

NATIONAL STEEL CO
Form 6-K
November 10, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of November, 2005

Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F Form 40-F

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

Yes No

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION**

Accounting Practices

Date:

Adopted in

QUARTERLY INFORMATION ITR

09/30/2005

Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

01.01 - IDENTIFICATION

| | | |
|--|---|---|
| 1 - CVM CODE 00403-0 | 2 - COMPANY NAME COMPANHIA SIDERÚRGICA NACIONAL | 3 - CNPJ (Corporate Taxpayer s ID) 33.042.730/0001-04 |
| 4 - NIRE (Corporate Registry ID) 15910 | | |

01.02 - HEAD OFFICE

| | | | | |
|---|----------------------------|------------------------|--------------------|------------|
| 1 - ADDRESS R. SÃO JOSÉ, 20/ GR.1602 PARTE | | 2 - DISTRICT CENTRO | | |
| 3 - ZIP CODE 22010-020 | 4 - CITY RIO DE JANEIRO | | 5 - STATE RJ | |
| 6 - AREA CODE 21 | 7 - TELEPHONE 2215-4901 | 8 - TELEPHONE - | 9 - TELEPHONE - | 10 - TELEX |
| 11 - AREA CODE 21 | 12 - FAX 2215-7140 | 13 - FAX - | 14 - FAX - | |
| 15 - E-MAIL invrel@csn.com.br | | | | |

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

| | | | | |
|--|----------------------------|--------------------|----------------------------|------------|
| 1- NAME BENJAMIN STEINBRUCH | | | | |
| 2 - ADDRESS AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR | | | 3 - DISTRICT ITAIM BIBI | |
| 4 - ZIP CODE 04538-132 | 5 - CITY SÃO PAULO | | 6 - STATE SP | |
| 7 - AREA CODE 11 | 8 - TELEPHONE 3049-7100 | 9 - TELEPHONE - | 10 - TELEPHONE - | 11 - TELEX |
| 12 - AREA CODE 11 | 13 - FAX 3049-7519 | 14 - FAX - | 15 - FAX - | |

15 - E-MAIL
invrel@csn.com.br

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

| CURRENT YEAR | | CURRENT QUARTER | | | PREVIOUS QUARTER | | |
|---|------------|-----------------|------------------|-----------|---|------------------|-----------|
| 1 - BEGINNING | 2. END | 3 - QUARTER | 4 - BEGINNING | 5 - END | 6 - QUARTER | 7 - BEGINNING | 8 - END |
| 1/01/2005 | 12/31/2005 | 3 | 7/01/2005 | 9/30/2005 | 2 | 4/01/2005 | 6/30/2005 |
| 09 - INDEPENDENT ACCOUNTANT DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES | | | | | 10 - CVM CODE 00385-9 | | |
| 11. TECHNICIAN IN CHARGE JOSÉ CARLOS MONTEIRO | | | | | 12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S ID) 443.201.918-20 | | |

01.05 - CAPITAL STOCK

| Number of Shares (in thousands) | 1 - CURRENT QUARTER 9/30/2005 | 2 - PREVIOUS QUARTER 6/30/2005 | 3 - SAME QUARTER, PREVIOUS YEAR 9/30/2004 |
|------------------------------------|----------------------------------|-----------------------------------|---|
| Paid-in Capital | | | |
| 1 Common | 272,068 | 286,917 | 286,917 |
| 2 Preferred | 0 | 0 | 0 |
| 3 Total | 272,068 | 286,917 | 286,917 |
| Treasury Stock | | | |
| 4 Common | 7,637 | 16,759 | 4,748 |
| 5 Preferred | 0 | 0 | 0 |
| 6 Total | 7,637 | 16,759 | 4,748 |

01.06 - COMPANY PROFILE

| |
|---|
| 1 - TYPE OF COMPANY Commercial, Industrial and Other |
| 2 STATUS Operational |
| 3 - NATURE OF OWNERSHIP Private National |
| 4 - ACTIVITY CODE 106 Metallurgy and Steel Industry |
| 5 - MAIN ACTIVITY Manufacturing, transf. and trading of steel products |
| 6 - CONSOLIDATION TYPE Total |
| 7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified |

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|----------|------------------------------------|------------------|
| 1 - ITEM | 2 - CNPJ (Corporate Taxpayer s ID) | 3 - COMPANY NAME |
|----------|------------------------------------|------------------|

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

| 1 - ITEM | 2 - EVENT | 3 - APPROVAL | 4 - TYPE | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - AMOUNT PER SHARE |
|----------|-----------|--------------|-------------------------|---------------------|-------------------|----------------------|
| 01 | AGO | 04/29/2005 | Dividend | 06/14/2005 | Common | 7.3517000000 |
| 02 | AGO | 04/29/2005 | Interest on Own Capital | 06/14/2005 | Common | 0.8675400000 |

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL STOCK (In thousands of reais) | 4 - AMOUNT OF CHANGE (In thousands of reais) | 5 - NATURE OF CHANGE | 7 - NUMBER OF SHARES ISSUED (thousand) | 8 - SHARE PRICE WHEN ISSUED (in reais) |
|----------|--------------------|--|---|----------------------|---|---|
|----------|--------------------|--|---|----------------------|---|---|

01.10 - INVESTOR RELATIONS OFFICER

| | |
|--------|-------------|
| 1 DATE | 2 SIGNATURE |
|--------|-------------|

02.01 - BALANCE SHEET - ASSETS (in thousands of reais)

| 1-Code | 2- Description | 3- 09/30/2005 | 4- 06/30/2005 |
|---------------|--|----------------------|----------------------|
| 1 | Total Assets | 23,972,993 | 24,765,439 |
| 1.01 | Current Assets | 5,097,176 | 5,861,851 |
| 1.01.01 | Cash | 27,714 | 56,421 |
| 1.01.02 | Credits | 1,834,748 | 1,809,931 |
| 1.01.02.01 | Domestic Market | 906,728 | 972,623 |
| 1.01.02.02 | Foreign Market | 996,959 | 906,074 |
| 1.01.02.03 | Allowance for Doubtful Accounts | (68,939) | (68,766) |
| 1.01.03 | Inventories | 1,339,603 | 1,363,157 |
| 1.01.04 | Other | 1,895,111 | 2,632,342 |
| 1.01.04.01 | Marketable Securities | 1,344,927 | 1,422,357 |
| 1.01.04.02 | Recoverable Income Tax and Social Contribution | 27,706 | 14,721 |
| 1.01.04.03 | Deferred Income Tax | 243,795 | 286,739 |
| 1.01.04.04 | Deferred Social Contribution | 64,098 | 50,906 |
| 1.01.04.05 | Dividends Receivable | 13,743 | 41,219 |
| 1.01.04.06 | Prepaid Expenses | 18,281 | 29,155 |
| 1.01.04.07 | Prepaid Income Tax and Social Contribution | 0 | 609,169 |
| 1.01.04.08 | Other | 182,561 | 178,076 |
| 1.02 | Long-Term Assets | 1,699,265 | 1,708,892 |
| 1.02.01 | Various Credits | 28,323 | 21,664 |
| 1.02.01.01 | Loans Eletrobras | 28,323 | 21,664 |
| 1.02.02 | Credit with Related Parties | 156,376 | 129,509 |
| 1.02.02.01 | Affiliates | 0 | 0 |
| 1.02.02.02 | Subsidiaries | 156,376 | 129,509 |
| 1.02.02.03 | Other Related Parties | 0 | 0 |
| 1.02.03 | Other | 1,514,566 | 1,557,719 |
| 1.02.03.01 | Deferred Income Tax | 440,401 | 475,729 |
| 1.02.03.02 | Deferred Social Contribution | 71,960 | 93,496 |
| 1.02.03.03 | Judicial Deposits | 630,193 | 606,640 |
| 1.02.03.04 | Securities Receivables | 120,347 | 130,644 |
| 1.02.03.05 | Marketable Securities | 125,949 | 125,652 |
| 1.02.03.06 | Recoverable PIS/PASEP | 26,812 | 26,261 |
| 1.02.03.07 | Prepaid Expenses | 37,305 | 39,567 |
| 1.02.03.08 | Other | 61,599 | 59,730 |
| 1.03 | Permanent Assets | 17,176,552 | 17,194,696 |
| 1.03.01 | Investments | 4,940,010 | 4,998,537 |
| 1.03.01.01 | In Affiliates | 0 | 0 |
| 1.03.01.02 | In Subsidiaries | 4,940,010 | 4,998,537 |
| 1.03.01.03 | Other Investments | 0 | 0 |
| 1.03.02 | Property, Plant and Equipment | 12,039,679 | 11,998,516 |
| 1.03.02.01 | In Operation, Net | 11,590,339 | 11,602,856 |
| 1.03.02.02 | In Construction | 305,880 | 253,077 |
| 1.03.02.03 | Land | 143,460 | 142,583 |

| | | | |
|---------|----------|---------|---------|
| 1.03.03 | Deferred | 196,863 | 197,643 |
|---------|----------|---------|---------|

02.02 - BALANCE SHEET - LIABILITIES (in thousands of Reais)

| 1- Code | 2- Description | 3- 09/30/2005 | 4- 06/30/2005 |
|----------------|-------------------------------------|----------------------|----------------------|
| 2 | Total Liabilities | 23,972,993 | 24,765,439 |
| 2.01 | Current Liabilities | 3,974,435 | 4,571,695 |
| 2.01.01 | Loans and Financing | 1,496,619 | 1,379,431 |
| 2.01.02 | Debentures | 100,916 | 64,608 |
| 2.01.03 | Suppliers | 882,933 | 960,837 |
| 2.01.04 | Taxes and Contributions | 463,113 | 1,251,859 |
| 2.01.04.01 | Salaries and Social Contributions | 75,011 | 64,774 |
| 2.01.04.02 | Taxes Payable | 249,334 | 1,042,827 |
| 2.01.04.03 | Deferred Income Tax | 102,035 | 106,072 |
| 2.01.04.04 | Deferred Social Contribution | 36,733 | 38,186 |
| 2.01.05 | Dividends Payable | 183,763 | 116,553 |
| 2.01.06 | Provisions | 38,515 | 24,048 |
| 2.01.06.01 | Contingencies | 38,515 | 24,048 |
| 2.01.07 | Debt with Related Parties | 0 | 0 |
| 2.01.08 | Other | 808,576 | 774,359 |
| 2.01.08.01 | Accounts Payable - Subsidiaries | 653,326 | 687,388 |
| 2.01.08.02 | Other | 155,250 | 86,971 |
| 2.02 | Long-Term Assets | 12,391,367 | 12,716,200 |
| 2.02.01 | Loans and Financing | 6,056,207 | 6,550,013 |
| 2.02.02 | Debentures | 900,000 | 900,000 |
| 2.02.03 | Provisions | 4,981,421 | 4,787,306 |
| 2.02.03.01 | Contingencies | 2,787,119 | 2,561,332 |
| 2.02.03.02 | Deferred Income Tax | 1,613,457 | 1,636,746 |
| 2.02.03.03 | Deferred Social Contribution | 580,845 | 589,228 |
| 2.02.04 | Debt with Related Parties | 0 | 0 |
| 2.02.05 | Other | 453,739 | 478,881 |
| 2.02.05.01 | Provision for Losses in Investments | 57,951 | 80,525 |
| 2.02.05.02 | Accounts Payable - Subsidiaries | 92,843 | 96,983 |
| 2.02.05.03 | Other | 302,945 | 301,373 |
| 2.03 | Deferred Income | 0 | 0 |
| 2.05 | Shareholders Equity | 7,607,191 | 7,477,544 |
| 2.05.01 | Paid-In Capital Stock | 1,680,947 | 1,680,947 |
| 2.05.02 | Capital Reserve | 0 | 17,319 |
| 2.05.03 | Revaluation Reserve | 4,578,566 | 4,640,047 |
| 2.05.03.01 | Parent Company | 4,578,566 | 4,640,047 |
| 2.05.03.02 | Subsidiaries/Affiliates | 0 | 0 |
| 2.05.04 | Profit Reserve | (7,484) | 78,301 |
| 2.05.04.01 | Legal | 336,189 | 336,189 |
| 2.05.04.02 | Statutory | 0 | 0 |
| 2.05.04.03 | For Contingencies | 0 | 0 |
| 2.05.04.04 | Unrealized Income | 0 | 0 |
| 2.05.04.05 | Income Retentions | 0 | 0 |

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| | | | |
|---------------|---------------------------------------|-----------|-----------|
| 2.05.04.06 | Special For Non-Distributed Dividends | 0 | 0 |
| 2.05.04.07 | Other Profit Reserve | (343,673) | (257,888) |
| 2.05.04.07.01 | From Investments | 0 | 487,203 |
| 2.05.04.07.02 | Treasury Stock | (343,673) | (745,091) |
| 2.05.05 | Retained earnings/accumulated deficit | 1,355,162 | 1,060,930 |

03.01 STATEMENT OF INCOME (in thousands of reais)

| 1- Code | 2- Description | 3- 07/01/2005 to 09/30/2005 | 4- 01/01/2005 to 09/30/2005 | 5- 07/01/2004 to 09/30/2004 | 6- 01/01/2004 to 09/30/2004 |
|----------------|--|--|--|--|--|
| 3.01 | Gross Revenue from Sales and/or Services | 2,219,569 | 8,030,429 | 2,761,068 | 7,347,150 |
| 3.02 | Gross Revenue Deductions | (418,926) | (1,622,679) | (447,589) | (1,129,477) |
| 3.03 | Net Revenue from Sales and/or Services | 1,800,643 | 6,407,750 | 2,313,479 | 6,217,673 |
| 3.04 | Cost of Goods and Services Sold | (1,075,699) | (3,438,714) | (1,126,621) | (3,248,311) |
| 3.04.01 | Depreciation, Depletion and Amortization | (192,358) | (574,716) | (172,627) | (526,342) |
| 3.04.02 | Other | (883,341) | (2,863,998) | (953,994) | (2,721,969) |
| 3.05 | Gross Profit | 724,944 | 2,969,036 | 1,186,858 | 2,969,362 |
| 3.06 | Operating Income/Expenses | (67,618) | (723,266) | (82,797) | (812,346) |
| 3.06.01 | Selling | (64,747) | (195,389) | (67,914) | (195,148) |
| 3.06.01.01 | Depreciation and Amortization | (2,007) | (6,275) | (1,874) | (5,481) |
| 3.06.01.02 | Other | (62,740) | (189,114) | (66,040) | (189,667) |
| 3.06.02 | General and Administrative | (48,722) | (156,639) | (52,450) | (162,367) |
| 3.06.02.01 | Depreciation and Amortization | (3,715) | (11,979) | (5,599) | (16,779) |
| 3.06.02.02 | Other | (45,007) | (144,660) | (46,851) | (145,588) |
| 3.06.03 | Financial | 62,253 | 212,956 | (18,171) | (829,245) |
| 3.06.03.01 | Financial Income | (237,615) | (492,406) | (244,230) | 67,138 |
| 3.06.03.02 | Financial Expenses | 299,868 | 705,362 | 226,059 | (896,383) |
| 3.06.03.02.01 | Amortization of Special Exchange Variation | 0 | 0 | (25,209) | (78,252) |
| 3.06.03.02.02 | Foreign Exchange and Monetary Variation, net | 440,908 | 1,364,301 | 520,375 | (15,353) |
| 3.06.03.02.03 | Interest expenses, fines and tax arrears | (141,040) | (658,939) | (269,107) | (802,778) |
| 3.06.04 | Other Operating Income | 12,311 | 17,341 | 9,204 | 28,027 |
| 3.06.05 | Other Operating Expenses | 100,883 | 43,576 | (52,994) | (107,317) |
| 3.06.06 | Equity | (129,596) | (645,111) | 99,528 | 453,704 |
| 3.07 | Operating Income | 657,326 | 2,245,770 | 1,104,061 | 2,157,016 |
| 3.08 | Non-Operating Income | 2,466 | (4,017) | (9,458) | (10,241) |

03.01 - STATEMENT OF INCOME (in thousands of reais)

| 1- Code | 2- Description | 3- 07/01/2005 to 09/30/2005 | 4- 01/01/2005 to 09/30/2005 | 5- 07/01/2004 to 09/30/2004 | 6- 01/01/2004 to 09/30/2004 |
|----------------|--|--|--|--|--|
| 3.08.01 | Income | 1 | 3 | 2 | 5 |
| 3.08.02 | Expenses | 2,465 | (4,020) | (9,460) | (10,246) |
| 3.09 | Income before Taxes and Participations | 659,792 | 2,241,753 | 1,094,603 | 2,146,775 |
| 3.10 | Provision for Income Tax and Social Contribution | (147,634) | (830,194) | (282,444) | (385,472) |
| 3.11 | Deferred Income Tax | (49,453) | 105,352 | (93,191) | (209,333) |
| 3.12 | Statutory Participations/Contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Participations | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of Interest on Own Capital | 0 | 0 | 0 | 0 |
| 3.15 | Net Income (Loss) for the Period | 462,705 | 1,516,911 | 718,968 | 1,551,970 |
| | SHARES OUTSTANDING EX-TREASURY (in thousands) | 264,431 | 264,431 | 282,169 | 282,169 |
| | EARNINGS PER SHARE | 1.74981 | 5.73651 | 2.54800 | 5.50014 |
| | LOSS PER SHARE | | | | |

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

**QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY**

Date:
09/30/2005

Accounting
Practices
Adopted in
Brazil

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

04.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of reais, except when indicated otherwise)

1. OPERATING CONTEXT

Companhia Siderúrgica Nacional ("CSN") is engaged in the production of flat steel products, its main industrial complexes being the Presidente Vargas Steelworks located in the City of Volta Redonda, State of Rio de Janeiro, and the processing unit in the city of Araucária, State of Paraná.

