Companhia Siderúrgica Nacional



3Q15 Earnings Presentation

November 13th, 2015

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).

CSN is focused on increasing businesses competitiveness and generating shareholder return

OBJECTIVES: Increase Competitiveness and Recover Cash Generation

Operational Efficiency

- Synergies between businesses.
- Focus on cost leadership.
- Export competitiveness.

Projects Delivery

- Capex focused on operating cost. reduction and volume increase.
- Ramp-up of Grinding Mill #1 and commissioning of #2 in Arcos (MG).
- New Mining Equipment Delivered at CDP .
- Energy Efficiency: *revamp* of CTE (Thermoelectric Plant) and Coke Batteries.

Financial Management

- Financial Discipline.
- Cash Generation Recovery.
- Deleveraging.

Differentiated assets with high integration generate resilient performance even in adverse market conditions

STEEL



- Unique portfolio in Long and Flat Steels.
- Cost competitiveness.
- Strong Sales network in Brazil and growing international distribution capacity.

MINING



- "*World- class*" asset.
- Production chain integration.
- Competitive portfolio.
- Cost competitiveness from mine to client.

CEMENT



- High synergy with other businesses.
- Growing production capacity.
- High Quality products.

LOGISTICS



- Businesses integration.
- Differentiated assets (TECON, MRS).
- Prime location in RJ-SP-MG.

ENERGY



- Hydropower and thermal power mix.
- Low generation cost.
- Over 400MW capacity.
- High integration with businesses.

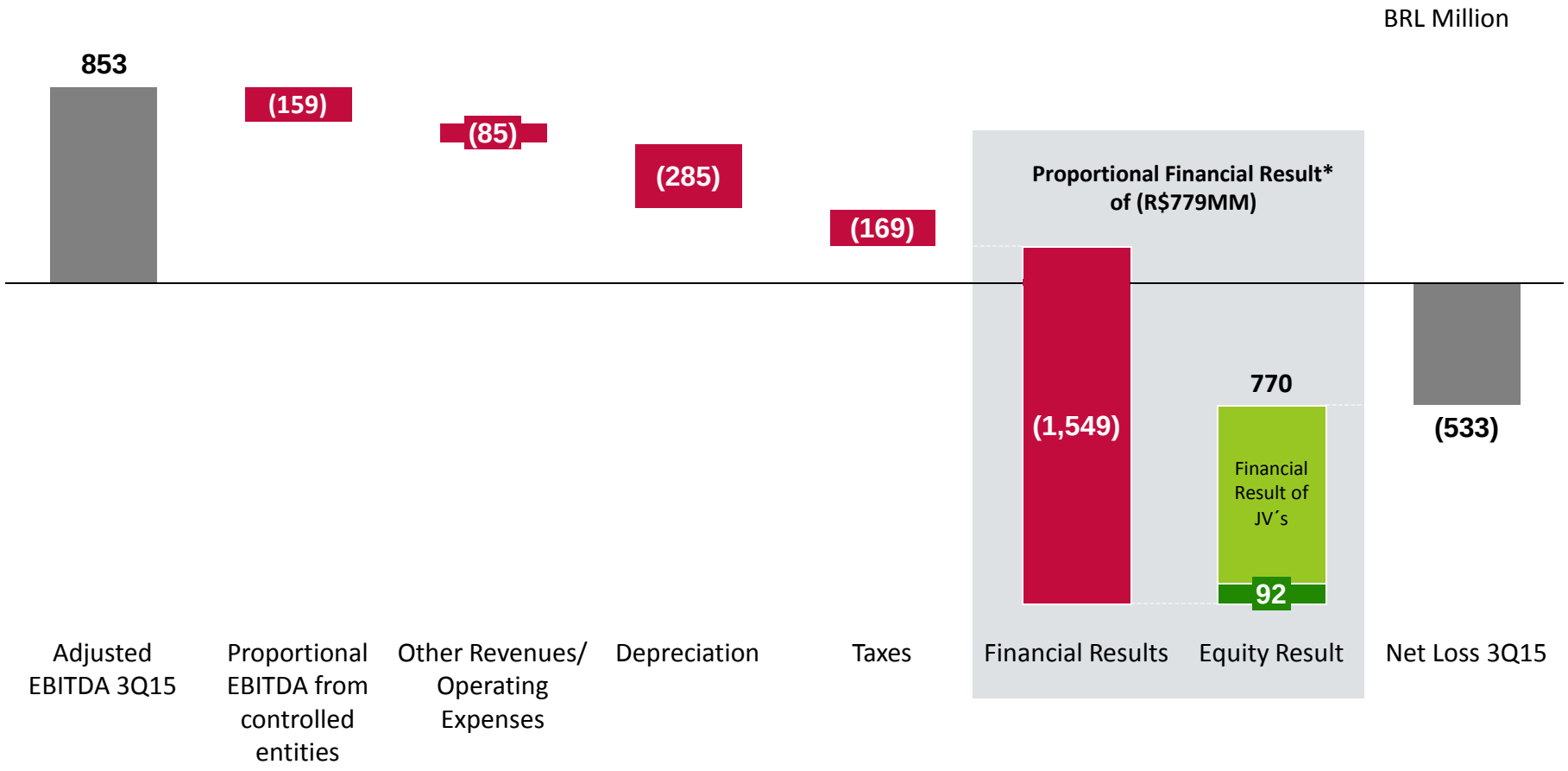
Consolidated Results

BRL Million	3Q14	2Q15	3Q15
Net Revenues	**3,883**	**3,687**	**3,956**
Gross Profit	**971**	**840**	**941**
Adjusted EBITDA	**977**	**801**	**853**
Adjusted EBITDA Margin	**23%**	**20%**	**20%**
Net Profit (Net Loss)	**(250)**	**(615)**	**(533)**
Gross Debt	**29,759**	**31,871**	**35,653**
Net Debt	**17,618**	**20,769**	**23,417**
Net Debt/Adjusted EBITDA	**3.2x**	**5.6x**	**6.6x**

Comments:

- Adjusted EBITDA includes proportional stakes in NAMISA, MRS and CBSI. Detailed comments are available on the 3Q15 Release.
- Gross Debt, Net Debt and Net Debt/EBITDA include proportional consolidation of MRS, NAMISA and CBSI and includes financial investments as collateral for foreign exchange transactions on the BM&F.

Net Results *Build-up* for 3Q15



*Proportional Financial Result considers the IFRS Financial Result and the Financial Results of Joint Ventures such as Namisa (BRL 799MM) and MRS (BRL -29MM)
NAMISA´s Financial Result was mostly explained by exchange rate variations during 3Q15.

