

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

**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	Number of shares bought back
1 <sup>o</sup>	3/13/2014	70.205.661	From 3/14/2014 to 4/14/2014	R\$ 9,34	R\$ 9.22 and R\$ 9.45	2.3
2 <sup>o</sup>	4/15/2014	67.855.661	From 4/16/2014 to 5/23/2014	R\$ 8,97	R\$ 8.70 and R\$ 9.48	9.5
3 <sup>o</sup>	5/23/2014	58.326.161	From 5/26/2014 to 6/25/2014	R\$ 9,21	R\$ 8.61 and R\$ 9.72	31.5
4 <sup>o</sup>	6/26/2014	26.781.661	From 6/26/2014 to 7/17/2014	R\$ 10,42	R\$ 9.33 and R\$ 11.54	26.7
	7/18/2014			Not applicable	Not applicable	
5 <sup>o</sup>	7/18/2014	64.205.661	From 7/18/2014 to 8/18/2014	R\$ 11,40	R\$ 11,40	2
	8/19/2014			Not applicable	Not applicable	
6 <sup>o</sup>	8/19/2014	63.161.055	From 8/19/2014 to 9/25/2014	R\$ 9,82	R\$ 9.47 and R\$ 10.07	6.7
7 <sup>o</sup>	9/29/2014	56.369.755	From 9/29/2014 to 2/29/2014	R\$ 7,49	R\$ 4.48 and R\$ 9.16	21.7
8 <sup>o</sup>	12/30/2014	34.611.155	From 12/31/2014 to 3/31/2015	R\$ 5,10	R\$ 4.90 and R\$ 5.39	1.8
9 <sup>o</sup> (*)	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
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**Minimum Maximum Average**

30,391,000

R\$ 238,976

R\$ 4.48

R\$ 10.07

R\$ 7.86

R\$

(\*) Using the last share quotation on BM&amp;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.

**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:

	<b>Nine months ended</b>		<b>Parent Company Three months ended</b>	
	<b>09/30/2016 Common Shares</b>	<b>09/30/2015</b>	<b>09/30/2016 Common Shares</b>	<b>09/30/2015</b>
<b>Loss for the period</b>				
Continuing operations	(1,024,336)	(760,734)	(130,211)	(531,785)
Discontinued operations	(6,786)	6,009	(6,984)	(728)
	<b>(1,031,122)</b>	<b>(754,725)</b>	<b>(137,195)</b>	<b>(532,513)</b>
Weighted average number of shares	1,357,133,047	1,357,155,727	1,357,133,047	1,357,133,047
<b>Basic and diluted EPS</b>				
Continuing operations	(0.75478)	(0.56054)	(0.09595)	(0.39184)
Discontinued operations	(0.00500)	0.00443	(0.00515)	(0.00054)
	<b>(0.75978)</b>	<b>(0.55611)</b>	<b>(0.10110)</b>	<b>(0.39238)</b>

**21. PAYMENT TO SHAREHOLDERS**





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

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

## 22. NET SALES REVENUE

Net sales revenue is comprised as follows:

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
				<b>Consolidated</b>
<b>Gross revenue</b>				
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
	<b>14,550,313</b>	<b>13,687,866</b>	<b>5,167,208</b>	<b>4,543,523</b>
<b>Deductions</b>				
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)
	<b>(1,919,960)</b>	<b>(2,078,643)</b>	<b>(697,968)</b>	<b>(609,919)</b>
<b>Net revenue</b>	<b>12,630,353</b>	<b>11,609,223</b>	<b>4,469,240</b>	<b>3,933,604</b>

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
				<b>Parent Company</b>
<b>Gross revenue</b>				
Domestic market	6,945,805	7,463,589	2,653,390	2,192,096

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Foreign market	1,247,918	3,483,905	287,914	1,493,635
	<b>8,193,723</b>	<b>10,947,494</b>	<b>2,941,304</b>	<b>3,685,731</b>
<b>Deductions</b>				
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)
	<b>(1,736,288)</b>	<b>(1,899,907)</b>	<b>(653,183)</b>	<b>(567,023)</b>
<b>Net revenue</b>	<b>6,457,435</b>	<b>9,047,587</b>	<b>2,288,121</b>	<b>3,118,708</b>