CSN is engaged in the mining of iron ore, limestone and dolomite, in the State of Minas Gerais and tin in the State of Rondônia, to cater for the needs of the Presidente Vargas Steelworks and also maintains strategic investments in railroad, electricity and ports, to optimize its activities.

For the purpose of establishing a closer approach to its customers and winning additional markets on a global level, CSN has a steel distributor with service and distribution centers extending from the Northeast to the South of Brazil, a two-piece steel can plant geared to the Northeastern beverage industry, a galvanized steel plant supplying an automaker in Porto Real, in the State of Rio de Janeiro, in addition to a rolling mill in the United States and a 50% stake in another rolling mill in Portugal.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

Pursuant to the configuration of the Quarterly Information form, the Parent Company's Consolidated Statements of Changes in Financial Position and Cash Flow are presented in the table. Other information considered material by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements were prepared in conformity with the accounting practices adopted in Brazil, as well as with the accounting standards and pronouncements established by the CVM - the Brazilian Securities and Exchange Commission.

(a) Statement of Income

The results of operations are determined on an accrual basis.

(b) Marketable securities

The investment funds have daily liquidity and have their assets valued at market as per instructions of the Central Bank of Brazil, since the Company considers these investments as securities retained for trading.

Fixed income securities are recorded at cost plus yields accrued through the balance sheet date, and do not exceed the market value, and investments overseas have a daily remuneration.

(c) Allowance for doubtful accounts

The allowance for doubtful accounts has been set up in an amount which, in the opinion of Management, suffices to absorb any losses that might be incurred in realizing accounts receivable.

(d) Inventories

Inventories are evaluated at their average cost of acquisition or production and on-going imports are recorded at their cost of acquisition, provided that they do not exceed their market or realization values.

(e) Other current and long-term assets

Other current and long-term assets are presented at their realization value, including, when applicable, income earned to the balance sheet date or, in the case of prepaid expenses, at cost.

(f) Investments

Investments in subsidiaries and jointly owned subsidiary companies are recorded by the equity accounting method, adjusted for any amortizable goodwill or negative goodwill, if applicable. Other permanent investments are recorded at acquisition cost.

(g) Property, plant and equipment

The property, plant and equipment of the parent company is presented at market or replacement values, based on appraisal reports conducted by independent expert appraisal firms, as permitted by Resolution #288 issued by the Brazilian Securities and Exchange Commission ("CVM") on December 3, 1998. Depreciation is computed by the straight-line method at the rates, shown in the same note, based on the remaining economic useful lives of the assets after revaluation. Depletion of the iron mine Casa de Pedra is calculated on the basis of the quantity of iron ore extracted. Interest charges related to capital funding for construction in progress are capitalized for as long as the projects remain unconcluded.

(h) Deferred charges

The deferred charges are basically comprised of expenses incurred for development and implantation of projects that should generate a payback to the Company in the next few years, with the amortization applied on a straight-line basis based on the period foreseen for the economic return on the above projects.

(i) Current and long-term liabilities

These are stated at their known or estimated values, including, when applicable, accrued charges, monetary and foreign exchange variation incurred up to the balance sheet date.

(j) Employees benefit

The Company decided to record the respective actuarial liabilities as from January 1, 2002, in accordance with Resolution #371, issued by the Brazilian Securities and Exchange Commission (CVM), on December 13, 2000, in accordance with the above-mentioned reported deliberation and based on by independent actuarial studies.

(k) Income Tax and Social Contribution

Income tax and social contribution on net income are calculated based on their effective tax rates and consider the tax loss carryforward and negative basis of social contribution limited to 30%, to compute the tax liability. Tax credits are set up for deferred taxes on tax losses, negative basis of social contribution on net income and on temporary differences.

(l) Derivatives

The derivatives operations are recorded in accordance with the characteristics of the financial instruments. Swap operations are recorded based on the operations net results, which are booked monthly in line with the contractual conditions.

Exchange options are adjusted monthly to market value whenever the position shows a loss. These losses are recognized as Company's liability with the corresponding entry in the financial result. Options traded through exclusive funds are adjusted to market and futures contracts have their positions adjusted to market daily by the Future and Commodities Exchange (BM&F) with recognition of gains and losses directly in results.

(m) Treasury Stocks

As established by CVM Instruction 10/80, treasury stocks were recorded at the acquisition cost.

(n) Estimates

Pursuant to the accounting practices adopted in Brazil, the preparation of the financial statements requires the Company's Management to make estimates and assumptions related to the assets and liabilities reported, the disclosure of contingent assets and liabilities on the balance sheet date and the amount of income and expenses during the year. The end results may differ from these estimates.

4. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the quarters ended on September 30, 2005 and June 30, 2005 include the following direct and indirect subsidiaries and jointly-owned subsidiaries:

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| Companies | Currency of Origin | Participation in the capital stock (%) | | Main activities |
|--|-----------------------|---|-----------|---|
| | | 9/30/2005 | 6/30/2005 | |
| Direct participation: fully consolidated | | | | |
| CSN Energy | US\$ | 100.00 | 100.00 | Equity interests |
| CSN Export | US\$ | 100.00 | 100.00 | Financial operations and product trading |
| CSN Islands | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands II | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands III | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands IV | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands V | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands VII | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands VIII | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands IX | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Islands X | US\$ | 100.00 | | Financial operations |
| CSN Overseas | US\$ | 100.00 | 100.00 | Financial operations |
| CSN Panama | US\$ | 100.00 | 100.00 | Equity interests |
| CSN Steel | US\$ | 100.00 | 100.00 | Equity interests |
| CSN I | R\$ | 100.00 | 100.00 | Equity interests |
| Estanho de Rondônia - ERSA | R\$ | 100.00 | 100.00 | Mining |
| Cia. Metalic Nordeste | R\$ | 99.99 | 99.99 | Package production |
| Indústria Nacional de Aços Laminados - INAL | R\$ | 99.99 | 99.99 | Steel products service center |
| CSN Cimentos | R\$ | 99.99 | 99.99 | Cement production |
| Inal Nordeste | R\$ | 99.99 | 99.99 | Steel products service center |
| CSN Energia | R\$ | 99.90 | 99.90 | Trading of electricity |
| CSN Participações Energéticas | R\$ | 99.70 | 99.70 | Equity interests |
| Sepetiba Tecon | R\$ | 20.00 | 20.00 | Maritime port services |
| GalvaSud | R\$ | 15.29 | 15.29 | Steel industry |
| Direct participation: proportionally consolidated | | | | |
| Companhia Ferroviária do Nordeste (CFN) | R\$ | 49.99 | 49.99 | Railroad transportation |
| Itá Energética | R\$ | 48.75 | 48.75 | Electricity generation |
| MRS Logística | R\$ | 32.22 | 32.22 | Railroad transportation |
| Indirect participation: fully consolidated | | | | |
| CSN Aceros | US\$ | 100.00 | 100.00 | Equity interests |
| CSN Cayman | US\$ | 100.00 | 100.00 | Financial operations and product trading |
| CSN Iron | US\$ | 100.00 | 100.00 | Financial operations |
| CSN LLC | US\$ | 100.00 | 100.00 | Steel industry |
| CSN LLC Holding | US\$ | 100.00 | 100.00 | Equity interests |

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| | | | | |
|---------------------|------|--------|--------|------------------------|
| CSN LLC Partner | US\$ | 100.00 | 100.00 | Equity interests |
| Energy I | US\$ | 100.00 | 100.00 | Equity interests |
| Management Services | US\$ | 100.00 | 100.00 | Services |
| Tangua | US\$ | 100.00 | 100.00 | Equity interests |
| GalvaSud | R\$ | 84.71 | 84.71 | Steel industry |
| Sepetiba Tecon | R\$ | 80.00 | 80.00 | Maritime port services |

**Indirect participation:
proportionally
consolidated**

| | | | | |
|-----------|-----|-------|-------|----------------|
| Lusosider | EUR | 50.00 | 50.00 | Steel industry |
|-----------|-----|-------|-------|----------------|

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The financial statements prepared in US dollars and in Euros were translated at the exchange rate in effect on September 30, 2005 R\$/US\$2.2222 (R\$/US\$2.3504 on June 30, 2005) and EUR/US\$1.2023 (EUR/US\$1.2108 on June 30, 2005).

The gains/losses from this translation were accounted for in the income statements of the related periods, as equity accounting in the parent company and exchange variation in the consolidated entity. These referred financial statements were prepared applying the same accounting principles as those applied by the parent company.

In the preparation of the consolidated financial statements, the consolidated intercompany balances, such as intercompany investments, equity accounting, asset and liability balances, revenues and expenses and unrealized profits arising from consolidated intercompany operations have been eliminated.

The reference date for the subsidiaries and jointly-owned subsidiaries financial statements coincides with those of the parent company.

The reconciliation between shareholders' equity and net income for the year of the parent company and consolidated is as follows:

| | Shareholders' equity | | Net income | |
|-----------------------------------|----------------------|-----------|------------|-----------|
| | 9/30/2005 | 6/30/2005 | 9/30/2005 | 6/30/2004 |
| Parent company | 7,607,191 | 7,477,544 | 1,516,911 | 1,551,970 |
| Income elimination in inventories | (53,256) | (107,445) | 136,016 | (102,618) |
| Other adjustments | | | | 1,926 |
| Consolidated | 7,553,935 | 7,370,099 | 1,652,927 | 1,451,278 |

5. RELATED PARTIES TRANSACTIONS

a) Assets

| Companies | Accounts receivable | Marketable securities | Mutual | Debentures | Dividends receivable | Advance for future capital increase | Advance to suppliers | Total |
|----------------------------|---------------------|-----------------------|--------|------------|----------------------|-------------------------------------|----------------------|-----------|
| CSN Cayman | 113,455 | | | | | | | 113,455 |
| CSN Export | 932,662 | | | | | | | 932,662 |
| CSN Islands II | 1,344 | | | | | | | 1,344 |
| CSN Islands III | 500 | | | | | | | 500 |
| CSN Islands IV | 86 | | | | | | | 86 |
| CSN Islands V | 133 | | | | | | | 133 |
| Sepetiba Tecon | 243 | | | 36,000 | | 62,785 | 1,766 | 100,794 |
| Cia. Metalic Nordeste Inal | 84 | | | | | | | 84 |
| Nordeste CFN | 8,562 | | | | | | | 8,562 |
| GalvaSud | 20 | | 37,000 | | | 51,936 | | 88,956 |
| INAL | 81,235 | | | | | | | 81,235 |
| MRS | 35,263 | | | | | | | 35,263 |
| Logística Exclusive Funds | 231 | | | | 13,743 | | | 13,974 |
| Ersa | | 150,301 | | | | | | 150,301 |
| Others (*) | 662 | | 4,655 | | | | 2,262 | 2,262 |
| 09/30/2005 | 1,174,480 | 150,301 | 41,655 | 36,000 | 13,743 | 114,721 | 4,028 | 1,534,928 |
| 06/30/2005 | 1,131,267 | 274,463 | 2,584 | 36,000 | 41,219 | 126,925 | 3,420 | 1,615,878 |

(*) OTHER: CSN Cimentos, Itá Energética, Fundação CSN, CBS Previdência, CSN I, CSN Steel, Lusosider, CSN Aceros e CSN LLC.

b) Liabilities

| Companies | Loans and financing | | | | Accounts payable | | | | Total |
|-----------|---------------------|----------------|------------------------|--|------------------|-----------|-----------|-------|-------|
| | Prepayments | Fixed Rate (2) | Intercompany (2) Bonds | Mutual ⁽¹⁾ / current accounts | Suppliers | Investees | Inventory | Other | |

Notes

| | | | | | | | | | |
|------------------|-----------|-----------|-----------|---------|--------|--------|---------|-----------|-----------|
| CSN | | | | | | | | | |
| Cayman | | | | 147,613 | | | | | 147,613 |
| CSN Export | 1,384,315 | | | 11,482 | | | | | 1,395,797 |
| CSN Iron | | | 1,373,538 | | | | | | 1,373,538 |
| CSN Islands VII | | 623,097 | | | | | | | 623,097 |
| CSN Islands VIII | | 1,175,447 | | 2,042 | | | | | 1,177,489 |
| CSN Overseas | 573,659 | | | 106,492 | | | | | 680,151 |
| Energy I | | | | 95,334 | | | | | 95,334 |
| CSN Steel | 937,058 | | | 291,783 | | | | | 1,228,841 |
| CSN Panama | | | | 154,768 | | | | | 154,768 |
| Inal Nordeste | | | | | 66 | 10,019 | | | 10,085 |
| GalvaSud | | | | | 11,110 | | 22 | | 11,132 |
| INAL | | | | | 21,829 | 39,868 | | | 61,697 |
| CSN Energia | | | | 21,623 | | | | | 21,623 |
| CBS Previdência | | | | | | | 219,199 | | 219,199 |
| Others (*) | | | | 99 | 452 | | | | 551 |
| 09/30/2005 | 2,895,032 | 1,798,544 | 1,373,538 | 831,236 | 33,457 | 49,887 | 219,221 | 7,200,915 | 7,200,915 |
| 06/30/2005 | 2,408,105 | 2,308,110 | 1,420,606 | 870,234 | 52,315 | | 213,181 | 7,272,531 | 7,272,531 |

These operations were carried out under conditions considered by the Company's management as normal market terms and/or effective legislation for similar operations, being the main ones highlighted below:

(1) CSN Cayman (part): annual Libor + 3% p.a. with indeterminate maturity.

CSN Overseas (part): semiannual Libor + 3% p.a. with indeterminate maturity and IGPM + 6% p.a. with indeterminate maturity.

CSN Export: Euribor + 0.5% p.a. with indeterminate maturity.

CSN Cayman (part): Libor + 2.5% p.a. with maturity on 9/15/2011.

(2) Contracts in US\$ - CSN Iron: interest of 9.125% p.a. with maturity on 6/1/2007.

Contracts in Yen - CSN Islands VII: interest of 7.3% and 7.75% p.a. with maturity on 9/12/2008.

CSN Islands VIII: interest of 5.65% p.a. with maturity on 12/15/2013.

