Companhia Siderúrgica Nacional



2Q16 Earnings Presentation

August 16th, 2016

Disclaimer

Certain statements contained herein are forward-looking statements based on Management's current estimates regarding future performance that may result in material differences regarding future results, performance and events. In fact, actual results, performances or events may differ materially from those expressed or implied by the forward-looking statements, as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate and exchange rate levels, future rescheduling or prepayment of debt denominated in foreign currencies, protectionist measures in the US, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

Operational and Financial Highlights during 2Q16

- **R$855 million EBITDA** generated, **a 17% increase over 1Q16**, with **19% EBITDA Margin**
- During June, **the EBITDA reached R$320 million,** showing a recovery in the domestic steel market and the mining segment
- **Steel Sales** of **1,253kt,** a slight expansion over 1Q16
- **Increased share of Coated Products,** achieving **60% of the flat steel sales**
- **Iron Ore Production of 8.5Mt, with Sales of 9.3Mt**
- Delivered **Iron Ore Costs** of **US$28.2/wmt,** against US$31.2/wmt in 1Q16 (-10%)
- **Working Capital** reduction of **R$718 million** during 2Q16, with a cash conversion cycle of 77 days, 24 days shorter than 1Q16

Consolidated Results

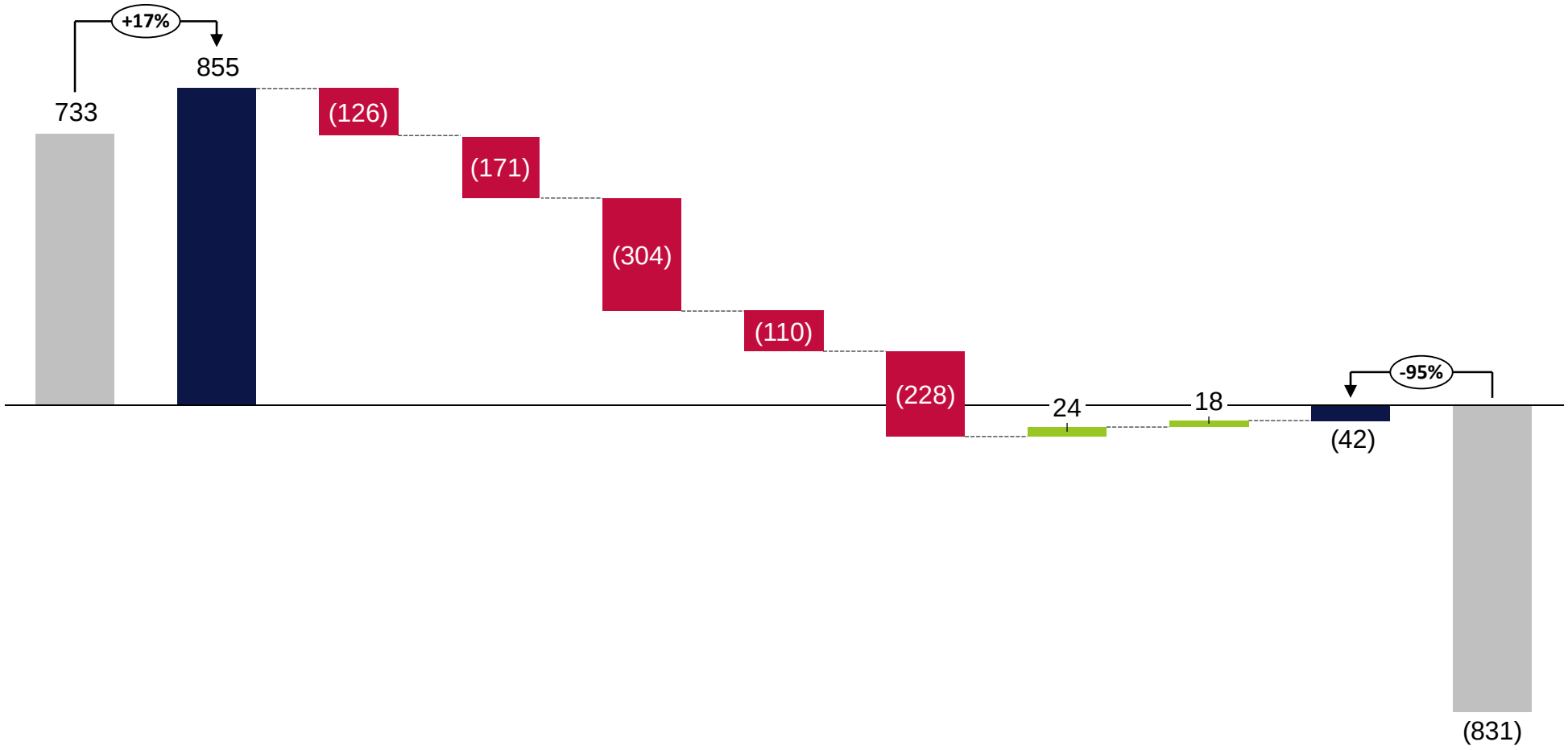
BRL Million	2Q15	1Q16	2Q16
Net Revenues	**3,687**	**3,844**	**4,349**
Gross Profit	**840**	**926**	**922**
Adjusted EBITDA[1]	**801**	**733**	**855**
Adjusted EBITDA Margin[1]	**20%**	**18%**	**19%**
Net Profit (Net Loss)	**(615)**	**(831)**	**(42)**
Adjusted Gross Debt	**31,871**	**33,126**	**31,551**
Adjusted Net Debt	**20,769**	**26,654**	**25,873**
Net Debt/Adjusted EBITDA	**5.6x**	**8.7x**	**8.3x**
Adjusted Cash	**11,102**	**6,472**	**5,678**

Notes:
[1] The Adjusted EBITDA and Adjusted EBITDA Margin include 37.27% stake in MRS and 50% stake in CBSI.