IFRS and Proporcional Financial Result

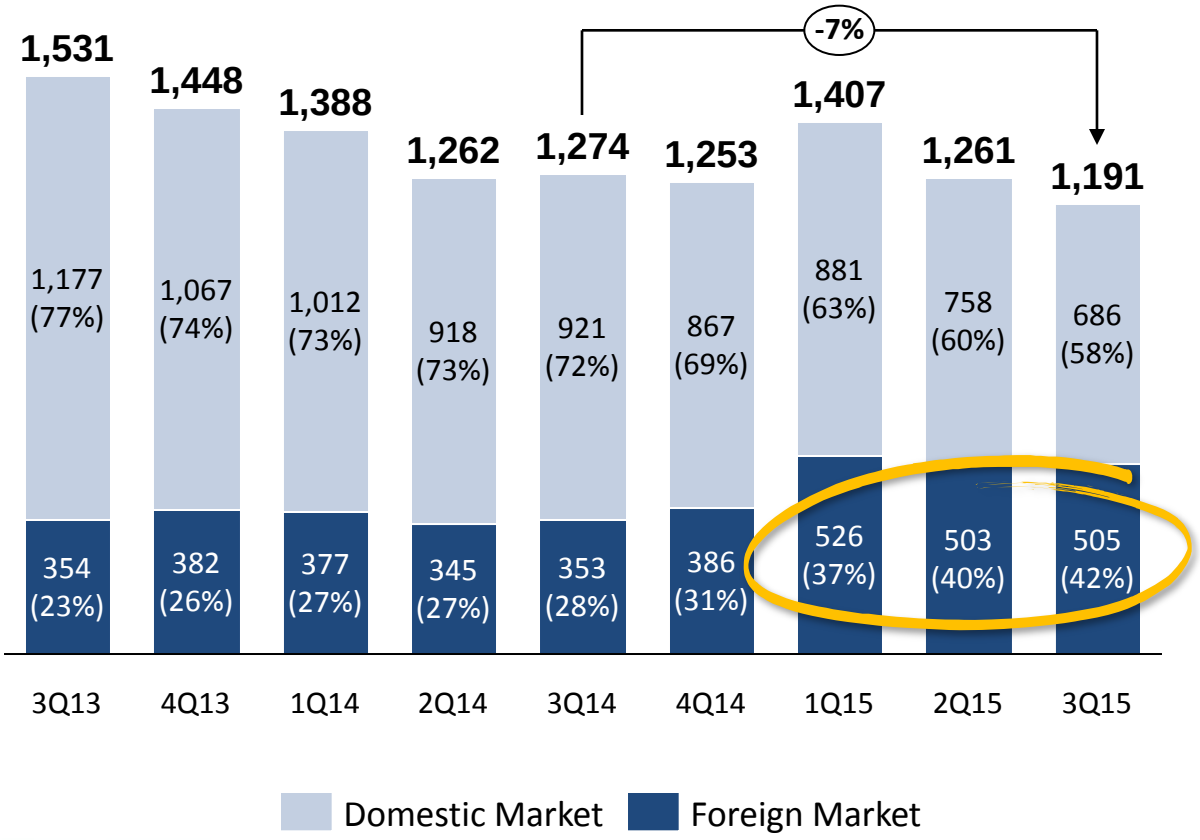
CSN hedges its financial exposure focusing on a proportional consolidation basis

Financial Result Conciliation	1Q15	2Q15	3Q15
BRL Million			
Financial Result - IFRS	**(870)**	**(772)**	**(1,549)**
(+) Financial Result of Joint-Venture	**500**	**(114)**	**770**
(+) Namisa (60%)	520	(92)	800
(+) MRS (33.27%)	(20)	(22)	(29)
(=) Proportional Financial Result	**(370)**	**(886)**	**(779)**
Financial Revenues	**63**	**58**	**123**
Financial Expenses	**(433)**	**(944)**	**(901)**
Financial Expenses (ex-exchange rate variation)	**(878)**	**(830)**	**(1,034)**
Result with Exchange Rate Variation	**445**	**(114)**	**133**
Monetary and Exchange Rate Variation	(482)	82	(1,751)
Hedge Accounting	428	(82)	1,214
Derivatives Results	500	(114)	671

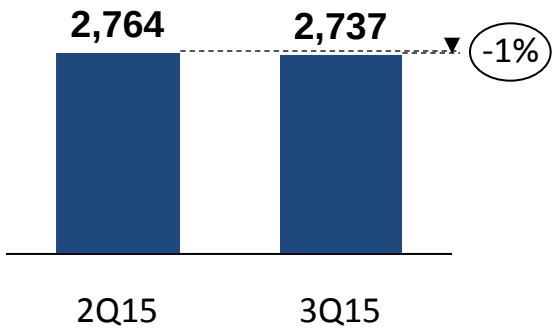
Steel Performance during 3Q15

Increase of share in foreign sales during 3Q15 (42% of total) in comparison with 3Q14 (28% of total)

Sales Volumes (thousand t)



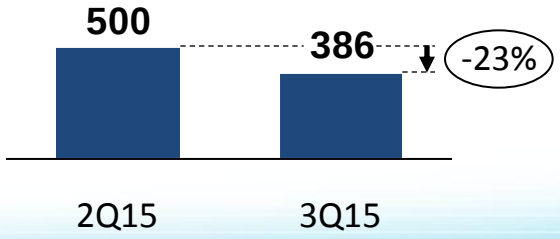
Net Revenues (BRL Million)



EBITDA (BRL Million)