(*) OTHER: CFN, CSN Islands, CSN Cimentos, Itá Energética, Fundação CSN, CSN I, Lusosider, ERSA, CSN Aceros and Metalic.

c) Result

| Companies | Income | | | | Expenses | | | |
|------------------|-----------------------|--|-------|-----------|-----------------------|--|--------|-----------|
| | Products and services | Interest and monetary and exchange variation | Other | Total | Products and services | Interest and monetary and exchange variation | Other | Total |
| CSN Cayman | 202 | (9,311) | | (9,109) | 61 | (24,168) | | (24,107) |
| CSN Export | 1,395,837 | (146,211) | | 1,249,626 | 1,110,232 | (180,572) | | 929,660 |
| CSN Iron | | | | | | (164,546) | | (164,546) |
| CSN Islands III | | | | | | 2,953 | | 2,953 |
| CSN Islands V | | | | | | (29,088) | | (29,088) |
| CSN Islands VII | | | | | | (161,079) | | (161,079) |
| CSN Islands VIII | | | | | | (321,514) | | (321,514) |
| CSN Overseas | | | | | | (63,106) | | (63,106) |
| CSN Panama | | | | | | (30,102) | | (30,102) |
| Energy I | | | | | | (18,543) | | (18,543) |
| CSN Steel | | | | | | (116,170) | | (116,170) |
| Itá Energética | | | | | 77,321 | | | 77,321 |
| GalvaSud | 301,613 | | | 301,613 | 153,003 | | | 153,003 |
| INAL | 521,871 | | | 521,871 | 267,636 | | | 267,636 |
| Cia. Metalic | | | | | | | | |
| Nordeste | 32,423 | | | 32,423 | 23,678 | | | 23,678 |
| Inal Nordeste | 14,489 | | | 14,489 | 354 | | | 354 |
| MRS Logística | | | | | 98,365 | | | 98,365 |
| Exclusive Funds | | (660,833) | | (660,833) | | | | |
| Ersa | | | | | 20,497 | | | 20,497 |
| CBS Previdência | | | | | | | 68,903 | 68,903 |
| Others (*) | | | | | 3,030 | (682) | | 2,348 |
| 09/30/2005 | 2,266,435 | (816,355) | | 1,450,080 | 1,754,177 | (1,106,617) | 68,903 | 716,463 |
| 09/30/2004 | 2,201,036 | 37,782 | 9 | 2,238,827 | 269,737 | 323,691 | 71,103 | 664,531 |

Trade transactions with the Company's subsidiaries, such as sale of products and contracting of inputs and services are performed under usual conditions applicable to non-related parties.

(*) **OTHER:** Fundação CSN, CSN Cimentos, CSN I, CSN LLC, Sepetiba Tecon, Banco Fibra and CSN Islands.

6. MARKETABLE SECURITIES

| Parent Company | | Consolidated | |
|----------------|------------|--------------|------------|
| 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |

Short term

| | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Financial investment fund | 150,302 | 274,463 | 242,741 | 368,017 |
| Investment abroad (time deposits) | 1,156,213 | 1,110,783 | 3,581,827 | 2,552,471 |
| Fixed income investments | 38,412 | 37,111 | 226,624 | 425,530 |
| | 1,344,927 | 1,422,357 | 4,051,192 | 3,346,018 |
| Derivatives | | | 373,347 | 233,015 |
| | 1,344,927 | 1,422,357 | 4,424,539 | 3,579,033 |

Long term

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Investments abroad (securities) | | | 123,075 | |
| Fixed income investments and debentures (net of provision for probable losses and withholding income tax) | 125,949 | 125,652 | 90,456 | 90,159 |
| | 125,949 | 125,652 | 213,531 | 90,159 |
| | 1,470,876 | 1,548,009 | 4,638,070 | 3,669,192 |

Company's management invests the Company's financial resources in exclusive Investment Funds, with daily liquidity, which are substantially comprised of Brazilian government bonds and fixed income bonds issued in Brazil, with monetary or foreign exchange variation. Additionally, the Company's foreign subsidiaries maintain their available cash in indexed accounts (Time Deposits) in first-tier banks overseas.

7. ACCOUNTS RECEIVABLE

| | Parent Company | | Consolidated | |
|--|-----------------------|----------------|---------------------|------------------|
| | 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |
| Domestic market | | | | |
| Subsidiary companies | 125,718 | 169,605 | | |
| Other clients | 781,010 | 803,018 | 1,009,049 | 1,092,653 |
| | 906,728 | 972,623 | 1,009,049 | 1,092,653 |
| Foreign market | | | | |
| Subsidiary companies | 1,048,762 | 961,662 | | |
| Other clients | 10,419 | 10,223 | 558,022 | 467,252 |
| Exports Contract Advance (ACE) | (62,222) | (65,811) | | |
| | 996,959 | 906,074 | 558,022 | 467,252 |
| Allowance for doubtful accounts | (68,939) | (68,766) | (95,568) | (95,808) |
| | 1,834,748 | 1,809,931 | 1,471,503 | 1,464,097 |

8. INVENTORIES

| | Parent Company | | Consolidated | |
|----------------------|-----------------------|------------|---------------------|------------|
| | 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |
| Finished products | 342,653 | 306,003 | 578,007 | 623,908 |
| Products in process | 298,108 | 309,103 | 416,155 | 409,612 |
| Raw materials | 413,632 | 424,375 | 523,388 | 557,248 |
| Store | 289,272 | 275,219 | 346,744 | 333,406 |
| Imports in progress | | 53,104 | 1,367 | 54,954 |
| Provision for losses | (4,062) | (4,901) | (4,581) | (5,192) |
| Other | | 254 | 42,574 | 23,478 |
| | 1,339,603 | 1,363,157 | 1,903,654 | 1,997,414 |

9. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

| | Parent Company | | Consolidated | |
|------------------------------|-----------------------|------------|---------------------|------------|
| | 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |
| Current assets | | | | |
| Income tax | 243,795 | 286,739 | 301,271 | 371,150 |
| Social contribution | 64,098 | 50,906 | 85,151 | 81,279 |
| | 307,893 | 337,645 | 386,422 | 452,429 |
| Long-term assets | | | | |
| Income tax | 440,401 | 475,729 | 456,848 | 493,268 |
| Social contribution | 71,960 | 93,496 | 78,223 | 99,844 |
| | 512,361 | 569,225 | 535,071 | 593,112 |
| Current liabilities | | | | |
| Income tax | 102,035 | 106,072 | 102,035 | 106,072 |
| Social contribution | 36,733 | 38,186 | 36,733 | 38,186 |
| | 138,768 | 144,258 | 138,768 | 144,258 |
| Long-term liabilities | | | | |
| Income tax | 1,613,457 | 1,636,746 | 1,613,457 | 1,636,746 |
| Social contribution | 580,845 | 589,228 | 580,845 | 589,228 |
| | 2,194,302 | 2,225,974 | 2,194,302 | 2,225,974 |
| | 09/30/2005 | 09/30/2004 | 09/30/2005 | 09/30/2004 |
| Income | | | | |
| Income tax | 45,796 | (152,376) | 8,831 | (117,685) |
| Social contribution | 59,556 | (56,957) | 46,250 | (44,419) |
| | 105,352 | (209,333) | 55,081 | (162,104) |

The sources of the deferred social contribution and income tax of the parent company are shown as follows:

| 09/30/2005 | | | | 06/30/2005 | | | |
|------------|-----------|---------------------|-----------|------------|-----------|---------------------|-----------|
| Income tax | | Social contribution | | Income tax | | Social contribution | |
| Short term | Long term | Short term | Long term | Short term | Long term | Short term | Long term |
| | | | | | | | |

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Assets

| | | | | | | | | |
|----------------------------|---------|---------|--------|--------|---------|---------|--------|--------|
| Non deductible provisions | 178,051 | 195,334 | 64,098 | 71,960 | 141,405 | 307,084 | 50,906 | 93,496 |
| Taxes under litigation | | 178,494 | | | | 168,645 | | |
| Tax losses/ negative basis | 65,744 | | | | 145,334 | | | |
| Other | | 66,573 | | | | | | |
| | 243,795 | 440,401 | 64,098 | 71,960 | 286,739 | 475,729 | 50,906 | 93,496 |

Liabilities

| | | | | | | | | |
|---|---------|-----------|--------|---------|---------|-----------|--------|---------|
| Income tax and social contribution on revaluation reserve | 93,000 | 1,613,457 | 33,480 | 580,845 | 93,000 | 1,636,746 | 33,480 | 589,228 |
| Other | 9,035 | | 3,253 | | 13,072 | | 4,706 | |
| | 102,035 | 1,613,457 | 36,733 | 580,845 | 106,072 | 1,636,746 | 38,186 | 589,228 |

Deferred income tax arising from tax losses was set up based on CSN's historical profitability and on projections of future profitability duly approved by the Company's management bodies. These credits are expected to be substantially offset during 2005.

Reconciliation between expenses and income of current income tax and social contribution of the parent company and the application of the effective rate on net income before Income tax - IRPJ and Social Contribution -CSL is as follows:

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| | 09/30/2005 | | 09/30/2004 | |
|--|------------------|------------------|------------------|------------------|
| | IRPJ | CSL | IRPJ | CSL |
| Income before income tax (IR) and social contribution (CSL) | | | | |
| (-) Interest on own capital total expense | 2,241,753 | 2,241,753 | 2,146,775 | 2,146,775 |
| | (184,176) | (184,176) | | |
| Income before income tax and social contribution - adjusted | 2,057,577 | 2,057,577 | 2,146,775 | 2,146,775 |
| - Rate | 25% | 9% | 25% | 9% |
| Total | (514,394) | (185,182) | (536,694) | (193,210) |
| Adjustments to reflect the effective rate: | | | | |
| Equity accounting | (145,496) | (52,379) | 121,133 | 43,608 |
| Exposure relief at the MAE | | | 11,882 | 4,277 |
| Earnings from foreign subsidiaries | 90,240 | 32,486 | (74,666) | (26,880) |
| Reversal of tax assessment (penalty) | 14,646 | | | |
| Effects of "Plano Verão" judicial decision | | | 31,762 | |
| Other permanent additions (write-offs) | 24,393 | 10,844 | 23,853 | 130 |
| Parent company s current and deferred IR/CSL | (530,611) | (194,231) | (422,730) | (172,075) |
| Consolidated current and deferred IR/CSL | (644,522) | (228,528) | (415,714) | (169,019) |

In 2004, CSN opted by the annual accrual with monthly anticipation of IR/CSL, which totaled R\$609,169. In July 2005 the anticipation were compensated by taxes receivable, in view of the closing and filing of corporate tax return.

In 2005, the accrual method is quarterly and final, therefore, there is no anticipations to account for.

10. INVESTMENTS**a) Direct participations in subsidiaries and jointly-owned subsidiaries**

| Companies | Number of shares | | Direct interest | Net income (loss) for the quarter | 09/30/2005 | 06/30/2005 | Shareholders' equity (unsecured liability) |
|----------------------------------|------------------|-------------|--------------------|---|------------|---|--|
| | Common | Preferred | | | % | Shareholders' equity (unsecured liability) | |
| | | | | | | | |
| Steel and Services | | | | | | | |
| GalvaSud | 11,801,406,867 | | 15.29 | (4,399) | 457,231 | (24,347) | 461,630 |
| CSN I | 9,996,751,600 | 1,200 | 100.00 | (10,660) | 491,614 | (27,591) | 502,275 |
| INAL | 345,950,054 | | 99.99 | 14,372 | 507,933 | 24,828 | 433,560 |
| Cia. Metalic | | | | | | | |
| Nordeste | 87,868,185 | 4,424,971 | 99.99 | (3,353) | 95,612 | (14,199) | 91,406 |
| INAL Nordeste | 37,800,000 | | 99.99 | 1,501 | 19,105 | (502) | (5,100) |
| Corporate | | | | | | | |
| CSN Steel | 480,726,588 | | 100.00 | 15,706 | 1,081,404 | (386,352) | 1,065,698 |
| CSN Overseas | 7,173,411 | | 100.00 | 39,133 | 1,006,916 | (148,317) | 1,046,049 |
| CSN Panama | 4,240,032 | | 100.00 | (76,625) | 377,560 | (189,300) | 453,625 |
| CSN Energy | 3,675,319 | | 100.00 | (24,027) | 425,435 | (61,651) | 449,462 |
| CSN Islands | 50,000 | | 100.00 | (7) | 103 | (15) | 110 |
| CSN Export | 31,954 | | 100.00 | (39,957) | 38,605 | (4,652) | 78,562 |
| CSN Islands II | 1,000 | | 100.00 | 1,517 | 98 | 190 | (1,419) |
| CSN Islands III | 1,000 | | 100.00 | 519 | | 26 | (519) |
| CSN Islands IV | 1,000 | | 100.00 | 1 | (85) | 8 | (86) |
| CSN Islands V | 1,000 | | 100.00 | (6) | (130) | 15 | (136) |
| CSN Islands VII | 1,000 | | 100.00 | (12) | (230) | 198 | (242) |
| CSN Islands VIII | 1,000 | | 100.00 | (144) | 2,348 | 19,038 | 2,204 |
| CSN Islands IX | 1,000 | | 100.00 | 16,292 | 33,796 | 9,559 | 50,088 |
| CSN Islands X | 1,000 | | 100.00 | 17,234 | (17,232) | | |
| Infrastructure and Energy | | | | | | | |
| Itá Energética | 520,219,172 | | 48.75 | 7,732 | 551,762 | 8,250 | 544,030 |
| MRS Logística | 188,332,666 | 151,667,334 | 32.22 | 105,782 | 718,684 | 107,389 | 612,902 |
| SePETIBA Tecon | 62,220,270 | | 20.00 | 3,758 | (14,358) | 2,862 | (18,116) |
| CFN | 36,206,330 | | 49.99 | (11,323) | (74,806) | (10,333) | (64,189) |
| ERSA | 34,236,307 | | 100.00 | 1,944 | 18,969 | (1,806) | 17,025 |
| CSN Cimentos | 376,337 | | 99.99 | 38,579 | 4,300 | (2,167) | (37,308) |
| CSN Energia | 1,000 | | 99.90 | 2,888 | 116,796 | (85) | 113,880 |

| | | | | |
|-------------------------------------|-------|-------|---|---|
| CSN Participações Energéticas | 1,000 | 99.80 | 1 | 1 |
|-------------------------------------|-------|-------|---|---|

b) Investment movement

| Companies | 06/30/2005 | | | | 09/30/2005 | | |
|--------------------------------------|----------------------------|---------------------------------|----------------------|-------------------|--------------------------------------|--------------------------|---------------------------------|
| | Initial investment balance | Balance of provision for losses | Addition (write-off) | Equity accounting | Goodwill amortization ⁽¹⁾ | Final investment balance | Balance of provision for losses |
| Steel and Services | | | | | | | |
| GalvaSud | 70,583 | | | (672) | | 69,911 | |
| CSN I | 502,275 | | | (10,660) | | 491,615 | |
| INAL ⁽²⁾ | 433,548 | | 60,000 | 14,371 | | 507,919 | |
| Cia. Metalic Nordeste ⁽³⁾ | 174,364 | | 7,558 | (3,353) | (8,296) | 170,273 | |
| INAL Nordeste ⁽⁴⁾ | | (5,100) | 25,705 | (1,501) | | 19,104 | |
| | 1,180,770 | (5,100) | 93,263 | (1,815) | (8,296) | 1,258,822 | |
| Corporate Center | | | | | | | |
| CSN Steel | 1,065,698 | | | 15,706 | | 1,081,404 | |
| CSN Overseas | 1,046,049 | | | (39,133) | | 1,006,916 | |
| CSN Panama | 453,625 | | | (76,065) | | 377,560 | |
| CSN Energy | 449,462 | | | (24,027) | | 425,435 | |
| CSN Islands | 110 | | | (7) | | 103 | |
| CSN Export | 78,562 | | | (39,957) | | 38,605 | |
| CSN Islands II | | (1,419) | | 1,517 | | 98 | |
| CSN Islands III | | (519) | | 519 | | | |
| CSN Islands IV | | (86) | | | | | (86) |
| CSN Islands V | | (136) | | 6 | | | (130) |
| CSN Islands VII | | (242) | | 12 | | | (230) |
| CSN Islands VIII | 2,204 | | | 144 | | 2,348 | |
| CSN Islands IX | 50,088 | | | (16,292) | | 33,796 | |
| CSN Islands X | | | 3 | (17,235) | | | (17,232) |
| | 3,145,798 | (2,402) | 3 | (194,812) | | 2,966,265 | (17,678) |
| Infrastructure and Energy | | | | | | | |
| Itá Energética | 265,215 | | | 3,769 | | 268,984 | |
| MRS Logistica | 197,499 | | | 34,087 | | 231,586 | |
| Sepetiba Tecon | | (3,624) | | 751 | | | (2,873) |
| CFN | | (32,091) | 352 | (5,661) | | | (37,400) |
| ERSA | 95,488 | | | 1,944 | (4,059) | 93,373 | |
| CSN Cimentos | | (37,308) | | 41,608 | | 4,300 | |
| CSN Energia | 113,766 | | 25 | 2,888 | | 116,679 | |
| CSN Participações Energéticas | 1 | | | | | 1 | |

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| | | | | | | |
|-----------|----------|--------|-----------|----------|-----------|----------|
| 671,969 | (73,023) | 377 | 79,386 | (4,059) | 714,923 | (40,273) |
| 4,998,537 | (80,525) | 93,643 | (117,241) | (12,355) | 4,940,010 | (57,951) |

- (1) This comprises the balance of parent company's equity accounting. The balances of goodwill and negative goodwill are shown in item (d) of this note.
- (2) Capital increase on August 1st with the issuing of 35,735,135 shares.
- (3) Capital increase on August 25th with the issuing of 7,377,049 shares.
- (4) Capital increase on August 1st with the issuing of 36,700,000 shares.

c) Additional Information on the main Investees

GalvaSud

Incorporated in 1998, through a joint venture between CSN (51.0%) and Thyssen-Krupp Stahl AG (49.0%), it initiated its operational activities in December 2000. It has as an objective the operation of a galvanization line for hot immersion and weld laser lines to produce welded blanks directed to the automobile industry, as well as the operation of service centers for steel product processing.