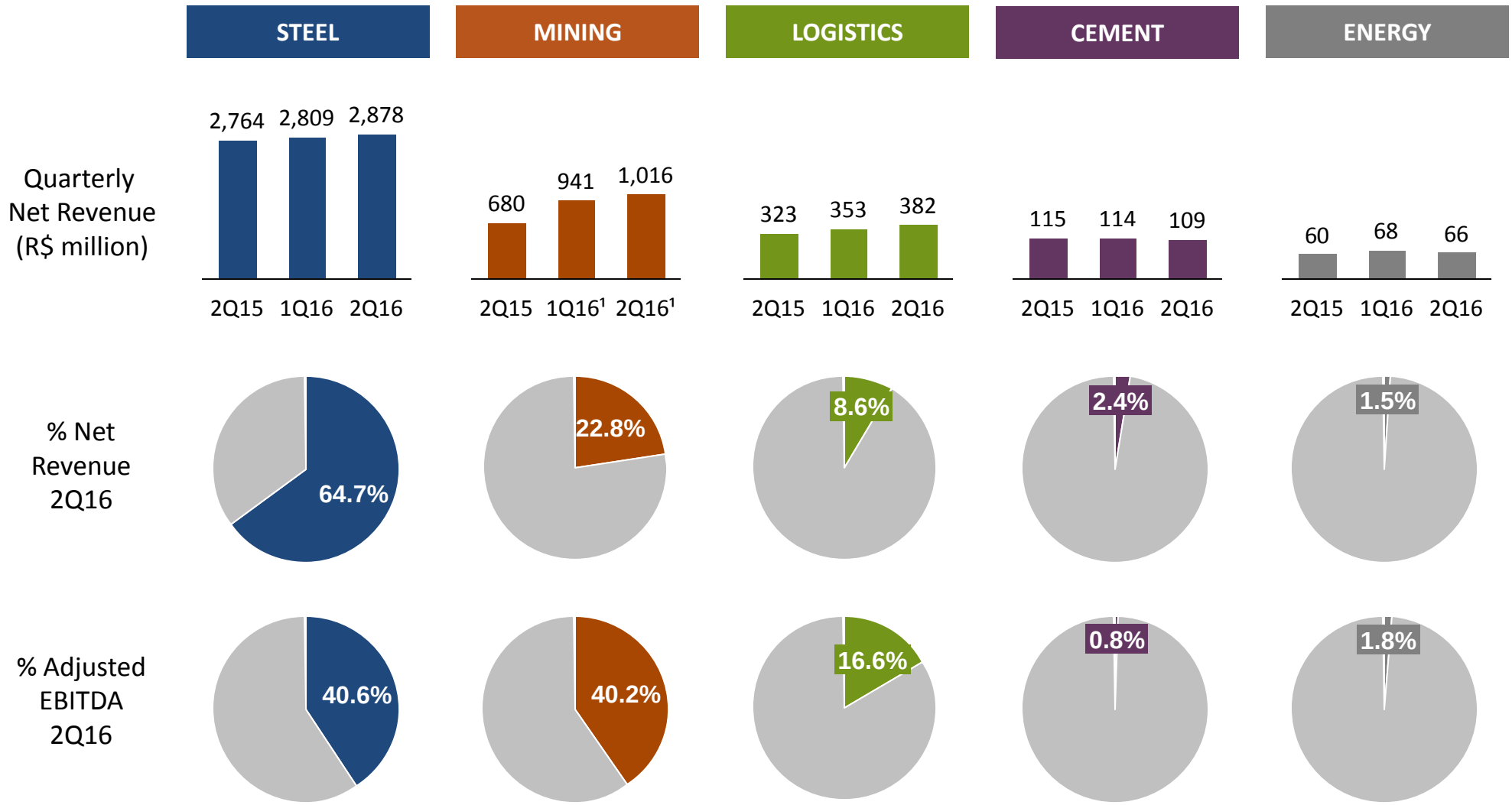
Coments:
- The adjusted Debt and Cash consider 37.27% stake in MRS and 50% stake in CBSI.
- The Adjusted Debt does not include Forfaiting and Drawee Risk operations.

Net Results Build-up for 2Q16

Unit: BRL Million



Results by Segment during 2Q16

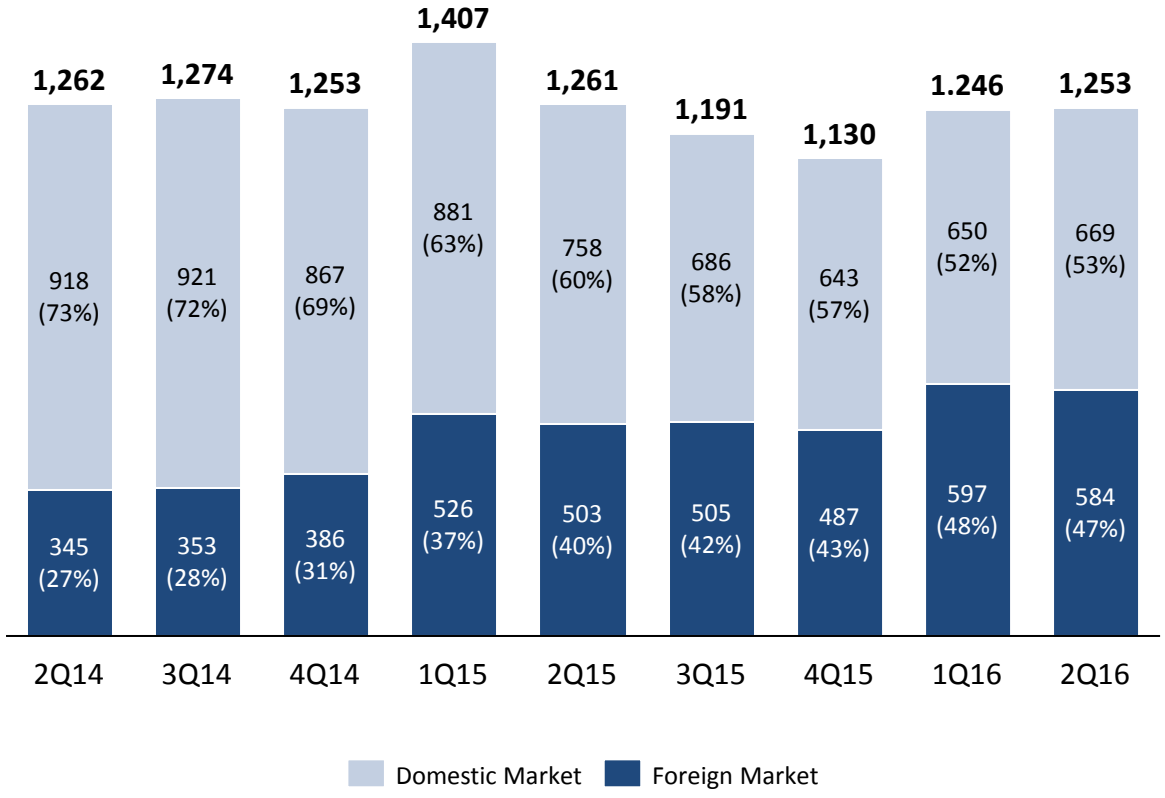


¹During 2Q16, the **mining result** was impacted by an accounting elimination adjustment, amounting R$164 million, in the 1Q16 net revenue and COGS accounts, without influence in the mining EBITDA of both quarters.