**23. EXPENSES BY NATURE**

	<b>Nine months ended</b>		<b>Consolidated Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
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)
	<b>(11,100,497)</b>	<b>(10,209,768)</b>	<b>(3,680,260)</b>	<b>(3,523,372)</b>
<b>Classified as:</b>				
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)
	<b>(11,100,497)</b>	<b>(10,209,768)</b>	<b>(3,680,260)</b>	<b>(3,523,372)</b>

	<b>Nine months ended</b>		<b>Parent Company Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
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)
	<b>(6,102,352)</b>	<b>(7,681,605)</b>	<b>(2,055,434)</b>	<b>(2,754,804)</b>

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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)
	<b>(6,102,352)</b>	<b>(7,681,605)</b>	<b>(2,055,434)</b>	<b>(2,754,804)</b>

**24. OTHER OPERATING INCOME (EXPENSES)**

	<b>Nine months ended</b>		
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2014</b>
<b>Other operating income</b>			
Indemnities/gains on lawsuits	26.137	4.402	
Rentals and leases	1.059	858	
Dividends received		5.268	
Untimely PIS/COFINS/ICMS credits	128.083	12.067	1
Contractual fines		1.622	
Gain on business combination (note 3)	28.013		
Other revenues	19.325	23.908	
	<b>202.617</b>	<b>48.125</b>	<b>1</b>
	-	-	
<b>Other operating expenses</b>			
Taxes and fees	(94.803)	(8.858)	
Write-off/(Provision) of judicial deposits	(20.711)	(3.011)	
Expenses from environmental liabilities, Net	(2.065)	(1.863)	
Expenses from tax, social security, labor, civil and environmental lawsuits.	(115.428)	(189.308)	(4)
Depreciation of unused equipment and amortization of intangible assets (note 11 a)	(33.730)	(29.426)	(1)
Write- off of PPE and intangible assets (notes 10 and 12)	(61.791)	(4.773)	(3)
Inventory impairment losses/reversals (note 8)	(27.101)	6.418	(3)
Losses on spare parts	(8.760)	(35.019)	
Studies and project engineering expenses	(21.539)	(30.241)	
Research and development expenses	(1.690)	(2.477)	
Healthcare plan expenses	(59.497)	(41.396)	(2)
Impairment of available-for-sale financial assets		(178.867)	
Other expenses	(54.497)	(50.733)	
	<b>(501.612)</b>	<b>(569.554)</b>	<b>(17)</b>
<b>Other operating expenses, net</b>	<b>(298.995)</b>	<b>(521.429)</b>	<b>0</b>

**Nine months ended**

	09/30/2016	09/30/2015	09/30/2014
<b>Other operating income</b>			
Indemnities/gains on lawsuits	3.530	4.110	
Rentals and leases	992	858	
Dividends received		5.268	
Untimely PIS/COFINS/ICMS credits	121.090	12.067	1
Contractual fines	731	2.124	
Gain on business combination (note 3)	28.013		
Other revenues	2.364	4.245	
	<b>156.720</b>	<b>28.672</b>	<b>1</b>
<b>Other operating expenses</b>			
Taxes and fees	(13.975)	(5.333)	
Write-off/(Provision) of judicial deposits	(11.885)	(3.016)	
Expenses from environmental liabilities, Net	(482)	(1.863)	
Expenses from tax, social security, labor, civil and environmental lawsuits.	(98.569)	(175.826)	(3
Write- off of PPE and intangible assets (notes 10 and 12)	(20.751)	(3.935)	
Inventory impairment losses/reversals (note 8)	(10.380)	5.600	
Losses on spare parts	(2.369)	(35.019)	
Studies and project engineering expenses	(20.669)	(30.075)	
Research and development expenses	(1.690)	(2.477)	
Healthcare plan expenses	(59.502)	(41.396)	(2
Impairment of available-for-sale financial assets		(178.867)	
Other expenses	(28.843)	(37.144)	
	<b>(269.115)</b>	<b>(509.351)</b>	<b>(7</b>
<b>Other operating expenses, net</b>	<b>(112.395)</b>	<b>(480.679)</b>	