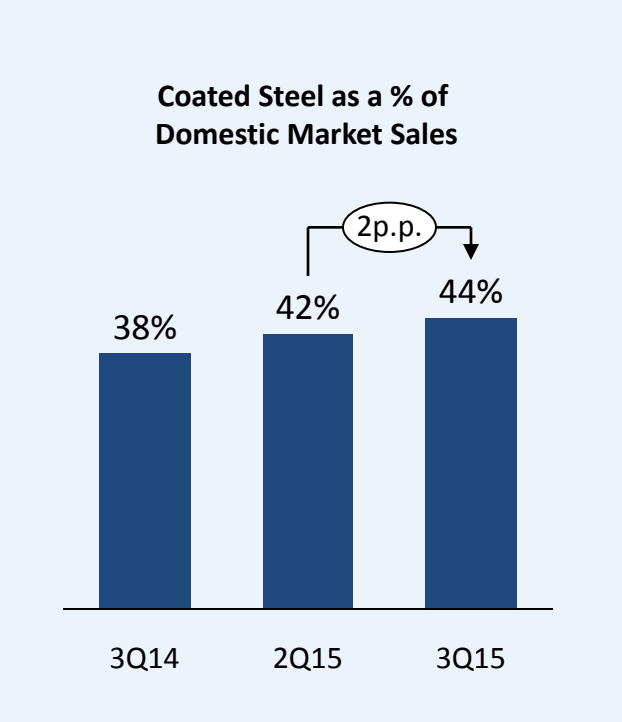


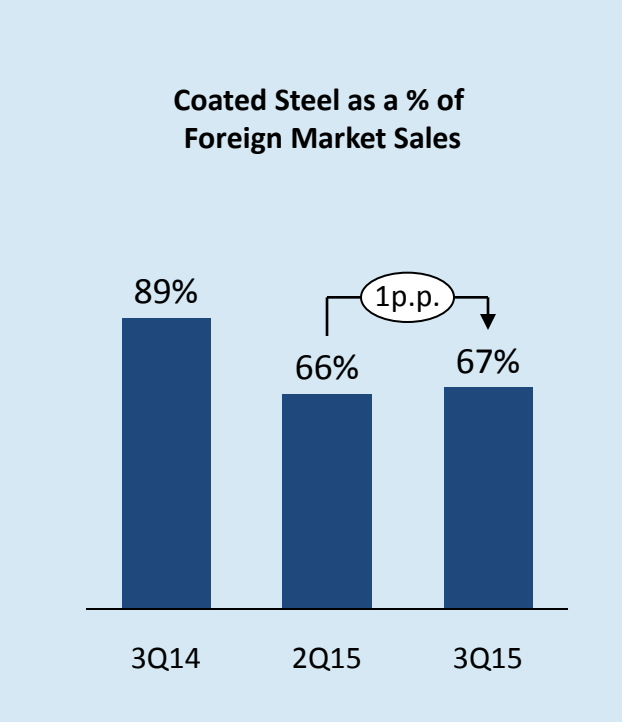
EBITDA Margin

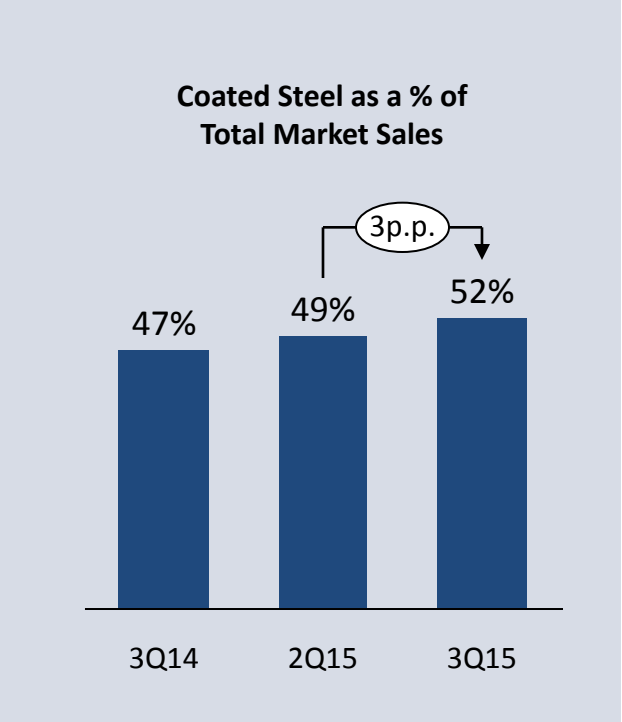


Steel Performance during 3Q15

During 3Q15, CSN increased it´s share of coated steels, a strategy focused on improving its value added product mix



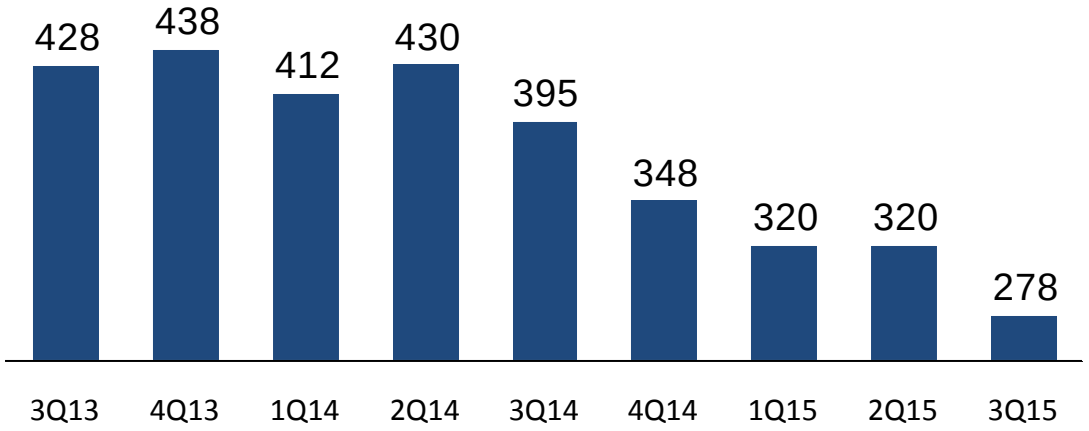




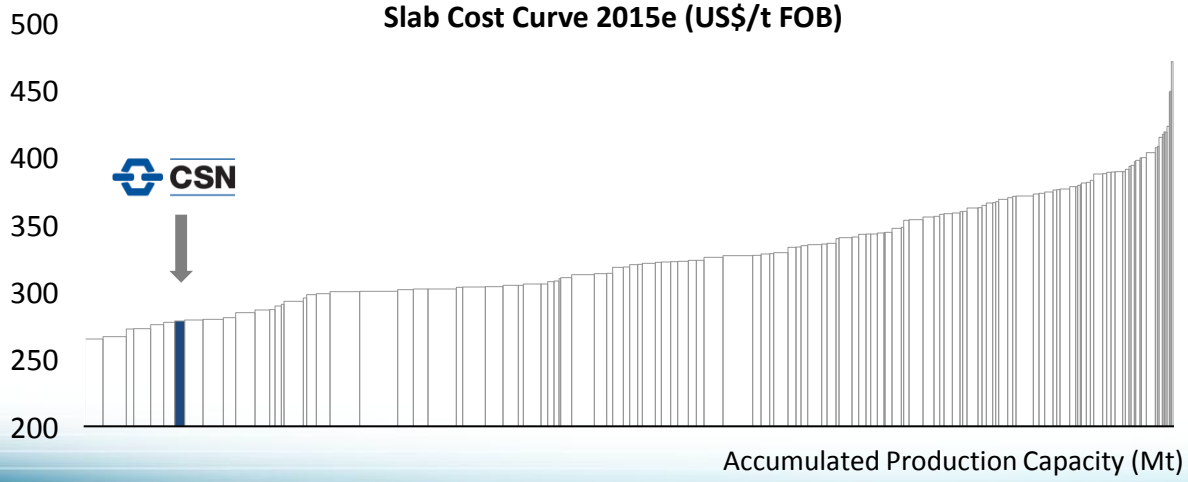
Steel Cost Competitiveness

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

OBS: ~40% of slab cost is dollar denominated



Slab Cost Curve 2015e (US$/t FOB)



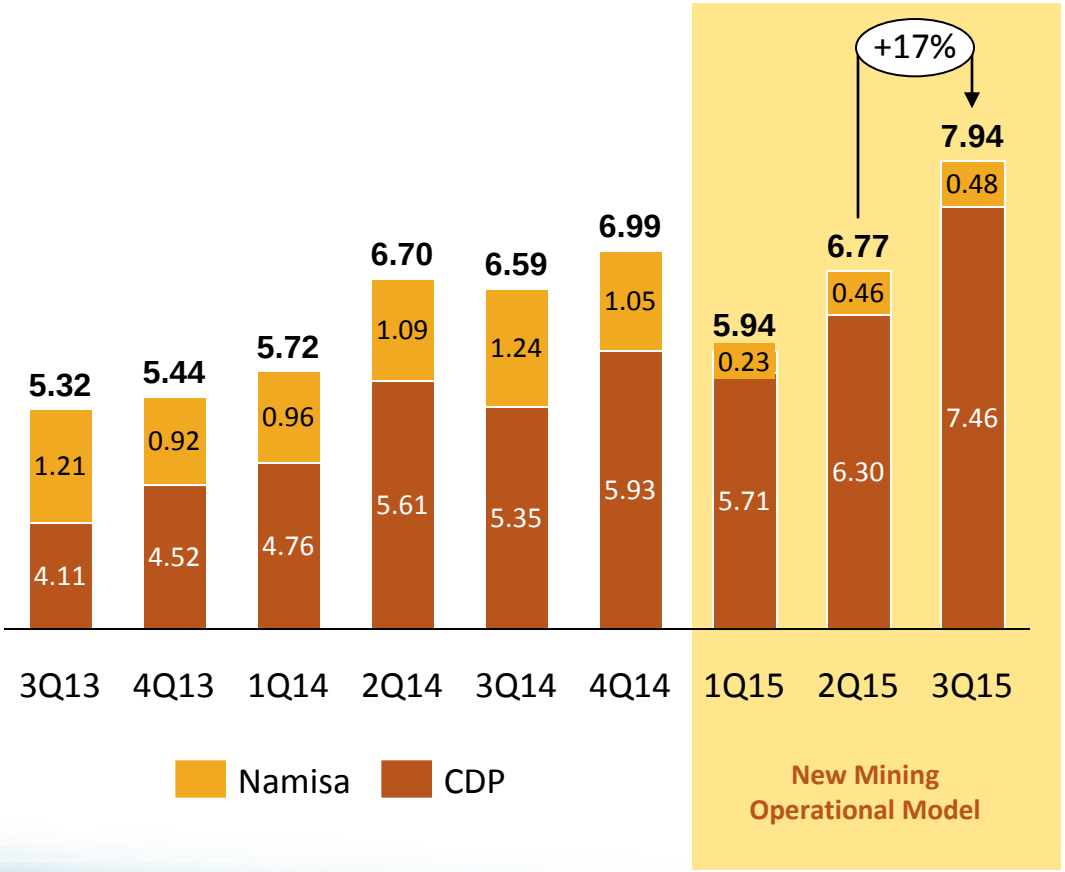
- Slab production cost reduction in USD and BRL.
- Low cost ensures competitiveness for exports.
- Focus on investments to increase segment´s cost advantages.
- 1st Quartile Cost Position.