On June 22, 2004, the subsidiary CSN I subscribed 8,262,865,920 common shares of GalvaSud's capital, paid with credits related to the full payment of all financial debts of the Company, and also acquired the totality of shares held by Thyssen-Krupp Stahl AG.

After the acquisition, CSN became the holder of a 15.29% participation on a direct basis and of an 84.71% participation on an indirect basis of GalvaSud's capital stock, by means of its wholly-owned subsidiary CSN I.

Itá Energética

Itasa (Itá Energética) holds a 60.5% participation in the consortium Itá hydroelectric plant UHE Itá, created by means of concession agreement executed on July 31, 2000.

CSN holds 48.75% of the subscribed capital corresponding to 48.75% of the total of common shares issued by Itasa, a special purpose company originally organized to make feasible the construction of UHE Ita, the contracting of supply of goods and services necessary to carry out the venture and obtain the financing by offering the corresponding guarantees.

Itasa is a jointly-owned subsidiary company and started to be consolidated on December 31, 2004 in view of the reclassification of the long-term assets from available for sale to permanent investments.

Indústria Nacional de Aços Laminados INAL

The Company aims to reprocess and act as distributor of CSN's steel products, acting as a service and distribution center.

Cia Metalic Nordeste

The objective of Cia. Metalic Nordeste, incorporated in 2002, based at Maracanaú, in the State of Ceará, is the manufacture of steel packages and the holding of interests in other companies.

MRS Logística

The Company's main objective is to explore and develop cargo railroad public transport for the Southeast network.

MRS transports the iron ore from Casa de Pedra to UPV steelworks in Volta Redonda and imported raw material through Sepetiba Port. It also links the Presidente Vargas steelworks to the Rio de Janeiro and Santos Ports and also to other load terminals in the State of São Paulo, CSN's principal market.

MRS Logística is a jointly owned subsidiary, which has not been consolidated up to December 31, 2003 by express authorization of CVM.

CFN

Incorporated in 1997 through a privatization auction, it has as its main objective the exploration and development of the cargo railroad public transport service for the Northeast network.

Sepetiba Tecon

Incorporated in 1998, through a privatization auction. The objective is to exploit the No.1 Containers Terminal of the Sepetiba Port, located in Itaguaí, State of Rio de Janeiro. This terminal is connected to the Presidente Vargas Mill by the Southeast railroad network.

CSN Energia

Incorporated in 1999, with the main objective of distributing and trading the excess of electric energy generated by CSN and by companies, consortiums or other entities in which CSN holds an interest in.

The Company maintains a balance receivable related to the energy sale trade under the scope of the electricity commercialization chamber (Câmara de Comercialização de Energia Elétrica) - CCEE, in the amount of R\$92,284 on September 30, 2005 (R\$97,036 on June 30, 2005).

From the balance receivable on September 30, 2005, the amount of R\$59,129 (R\$76,305 on June 30, 2005) is due by concessionaires with injunctions suspending the corresponding payments. The Company's Management understands that an allowance for doubtful accounts is not necessary in view of the measures taken by the industry official entities.

CSN Cimentos

On March 28, 2005, the entity previously named FEM Projetos, Construções e Montagens began to be named CSN Cimentos.

The Company's purpose is the production of cement, and the main raw material will be blast furnace slag, a byproduct of pig-iron production. It is expected to start operating in the third quarter of 2006.

ERSA Estanho de Rondônia

Acquired on April 7, 2005 for R\$100,000, the Company, which is based in the State of Rondônia, has as its main purpose the extraction and processing of tin, which is one of the main raw materials used in CSN for the production of tin plates. CSN recorded goodwill on this acquisition. See item (d) of this note.

INAL Nordeste

In March 2005, the Company previously named CSC Companhia Siderúrgica do Ceará changed its name to INAL Nordeste.

Its main purpose is to reprocess and distribute CSN's steel products, operating as a service and distribution center in the Northeast region.

d) Goodwill, negative goodwill and other interests

On September 30, 2005, the Company maintained on its consolidated balance sheet the amount of R\$300,139 (R\$325,757 on June 30, 2005) net of amortization related to goodwill based on the expectation of future gains, with amortization estimated at five years, and negative goodwill relating to an investment at Lusosider Projectos Siderúrgicos in the amount of R\$12,135, expected to be amortized in 3 years.

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| | Balance on 06/30/2005 | Additions | Amortization | Balance on 09/30/2005 | Investor |
|-----------------------------|--------------------------|-----------|-----------------|--------------------------|----------|
| Investment goodwill: | | | | | |
| GalvaSud | 111,364 | | (6,961) | 104,403 | CSN I |
| Metalic | 82,965 | | (8,296) | 74,669 | CSN |
| Ersa | 78,464 | | (4,059) | 74,405 | CSN |
| | | | | | CSN |
| Tangua / LLC | 47,172 | | (5,917) | 41,255 | Panama |
| Inal | 4,808 | | (465) | 4,343 | CSN |
| | 324,773 | | (25,698) | 299,075 | |
| Other stakes | 984 | 80 | | 1,064 | |
| | 325,757 | 80 | (25,698) | 300,139 | |

e) Additional Information on participations abroad

CSN LLC

The Company was incorporated in 2001 with the assets and liabilities of the extinguished Heartland Steel Inc. located in Terre Haute, State of Indiana USA and it is a complex comprising cold rolling, hot coil pickled line and galvanization line.

In 2003, CSN, through its subsidiary CSN Panama, recorded an increase in the capital of Tangua Inc. with the capitalization of US\$175 million and became the holder of 100% of its capital stock. Tangua Inc., through its subsidiaries CSN LLC Holding, directly, and CSN LCC Partner, indirectly, is the holder of all of CSN LLC shares.

Lusosider

Lusosider Aços Planos was incorporated in 1996, providing continuity to Siderurgia Nacional flat products company, privatized on that date by the Portuguese Government. The Company is located in Seixal, Portugal and is engaged in galvanization line and tin plates.

In 2003, the Company, through its subsidiary CSN Steel, acquired 912,500 shares issued by Lusosider Projectos Siderúrgicos, holder of Lusosider Aços Planos, which represents 50% of the total capital of Lusosider.

11. PROPERTY, PLANT AND EQUIPMENT

| | Parent Company | | | | |
|----------------------------|---|------------|---|------------|------------|
| | Effective rate for depreciation, depletion and amortization (p.a. %) | Cost | Accumulated depreciation, depletion and amortization | 09/30/2005 | 06/30/2005 |
| | | | | Net | Net |
| Machinery and equipment | 7.03 | 11,122,782 | (1,712,026) | 9,410,756 | 9,410,457 |
| Mines and mineral deposits | 0.40 | 1,239,043 | (12,359) | 1,226,684 | 1,228,036 |
| Buildings | 4.00 | 915,711 | (74,325) | 841,386 | 847,386 |
| Land | | 143,460 | | 143,460 | 142,583 |
| Other assets | 20.00 | 191,386 | (92,091) | 99,295 | 105,241 |
| Furniture and fixtures | 10.00 | 96,943 | (84,725) | 12,218 | 11,736 |
| | | 13,709,325 | (1,975,526) | 11,733,799 | 11,745,439 |
| Construction in progress | | 305,880 | | 305,880 | 253,077 |
| Parent company | | 14,015,205 | (1,975,526) | 12,039,679 | 11,998,516 |
| Consolidated | | | | | |
| | | | | 09/30/2005 | 06/30/2005 |
| Machinery and equipment | | 12,113,629 | (2,019,571) | 10,094,058 | 10,134,782 |
| Mines and mineral deposits | | 1,245,550 | (12,359) | 1,233,191 | 1,234,543 |
| Buildings | | 1,416,793 | (151,202) | 1,265,591 | 1,276,929 |
| Land | | 161,991 | | 161,991 | 161,646 |
| Other assets | | 644,822 | (230,113) | 414,709 | 414,804 |
| Furniture and fixtures | | 109,926 | (92,288) | 17,638 | 17,568 |
| | | 15,692,711 | (2,505,533) | 13,187,178 | 13,240,272 |
| Construction in progress | | 421,107 | | 421,107 | 335,271 |
| Consolidated | | 16,113,818 | (2,505,533) | 13,608,285 | 13,575,543 |

At the Extraordinary General Meetings held on December 19, 2002 and on April 29, 2003, the shareholders approved, based on paragraphs 15 and 17 of CVM Resolution #183, appraisal reports outlined as follows, respectively:

a) CTE-II's assets – steam and electric power generation thermal mill, located in the City of Volta Redonda, RJ. The report established an addition of R\$508,434, composing the new amount of the assets.

b) Land, machinery and equipment, facilities, real properties and buildings, existing in the CSN's Presidente Vargas, Itaguaí, Casa de Pedra and Arcos plants, in addition to the iron ore mine in Casa de Pedra. The report established an addition of R\$4,068,559, composing the new amount of the assets.

Up to September 30, 2005, the assets provided as collateral for financial operations amounted R\$1,775,695.

Depreciation, depletion and amortization up to September 2005 amounted to R\$536,069 (R\$527,600 up to September 2004), of which R\$527,580 (R\$517,346 up to September 2004) was charged to production costs and R\$8.489 (R\$10.254 up to September 2004) charged to selling, general and administrative expenses (amortization of deferred charges not included).

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As of September 30, 2005, the Company had R\$6,898,368 of revaluation of net depreciation assets (R\$6,991,522 on June 30, 2005).

12. DEFERRED CHARGES

| | Parent Company | | Consolidated | |
|---------------------------------|----------------|------------|--------------|------------|
| | 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |
| Information technology projects | 153,545 | 110,961 | 164,134 | 121,550 |
| (-) Accumulated amortization | (109,284) | (61,973) | (119,873) | (72,562) |
| Expansion projects | 165,996 | 208,551 | 165,996 | 208,551 |
| (-) Accumulated amortization | (53,079) | (62,876) | (53,079) | (62,876) |
| Other projects | 88,115 | 13,712 | 330,053 | 255,570 |
| (-) Accumulated amortization | (48,430) | (10,732) | (167,607) | (123,461) |
| | 196,863 | 197,643 | 319,624 | 326,772 |

Information technology projects are represented by automation projects and computerization of operating processes that aim to reduce costs and increase the competitiveness of the Company.

The expansion projects announced on September 30, 2005 are primarily related to the Sepetiba port and the Casa de Pedra mine.

Amortization of information technology projects and of other projects up to September 2005 amounted to R\$43,276 (R\$43,413 up to September 2004), of which R\$33,248 (R\$31,449 up to September 2004) related to production costs and R\$10,028 (R\$11,964 up to September 2004) to selling, general and administrative expenses.

13. LOANS, FINANCING AND DEBENTURES

| | Parent Company | | | | Consolidated | | | |
|--|----------------|-----------|------------|-----------|--------------|-----------|------------|-----------|
| | 09/30/2005 | | 06/30/2005 | | 09/30/2005 | | 06/30/2005 | |
| | Short term | Long term | Short term | Long term | Short term | Long term | Short term | Long term |

FOREIGN CURRENCY

| | | | | | | | | |
|-------------------------------------|---------|-----------|---------|-----------|-----------|-----------|-----------|-----------|
| Prepayment | 803,997 | 2,308,550 | 295,295 | 2,346,346 | 150,998 | 1,373,003 | 124,876 | 1,486,966 |
| Advances on Exchange Contract (ACC) | | | | | 33,279 | 1,666,650 | | |
| Fixed Rate Notes | 64,627 | 3,110,506 | 398,639 | 3,334,541 | 64,928 | 2,898,489 | 455,363 | 3,065,704 |
| BNDES/Finame | 95,727 | 355,225 | 124,767 | 443,283 | 95,727 | 355,225 | 128,253 | 443,533 |
| Financed imports | 40,740 | 232,382 | 47,018 | 247,135 | 55,104 | 263,272 | 56,678 | 286,754 |
| Bilateral | 43,949 | 23,252 | 46,329 | 25,128 | 43,949 | 23,252 | 46,329 | 25,128 |
| Other | 298,336 | 16,966 | 321,350 | 18,767 | 1,144,527 | 111,311 | 1,401,444 | 114,861 |

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1,347,376 6,046,881 1,233,398 6,415,200 1,588,512 6,691,202 2,212,943 5,422,946

**DOMESTIC
CURRENCY**

| | | | | | | | | |
|----------------------|---------|---------|---------|-----------|---------|-----------|---------|-----------|
| BNDES/Finame | 1,085 | 2,326 | 48,060 | 127,813 | 41,046 | 261,649 | 85,701 | 392,660 |
| Debentures (Note 14) | 100,916 | 900,000 | 64,608 | 900,000 | 149,517 | 1,071,498 | 113,390 | 1,071,498 |
| Other | 75,036 | 7,000 | 74,957 | 7,000 | 23,974 | 16,282 | 34,640 | 17,362 |
| | 177,037 | 909,326 | 187,625 | 1,034,813 | 214,537 | 1,349,429 | 233,731 | 1,481,520 |

**Total Loans and
Financing**

1,524,413 6,956,207 1,421,023 7,450,013 1,803,049 8,040,631 2,446,674 6,904,466

Swap

73,122 23,016 71,864 31,498

**Total Loans and
Financing + Swap**

1,597,535 6,956,207 1,444,039 7,450,013 1,874,913 8,040,631 2,478,172 6,904,466

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On September 30, 2005, the long-term amortization schedule, composed of the year of maturity, is as follows:

| | Parent Company | Consolidated |
|------------|-------------------|------------------|
| 2006 | 724,780 | 770,926 |
| 2007 | 1,658,525 | 545,554 |
| 2008 | 1,441,463 | 1,268,935 |
| 2009 | 267,965 | 423,878 |
| 2010 | 255,698 | 361,130 |
| After 2011 | 2,607,776 | 4,670,208 |
| | 6,956,207 | 8,040,631 |

Interest is applied to loans and financing and debentures, at the following annual rates as of September 30, 2005:

| | Parent Company | Consolidated |
|-----------------|-------------------|------------------|
| Up to 7% | 3,692,506 | 2,952,514 |
| From 7.1 to 9% | 1,695,788 | 821,217 |
| From 9.1 to 11% | 2,416,379 | 5,041,906 |
| Over 11% | 749,069 | 1,099,907 |
| | 8,553,742 | 9,915,544 |

Breakdown of total debt by currency/index of origin:

| | Parent Company | | Consolidated | |
|--------------------------|----------------|--------------|--------------|--------------|
| | 09/30/2005 | 06/30/2005 | 09/30/2005 | 06/30/2005 |
| Domestic Currency | | | | |
| CDI | 8.11 | 7.43 | 7.55 | 7.65 |
| IGPM | 4.40 | 4.19 | 4.88 | 5.11 |
| TJLP | 0.04 | 1.98 | 3.10 | 5.21 |
| IGP-DI | 0.15 | 0.15 | 0.16 | 0.17 |
| Other currencies | | | 0.10 | 0.13 |
| | 12.70 | 13.75 | 15.79 | 18.27 |
| Foreign currency | | | | |
| US dollar | 60.31 | 58.13 | 59.73 | 54.04 |
| Yen | 25.19 | 26.16 | 22.45 | 25.02 |
| Basket of currencies | 0.66 | 1.42 | 0.57 | 1.38 |
| Euro | 0.29 | 0.30 | 0.74 | 0.94 |
| Other currencies | 0.85 | 0.24 | 0.72 | 0.35 |
| | 87.30 | 86.25 | 84.21 | 81.73 |

100.00

100.00

100.00

100.00

In July 2005, the Company issued through its subsidiary CSN Islands X Corp. perpetual securities amounting to US\$750 million. These securities with indeterminate maturity pay 9.5% p.a. and the Company has the right to settle the transaction at its par value after five (5) years, on the interest maturity dates.

Loans with certain agents contain certain restrictive clauses, which are being complied with.

As described in note 15, the Company contracts derivatives operations, aiming at minimizing fluctuation risks in the parity between Real and another foreign currency.