**25. FINANCE INCOME (EXPENSES)**

	Nine months ended		Consolidated Three months ended	
	09/30/2016	09/30/2015	09/30/2016	09/30/2015
<b>Finance income</b>				
Related parties (note 19 b)	43,700	52,587	16,226	20,400
Income from short-term investments	223,609	127,786	86,345	75,600
Gain from derivative		1,202		20,000
Other income (*)	255,686	20,721	37,852	9,000
	<b>522,995</b>	<b>202,296</b>	<b>140,423</b>	<b>105,400</b>
<b>Finance costs</b>				
Borrowings and financing - foreign currency	(706,611)	(673,136)	(218,727)	(256,100)
Borrowings and financing - local currency	(1,688,332)	(1,557,024)	(579,608)	(575,690)
Related parties (note 19 b)	(130)	(375,316)		(119,220)
Capitalized interest (notes 11 and 29)	164,942	116,122	54,067	45,600
Losses on derivatives	(362)	(4,977)		(1,380)
Interest, fines and late payment charges	(25,700)	(14,836)	(5,521)	(2,210)
Bank fees	(118,239)	(59,370)	(49,682)	(19,230)
Pis/Cofins from financial Income	(31,936)	(43,650)	(6,671)	(43,650)
Other finance costs	(127,422)	(66,333)	(27,094)	(38,190)
	<b>(2,533,790)</b>	<b>(2,678,520)</b>	<b>(833,236)</b>	<b>(1,010,070)</b>
<b>Inflation adjustment and exchange differences, net</b>				
Inflation adjustments, net	(15,974)	9,750	203	2,200
Exchange rates, net	922,948	(1,724,331)	(70,228)	(1,290,620)
Exchange gain (losses) on derivatives	(804,696)	997,510	2,823	643,900
	<b>102,278</b>	<b>(717,071)</b>	<b>(67,202)</b>	<b>(644,420)</b>
<b>Finance income (costs), net</b>	<b>(1,908,517)</b>	<b>(3,193,295)</b>	<b>(760,015)</b>	<b>(1,549,040)</b>
<b>Statement of gains and (losses) on derivative transactions</b>				
Dollar-to-CDI swap		(18)		
Dollar - to - real NDF		786,511		469,700
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	(3,550)
	<b>(804,696)</b>	<b>997,510</b>	<b>2,823</b>	<b>643,900</b>

Fixed rate - to - CDI swap	(299)	(4,977)		(1,38
CDI - to - fixed rate swap	(63)	1,202		20
	<b>(362)</b>	<b>(3,775)</b>		<b>(1,11</b>
	<b>(805,058)</b>	<b>993,735</b>	<b>2,823</b>	<b>642,8</b>

(\* ) It refers mainly to gain on repurchase of debt securities amounting to R\$146,214.

	<b>Nine months ended</b>		<b>Parent Company Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>Finance income</b>				
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
	<b>152,322</b>	<b>1,133,815</b>	<b>65,651</b>	<b>726,759</b>
<b>Finance costs</b>				
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)
Bank fees	(95,981)	(49,483)	(31,796)	(17,150)
Pis/Cofins from financial Income	(25,895)	(39,973)	(6,219)	(39,973)
Other finance costs	(40,885)	(60,568)	(11,615)	(35,265)
	<b>(2,767,488)</b>	<b>(2,669,872)</b>	<b>(658,930)</b>	<b>(1,028,330)</b>
<b>Inflation adjustment and exchange differences, net</b>				
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)
	<b>2,014,530</b>	<b>(4,334,953)</b>	<b>(119,842)</b>	<b>(2,985,847)</b>
<b>Finance income (costs), net</b>	<b>(600,636)</b>	<b>(5,871,010)</b>	<b>(713,121)</b>	<b>(3,287,418)</b>



## 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 Port	Railroads	Energy	Cement	Corp
Metric tons (thou.) - (unaudited) (*)	3.670.243	27.792.213				2.015.765	
Net revenues							
Domestic market	5.000.882	373.769	145.405	995.997	201.713	362.816	
Foreign market	3.553.403	2.891.097					
<b>Total net revenue (note 22)</b>	<b>8.554.285</b>	<b>3.264.866</b>	<b>145.405</b>	<b>995.997</b>	<b>201.713</b>	<b>362.816</b>	
Cost of sales and services	(7.059.177)	(2.302.736)	(107.331)	(677.624)	(147.598)	(334.320)	
<b>Gross profit</b>	<b>1.495.108</b>	<b>962.130</b>	<b>38.074</b>	<b>318.373</b>	<b>54.115</b>	<b>28.496</b>	
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	45.341	
Proportionate EBITDA of joint ventures							
<b>Adjusted EBITDA</b>	<b>1.341.976</b>	<b>1.247.445</b>	<b>28.738</b>	<b>413.682</b>	<b>48.383</b>	<b>19.589</b>	
<b>Sales by geographic area</b>							
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					
<b>Foreign market</b>	<b>3.553.403</b>	<b>2.891.097</b>					
<b>Domestic market</b>	<b>5.000.882</b>	<b>373.769</b>	<b>145.405</b>	<b>995.997</b>	<b>201.713</b>	<b>362.816</b>	
<b>Total</b>	<b>8.554.285</b>	<b>3.264.866</b>	<b>145.405</b>	<b>995.997</b>	<b>201.713</b>	<b>362.816</b>	