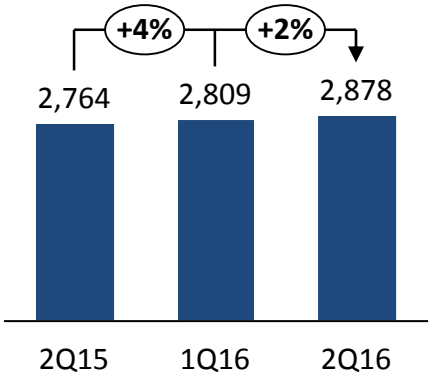
Steel Performance during 2Q16

Slight increase of Steel Sales and Net Revenue, with a R$369 million EBITDA generated during 2Q16.

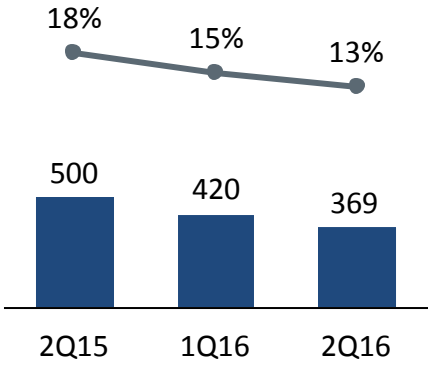
Sales Volumes (thousand tons)



Net Revenues (R$ million)



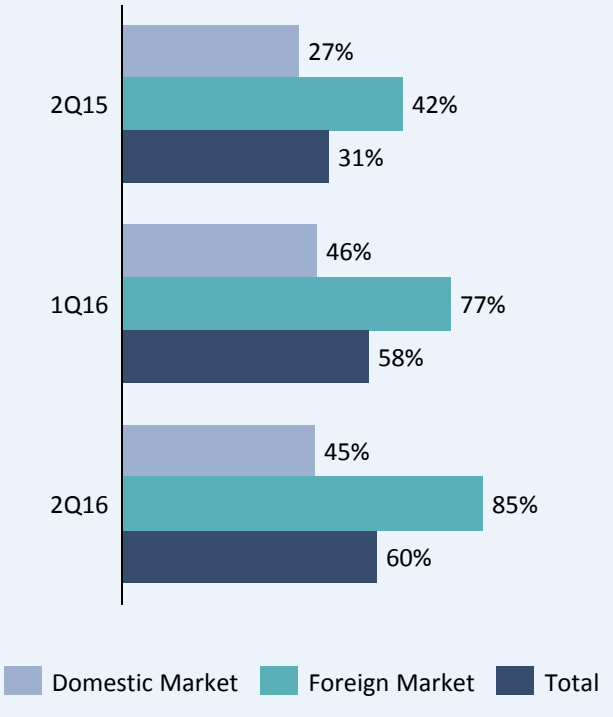
EBITDA (R$ million) and EBITDA Mg. (%)



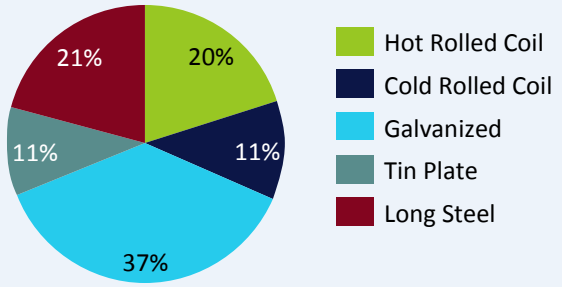
Steel Performance during 2Q16

Increase in coated steel sales participation (60% of CSN's total Market).

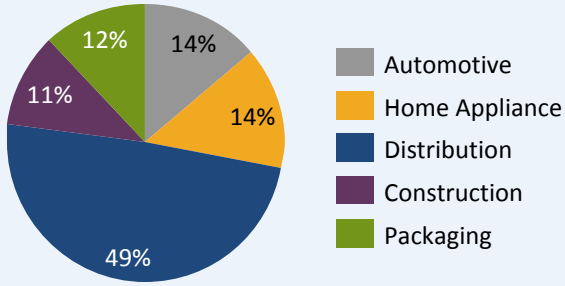
Coated Steel Participation as a % of Flat Steel Sales



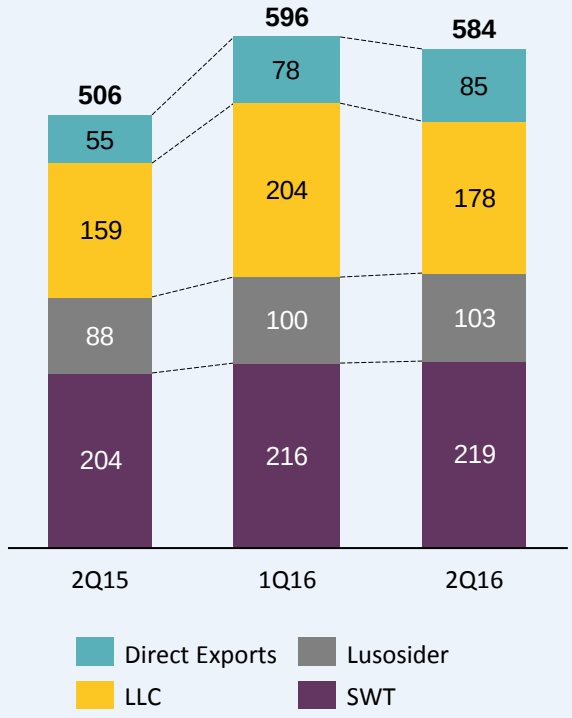
Sales per Product[1] 1Q16



Sales per Segment[2] no 2Q16



Foreign Market Sales (thousand tons)



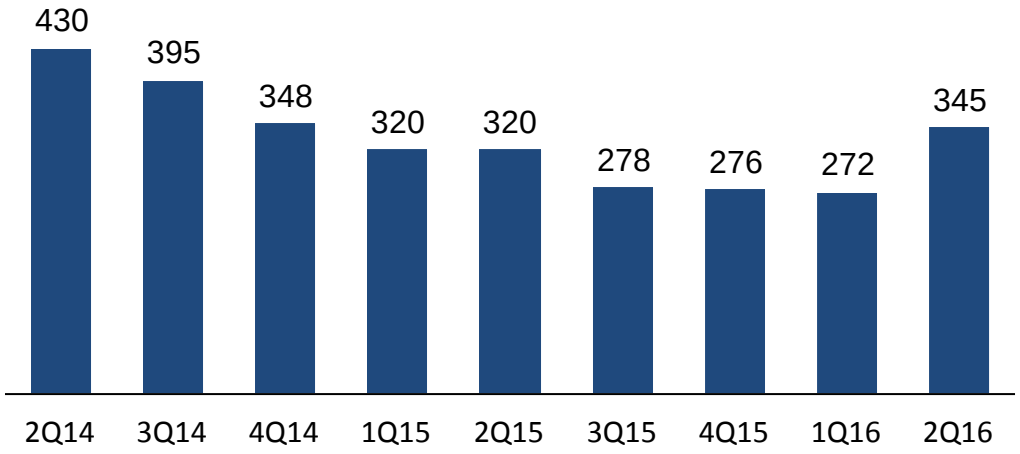
(1) Sales per product total market
(2) Sales per segment at CSN Parent Company. Doesn't include SWT, CSN LLC or Lusosider