The guarantees provided for loans and financing amounted to R\$5,062,259 on September 30, 2005 (R\$4,791,840 on June 30, 2005), and comprise fixed assets items (note 11), bank guarantees, sureties and prepayment operations. This amount does not take into consideration the guarantees provided to subsidiaries and joint subsidiaries, as mentioned in note 16.

Fund raisings and amortizations made by the Company through its subsidiaries in the current year are as follows:

Amortizations

| Subsidiary | Description | Principal (US\$ million) | Maturity | Interest rate (p.a.) |
|-----------------|----------------|-----------------------------|------------|-------------------------|
| CSN Islands III | Notes | 75 | April/2005 | 9.75% |
| CSN Export | Securitization | 78 | June/2005 | 4.77% |
| CSN Islands V | Notes | 150 | July/2005 | 7.875% |
| | | 303 | | |

Fund Raisings

| Subsidiary | Description | Principal (US\$ million) | Issuance | Term (years) | Maturity | Interest rate (p.a.) |
|----------------|-------------------------|--------------------------------|--------------|-----------------|---------------|----------------------------|
| CSN Islands IX | <i>Notes</i> | 200 | January/2005 | 10 | January/2015 | 10% |
| CSN Export | Securitization | 250 | June/2005 | 10 | May/2015 | 6.148% |
| CSN Islands X | Perpetual securities | 750 | August/2005 | - | Indeterminate | 9.5% |
| | | 1,200 | | | | |

The funds raised in the operations will be used for working capital, increasing the Company's liquidity.

14. DEBENTURES

First issuance

As approved at the Extraordinary General Meeting and ratified at the Board of Directors Meeting, held on January 10 and February 20, 2002, respectively, the Company issued on February 1st, 2002, 69,000 registered and non-convertible debentures, unsecured and without preference, in two tranches, being R\$10 of unit face value. 54,000 debentures were issued in the first tranche and 15,000 in the second tranche, with a total face amount of R\$690,000.

However, the credit from negotiation with financial institutions, occurred on March 1, 2002 in the amount of R\$699,227. The difference of R\$9,227, resulting from the unit price variation between the issue date and the transaction date, was recorded in Shareholders' Equity as Capital Reserve.

The unit face value was adjusted for inflation, and had its respective compensation, which was calculated on a pro rata temporis basis, and the first issue was adjusted by the CDI (Interbank Deposit Certificate) plus 2.75% p.a. and the second issue by the IGP-M (General Market Price Index) plus 13.25% p.a.

The Company's Board of Directors approved at the meeting held on January 7, 2004 the redemption of all second tranche debentures, covered by the deed, representing a total of fifteen thousand (15,000) debentures, which was carried out on February 9, 2004 and on August 31, 2004, it approved the redemption of all first tranche debentures, representing a total of fifty-four thousand (54,000) debentures. The full redemption was carried out on October 4, 2004.

Second issuance

As approved at the Board of Directors Meeting held on October 21 and ratified at the meeting held on December 5, 2003, the Company issued, on December 1, 2003, 40,000 registered, non-convertible debentures, unsecured and without preference in one single tranche, for the unit face value of R\$10. The referred debentures were issued for the total amount of R\$400,000, whereas the credits generated in the negotiations with the financial institutions were received on December 9 and 10, 2003, amounting to R\$401,805. The difference of R\$1,805, resulting from the unit price variation between the date of issue and of the effective negotiation is recorded under Shareholders' Equity as Capital Reserve.

Interest is applied to the face value balance of the first tranche at 107% of the CDI Cetip.

The maturity of the face value is December 1, 2006.

Third issuance

As approved at the Board of Directors Meeting held on December 11, 2003 and ratified at the December 18, 2003 meeting, the Company issued on December 1, 2003, 50,000 registered and non-convertible debentures, unsecured and without preference in two tranches, for the unit face value of R\$10. Such debentures were issued for the total value of issue of R\$500,000, being the credits from the negotiations with the financial institutions were received on December 22 and 23, 2003, amounting to R\$505,029. The difference of R\$5,029, resulting from the variation of the unit price between the date of issue and of the effective negotiation was recorded in Shareholders' Equity as Capital Reserve.

The balance of the face value of the 1st tranche incurs compensation interest corresponding to 106.5% of Cetip's CDI. The face value of the 2nd tranche is adjusted by the IGP-M plus compensation interest of 10% p.a.. The maturity of the 1st tranche is December 1, 2006 and of the 2nd tranche December 1, 2008.

The deeds for the issue contain certain restrictive covenants, which have been duly complied with.

15. FINANCIAL INSTRUMENTS

General considerations

The Company's business includes flat steel products to supply domestic and foreign markets and mining of iron ore, limestone, dolomite and tin to supply the Presidente Vargas steelwork needs. The main market risk factors that can affect the Company's business are shown as follows:

Exchange rate risk

Most of the revenues of the Company are in Brazilian Reais, as of September 30, 2005, R\$8,279,714 of the Company's consolidated debt of loans and financing were denominated in foreign currency (R\$7,635,889 on June 30, 2005). As a consequence, the Company is subject to changes in exchange rates and manages the risk of these rates fluctuations which affects the value in Brazilian Reais that will be necessary to pay the liabilities in foreign currency, using derivative financial instruments, mainly futures contracts, swaps and forward contracts, as well as investing a great part of its cash and funds available in securities remunerated by U.S. dollar exchange variation.

Credit risk

The credit risk exposure with financial instruments is managed through the restriction of counterparts in derivative instruments to large financial institutions with high quality of credit. Thus, management believes that the risk of non-compliance by the counterparts is insignificant. The Company neither maintains nor issues financial instruments with commercial aims. The selection of customers as well as the diversification of its accounts receivable and the control on sales financing terms by business segments are procedures adopted by CSN to minimize problems with its trade partners. Since part of the Companies' funds available is invested in the Brazilian government bonds, there is exposure to the credit risk with the government.

The financial instruments recorded in the Parent Company's balance sheet accounts as of September 30, 2005, in which market value differs from the book value, are as follows:

| | Book Value | Market Value |
|---|------------|--------------|
| Loans and financing (short and long term) | 8,553,742 | 8,974,759 |

On September 30, 2005 the consolidated position of outstanding derivative agreements was as follows:

| | Agreement | | Market value |
|---|----------------------|-----------------------|--------------------------|
| | Maturity | Notional amount | gain / (loss) |
| Variable income swap (*) | 07/28/2006 | US\$49,223 thousand | R\$362,440 |
| Derivatives from interest listed at BM&F (DI) - contracted by exclusive funds | Apr/2006 to Jan/2007 | R\$2,600,000 thousand | Daily adjusted at market |
| Exchange derivatives listed at BM&F (Options, forward US\$, SCC and DDI) - contracted by exclusive funds) | Apr/05 to Jul/08 | US\$381,250 thousand | Daily adjusted at market |
| Options - other contracts daily adjusted | 01/03/2006 | US\$400,000 thousand | (R\$182,697) |
| Exchange swap registered with CETIP (contracted by exclusive funds) | Jan/07 | US\$780,000 thousand | (R\$278,283) |

(*) Refers to non cash swap which, at the end of the contract, the counterpart shall remunerate at the variation of equity assets, in as much the Company's subsidiary, CSN Steel, undertakes to remunerate the same reference updated value at the pre-fixed rate of 7.5% per annum.

Market value

The amounts presented as market value were calculated according to the conditions that were used in local and foreign markets on September 30, 2005, for financial transactions with similar features, such as: volume of the transaction and rates and maturity dates.

Mathematical methods are used presuming there is no arbitrage between the markets and the financial assets. Finally, all the transactions carried out in non-organized markets (over-the-counter market) are contracted with financial institutions previously approved by the Company's Board of Directors.

16. COLLATERAL SIGNATURE AND GUARANTEES

With respect to its wholly owned and jointly-owned subsidiaries, the Company has expressed in their original currency - the following responsibilities, in the amount of R\$5.438.0 million, for guarantees provided:

| In millions | | | | | |
|-----------------------|----------|--------------|--------------|--------------------------|--|
| Companies | Currency | 09/30/2005 | 06/30/2005 | Maturity | Conditions |
| CFN | R\$ | 18.0 | 18.0 | Indeterminate | BNDES loan guarantees |
| CFN | R\$ | 23.0 | 23.0 | 3/5/2006 | BNDES loan guarantees |
| CFN | R\$ | 24.0 | 24.0 | 11/13/2009 | BNDES loan guarantees |
| CFN | R\$ | 20.0 | 20.0 | 2/3/2006 | BNDES loan guarantees |
| CFN | R\$ | 19.2 | 19.2 | 4/5/2006 | BNDES loan guarantees |
| Cia. Metalic Nordeste | R\$ | 4.8 | 4.8 | 05/15/2008 | Promissory notes/guarantee given to Banco Santos referring to contracts for the financing of equipment |
| Cia. Metalic Nordeste | R\$ | 7.2 | 7.2 | 01/27/2003 to 01/30/2006 | Promissory notes/guarantee given to BEC Provin and ABC Brasil referring to working capital contracts |
| Cia. Metalic Nordeste | R\$ | 20.1 | 20.1 | 01/15/2006 | Guarantee given to BNDES, for contracts referring to financing of machinery and equipment |
| CSN Cimentos | R\$ | 27.0 | 27.0 | 06/22/2006 | Guarantee for execution of outstanding debt with INSS |
| INAL | R\$ | 3.6 | 3.6 | 03/15 and 04/15/2006 | Personal guarantee in equipment financing |
| INAL | R\$ | 2.8 | | 06/25/2006 | Suretyship in guarantee for tax foreclosure |
| INAL | R\$ | 6.1 | | 06/25/2006 | Suretyship in guarantee for tax foreclosure |
| INAL | R\$ | 0.7 | | 08/14/2006 | Suretyship in guarantee for tax foreclosure |
| Fundo Exclusivo | R\$ | 80.0 | | 4/10/2005 | Suretyship in guarantee for transaction margins at the BM&F |
| Fundo Exclusivo | R\$ | 50.0 | | 4/1/2006 | Suretyship in guarantee for transaction margins at the BM&F |
| Total in R\$ | | 306.5 | 166.9 | | |
| CSN Iron | US\$ | 79.3 | 79.3 | 1/6/2007 | Promissory note of Eurobond operation |
| CSN Islands VII | US\$ | 275.0 | 275.0 | 12/9/2008 | Installment of guarantee by CSN in Bond issuance |
| CSN Islands VIII | US\$ | 550.0 | 550.0 | 12/16/2013 | Installment of guarantee by CSN in Bond issuance |
| CSN Islands IX | US\$ | 450.0 | 450.0 | 1/15/2015 | Installment of guarantee by CSN in Bond issuance |
| CSN Islands X | US\$ | 750.0 | | Perpetual | Installment of guarantee by CSN in Bond issuance |
| CSN Overseas | US\$ | 20.0 | 20.0 | 10/29/2009 | |

| | | | | Installment of guarantee by CSN in Promissory Notes Issuance | |
|----------------------|------|----------------|----------------|---|--|
| INAL | US\$ | 1.4 | 1.4 | 03/26/2008 | Personal guarantee in equipment financing |
| Sepetiba Tecon | US\$ | 33.5 | 33.5 | 12/30/2004 to 09/15/2013 | Personal guarantee for the acquisition of equipment and implementation of terminal |
| Total in US\$ | | 2,159.2 | 1,409.2 | | |

17. CONTINGENT LIABILITIES AND JUDICIAL DEPOSITS

The Company is currently party to several administrative and court proceedings involving different actions, claims and complaints, as shown below:

| | 09/30/2005 | | 06/30/2005 | |
|-----------------------|-------------------|----------------------|-------------------|----------------------|
| | Judicial deposits | Contingent liability | Judicial deposits | Contingent liability |
| Environmental | 138 | 98 | | 1,087 |
| Labor | 15,064 | 19,651 | 23,049 | 86,794 |
| Civil | 8,818 | 18,973 | 6,818 | 75,357 |
| Tax | 606,173 | 2,786,912 | 576,773 | 2,422,142 |
| Parent Company | 630,193 | 2,825,634 | 606,640 | 2,585,380 |
| Consolidated | 661,500 | 2,906,747 | 612,393 | 2,709,546 |
| Short Term | | 38,515 | | 24,048 |
| Long Term | 630,193 | 2,787,119 | 606,640 | 2,561,332 |
| Parent Company | 630,193 | 2,825,634 | 606,640 | 2,585,380 |
| Short Term | | 42,904 | | 26,581 |
| Long Term | 661,500 | 2,863,843 | 612,393 | 2,682,965 |
| Consolidated | 661,500 | 2,906,747 | 612,393 | 2,709,546 |

The provision for contingencies estimated by the Company's Management was substantially based on the appraisal of its tax and legal advisors. Such provision is only recorded for lawsuits classified as probable losses. The tax liabilities stemming from actions taken by Company's initiative are maintained and increased by Selic interest rates.

The Company is defending itself in other judicial and administrative proceedings in the approximate amount of R\$266,335 on September 30, 2005. According to the Company's legal counsel there is a possible risk of losing these lawsuits. However, since there are no potential losses, no provisions were recorded on September 30, 2005, pursuant to the accounting practices adopted in Brazil.

a) Labor litigation dispute:

As of September 30, 2005, CSN was the defendant in approximately 6,860 labor claims (around 6,446 claims on June 30, 2005), which required a provision in the amount of R\$19,651 up to that date (R\$86,794 on June 30, 2005). Most of the lawsuits are related to joint and/or subsidiary responsibility, wages equalization, additional payment for unhealthy and hazardous activities, overtime and differences related to the 40% fine over FGTS (severance pay), and due to government's economic policies.

The approximate R\$67,000 reduction in the provisions for labor contingencies, recorded under other operating income/expenses substantially refers to the revision of the likelihood of success in several labor disputes carried out by the Company's internal and external legal counsel, as well as to the recent favorable track record in related disputes.

The increase in labor claims as of 2004 is due to difference request of the 40% fine on the FGTS deposited amounts, in view of the understated inflation imposed by economic plans. The matter is still polemic, pending a uniform understanding.

The lawsuits related to subsidiary responsibility are originated from the non-payment by the contracted companies of their labor obligations, which results in the inclusion of CSN in the lawsuits, as defendant, to honor on a subsidiary basis the payment of such obligations.

The most recent lawsuits originated from subsidiary responsibility have been reducing due to the procedures adopted by the Company in order to inspect and assure compliance with the wages and social charges payments, through the creation of the Contract Follow-up Centers since 2000.

b) Civil Actions:

These are, mainly, claims for indemnities among the civil judicial processes in which the Company is involved. Such proceedings, in general, are originated from occupational accident and diseases related to industrial activities of the Company. For all these disputes, as of September 30, 2005 the Company accrued the amount of R\$18,973 (R\$75,357 on June 30, 2005).

The approximate R\$56,000 reduction in the provisions for civil action contingencies, recorded under other operating income/expenses substantially refers to the revision of the likelihood of success in several civil disputes carried out by the Company's internal and external legal counsel, as well as to the recent favorable track record in related disputes.

c) Tax Litigation Dispute:

Income Tax and Social Contribution

(i) The Company claims recognition of the financial and tax effects on the calculation of the income tax and social contribution on net income, related to Consumer Price Index - IPC understated inflation, which occurred in 1989, by a percentage of 51.87% (Plano Verão).

In September 2004, the proceeding reached its end, and judgment was made final and unappealable, granting to CSN the right to apply the indexes of 42.72% (Jan/89), discounted for the official inflation in the period and 10.14% (Feb/89). Said proceeding is under phase of calculating the award.

As of September 30, 2005, the Company has recorded R\$218,381 (R\$218,381 on June 30 2005) as judicial deposit and a provision of R\$60,573 (R\$60,573 on June 30, 2005), which represents the portion not recognized by the courts.

(ii) In February 2003, the tax authorities assessed the Company for the calculation of prior years - IRPJ and CSL. On August 21, 2003 a decision was rendered by the 2nd Panel of the Federal Revenue Office in Rio de Janeiro that cancelled such tax assessment, being the Company assessed again, by the tax authorities, for the same matter, in November 2003.

As of September 30, 2005, the Company reversed part of the provision in the amount of R\$218,000, being R\$138,000 recorded under interest expenses, fines and taxes and R\$80,000 recorded under Income taxes expenses, in arrears due to the revision of the likelihood of success of some items from the second tax assessment, based on the judgment and opinion of its external legal counsel. The provision related to items remaining from the second tax assessment amounts to R\$189,868, which includes legal charges.