P&L	Steel	Mining	Logistics Port	Railroads	Energy	Cement	Corp
Metric tons (thou.) - (unaudited) (*)	1.171.543	10.229.984				849.943	
Net revenues							
Domestic market	1.893.365	145.409	50.291	355.494	67.644	139.709	
Foreign market	973.962	1.161.860					
<b>Total net revenue (note 22)</b>	<b>2.867.327</b>	<b>1.307.269</b>	<b>50.291</b>	<b>355.494</b>	<b>67.644</b>	<b>139.709</b>	
Cost of sales and services	(2.300.364)	(810.708)	(37.137)	(236.653)	(48.639)	(130.885)	
<b>Gross profit</b>	<b>566.963</b>	<b>496.561</b>	<b>13.154</b>	<b>118.841</b>	<b>19.005</b>	<b>8.824</b>	
General and administrative expenses	(183.489)	(15.497)	(7.723)	(23.642)	(6.588)	(19.522)	
Depreciation (note 11 a)	168.946	118.051	3.378	57.198	4.277	15.097	
Proportionate EBITDA of joint ventures							
<b>Adjusted EBITDA</b>	<b>552.420</b>	<b>599.115</b>	<b>8.809</b>	<b>152.397</b>	<b>16.694</b>	<b>4.399</b>	

#### 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						
<b>Foreign market</b>	<b>973.962</b>	<b>1.161.860</b>					
<b>Domestic market</b>	<b>1.893.365</b>	<b>145.409</b>	<b>50.291</b>	<b>355.494</b>	<b>67.644</b>	<b>139.709</b>	
<b>Total</b>	<b>2.867.327</b>	<b>1.307.269</b>	<b>50.291</b>	<b>355.494</b>	<b>67.644</b>	<b>139.709</b>	

(\*) 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	Railroads	Energy	Cement	Corp
Metric tons (thou.) - (unaudited) (*)	3.859.824	17.692.070				1.679.646	
Net revenues							
Domestic market	5.284.115	86.840	150.387	826.422	183.960	329.523	
Foreign market	3.339.901	2.193.328					
<b>Total net revenue (note 22)</b>	<b>8.624.016</b>	<b>2.280.168</b>	<b>150.387</b>	<b>826.422</b>	<b>183.960</b>	<b>329.523</b>	
Cost of sales and services	(6.859.881)	(1.725.772)	(99.896)	(581.275)	(145.392)	(241.096)	
<b>Gross profit</b>	<b>1.764.135</b>	<b>554.396</b>	<b>50.491</b>	<b>245.147</b>	<b>38.568</b>	<b>88.427</b>	
General and administrative expenses	(687.890)	(47.186)	(15.650)	(66.474)	(17.158)	(52.021)	
Depreciation (note 11 a)	492.869	271.853	9.520	139.010	12.795	32.455	
Proportionate EBITDA of joint ventures							
<b>Adjusted EBITDA</b>	<b>1.569.114</b>	<b>779.063</b>	<b>44.361</b>	<b>317.683</b>	<b>34.205</b>	<b>68.861</b>	

#### 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						
<b>Foreign market</b>	<b>3.339.901</b>	<b>2.193.328</b>					

<b>Domestic market</b>	<b>5.284.115</b>	<b>86.840</b>	<b>150.387</b>	<b>826.422</b>	<b>183.960</b>	<b>329.523</b>
<b>Total</b>	<b>8.624.016</b>	<b>2.280.168</b>	<b>150.387</b>	<b>826.422</b>	<b>183.960</b>	<b>329.523</b>