2Q16 Steel Cost Competitiveness

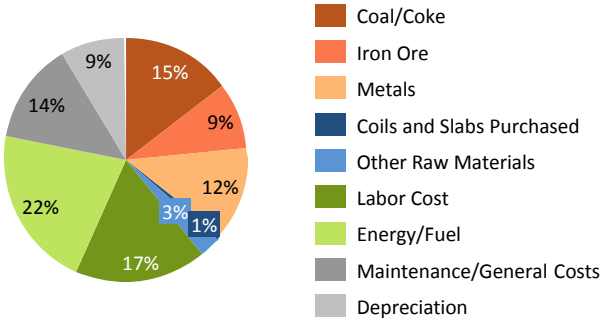
Slab Production Cost was impacted by a stoppage in the Blast Furnace #3. During June, the production cost was again at US$280/t level.

Slab Production Cost at President Vargas Steelworks (US$/t)

OBS: ~40% of slab costs are dollar denominated

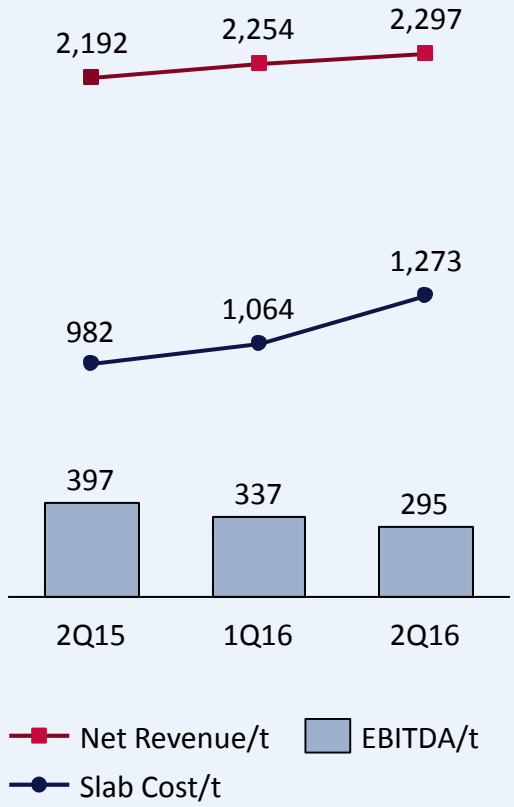


2Q16 Slab Production Cost



Increase in Slab Production Cost, due to a stoppage in the Blast Furnace #3. During June, the production cost reached **US$282/t (R$1,025/t).**

Performance Indicators per tonne (R$/t)

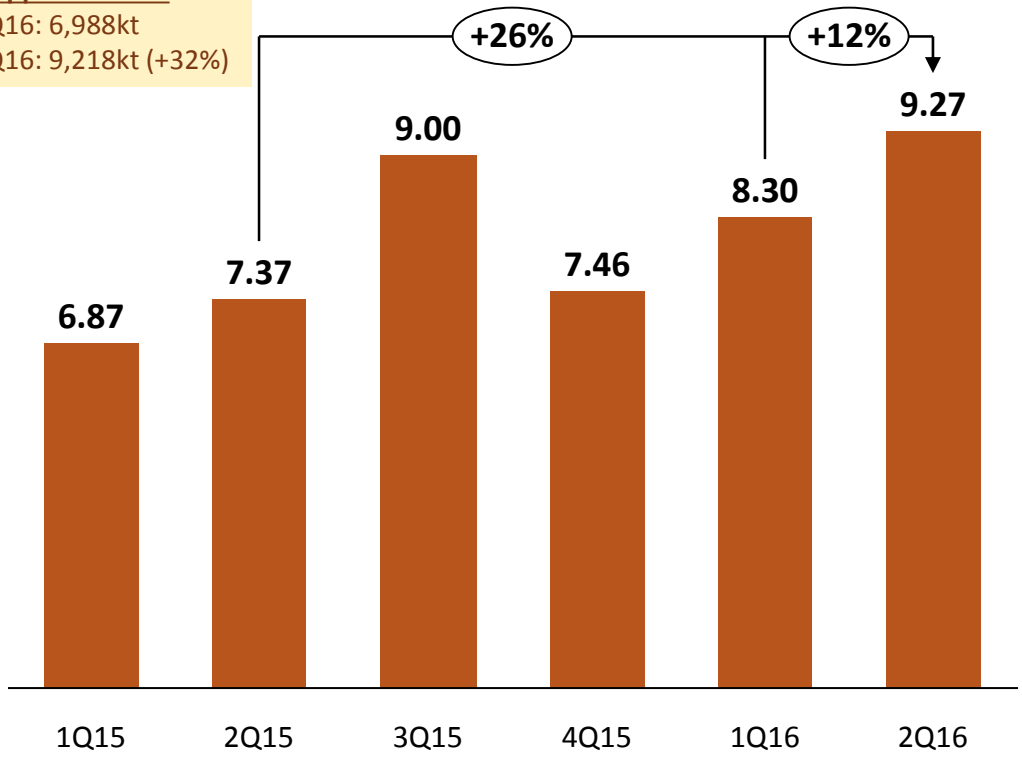


Mining Performance during 2Q16

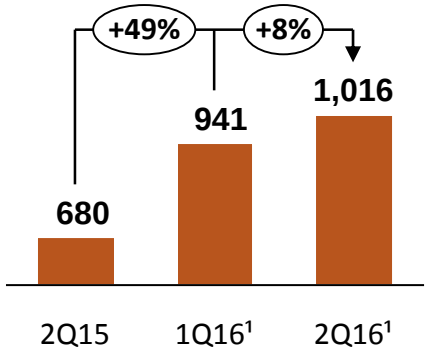
During 2Q16, Congonhas Minérios sold 9.3Mt, 12% and 26% higher than 1Q16 and 2Q15, respectively. EBITDA generation increased 29% compared with 1Q16.