SOURCE: CSN

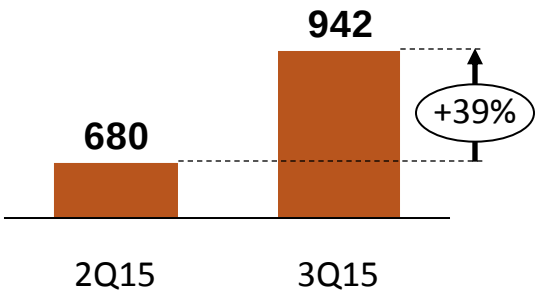
Mining Performance during 3Q15

Record production at Casa de Pedra, lower production costs and BRL depreciation led to a 74% increase in 3Q15´s EBITDA

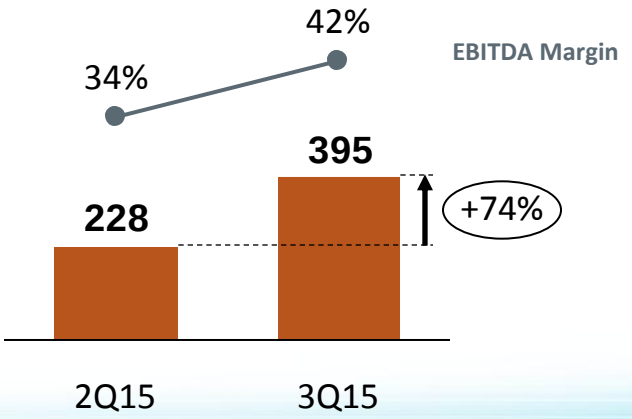
Production Volume* (Million ton)



Net Revenue (BRL Million)**



Adjusted EBITDA (BRL Million)

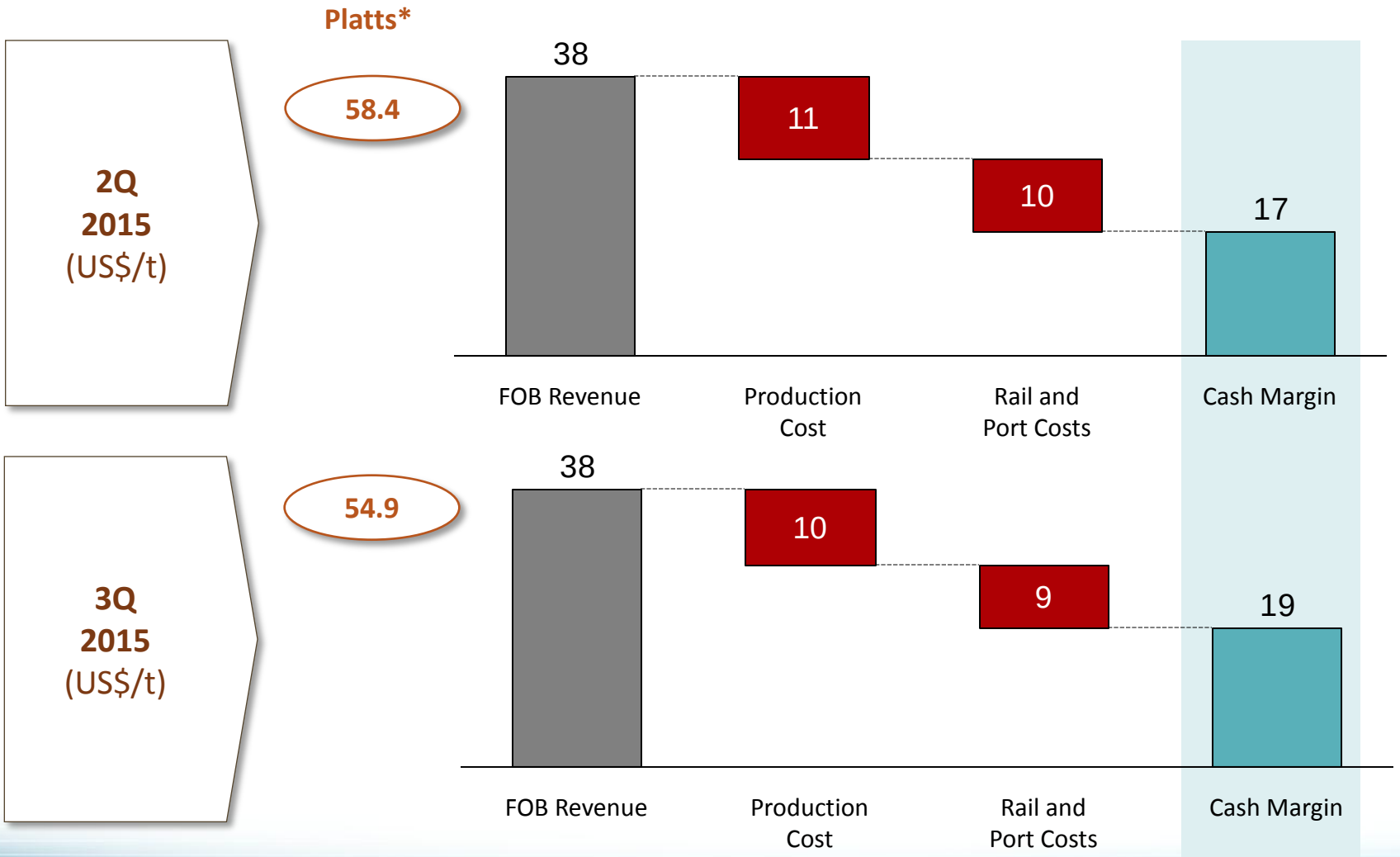


*Includes 100% of NAMISA production.