(iii) The Company filed an action questioning the assessment of Social Contribution on Income on export revenues, based on Constitutional Amendment #33/01 and on March 10, 2003, the Company obtained an initial decision authorizing the exclusion of export revenues from said calculation basis, as well as the offsetting of amounts paid on these revenues from 2001. On September 30, 2005, the amount of suspended liability and the offset credits based on the referred proceedings was R\$498,616 (R\$429,507 on June 30, 2005), which includes legal charges.

- PIS (Social Integration Program)/COFINS (Contribution for Social Security Financing) Law 9,718/99

CSN is questioning the legality of Law 9,718/99, which increases the PIS and COFINS calculation basis, including the financial revenue of the Company. On September 30, 2005, provision amounts to R\$284,850 (R\$272,848 as of June 30, 2005), which includes legal charges.

The Company obtained a favorable decision in the lower court decision and the proceeding is under compulsory re-examination by the 2nd Regional Federal Court.

- CPMF (Provisional Contribution on Financial Transactions)

The Company is questioning the CPMF taxation since the promulgation of the Constitutional Amendment 21/99. The amount of this provision as of September 30, 2005 is R\$348,894 (R\$326,421 on June 30, 2005), which includes legal charges.

The lower court decision was favorable and the proceeding is being judged by the 2nd Regional Federal Court. However, we emphasize that the most recent court decisions have not been favorable to the taxpayers. The possibility of loss is probable.

- CIDE Contribution for Intervention in the Economic Domain

CSN disputes the legal validity of Law 10,168/00, which established the collection of the intervention contribution in the economic domain on the amounts paid, credited or remitted to nonresident beneficiaries of the country, as royalties or remuneration of supply contracts, technical assistance, trademark license agreement and exploration of patents.

The Company recorded court deposits and its corresponding provision in the amount of R\$22,689 on September 30, 2005 (R\$22,325 on June 30, 2005), which includes legal charges.

The lower court decision was unfavorable and the proceeding is currently under judgment of the 2nd Regional Federal Court. The Company believes in the success of the claim, although there are no consolidated former court decisions, due to the fact that the issue is very recent.

- Education Salary

The Company discusses the unconstitutionality of the Educational-Salary and the possible recovery of the amounts paid in the period from January 5, 1989 to October 16, 1996.

The provision as of September 30, 2005 amounts to R\$33,121 (R\$33,121 on June 30, 2005), which includes legal charges.

TRF maintained the unfavorable decision against CSN, judgment made final and unappealable. In view of this fact, the Company attempted to pay the amount due, and FNDE (education salary creditor) only accepted to receive the amount accrued of fine, reason that the Company deposited in court the amount due not including fine. Hence, a new proceeding has been discussing whether or not the collection has its grounds. The Company's attorneys consider as possible loss prospects, and for this reason, the Company did not provision the fine amount.

- SAT Workers Compensation Insurance

The Company understands that it must pay the SAT at the rate of 1% in all of its establishments, and not 3%, as determined by the current legislation. The amount provisioned on September 30, 2005 totals R\$71,573 (R\$66,897 on June 30, 2005), including legal charges.

The lower court decision was unfavorable and the proceeding is under judgment of TRF of the 2nd Region. Although there was so far no judgment of the matter by the Brazilian Supreme Court, the Company's lawyers deem as probable the possibilities of loss.

- IPI (Excise Tax) presumed credit on inputs

The Company brought an action pleading the right to the IPI presumed credit on the acquisition of exempted, immune, non-taxed inputs, or taxed at zero rate. An initial decision was obtained authorizing the use of said credits.

On September 30, 2005, the provision related to the total credits already offset and recorded under the Company's liabilities amounted to R\$687,274 (R\$660,957 on June 30, 2005), adjusted by the Selic (Special System for Settlement and Custody).

- IPI premium credit over exports

The Company brought an action pleading the right to the IPI premium credit on exports and a favorable decision was obtained authorizing the use of said credits.

On September 30, 2005, the provision amount referring to the total of credits already offset amounted to R\$546,745 (R\$107,544 on June 30, 2005), adjusted by the Selic.

- Other

The Company also provided for several other lawsuits in respect of FGTS LC 110, PIS/COFINS Manaus Free-Trade Zone, COFINS Law 10,833/03, PIS Law 10,637 and environmental contingencies whose amount as of September 30, 2005 totals R\$42,806 (R\$42,945 on June 30, 2005), including legal additions.

18. SHAREHOLDERS EQUITY

| | Paid-in capital stock | Reserves | Retained earnings | Treasury Stocks | Total shareholders' equity |
|---|-----------------------------|------------------|----------------------|--------------------|----------------------------------|
| BALANCES ON 03/31/2005 | 1,680,947 | 5,541,806 | 762,449 | (484,919) | 7,500,283 |
| Realization of revaluation reserve, net of income tax and social contribution | | (61,048) | 61,048 | | |
| Net income for the quarter | | | 305,483 | | 305,483 |
| Interest on own capital proposed (R\$0.25189 per share) | | | (68,050) | | (68,050) |
| Treasury stocks | | | | (260,172) | (260,172) |
| BALANCES ON 06/30/2005 | 1,680,947 | 5,480,758 | 1,060,930 | (745,091) | 7,477,544 |
| CFN revaluation reserve | | 352 | | | 352 |
| Realization of revaluation reserve, net of income tax and social contribution | | (61,834) | 61,834 | | |
| Net income for the quarter | | | 462,705 | | 462,705 |
| Interest on own capital proposed (R\$0.25610 per share) | | | (67,721) | | (67,721) |
| Acquisition of treasury stocks | | | | (265,689) | (265,689) |
| Cancellation of treasury stocks | | (504,521) | (162,586) | 667,107 | |
| BALANCES ON 09/30/2005 | 1,680,947 | 4,914,755 | 1,355,162 | (343,673) | 7,607,191 |

Paid-in capital stock

On July 7, 2005, at an Extraordinary Annual Meeting, CSN approved the cancellation of 14,849,099 shares held in treasury, with no reduction in the capital stock. The Company's fully subscribed and paid-in capital stock of R\$1,680,947 was then divided in 272,067,946 common book-entry shares, with no par value.

At the Annual and Extraordinary General Meetings held on April 29, 2004, CSN approved the proposal made by the Board of Directors on March 30, 2004, for splitting the shares representing the capital stock, operation by which each share of the capital stock was then represented by 4 shares, followed by the reverse split of these shares in the proportion of 1,000 shares for 1 share, which resulted in the reverse splitting of 250 shares into 1, as well as the change in the share-to-ADR ratio of 1 share to 1 ADR.

Consequently the Company's capital stock on September 30, 2005 was comprised of 272,067,946 thousand common shares (286,917,045 thousand common shares on June 30, 2005), all of them non par book-entry common shares.

Each common share entitles the owner to one vote at the General Meetings resolutions.

Treasury stocks

The Board of Directors approved the purchase of the Company s shares to be held in treasury and subsequent sale and/or cancellation as follows:

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| Authorization Date | Number of shares | Acquisition term | Date Start | Date Termination |
|-----------------------|---------------------|---------------------|---------------|---------------------|
| 4/27/2004 | 4,705,880 | 3 months | 4/28/2004 | 07/29/2004 |
| 7/27/2004 | 7,200,000 | 3 months | 8/2/2004 | 11/1/2004 |
| 10/26/2004 | 6,357,000 | 3 months | 11/12/2004 | 2/11/2005 |
| 12/21/2004 | 5,000,000 | 180 days | 12/22/2004 | 06/19/2005 |
| 5/25/2005 | 15,000,000 | 360 days | 05/26/2005 | 05/26/2006 |

Treasury stocks position as of September 30, 2005 is as follows:

| Number of shares purchased (in units) | Total value paid for shares | Share unit cost | | | Market value of shares on 6/30/2005 |
|---|--|-----------------|---------|---------|---|
| | | <u>Minimum</u> | Maximum | Average | |
| 7,636,900 | 343,673 | 35.87 | 49.31 | 44.38 | 392,766 |

While held in treasury, the shares will have no proprietorship or political rights.

Revaluation reserve

This reserve covers revaluations of the Company's fixed assets approved by the Shareholder's Extraordinary General Meeting held December 19, 2002 and April 29, 2003, which were intended for determining adequate amounts for the Company's fixed assets at market value, pursuant to the CVM Deliberation #288, dated December 3, 1998. The objective of such procedure is for the financial statements to reflect assets value closer to their replacement value.

Pursuant to the provisions of CVM Resolution #273, as of August 20, 1998, a provision for deferred social contribution and income tax was set up based on the balance of the revaluation reserve (except land), classified as a long-term liability.

The realized portion of the revaluation reserve, net of income tax and social contribution, is included for purposes of calculating the mandatory minimum dividend.

Ownership structure

On September 30, 2005, the capital was comprised as follows:

| | Number of shares | |
|---|------------------|--------|
| | Common | % |
| Vicunha Siderurgia S.A. | 116,286,665 | 43.98% |
| BNDESPAR | 18,085,295 | 6.84% |
| Caixa Beneficente dos Empregados da CSN - CBS | 11,831,289 | 4.47% |

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| | | |
|--|--------------------|----------------|
| Several (ADR - NYSE) | 49,980,313 | 18.90% |
| Other shareholders (approx. 10 thousand) | 68,247,484 | 25.81% |
| Outstanding shares | 264,431,046 | 100.00% |
| Treasury stocks | 7,636,900 | |
| Total shares | 272,067,946 | |

Investment policy and payment of interest on own capital/dividends

On December 13, 2000, CSN's Board of Directors decided to adopt a policy of profit distribution, which, by observing the provisions of Law 6,404/76, altered by Law 9,457/97 implies the distribution of all the Company's net profit to the shareholders, as long as the following priorities are preserved irrespective of their order: (i) corporate strategy, (ii) compliance with obligations, (iii) making the necessary investments and (iv) maintenance of a good financial situation of the Company.

19. INTEREST ON OWN CAPITAL

The calculation of interest on own capital is based on the change in the Long-Term Interest Rates over shareholders equity, limited to 50% of the income for the year before income tax or 50% of accrued profits and profit reserves, and the higher between two limits may be used, pursuant to the prevailing laws.

In compliance with CVM Resolution 207, as of December 31, 1996, and fiscal rules, the Company opted to record the interest on own capital at the amount of R\$67,721 in the quarter ended on September 30, 2005, corresponding to the compensation of R\$0.25610 per share, as counter entry of the financial expenses account, and revert it on the same account, therefore, not been shown on the income statement and not generating effects on net income after IRPJ/CSL, except as to the fiscal effects, these recognized under income tax and social contribution. The Company's management shall propose that the amount of interest on own capital be attributed to the mandatory minimum dividend.

20. NET REVENUES AND COST OF GOODS SOLD

| | Parent Company | | | | | |
|-----------------------|----------------------------|------------------|--------------------------|----------------------------|------------------|--------------------------|
| | 09/30/2005 | | | 09/30/2004 | | |
| | Tonnes (In thousand) | Net revenue | Cost of Goods Sold | Tonnes (In thousand) | Net revenue | Cost of Goods Sold |
| Domestic Market | 2,399 | 4,650,886 | 2,240,634 | 2,526 | 4,318,912 | 2,261,084 |
| Foreign Market | 994 | 1,398,577 | 993,522 | 1,064 | 1,569,298 | 816,465 |
| Steel Products | 3,393 | 6,049,463 | 3,234,156 | 3,590 | 5,888,210 | 3,077,549 |
| Domestic Market | | 337,104 | 195,655 | | 306,763 | 162,068 |
| Foreign Market | | 21,183 | 8,903 | | 22,700 | 8,694 |
| Other sales | | 358,287 | 204,558 | | 329,463 | 170,762 |
| | 3,393 | 6,407,750 | 3,438,714 | 3,590 | 6,217,673 | 3,248,311 |

| | Consolidated | | | | | |
|-----------------------|----------------------------|------------------|--------------------------|----------------------------|------------------|--------------------------|
| | 09/30/2005 | | | 09/30/2004 | | |
| | Tonnes (In thousand) | Net revenue | Cost of Goods Sold | Tonnes (In thousand) | Net revenue | Cost of Goods Sold |
| Domestic Market | 2,277 | 4,692,831 | 1,962,248 | 2,542 | 4,511,351 | 2,287,873 |
| Foreign Market | 1,238 | 2,063,933 | 1,638,893 | 1,164 | 2,240,852 | 1,283,059 |
| Steel Products | 3,515 | 6,756,764 | 3,601,141 | 3,706 | 6,752,203 | 3,570,932 |
| Domestic Market | | 798,921 | 515,446 | | 385,762 | 254,816 |
| Foreign Market | | 74,355 | 8,903 | | 69,331 | 8,695 |
| Other sales | | 873,276 | 524,349 | | 455,093 | 263,511 |
| | 3,515 | 7,630,040 | 4,125,490 | 3,706 | 7,207,296 | 3,834,443 |

21. CONSOLIDATED REVENUES AND INCOME BY BUSINESS SEGMENT

The disclosure by business segment followed the concept suggested by CVM, providing the means to evaluate the performance in all of the Company business segments.

| | | | | 09/30/2005 |
|--|-----------------------|--------------------|------------------------------|-----------------------|
| | Steel and Services | Corporate | Infrastructure and Energy | Consolidated Total |
| Net revenues from sales | 7,152,780 | | 477,260 | 7,630,040 |
| Cost of goods and services sold | (3,787,334) | | (338,156) | (4,125,490) |
| Gross income | 3,365,446 | | 139,104 | 3,504,550 |
| Operating Income (Expenses) | | | | |
| Selling | (411,306) | | (7,602) | (418,908) |
| Administrative | (195,477) | | (45,001) | (240,478) |
| Other operating expenses, net | 59,513 | (17,644) | 35,020 | 76,889 |
| Net financial result | (41,782) | (761,105) | (10,530) | (813,417) |
| Exchange and monetary variation, net | 745,077 | (291,312) | 2,943 | 456,708 |
| Equity accounting | (53,981) | 18,789 | | (35,192) |
| Operating Income (loss) | 3,467,490 | (1,051,272) | 113,934 | 2,530,152 |
| Non-operating income | (4,130) | | (45) | (4,175) |
| Income (loss) before income tax and social contribution | 3,463,360 | (1,051,272) | 113,889 | 2,525,977 |
| Income tax and social contribution | (1,190,541) | 357,433 | (39,942) | (873,050) |
| Net income (loss) for the period | 2,272,819 | (693,839) | 73,947 | 1,652,927 |

22. FINANCIAL RESULTS AND MONETARY AND FOREIGN EXCHANGE VARIATIONS, NET

| | Parent Company | | Consolidated | |
|---|----------------|------------|--------------|------------|
| | 09/30/2005 | 09/30/2004 | 09/30/2005 | 09/30/2004 |
| Financial expenses: | | | | |
| Loans and financing - foreign currency | (165,448) | (169,292) | (590,777) | (417,356) |
| Loans and financing - Brazilian currency | (129,550) | (192,693) | (135,112) | (181,879) |
| Transactions with subsidiaries | (216,824) | (313,909) | | |
| PIS/COFINS on financial revenues | (24,238) | (39,318) | (24,708) | (39,107) |
| Interest, fines and interest on arrears (fiscal) | (43,041) | (3,493) | (49,062) | (5,668) |
| CPMF | (70,850) | (68,511) | (81,987) | (73,327) |
| Other financial expenses | (8,988) | (15,562) | (125,322) | (53,064) |
| | (658,939) | (802,778) | (1,006,968) | (770,401) |
| Financial revenues | | | | |
| Transactions with subsidiaries | | 48,923 | | |
| Yield on marketable securities, net of provision for losses | (565,598) | 10,579 | (397,301) | 48,367 |
| Exchange swap | 223 | (23,181) | 437,817 | 132,233 |
| Other income | 72,969 | 30,817 | 153,035 | 49,912 |
| | (492,406) | 67,138 | 193,551 | 230,512 |
| Net financial income | (1,151,345) | (735,640) | (813,417) | (539,889) |
| Monetary variation | | | | |
| - Assets | 6,581 | 6,158 | 7,444 | 6,583 |
| - Liabilities | (8,110) | (43,205) | (7,286) | (43,658) |
| | (1,529) | (37,047) | 158 | (37,075) |
| Exchange Variations | | | | |
| - Assets | (161,233) | (57,812) | (307,411) | (112,509) |
| - Liabilities | 1,527,063 | 79,506 | 763,961 | 59,381 |
| - Amortization of deferred exchange variation | | (78,252) | | (79,832) |
| | 1,365,830 | (56,558) | 456,550 | (132,960) |
| Monetary and exchange variations, net | 1,364,301 | (93,605) | 456,708 | (170,035) |