Sales Volume (Million tons)

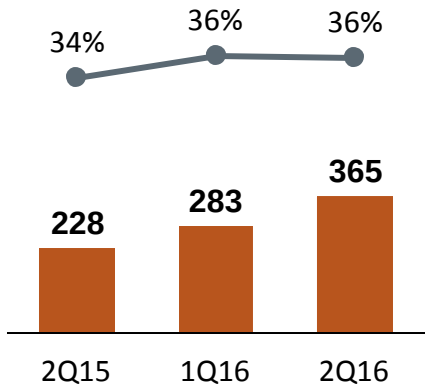
Shipped Volume
1Q16: 6,988kt
2Q16: 9,218kt (+32%)



Net Revenue (R$ million)



EBITDA (R$ million) and EBITDA Mg. (%)

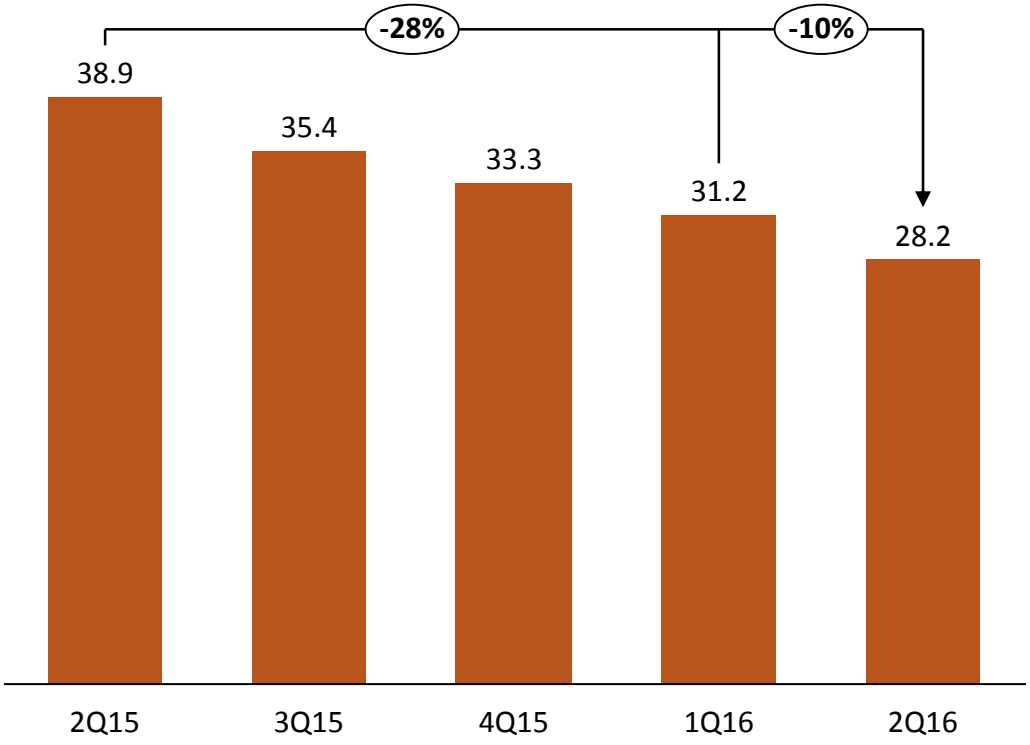


[1]During 2Q16, the **mining result** was impacted by an accounting elimination adjustment, amounting R$164 million, in the 1Q16 net revenue and COGS accounts, without influence in the mining EBITDA of both quarters.

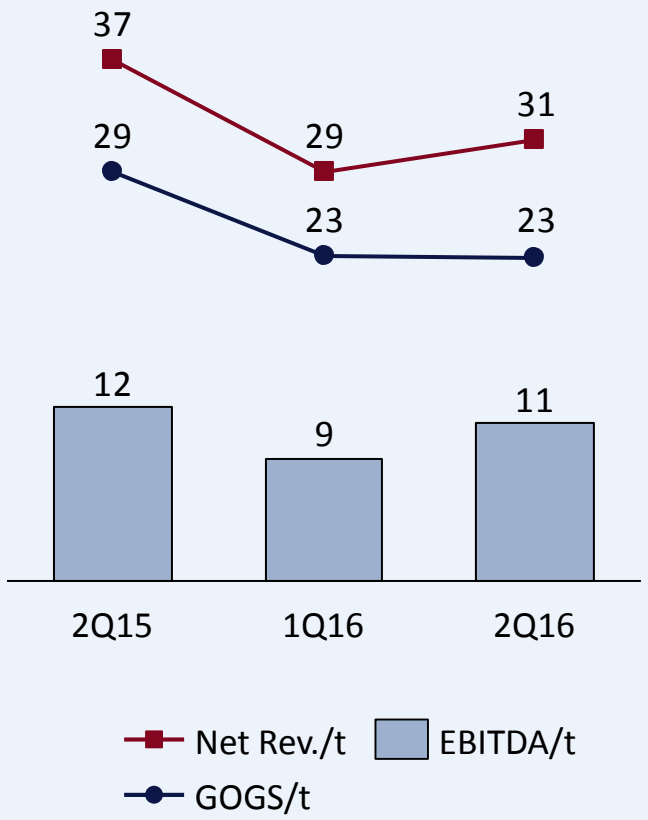
2Q16 Mining Cost Competitiveness

Cost reductions plan generated a 10% decrease in USD terms during 2Q16.

Delivered Iron Ore Cash Cost at China
(US$/wmt)



Performance Indicators per tonne[1]
(US$/t)

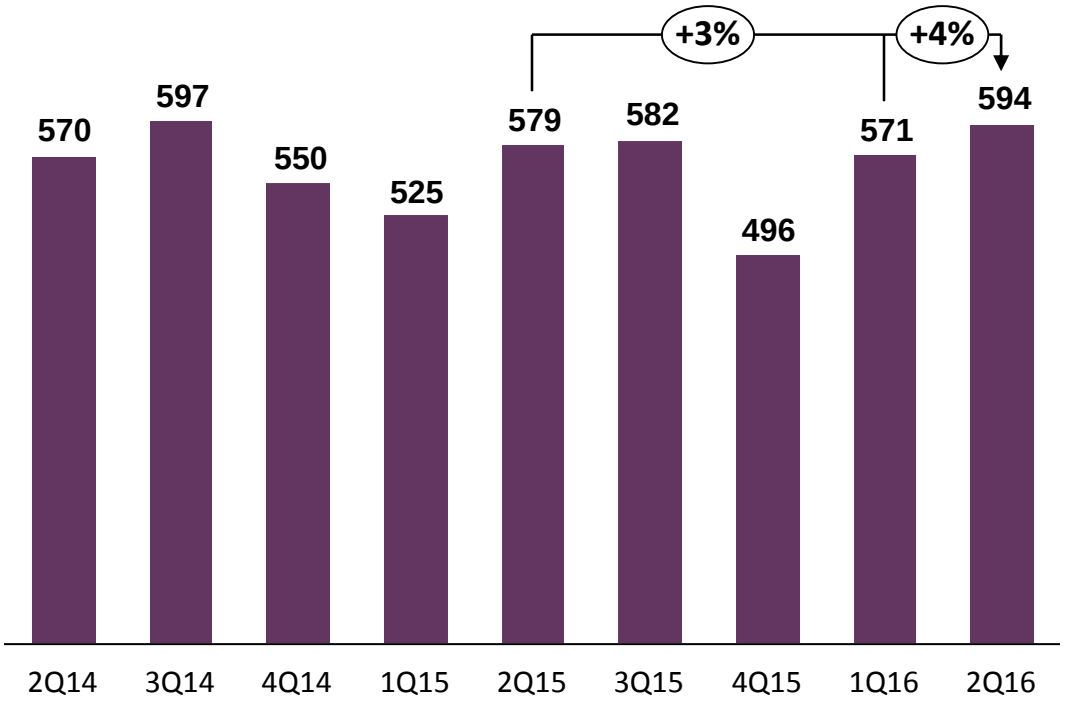


[1]The Performance Indicators are calculated over the total iron ore sales volume.