**Considers 60% of NAMISA's revenue

Mining Cost Competitiveness

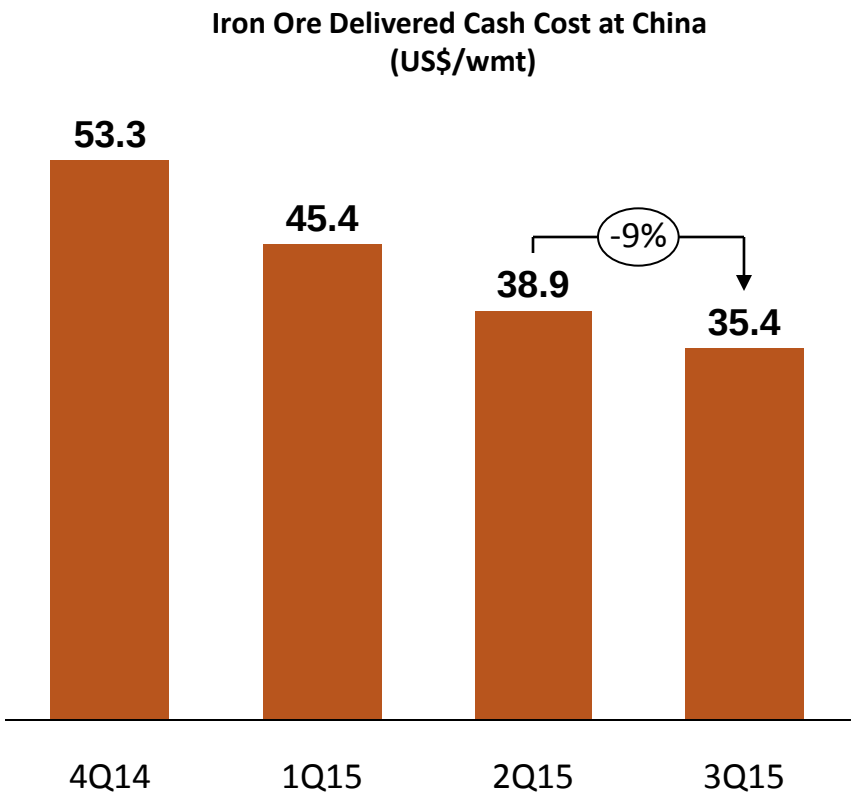
Stable FOB price and Cash Margin increase despite Iron Ore price reduction during 3Q15



* Average Platts Index in the period

Casa de Pedra Delivered Cost Performance

Cost reductions led to a 9% lower delivered cost during 3Q15

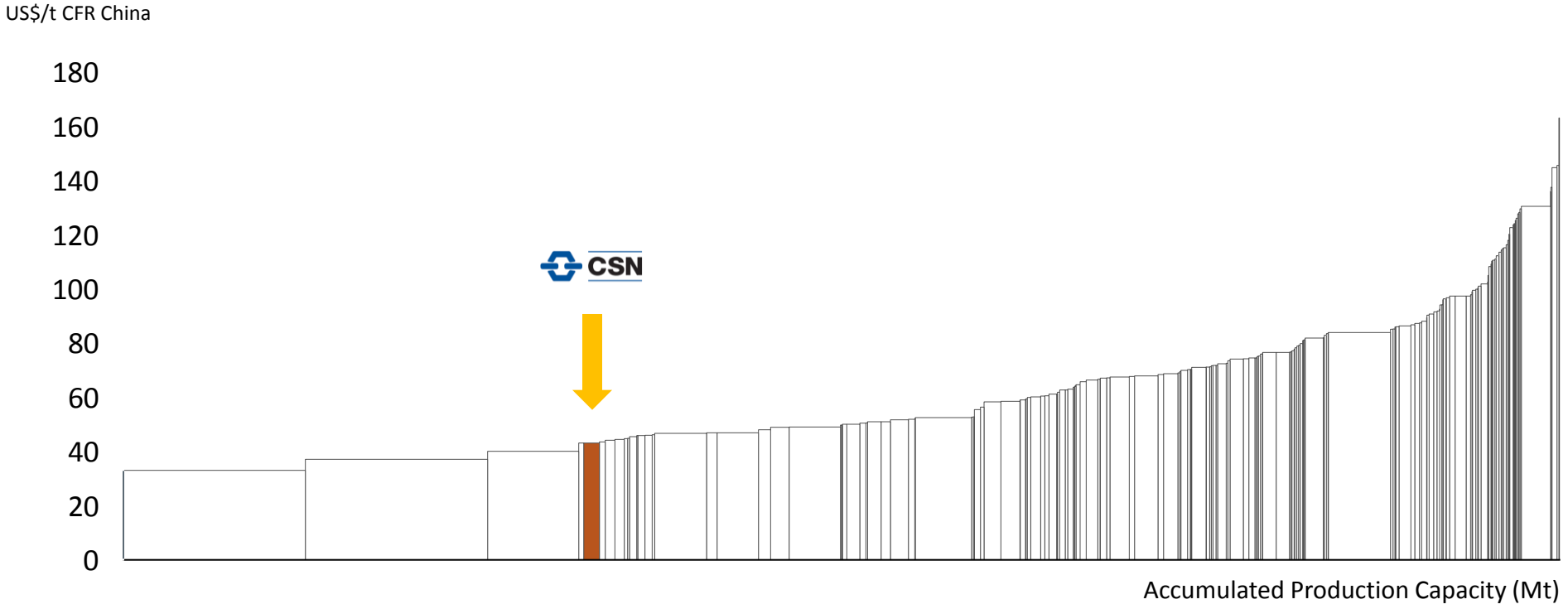


- Higher product quality (3Q15: 63.8%Fe vs. 3Q14: 62.9%Fe).
- Mining Fleet & Equipment Optimization, reducing mine movement without compromising waste/ore ratio .
- Captured synergies between Casa de Pedra and Namisa, enabling better beneficiation processing.
- Administrative and overhead reductions and review of all supply contracts.
- Improve in occupational health and safety indicators.
- Delivery and Assemble of new mining equipment.

Mining Cost Competitiveness

Casa de Pedra continues well positioned on the cost curve, as a result of optimization plans

Iron Ore Cost Curve 2015e (US$/t CFR)