23. STATEMENT OF VALUE-ADDED (PARENT COMPANY)

| | R\$ million | |
|---|----------------|----------------|
| | 09/30/2005 | 09/30/2004 |
| Revenue | | |
| Sales of products and services | 7,981 | 7,314 |
| Allowance for doubtful accounts | (2) | (2) |
| Non-operating income | (4) | (10) |
| | 7,975 | 7,302 |
| Input purchased from third parties | | |
| Raw material consumed | (1,748) | (1,333) |
| Cost of goods and services | (795) | (861) |
| Materials, energy, third-party services and other | (185) | (305) |
| | (2,728) | (2,499) |
| Gross value-added | 5,247 | 4,803 |
| Retention | | |
| Depreciation, amortization and depletion | (593) | (549) |
| Net produced value-added | 4,654 | 4,254 |
| Value-added transferred | | |
| Equity accounting | (645) | 454 |
| Financial income/Exchange variations | (647) | 16 |
| | (1,292) | 470 |
| Total value-added to distribute | 3,362 | 4,724 |
| VALUE-ADDED DISTRIBUTION | | |
| Staff and charges | 367 | 323 |
| Taxes, charges and contributions | 2,364 | 1,859 |
| Interest and exchange variation | (886) | 806 |
| Interest on own capital | 184 | 35 |
| Retained earnings in the period | 1,333 | 1,701 |
| | 3,362 | 4,724 |

24. STATEMENT OF EBITDA

The Company's EBITDA (gross profit minus selling, general and administrative expenses, plus depreciation and depletion) is as follows:

| | R\$ million | | | |
|--|----------------|--------------|--------------|--------------|
| | Parent company | | Consolidated | |
| | 09/30/2005 | 09/30/2004 | 09/30/2005 | 09/30/2004 |
| Net revenues | 6,408 | 6,218 | 7,630 | 7,207 |
| Gross income | 2,969 | 2,969 | 3,505 | 3,373 |
| Operating expenses (selling, general and administrative) | (352) | (358) | (659) | (606) |
| Depreciation (cost of goods sold and operating expenses) | 593 | 549 | 695 | 607 |
| EBITDA | 3,210 | 3,160 | 3,541 | 3,374 |
| % EBITDA-MARGIN | 50% | 51% | 46% | 47% |

25. EMPLOYEES' PENSION FUND**(i) Private Pension Administration**

The Company is the principal sponsor of the CSN employees' pension fund ("Caixa Beneficente dos Empregados da CSN - CBS), a private non-profit pension fund established in July 1960, main purpose of which is to pay supplementary benefits rather than those of the official Pension Plan. CBS congregates CSN employees, of CSN related companies and entity itself, provided they sign the adhesion agreement.

(ii) Characteristics of the plans

CBS has three benefit plans, as follows:

35% of average salary plan

It is a defined benefit plan, which began on 02/01/1966, with the purpose of paying retirements (related to length of service, special, disability or old age) on a life-long basis, equivalent to 35% of the participant's salaries for the 12 last salaries. The plan also guarantees the payment of sickness assistance to the licensed by the Official Pension Plan (Previdência Oficial). It also guarantees the payment of funeral grant and pension. The participants (active and retired) and the sponsors make 13 contributions per year, being the same number of benefits paid per year. This plan is in the process of extinction, and become inactive on 10/31/1977, when the new benefit plan began.

Supplementary average salary plan

It is a defined benefit plan, which began on 11/01/1977. The purpose of this plan is to complement the difference between the 12 last average salaries and the Official Pension Plan (Previdência Oficial) benefit, to the retired, and also on a life-long basis. As with the 35% Average Salary Plan, there is sickness assistance, funeral grant and pension

coverage. Thirteen contributions and payment of benefits are made per year. It became inactive on 12/26/1995, because of the combined supplementary benefits plan creation.

Combined supplementary benefit plan

This plan began on 12/27/1995. It is a mixed plan, being a defined contribution (CD), related to the retirement and a defined benefit (BD), in relation to other benefits (pension in activity, disability and sickness benefit). In this plan, the retirement benefit is calculated based on the sponsor and participants contributions, totaling 13 per year. Upon retirement of the participant, the plan becomes a defined benefit plan and 13 benefits are paid per year.

As of September 30, 2005 and June 30, 2005, the plans are presented as follows:

| | 09/30/2005 | 06/30/2005 |
|---|---------------|---------------|
| Members | 18,841 | 18,726 |
| Active | 7,839 | 7,667 |
| Retired employees | 11,002 | 11,059 |
| Distribution of members by benefit plan: | | |
| 35% of average salary plan | 5,635 | 5,690 |
| Active | 17 | 17 |
| Retired employees | 5,618 | 5,673 |
| Supplementary average salary plan | 5,070 | 5,091 |
| Active | 49 | 58 |
| Retired employees | 5,021 | 5,033 |
| Combined supplementary benefit plan | 8,136 | 7,945 |
| Active | 7,773 | 7,592 |
| Retired employees | 363 | 353 |
| Linked beneficiaries: | 5,368 | 5,454 |
| 35% of average salary plan | 4,095 | 4,182 |
| Supplementary average salary plan | 1,216 | 1,215 |
| Combined supplementary benefits plan | 57 | 57 |
| Total members (associates/beneficiaries) | 24,209 | 24,180 |

(iii) Equalization of actuarial liability

On January 25, 1996, the Supplementary Social Security Secretariat (Secretaria de Previdência Complementar - SPC), through letter #55 SPC/CGOF/COJ approved a proposal to equalize the insufficiency of reserves based on the value determined on September 30, 1995, monetarily updated to December 31, 1995.

Through an official letter 1555/SPC/GAB/COA, of August 22, 2002, confirmed by official letter 1598/SPC/GAB/COA of August 28, 2002 a new proposal was approved for refinancing of reserves to amortize the sponsors' responsibility in 240 monthly and successive installments being the 1st to 12th in the amount of R\$958 and

from 13th on R\$3,133, monetarily indexed (INPC + 6% p.a.), starting June 28, 2002.

The agreement also foresees the installments anticipation in case of cash necessity in the defined benefit plan and the incorporating to the updated debit balance the eventual deficits/surplus under the sponsors' responsibility, so as to preserve the plans' balance without exceeding the maximum period of amortization provided for by the agreement.

(iv) Actuarial Liabilities

As provided by CVM Deliberation 371, as of December 13, 2000, approving the NPC 26 of IBRACON's Employee's Benefit Accounting that established new calculation and disclosure accounting practices of these benefits, the Company's management and its external actuaries, maintain the assessment of the effects arising from this new practice, in conformity with the report dated February 1, 2005.

Actuarial Liability Recognition

The Company's Administration decided to recognize the actuarial liability adjustment in the results for the period of five years, from January 1, 2002, being appropriated up to September 30, 2005 the amount of R\$18,630 (R\$22,609 up to September 30, 2004), in accordance with paragraphs 83 and 84 of NPC 26 of IBRACON and CVM Resolution 371/2000, which, added to related disbursements, totaled R\$59,215 (R\$55,552 up to September 30, 2004).

The balance of the provision for the coverage of the actuarial liability on up to September 30, 2005 amounts to R\$219,197 (R\$213,146 on June 30, 2005).

With respect to the recognition of the actuarial liability, the amortizing contribution related to the amount for the participants for determination of the reserve insufficiency was deducted from the present value of total actuarial obligation of the respective plans. A number of participants are disputing in court this amortizing contribution; the Company, however, based on its legal and actuarial advisers understands that such contribution was duly approved by the Complementary Social Security - SPC and consequently, is legally due by the participants.

In addition, in the case of Plano Milênio (Mixed Plan of Supplementary Benefit), of defined contribution, which shows net asset and where the sponsor's contribution corresponds to an equal counterpart of the participants' contribution, the understanding of the actuary is that up to 50% of the net actuarial asset may be used for reduction of the sponsor's contribution. As a result, the sponsor opted for recognizing 50% of such asset on its books, in the amount of R\$3,621 in 2005 (R\$2,385 in 2004).

Main actuarial assumptions adopted in the actuarial liability calculation

| | |
|---|---|
| Methodology used | Projected credit unit method |
| Nominal discount rate for actuarial liability | 13.4% p.a. (8% actual and 5% inflation) |
| Expected yield rate over plan assets | 13.4% p.a.(8% actual and 5% inflation) |
| Estimated salary increase index | INPC + 1% (6.05%) |
| Estimated benefits increase index | INPC + 0% (5.00%) |
| Estimated inflation rate in the long-term | INPC + 0% (5.00%) |
| Biometric table of overall mortality | UP94 with 3 years of severity and separated by sex |
| Biometric table for disability | Winklevoss |
| Expected turnover rate | 2% p.a. |
| Probability of starting retirement | 100% in the first eligibility to a full benefit by the Plan |

CSN does not have obligations on other after-labor benefits.

26. SUBSEQUENT EVENTS

- Antidumping

On October 4, 2005, CSN concluded the administrative review of the Antidumping and Countervailing Duty Administrative Reviews carried out by the US Department of Commerce, which found a zero dumping margin and resulted in the lifting of the antidumping tariff, which up to then was assessed at 41.27% on flat hot-rolled carbon steel products manufactured by the Company in Brazil. The decision allows the shipping of flat hot-rolled carbon steel products to the US market, including its subsidiary CSN LLC, in Terre Haute, Indiana, with no need to deposit antidumping surcharges.

27. EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

The accompanying financial statements have been prepared on the basis of accounting practices laid down by the Corporate Law in Brazil.

Certain accounting practices applied by the Company and its subsidiaries that conform to those accounting practices in Brazil may not conform to generally accept accounting principles in other countries.

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE
CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION
QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF
COMPANY

Accounting Practices
Date: 09/30/2005 Adopted in Brazil

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

05.01 COMMENTS ON THE COMPANY S PERFORMANCE IN THE
QUARTER

06.01 - CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)

| 1- Code | 2- Description | 3- 09/30/2005 | 4- 06/30/2005 |
|----------------|--|----------------------|----------------------|
| 1 | Total Assets | 24,993,600 | 24,784,928 |
| 1.01 | Current Assets | 8,758,829 | 8,661,952 |
| 1.01.01 | Cash | 101,201 | 145,089 |
| 1.01.02 | Credits | 1,471,503 | 1,464,097 |
| 1.01.02.01 | Domestic Market | 1,009,049 | 1,092,653 |
| 1.01.02.02 | Foreign Market | 558,022 | 467,252 |
| 1.01.02.03 | Allowance for Doubtful Accounts | (95,568) | (95,808) |
| 1.01.03 | Inventories | 1,903,654 | 1,997,414 |
| 1.01.04 | Other | 5,282,471 | 5,055,352 |
| 1.01.04.01 | Marketable Securities | 4,424,539 | 3,579,033 |
| 1.01.04.02 | Recoverable Income Tax and Social Contribution | 34,671 | 21,811 |
| 1.01.04.03 | Deferred Income Tax | 301,271 | 371,150 |
| 1.01.04.04 | Deferred Social Contribution | 85,151 | 81,279 |
| 1.01.04.05 | Prepaid Expenses | 34,485 | 38,287 |
| 1.01.04.06 | Prepaid Income Tax and Social Contribution | 35,505 | 632,301 |
| 1.01.04.07 | Other | 366,849 | 331,491 |
| 1.02 | Long-Term Assets | 2,018,858 | 1,912,017 |
| 1.02.01 | Various Credits | 28,664 | 22,005 |
| 1.02.01.01 | Loans Eletrobras | 28,664 | 22,005 |
| 1.02.02 | Credit with Related Parties | 44,472 | 0 |
| 1.02.02.01 | Affiliates | 0 | 0 |
| 1.02.02.02 | Subsidiaries | 44,472 | 0 |
| 1.02.02.03 | Other Related Parties | 0 | 0 |
| 1.02.03 | Other | 1,945,722 | 1,890,012 |
| 1.02.03.01 | Deferred Income Tax | 456,848 | 493,268 |
| 1.02.03.02 | Deferred Social Contribution | 78,223 | 99,844 |
| 1.02.03.03 | Judicial Deposits | 661,500 | 612,393 |
| 1.02.03.04 | Securities Receivables | 241,115 | 272,884 |
| 1.02.03.05 | Recoverable PIS/PASEP | 27,319 | 26,615 |
| 1.02.03.06 | Prepaid Expenses | 93,170 | 75,048 |
| 1.02.03.07 | Marketable Securities | 213,531 | 90,159 |
| 1.02.03.08 | Other | 174,016 | 219,801 |
| 1.03 | Permanent Assets | 14,215,913 | 14,210,959 |
| 1.03.01 | Investments | 288,004 | 308,644 |
| 1.03.01.01 | In Affiliates | 0 | 0 |
| 1.03.01.02 | In Subsidiaries | 286,940 | 307,660 |
| 1.03.01.03 | Other Investments | 1,064 | 984 |
| 1.03.02 | Property, Plant and Equipment | 13,608,285 | 13,575,543 |
| 1.03.02.01 | In Operation, Net | 13,025,187 | 13,078,626 |
| 1.03.02.02 | In Construction | 421,107 | 335,271 |
| 1.03.02.03 | Land | 161,991 | 161,646 |
| 1.03.03 | Deferred | 319,624 | 326,772 |

06.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

| 1- Code | 2- Description | 3- 09/30/2005 | 4- 06/30/2005 |
|----------------|-----------------------------------|----------------------|----------------------|
| 2 | Total Liabilities | 24,993,600 | 24,784,928 |
| 2.01 | Current Liabilities | 3,940,389 | 5,205,129 |
| 2.01.01 | Loans and Financing | 1,725,396 | 2,364,782 |
| 2.01.02 | Debentures | 149,517 | 113,390 |
| 2.01.03 | Suppliers | 1,023,359 | 1,039,724 |
| 2.01.04 | Taxes, Charges and Contributions | 573,659 | 1,342,247 |
| 2.01.04.01 | Salaries and Social Contributions | 103,821 | 91,273 |
| 2.01.04.02 | Taxes Payable | 331,070 | 1,106,716 |
| 2.01.04.03 | Deferred Income Tax | 102,035 | 106,072 |
| 2.01.04.04 | Deferred Social Contribution | 36,733 | 38,186 |
| 2.01.05 | Dividends Payable | 183,763 | 116,553 |
| 2.01.06 | Provisions | 42,904 | 26,581 |
| 2.01.06.01 | Contingencies | 42,904 | 26,581 |
| 2.01.07 | Debt with Related Parties | 0 | 0 |
| 2.01.08 | Other | 241,791 | 201,852 |
| 2.02 | Long-Term Liabilities | 13,493,120 | 12,203,469 |
| 2.02.01 | Loans and Financing | 6,969,133 | 5,832,968 |
| 2.02.02 | Debentures | 1,071,498 | 1,071,498 |
| 2.02.03 | Provisions | 5,058,145 | 4,908,939 |
| 2.02.03.01 | Contingencies | 2,863,843 | 2,682,965 |
| 2.02.03.02 | Deferred Income Tax | 1,613,457 | 1,636,746 |
| 2.02.03.03 | Deferred Social Contribution | 580,845 | 589,228 |
| 2.02.04 | Debt with Related Parties | 0 | 0 |
| 2.02.05 | Other | 394,344 | 390,064 |
| 2.03 | Deferred Income | 6,156 | 6,231 |
| 2.04 | Minority Interest | 0 | 0 |
| 2.05 | Shareholders Equity | 7,553,935 | 7,370,099 |
| 2.05.01 | Paid-In Capital | 1,680,947 | 1,680,947 |
| 2.05.02 | Capital Reserve | 0 | 17,319 |
| 2.05.03 | Revaluation Reserve | 4,578,566 | 4,640,047 |
| 2.05.03.01 | Parent Company | 4,578,566 | 4,640,047 |
| 2.05.03.02 | Subsidiaries/Affiliates | 0 | 0 |
| 2.05.04 | Profit Reserves | (7,484) | 78,301 |
| 2.05.04.01 | Legal | 336,189 | 336,189 |
| 2.05.04.02 | Statutory | 0 | 0 |
| 2.05.04.03 | For Contingencies | 0 | 0 |
| 2.05.04.04 | Unrealized Income | 0 | 0 |
| 2.05.04.05 | Profit Retention | 0 | 0 |