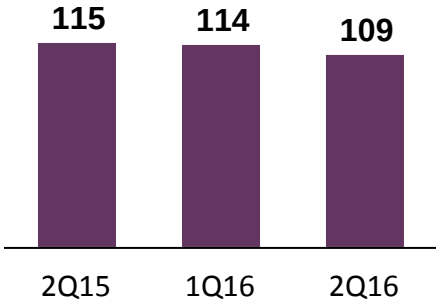
Cement Performance during 2Q16

The ramp-up of Arcos cement operation enabled a 4% sales increase during 2Q16.

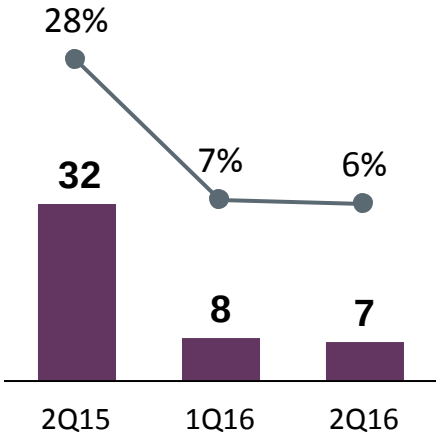
Sales Volume (thousand ton)



Net Revenues (R$ million)



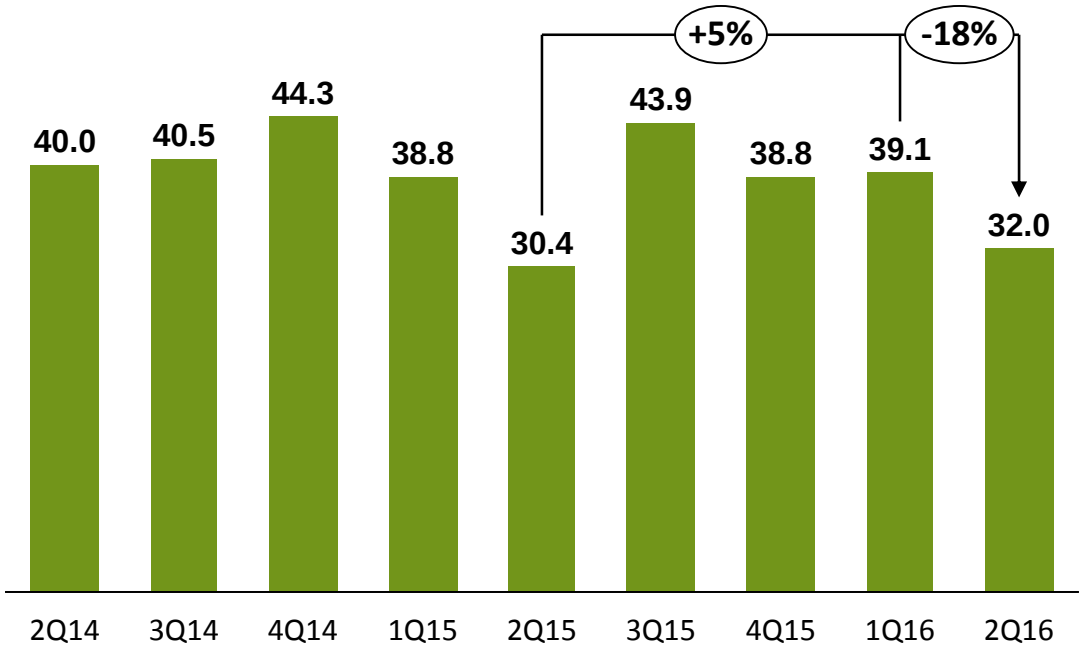
EBITDA (R$ million) and EBITDA Mg. (%)



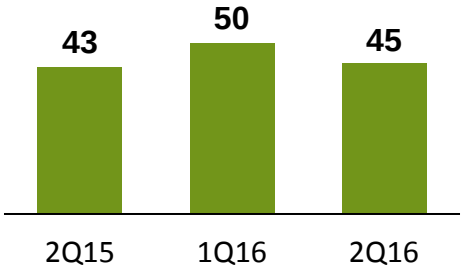
Sepetiba Tecon Performance during 2Q16

38% increase in steel products transport.

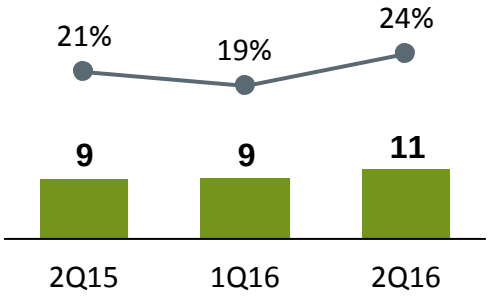
Transported Volume (Thousand Containers)



Net Revenues (R$ million)