	<b>Steel</b>	<b>Mining</b>	<b>Logistics Port</b>	<b>Railroads</b>	<b>Energy</b>	<b>Cement</b>	<b>Corp</b>
Metric tons (thou.) - (unaudited) (*)	1.191.366	6.931.406				582.005	
Net revenues							
Domestic market	1.538.645	13.999	60.194	295.386	59.913	113.564	
Foreign market	1.198.251	927.916					
<b>Total net revenue (note 22)</b>	<b>2.736.896</b>	<b>941.915</b>	<b>60.194</b>	<b>295.386</b>	<b>59.913</b>	<b>113.564</b>	
Cost of sales and services	(2.269.842)	(624.749)	(37.293)	(202.390)	(50.395)	(99.161)	
<b>Gross profit</b>	<b>467.054</b>	<b>317.166</b>	<b>22.901</b>	<b>92.996</b>	<b>9.518</b>	<b>14.403</b>	
General and administrative expenses	(248.924)	(16.316)	(4.058)	(22.494)	(5.978)	(18.584)	
Depreciation (note 11 a)	167.761	94.495	3.175	48.010	4.278	12.881	
Proportionate EBITDA of joint ventures							
<b>Adjusted EBITDA</b>	<b>385.891</b>	<b>395.345</b>	<b>22.018</b>	<b>118.512</b>	<b>7.818</b>	<b>8.700</b>	

#### 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						
<b>Foreign market</b>	<b>1.198.251</b>	<b>927.916</b>					
<b>Domestic market</b>	<b>1.538.645</b>	<b>13.999</b>	<b>60.194</b>	<b>295.386</b>	<b>59.913</b>	<b>113.564</b>	
<b>Total</b>	<b>2.736.896</b>	<b>941.915</b>	<b>60.194</b>	<b>295.386</b>	<b>59.913</b>	<b>113.564</b>	

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

- **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:

	<b>Nine months ended</b>		<b>Consolidated Three months ended</b>	
	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
Loss for the period	(980,651)	(755,442)	(106,644)	(532,651)
Result in discontinued operations	6,786	(6,009)	6,984	728
Depreciation (note 11 a)	922,985	824,051	311,351	283,298
Income tax and social contribution (note 16)	384,682	(338,978)	152,967	169,405
Finance income (cost) (note 25)	1,908,517	3,193,295	760,015	1,549,045
<b>EBITDA</b>	<b>2,242,319</b>	<b>2,916,917</b>	<b>1,124,673</b>	<b>1,469,825</b>
Other operating income (expenses) (note 24)	298,995	521,429	1,778	85,057
Equity in results of affiliated companies	(88,473)	(1,214,840)	(26,120)	(861,352)
Proportionate EBITDA of joint ventures	373,024	341,936	138,223	159,724
<b>Adjusted EBITDA (*)</b>	<b>2,825,865</b>	<b>2,565,442</b>	<b>1,238,554</b>	<b>853,254</b>

(\*) 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 forec
			09/30/2016	12/31/2015	09/30/2016 1
Transnordestina Logística	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	
<b>Total in R\$</b>			<b>4.626.300</b>	<b>4.639.303</b>	<b>26.169</b>
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	
<b>Total in US\$</b>			<b>2.950.000</b>	<b>2.950.000</b>	
CSN Steel S.L.	EUR	1/31/2020	120.000	120.000	
Lusosider Aços Planos	EUR	Indefinite	25.000	25.000	
<b>Total in EUR</b>			<b>145.000</b>	<b>145.000</b>	
<b>Total in R\$</b>			<b>10.105.308</b>	<b>12.135.468</b>	
			<b>14.731.608</b>	<b>16.774.771</b>	<b>26.169</b>

## 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, Congonhas Minérios, 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**

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	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
Income tax and social contribution paid	209,473	134,667		120,075
Addition to PP&E with interest capitalization	164,942	116,122	96,828	116,122
Acquisition of fixed assets without adding cash	7,437			
Borrowings granted to subsidiaries			12,862	
	<b>381,852</b>	<b>250,789</b>	<b>109,690</b>	<b>236,197</b>