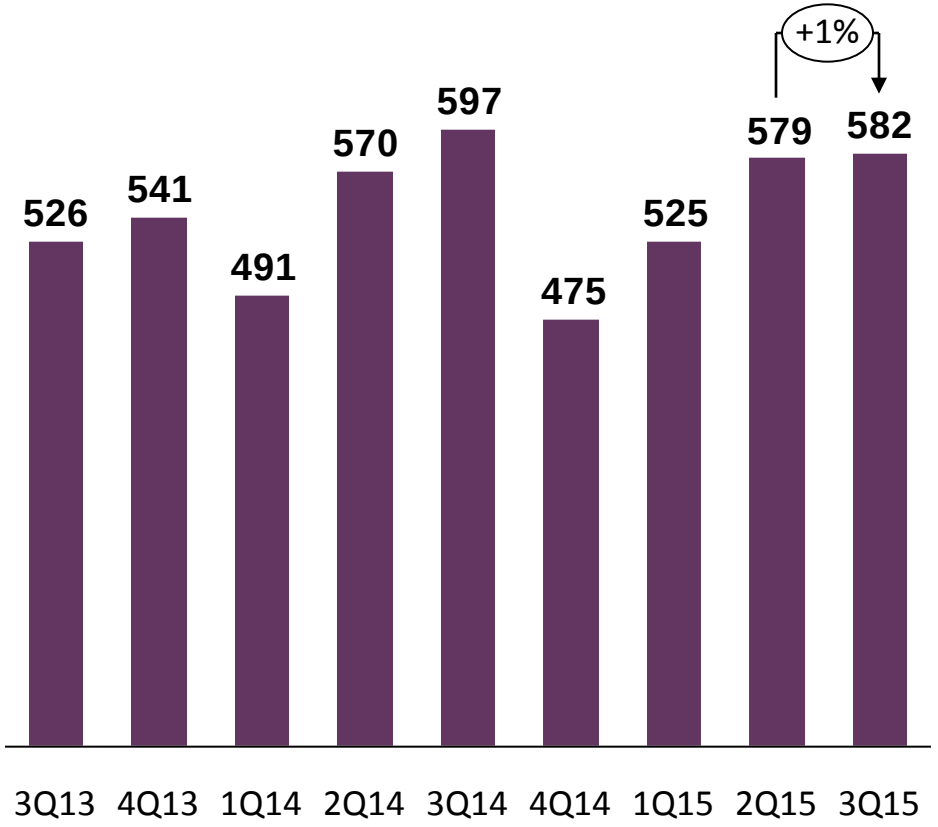


SOURCE: CSN

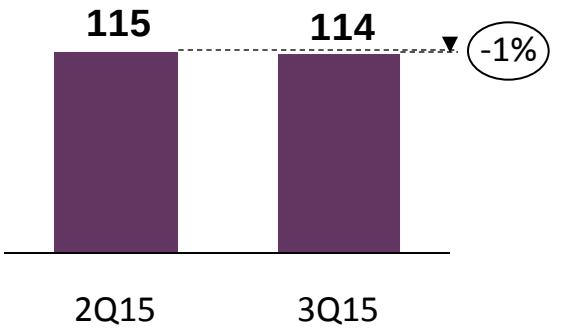
Cement Performance during 3Q15

Stable production volumes due to the start of Arcos operations, offsetting unscheduled stoppage occurred at UPV grinding operations

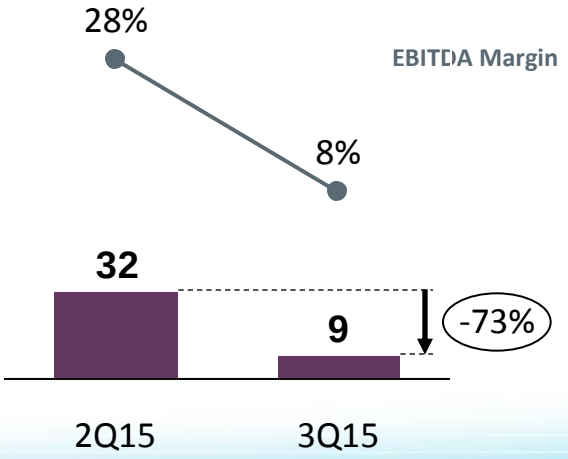
Sales Volume (thousand ton)



Net Revenue (BRL Million)

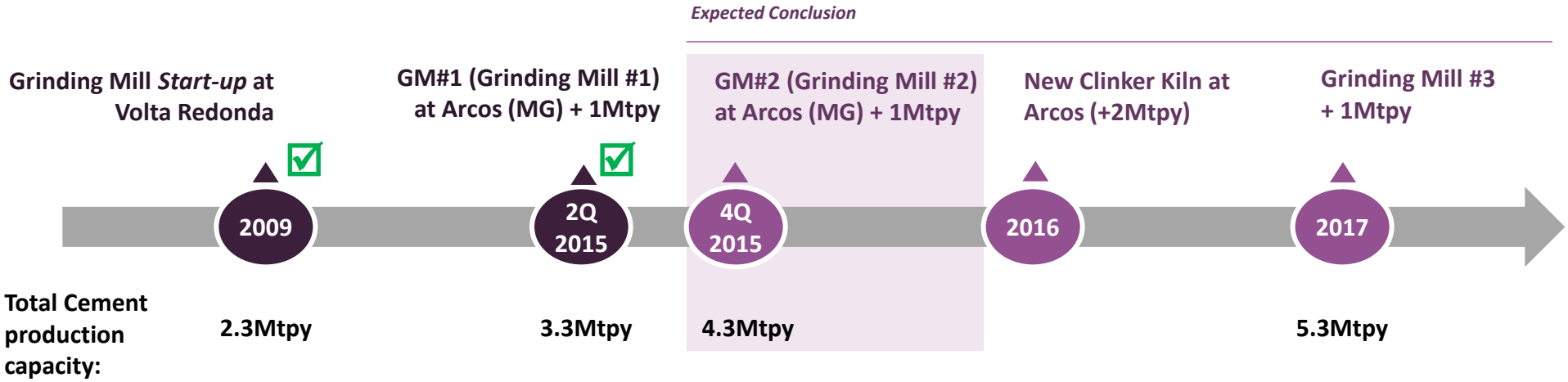


EBITDA and EBITDA Margin (%)



Start-up of Grinding Mill #1 at Arcos (MG)

Grinding Mill #1 is ramping up production and GM#2 is in commissioning, increasing CSN´s cement production capacity to 4.3Mtpy by the end of 2015



Southeast Cement Project:

- Addition of 1Mtpy of production capacity (Grinding Mill #1).
- Grinding Mill #2 is in commissioning phase (1.0 Mtpy in capacity addition).
- Product diversification (CP II E 32).
- Project delivered *on time* and *on budget.*

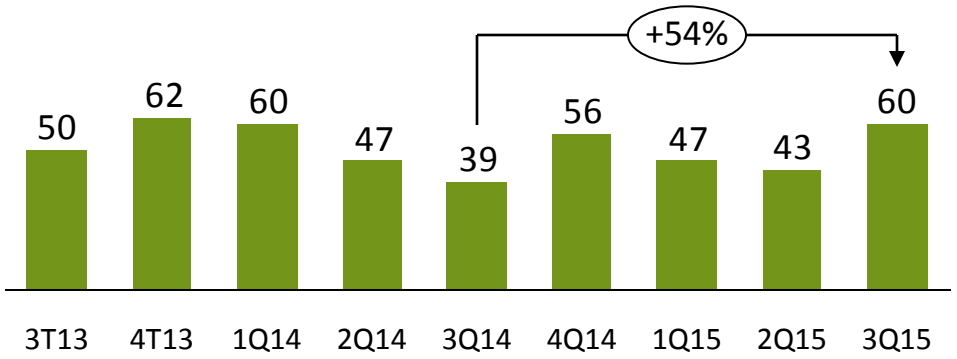




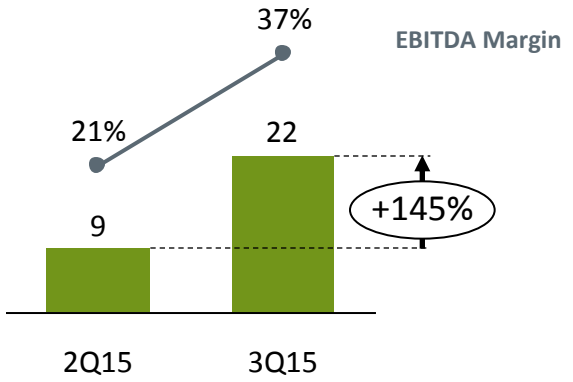
Sepetiba Tecon Performance during 3T15

All of Tecon´s segments increased volumes during 3Q15 in comparison with 2Q15 and 3Q14

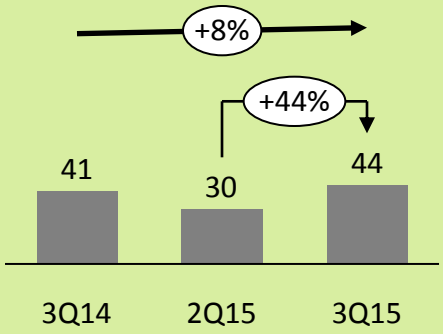
Net Revenue (BRL Million)