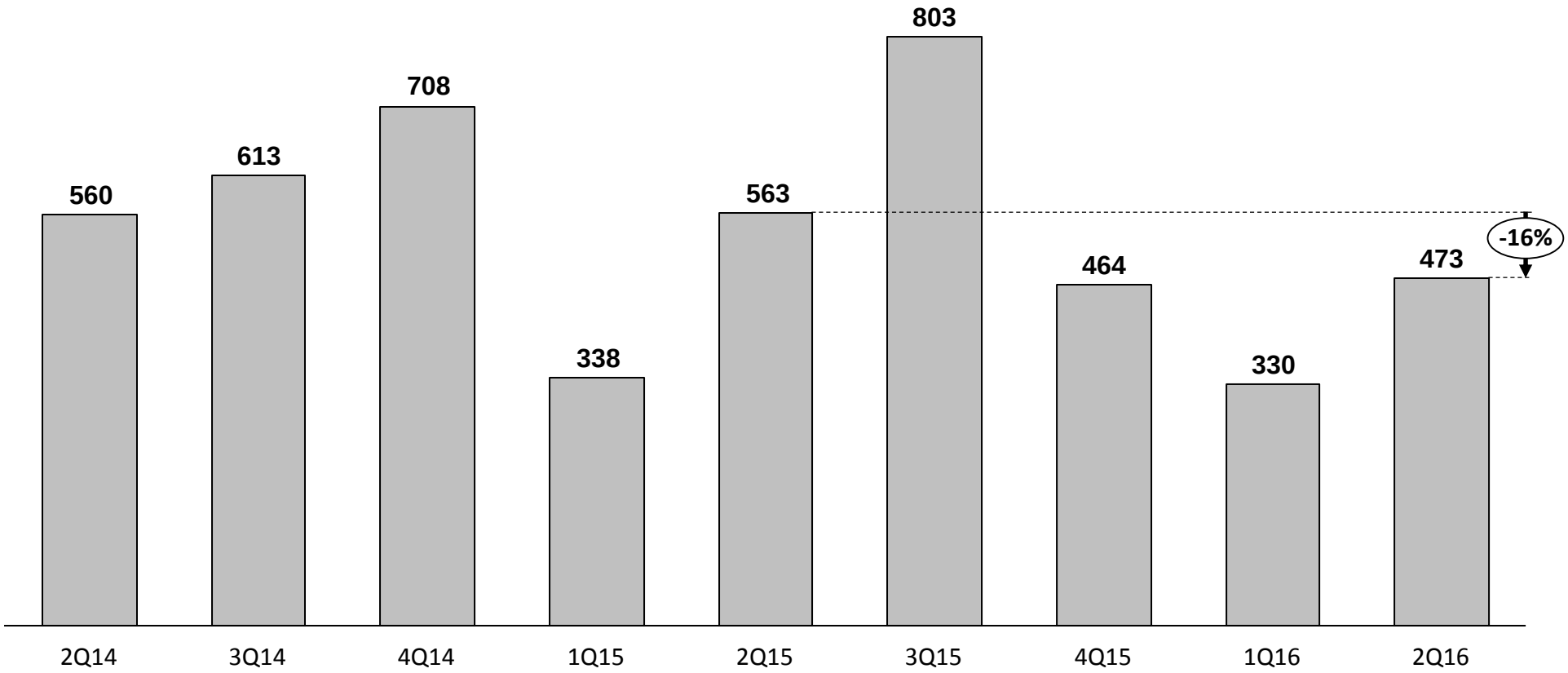


EBITDA (R$ million) and EBITDA Mg. (%)



CAPEX during 2Q16

CSN's Consolidated Investments (R$ million)

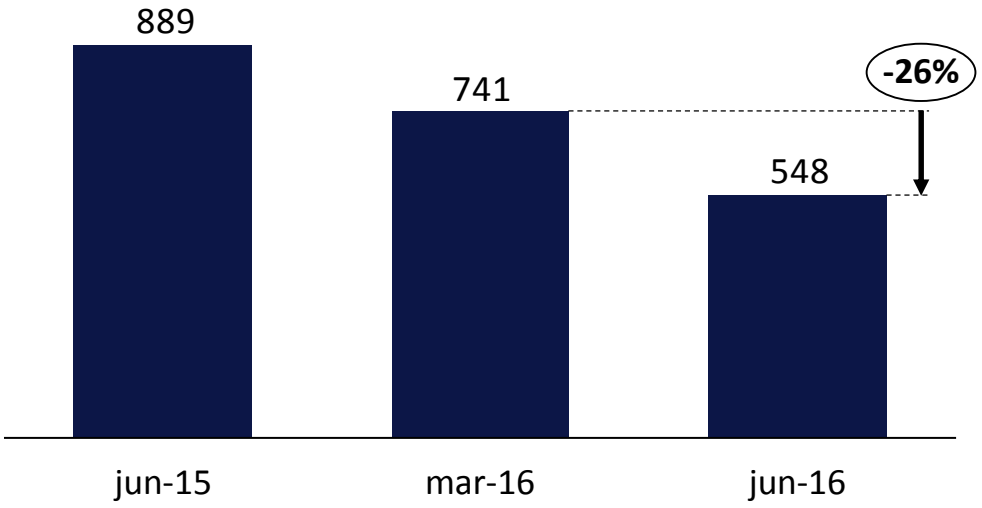


2Q16 Working Capital

Strong reduction in inventories during 2Q16, generating a R$718 million decrease in Working Capital.

Working Capital (R$ million)	1Q16	2Q16	Change 2Q16 x 1Q16
Contas a Receber	1,746	1,622	(125)
Estoques	3,621	2,995	(626)
Fornecedores	1,542	1,388	(154)
Capital de Giro[1]	**3,077**	**2,359**	**(718)**