**30. COMPREHENSIVE INCOME STATEMENT**

	<b>Consolidated</b>				<b>Parent Company</b>			
	<b>Nine months ended</b>		<b>Three months ended</b>		<b>Nine months ended</b>		<b>Three months ended</b>	
<b>(Loss)/Profit for the period</b>	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>	<b>09/30/2016</b>	<b>09/30/2015</b>
<b>Other comprehensive income</b>	<b>(980.651)</b>	<b>(755.442)</b>	<b>(106.644)</b>	<b>(532.651)</b>	<b>(1.031.122)</b>	<b>(754.725)</b>	<b>(137.195)</b>	<b>(532.651)</b>
<b>Items that will not be subsequently reclassified to the statement of income</b>								
Actuarial of the defined benefit plan from investments in subsidiaries, net of taxes	144		30		144	(96)	30	
Actuarial (losses)/gains on defined benefit pension plan		202				348		
Income tax and social contribution on actuarial (losses)/gains on defined benefit pension plan		(68)				(118)		
	<b>144</b>	<b>134</b>	<b>30</b>		<b>144</b>	<b>134</b>	<b>30</b>	
<b>Items that could be subsequently</b>								

**reclassified to  
the statement of  
income**

Cumulative translation adjustments for the period	(392.797)	719.875	75.140	550.919	(392.797)	719.875	75.140	550.919
Assets available for sale	775.403	(474.694)	647.550	(445.407)	775.403	(443.153)	647.550	(445.407)
Income taxes and social contribution available for sale	(42.734)	9.957	(42.734)		(42.734)	(767)	(42.734)	
Available-for-sale assets from investments in subsidiaries, net of taxes						(20.817)		
Impairment on available-for-sale assets		178.867		81.016		178.867		81.016
Income taxes and social contribution impairment of available-for-sale assets		(33.269)				(33.269)		
(Perda)/ganho na variação percentual de investimentos	1.324	202	740	245	1.324	202	740	245
(Loss)/gain on cash flow hedge accounting	1.016.560	(1.517.306)	(56.324)	(1.171.346)	1.016.560	(1.517.306)	(56.324)	(1.171.346)
Income tax and social contribution on (loss)/gain on cash flow hedge accounting	(13.808)	117.626			(13.808)			
Realization on cash flow hedge accounting reclassified to income statements	26.472		5.949		26.472		5.949	
(Loss)/gain on investments hedge in subsidiaries					57.792	(42.288)	(10.272)	(42.288)
(Loss)/gain on net investment hedge in foreign subsidiaries	57.792	(42.288)	(10.272)	(42.288)				
	<b>1.428.212</b>	<b>(1.041.030)</b>	<b>620.049</b>	<b>(1.026.861)</b>	<b>1.428.212</b>	<b>(1.041.030)</b>	<b>620.049</b>	<b>(1.026.861)</b>
	<b>1.428.356</b>	<b>(1.040.896)</b>	<b>620.079</b>	<b>(1.026.861)</b>	<b>1.428.356</b>	<b>(1.040.896)</b>	<b>620.079</b>	<b>(1.026.861)</b>

<b>Total comprehensive income for the period</b>	<b>447.705 (1.796.338)</b>	<b>513.435</b>	<b>(1.559.512)</b>	<b>397.234 (1.795.621)</b>	<b>482.884 (1.559.374)</b>
<b>Attributable to:</b>					
Owners of the Company	397.234 (1.795.621)	482.884	(1.559.374)	397.234 (1.795.621)	482.884 (1.559.374)
Non-controlling interests	50.471 (717)	30.551	(138)		
	<b>447.705 (1.796.338)</b>	<b>513.435</b>	<b>(1.559.512)</b>	<b>397.234 (1.795.621)</b>	<b>482.884 (1.559.374)</b>

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## 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 (the “Company”), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the nine-month period ended September 30, 2016, which comprises the balance sheet as of September 30, 2016 and the related statements of income and comprehensive income for the three and nine-month period then ended, and statement of changes in equity and cash flows for the nine-month period ended, including the explanatory notes.

The Company’s Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) Interim Financial Information and international

standard 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 and Exchange Commission (CVM), applicable to the preparation of the 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 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 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 interim financial information referred to above was 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 CVM.

### **Emphasis of Matter**

The individual and consolidated corresponding values, related to the cash flow statement for the three and nine-month period ended September 30, 2015 are being restated accordingly to the matter described at note 2.d).

### **Other Matters**

We have also reviewed the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2016, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards IFRSs, which do not require the presentation of DVA. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in

all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 14, 2016

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

Gilberto Grandolpho

Engagement Partner

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 22, 2016

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.

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