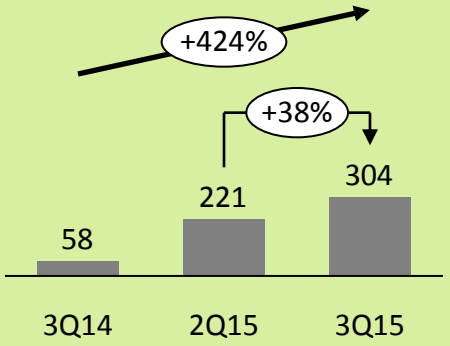
EBITDA and EBITDA Margin (%)



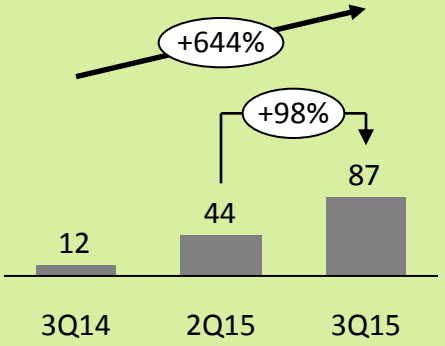
Conteiners (Thousand Units)



Steel Volume (kt)



General Cargo (kt)



Sepetiba Tecon Performance during 3Q15

Increase in regular routes portfolio, improving the operation diversification perspectives

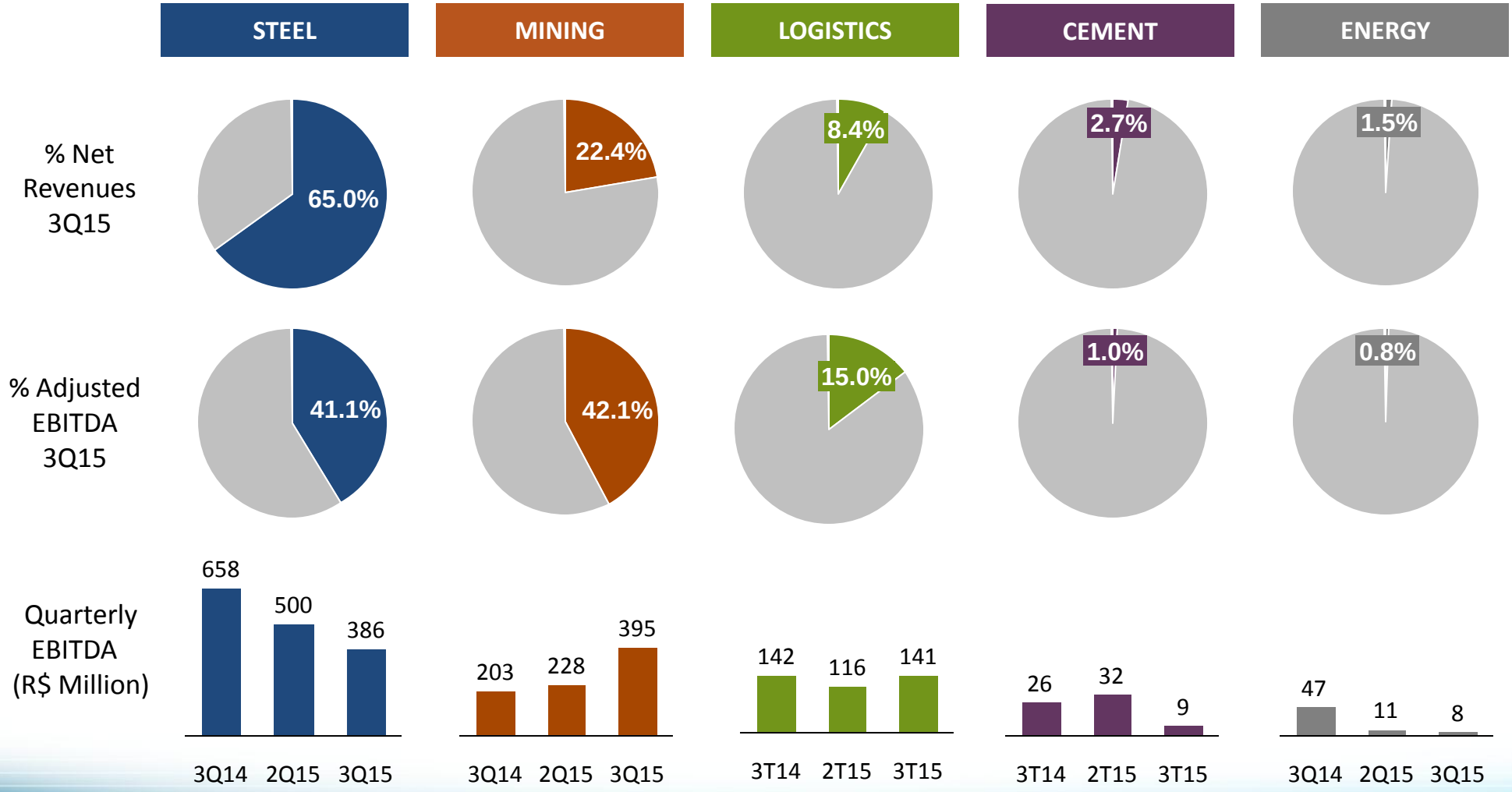
Highlights

- **Increase in the portfolio of regular routes**, improving the perspective of operation diversification.
- **New import and export line of containers to Asia.** Sepetiba Tecon will be the main container terminal in Rio de Janeiro with this new route.
- **New regular route to USA (Houston), Mexico and Central America** through the Gulf of Mexico, with a volume of 2,000 containers per month.
- During 3Q15, Tecon consolidated **the operation of its first regular project general load.**

Outlook

- **Tecon launched during 3Q15 an integrated logistic solution with containers delivery by modal railway,** connecting the terminal with the industrial center of Belo Horizonte, automotive cluster in Rio de Janeiro and Vale do Paraíba, São Paulo.
- **Sepetiba Tecon has six new shipping operators**, adding more volume of imports and exports in new joint operations with current services.

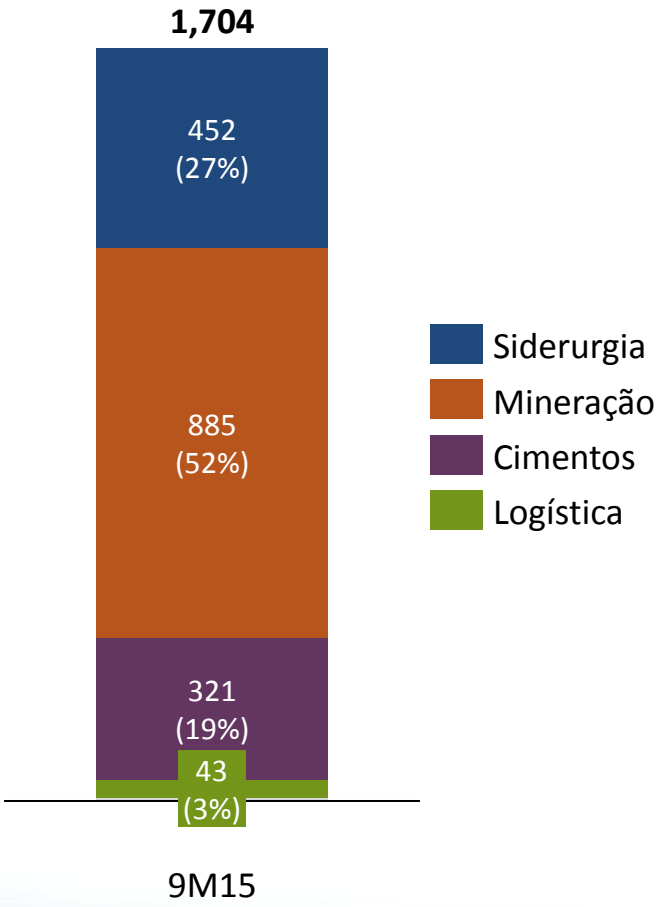
Results by Segment during 3Q15



CAPEX

During 2015, CSN took advantage of opportunities to accelerate projects that enhance short term competitiveness