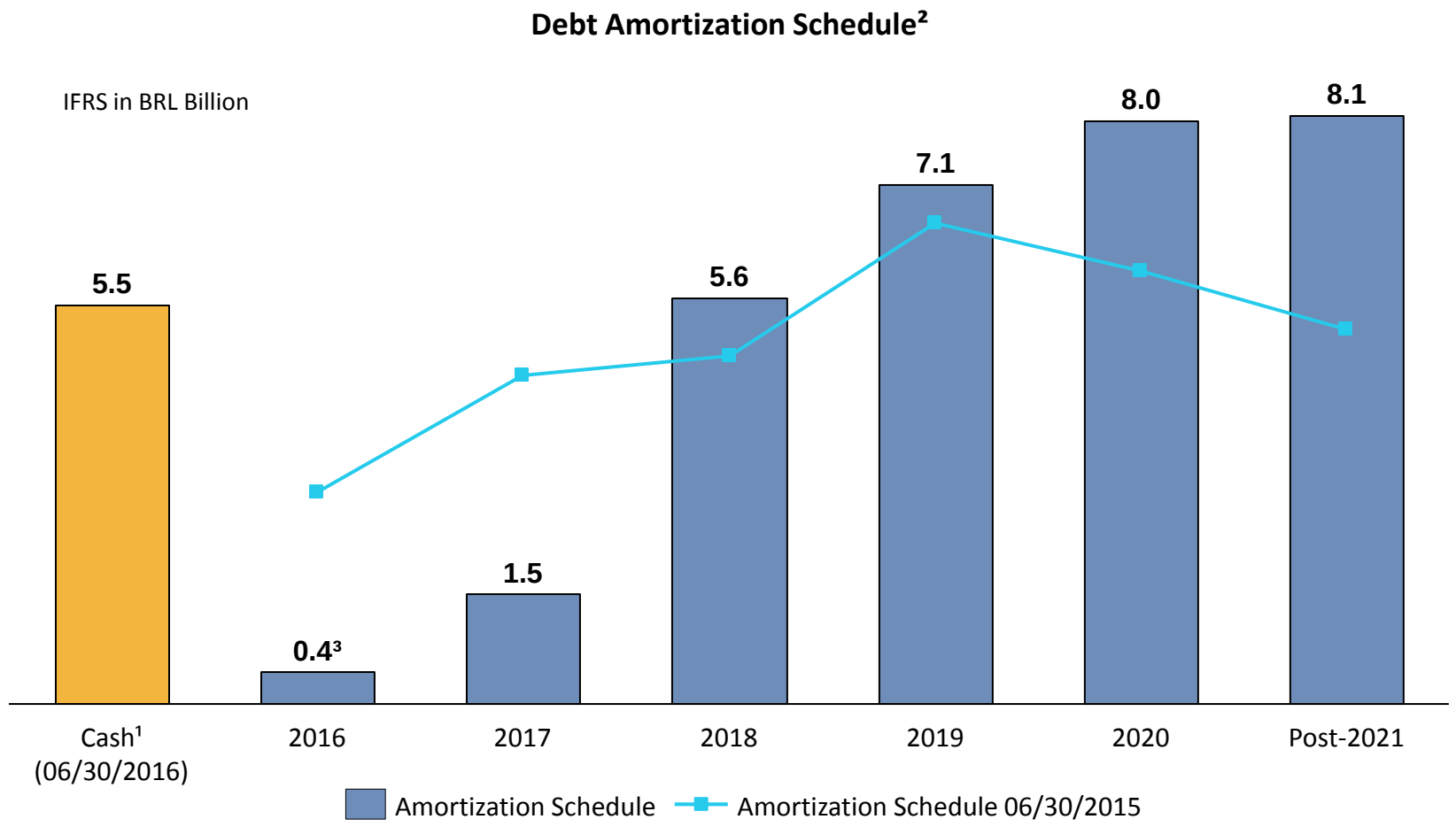
Finished Steel Products Inventories (mil toneladas)



- R$626 million reduction in inventories against 1Q16
- Physical reduction in inventories of intermediate and final products

* Working Capital includes other items such as Taxes Advance , Salaries, Social Contributions, Taxes Payables, Advance from Costumers & Forfaiting
For more details about the Working Capital composition, see the Earnings Release.

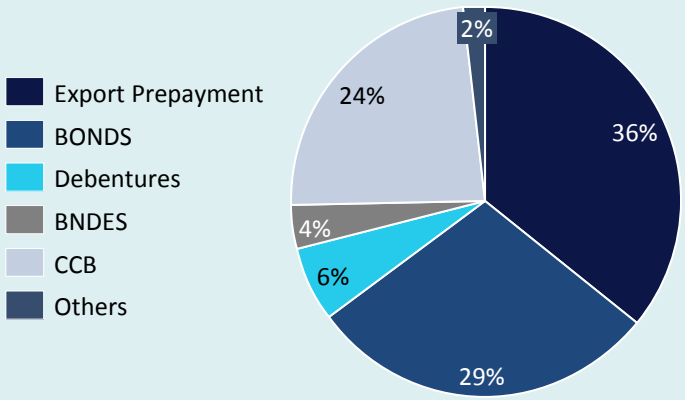
2Q16 Debt Amortization Schedule



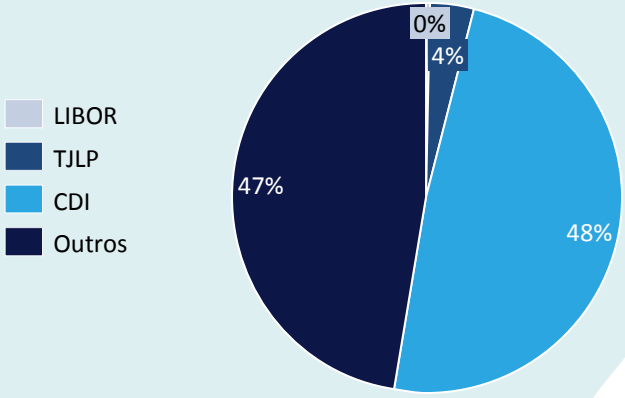
[1]Includes financial investments as collateral for foreign exchange transactions on the BM&F.
[2]Debt amortization schedule does not include accrued interest.
[3]The 2016 amortizations do not include Forfaiting & Drawee Risk.

2Q16 Debt Profile and Currency Exposure

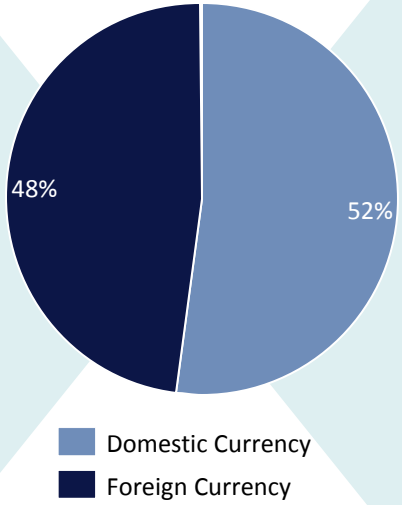
Debt by Instrument



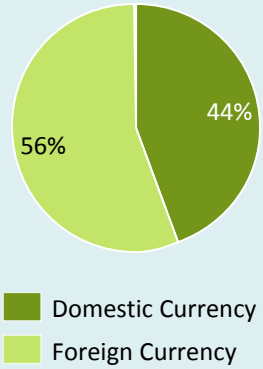
Debt by Index



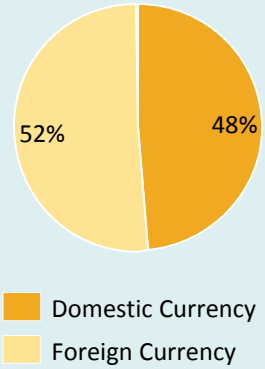
Total Debt by Currency



Revenue by Market



EBITDA by Market



Corporate Information

- Website: www.csn.com.br/ri
- Comunication channel with IR: invrel@csn.com.br

Investor Relations

- David Salama – IR Executive Officer

- Investor Relations team: Guilherme Hernandes, Bruno Tetner, Ana Rayes, Rodrigo Bonsaver & Lucas Boareto

Negotiated Securities	Ticker	CUSIP
Share negotiated in Bovespa	CSNA3	-
ADR listed in NYSE	SID	-
6.875% Senior Note due 2019	CSNABZ2019	EH9753391
6.50% Senior Note due 2020	CSNABZ2020	EI3251630
7.00% Perpetual Notes	CSNABZPerp	EI4100208

CSN

Companhia Siderúrgica Nacional

Fazer bem,

Fazer mais,

Fazer para sempre.