CAPEX 9M15 (BRL Million)



9M15 Highlights

- New mining equipment acquisition (trucks, shovels, etc), accelerating part of the investment scheduled for 2016 due to current advantageous loan terms. These equipments are already contributing to cost reduction in the mining business.

- Accelerated development of Arcos´ Clinker Kiln expansion, enabling higher operational margins in the Southeastern System for 2016.

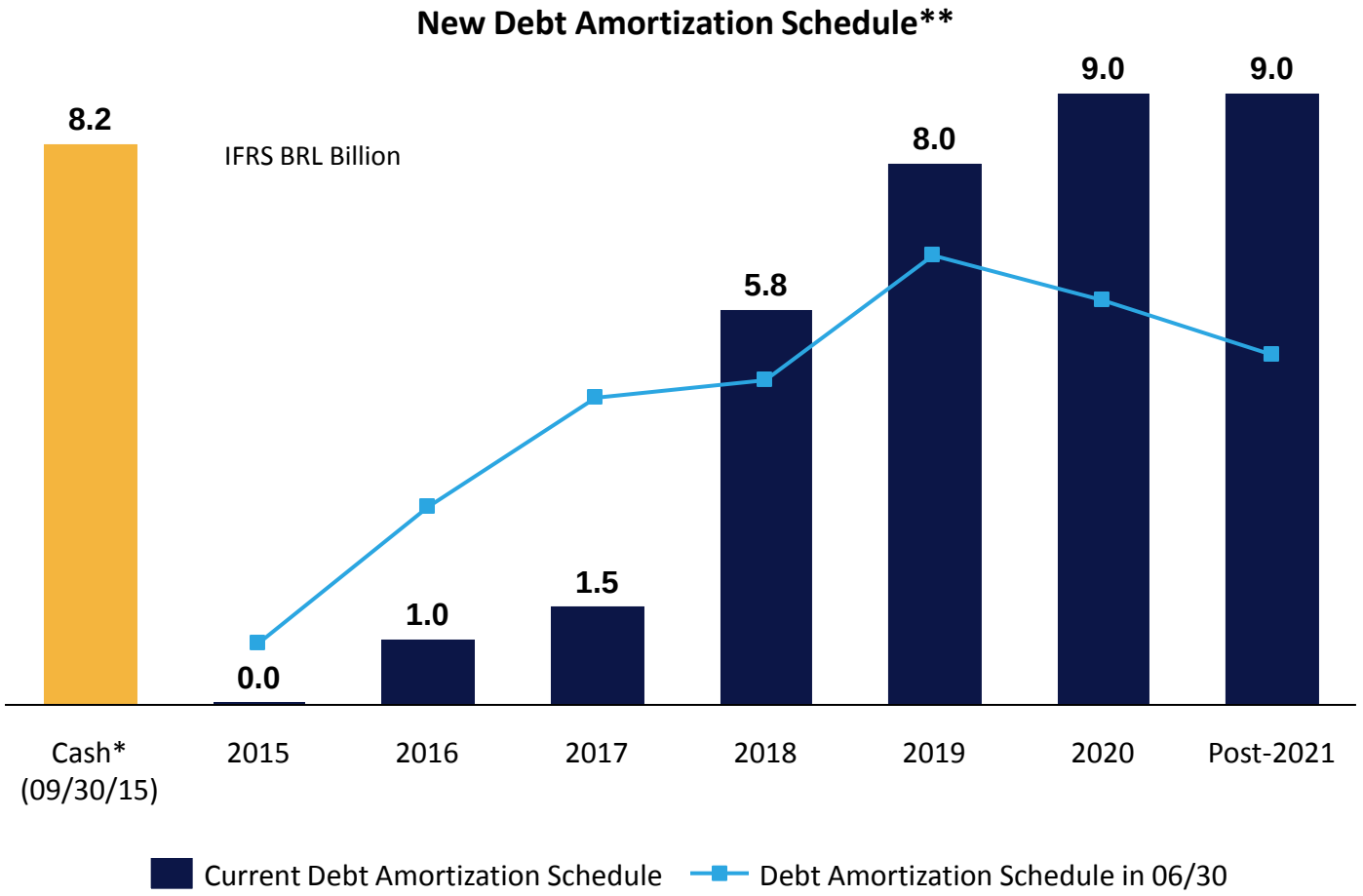




Financial Agenda

1 **Cash Management**	• Cash transfer of US$ 1.2 billion from abroad to Brazil during 3Q15. ✓ • Expected increase in Financial Revenues from 4Q15 onward.
2 **Debt Management**	• Debt Extension concluded with BB and CEF (R$ 4.8 bi). ✓ • Funding Instruments Diversification.
3 **Cost Reduction & Working Capital**	• Cost Reduction Plan. • Improvements in Working Capital.
4 **Partnerships and Divestments**	• Assets already mandated. ✓ • Partnerships and divestments alternatives to reduce indebtedness.

Extension of BRL 4.8 Billion of debt previously maturing in 2016 and 2017, around 70% of the value for the period



*Includes financial investments as collateral for foreign exchange transactions on the BM&F.
** Debt amortization schedule does not include accrued interest.

3 Cost Reduction & Working Capital

CSN is working on different fronts to increase its cost advantage and return on asset

Activities	Action Scope	Potential
Working Capital Reduction	• Finished and intermediary inventories reduction. • Warehouse and spare part items reduction. • Negotiation with suppliers.	★★★
Steel & Cement Actions	• Partnership with innovation institutions to implement automation. and industrial processes. • Energy consumption reduction projects.	★★★
Mining actions	• Product improvement initiatives. • Mine Planning optimization. • Processing/Beneficiation reduction. • Expenses and overhead reduction.	★★
Processes & Expenses Control Matrix	• Appointment of managers by type of expenditure. • Reduction target by account group.	★★

★★★ High Potential
★★ Medium Potential

CSN has mandated banks for divestment and partnership processes of selected assets

CSN Asset & Investment Portfolio

STEEL	MINING	CEMENT	LOGISTICS	ENERGY
Flat Steel Brazil	Casa de Pedra, 60% NAMISA, TECAR & MRS	Volta Redonda Grinding	**TECON**	**ITASA**
Long Steel Brazil	ERSA Tin	Arcos Project	**MRS (excess shares)**	**UHE IGARAPAVA**
SWT (Germany)			TLSA (Transnordestina)	
Lusosider (Portugal)			FTL	
LLC (USA)				
Metalic & Prada Packaging				

USIMINAS shares

Companhia Siderúrgica Nacional

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