06.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

| 1- Code | 2- Description | 3- 09/30/2005 | 4- 06/30/2005 |
|----------------|---------------------------------------|----------------------|----------------------|
| 2.05.04.06 | Special For Non-Distributed Dividends | 0 | 0 |
| 2.05.04.07 | Other Profit Reserves | (343,673) | (257,888) |
| 2.05.04.07.01 | For Investments | 0 | 487,203 |
| 2.05.04.07.02 | Treasury Stocks | (343,673) | (745,091) |
| 2.05.05 | Retained Earnings/Accumulated Deficit | 1,301,906 | 953,485 |

07.01 - CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)

| 1- Code | 2- Description | 3- 07/01/2005 to 09/30/2005 | 4- 01/01/2005 to 09/30/2005 | 5- 07/01/2004 to 09/30/2004 | 6- 01/01/2004 to 09/30/2004 |
|----------------|--|--|--|--|--|
| 3.01 | Gross Revenue from Sales and/or Services | 2,714,016 | 9,440,566 | 3,339,247 | 8,600,865 |
| 3.02 | Deductions from Gross Revenue | (491,654) | (1,810,526) | (559,472) | (1,393,569) |
| 3.03 | Net Revenue from Sales and/or Services | 2,222,362 | 7,630,040 | 2,779,775 | 7,207,296 |
| 3.04 | Cost of Goods and Services Sold | (1,315,291) | (4,125,490) | (1,440,581) | (3,834,443) |
| 3.04.01 | Depreciation and Amortization | (218,645) | (655,406) | (192,626) | (573,490) |
| 3.04.02 | Other | (1,096,646) | (3,470,084) | (1,247,955) | (3,260,953) |
| 3.05 | Gross Profit | 907,071 | 3,504,550 | 1,339,194 | 3,372,853 |
| 3.06 | Operating Income/Expenses | (127,653) | (974,398) | (248,657) | (1,340,151) |
| 3.06.01 | Selling | (141,481) | (418,908) | (108,782) | (388,342) |
| 3.06.01.01 | Depreciation and Amortization | (2,551) | (7,369) | (2,101) | (6,364) |
| 3.06.01.02 | Other | (138,930) | (411,539) | (106,681) | (381,978) |
| 3.06.02 | General and Administrative | (77,421) | (240,478) | (73,339) | (217,223) |
| 3.06.02.01 | Depreciation and Amortization | (10,594) | (32,703) | (9,250) | (26,692) |
| 3.06.02.02 | Other | (66,827) | (207,775) | (64,089) | (190,531) |
| 3.06.03 | Financial | (38,679) | (356,709) | (36,703) | (709,924) |
| 3.06.03.01 | Financial Income | 49,869 | 193,551 | (30,889) | 230,512 |
| 3.06.03.02 | Financial Expenses | (88,548) | (550,260) | (5,814) | (940,436) |
| 3.06.03.02.01 | Amortization of Special Exchange Variation | 0 | 0 | (25,209) | (79,832) |
| 3.06.03.02.02 | Foreign Exchange and Monetary Variation, net | 213,372 | 456,708 | 281,578 | (90,203) |
| 3.06.03.02.03 | Interest expenses, fines and tax arrears | (301,920) | (1,006,968) | (262,183) | (770,401) |
| 3.06.04 | Other Operating Income | 16,813 | 37,392 | 24,342 | 47,765 |
| 3.06.05 | Other Operating Expenses | 132,164 | 39,497 | (50,074) | (86,884) |
| 3.06.06 | Equity | (19,049) | (35,192) | (4,101) | 14,457 |
| 3.07 | Operating Income | 779,418 | 2,530,152 | 1,090,537 | 2,032,702 |

07.01 - CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)

| 1- Code | 2- Description | 3- 07/01/2005 to 09/30/2005 | 4- 01/01/2005 to 09/30/2005 | 5- 07/01/2004 to 09/30/2004 | 6- 01/01/2004 to 09/30/2004 |
|----------------|--|--|--|--|--|
| 3.08 | Non-Operating Income | 2,391 | (4,175) | (9,560) | 3,309 |
| 3.08.01 | Income | 24,130 | 24,281 | 3 | 13,451 |
| 3.08.02 | Expenses | (21,739) | (28,456) | (9,563) | (10,142) |
| 3.09 | Income before Taxes and Interest | 781,809 | 2,525,977 | 1,080,977 | 2,036,011 |
| 3.10 | Provision for Income Tax and Social Contribution | (178,618) | (928,131) | (301,914) | (422,629) |
| 3.11 | Deferred Income Tax | (86,298) | 55,081 | (84,581) | (162,104) |
| 3.12 | Statutory Participation/Contributions | 0 | 0 | 0 | 0 |
| 3.12.01 | Participation | 0 | 0 | 0 | 0 |
| 3.12.02 | Contributions | 0 | 0 | 0 | 0 |
| 3.13 | Reversal of Interest on Own Capital | 0 | 0 | 0 | 0 |
| 3.14 | Minority Interest | 0 | 0 | 0 | 0 |
| 3.15 | Net Income (Loss) for the Period | 516,893 | 1,652,927 | 694,482 | 1,451,278 |
| | SHARES OUTSTANDING EX-TREASURY (in thousands) | 264,431 | 264,431 | 282,169 | 282,169 |
| | EARNINGS PER SHARE | 1.95474 | 6.25088 | 2.46123 | 5.14329 |
| | LOSS PER SHARE | | | | |

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE
CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION
QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF
COMPANY

Accounting Practices
Date: 09/30/2005 Adopted in Brazil

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

08.01 COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Output

Output level in 3Q05 was 1,317 thousand tonnes of crude steel, 3.3% below the second quarter and 6.3% below 3Q04. Yet the volume of finished products has reached 1,173 thousand tonnes 7.0% above the second quarter and 6.8% below 3Q04. These numbers reflect the intermediate inventory adjustment, raising the pace of metallurgy to a more cost-effective level (reducing the consumption of external scrap metal and coke).

LTQ-2 reached a new monthly record total production in the period, with 458.9 thousand tonnes in August, surpassing 6.4 thousand tonnes registered during the past period, in March of this year. Another highlight for the period was two consecutive months of record results, in line with the future growth prospects of CSN Paraná, with 6.04 and 6.05 thousand tonnes produced in July and August, respectively.

| Output (data in thousand t) | 2Q04 | 3Q04 | 2Q05 | 3Q05 | 9M2004 | 9M2005 |
|-------------------------------------|-------|-------|-------|-------|--------|--------|
| Presidente Vargas Mill (UPV) | | | | | | |
| Crude Steel | 1,368 | 1,406 | 1,362 | 1,317 | 4,129 | 3,846 |
| Finished Products | 1,273 | 1,259 | 1,096 | 1,173 | 3,787 | 3,315 |
| CSN Paraná | 130 | 71 | 33 | 66 | 238 | 154 |
| GalvaSud | 24 | 67 | 82 | 49 | 126 | 208 |

Sales

Sales volume totaled 1,181 thousand tonnes, exceeding sales of 44 thousand tonnes (or 4%) from the past quarter. In the seasonal comparison, this volume was only 3% (about 35 thousand tonnes) less than the same quarters of 2003 and 2004. The increase in sales volume was due to increased sales in the external market, whose growth more than compensated for the reduction in the domestic market. As a result, there was a worse market mix, compared to the past quarter, with exports growing from 33% to 48% of total sales volume.

The sales mix did not change compared to 3Q04, with 52% participation from the domestic market, though a 4 p.p. fall from the previous quarter. Even though the level of coated product sales fell just 16 thousand tonnes - from 590 to 574 thousand tonnes, with domestic market stable - the larger increase in sales for the Hot Rolled and Cold Rolled products explained this variation.

In terms of market share, growth from participation in the Hot Rolled sector compensated for the loss in Cold Rolled and Galvanized sectors, with lower volumes, resulting in a small increase in total market share for the Company: from 28% to 29%. A sector analysis comparing the second and third quarters, highlights the increase in the participation in the Distribution Sector, from 32% to 36%, and the consequent fall in the Automotive Sector, from 18% to 14%. The other segments did not vary significantly compared to the last quarter.

Prices

In the quarter, international prices continued their downward trend, initiated between March and April. However, the American market showed extraordinary recovery between August and September, with an increase of US\$100/t compared to July, closing the quarter with prices 2% higher than the July level. This behavior led to unbalancing supply and demand, caused by greater volume of final consumer purchases, and distributors lacking a corresponding increase in supply, since various blast furnaces were in maintenance. In Europe, where the inventory did not suffer all required adjustments, prices fell close to 20% in the period.

Therefore, CSN's hot rolled, cold rolled and galvanized products export prices fell close to 25%, while tin plate prices only fell 9%. Measured in dollars, these variations were, respectively, negative 20% and 4%.

In the domestic market, average prices remained stable, with a slight fall of 0.4%. The increase of average prices in coated products (5% for Galvanized and 0.5% Tin Plate) and the related stability in sales volumes of these products compensated for price reductions for Hot Rolled and Cold Rolled, whose volumes also suffered reductions that diminished their impact on the average price drop. Long story short, the sales mix of the Company, focused on coated products, contributed to the maintenance of price levels in the domestic market.

In an overall measure, CSN's sales prices fell 15% in Reals and 10% in dollars, compared to the second quarter.

Net Revenue

In spite of price stability in the domestic market, the fall in volume resulted in a 20% reduction in sales revenue in the domestic market, compared to the previous quarter, and better export sales compensated for lower prices in the international market, leading to an external market revenue increase of 7%.

The combined effects of lower volume in the domestic market, lower export prices and an appreciated exchange rate produced a 13% decline in total net revenue.

Production Cost (Parent Company)

The smaller production level of crude steel brought a significant reduction in coke and external scrap metal consumption (see Output section), in line with the reported decline in Raw Materials of R\$ 102 million (-16%) in comparison with the second quarter. Labor Cost also reported a reduction R\$ 10 million (-9.6%) , explained by bonuses for work shifts and disbursements for employee profit sharing programs in the second quarter, affecting the comparison base. These reductions, however, were compensated by R\$ 26 million (+8%) increase in General Manufacturing Costs, with greater incidence of service maintenance in the period and, specially, more natural gas expenditures (increased blast furnace injections, partially replacing external coke) and electric energy (increase in external consumption due to maintenance interruptions in the thermoelectric plant equipments).

On total, reported production costs fell R\$ 90 million (-7.3%) . The crude steel production cost reduction (per tonne) was 4.4%, superior to the production decline of 3.3% .

Regarding raw material costs (coal and coke), the cost of acquiring coal rose from US\$112/t, in the second quarter, to US\$126/t in this quarter, fully reflected in the new price contracted in April of this year. The unit price of coke also suffered an increase, from US\$380 to US\$393, due to a decision of the Company to use high productivity coke (consequently with higher unit value), making possible an even higher reduction in consumption of this raw material, and considering that such a step would not affect the total coke cost. The average coke cost, at the end of the third quarter, was US\$328/t.

Regarding coke, one highlight was that the Company acquired, in October, close to 240 thousand tonnes, or equivalent to approximately half of the amount required for the next year, at a cost of US\$151/t CIF. The change in purchasing strategy compared to that stated in the second quarter *earnings release* resulted from a significant reduction of coke prices associated with the similarly reduced levels of the exchange rate. These factors will lead to an expressed reduction in the cost of this raw material for the next year.

The raw material inventory reduction, reflecting previous higher cost purchases, that occurred throughout the current year, related to the outlook of smaller acquisitions costs in 2006, lends itself towards a lighter cost structure for the next year.

Operating Expenses

Operating Expenses were positively impacted by a non-recurring result of from approximately R\$ 170 million (R\$130 million in the parent company) from the reversal of labor and civil provisions, substantially motivated, by the Company's legal advisors who revised the probability of success in many judicial cases.

It is worth pointing out that, in the Operating Expenses, only Sales Expenses reported increase, as a consequence of greater export volume.

EBITDA

The higher portion of sales destined toward the international market -, where the Company earns lower margins and in an exchange rate appreciation scenario - explains the behavior of EBITDA and of EBITDA margins this quarter.

In the year-to-date figure, without removing the effects of the consolidation of MRS and Itasa and the adjustment of PIS/Cofins, EBITDA of R\$ 3.5 billion is 5% superior to the same period of that past year, with almost identical margins: 46.4% in 2005 and 46.8% in 2004.

| EBITDA* and EBITDA Margin* Change | 3Q05 x 2Q05 | 3Q05 x 3Q04 | 9M04 x 9M05 |
|--------------------------------------|-------------|-------------|-------------|
| EBITDA (ch. %) | -26% | -39% | -3% |
| Margin (ch. p.p.) | -6 | -10 | -4 |

* Excluding MRS/Itasa consolidation and PIS/Confins effects

Net Financial Result and Debt

Net financial result for 3Q05 was negative R\$ 39 million, which means an improvement of 82% compared to the past quarter (an expense of R\$ 214 million). The improved financial result can basically be explained by two factors: gains with financial operations, and 5.5% appreciation of the Real against US dollar for the quarter, positively impacting the exchange rate variation and the portion of foreign exchange denominated debt.

Although net debt was reduced almost R\$ 400 million, with respect to net debt/EBITDA ratio remained at 1x, in line with 2Q05 expectations. Another important point to detail is the increase in the average maturity, from 9 to 12 years after the issuance of perpetual bonds valued at US\$ 750 million, made in July. For the year, average cost of debt was 9.3% p.a., equivalent to 49% of CDI. For the same period of 2004, cost of debt was 15% p.a., representing 92% of CDI.

Income Taxes

In spite of better pretax results, expenses of R\$265 million income tax and social contribution were R\$ 49 million lower when compared to the previous quarter, due to smaller equity income losses non-deductible from taxes - compared to the previous quarter. It is important to bear in mind that the exchange rate appreciation was close to 12% in the second quarter and 6% in the third quarter. Thus, the effective tax rate fell from 43% to 34%, in line with the rate reported in the third quarter of 2004.

Net Income

The reduction of operating expenses and taxes and better net financial results compensated for lower gross profit, as net income rose 19% (approximately +R\$100 million) for the quarter, compared to the second quarter.

The accumulated year-to-date net income result totaled R\$ 1,653 million, 14% higher than the same period of the past year, and representing 83% of the total net income for 2004.

Investments

Investments made in the quarter totaled R\$ 289 million, with R\$ 66 million related the Porto de Sepetiba expansion project, which is part of the Casa de Pedra expansion project, and R\$ 36 million for MRS (portion corresponding to CSN's 32% stake in this company's capital).

Year-to-date, investments totaled R\$ 680 million, with R\$ 179 million for the Porto project and R\$ 86 million for MRS. The remaining balance was allocated, in large part, to projects related to maintaining and improving the operations of CSN and its subsidiaries.

Working Capital

During the period of June to September, there was a small reduction (R\$ 22 million) in working capital. The main inputs were inventory reduction in raw materials, with a positive impact, and a reduction in Deferred Taxes, due to lowered tax generation in the period (lower volume sold in the domestic market), which negatively impacted working capital.

| Account | 2Q05 | 3Q05 | in R\$ MM Change |
|--|----------------|----------------|---------------------|
| Assets | 3,606 | 3,464 | 143 |
| Cash equivalents | 145 | 101 | 44 |
| Accounts Receivables | 1,464 | 1,459 | 5 |
| Domestic Market | 1,093 | 996 | 96 |
| Export Market | 467 | 558 | -91 |
| Allowance for Doubtful Accounts Receivables | (96) | (96) | - |
| | 1,997 | 1,904 | 94 |
| Liability | 2,238 | 2,073 | -165 |
| Suppliers | 1,040 | 1,036 | -4 |
| Salaries and Social Contribution | 91 | 104 | 13 |
| Deffered Taxes | 1,107 | 933 | -174 |
| Working Capital | (1,368) | (1,391) | -22 |

Capital Markets

Common shares of CSN accumulated in the past 12 months (30/Sep/04 to 30/Sep/05) a 37.1% rise, higher than the 35.9% rise accumulated by Ibovespa in the same period. The valorization of 36.6% in the third quarter more than compensated for the negative result of the previous quarter; in terms of the accumulated year-on-year the valuation reached 19.8%, practically the same as Ibovespa, who accumulated 20.6% year-on-year.

Better performance in 3Q05 occurred due to better fundamentals in the international steel industry, especially in the US, as well as the new outlook of increase in coal and iron ore prices in 2006.

| | 3Q04 | 4Q04 | 1Q05 | 2Q05 | 3Q05 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Number of Shares | 286,917,045 | 286,917,045 | 286,917,045 | 286,917,045 | 272,067,946 |
| Market Value | | | | | |
| Closing Price (R\$/share) | 37.79 | 43.22 | 53.87 | 37.90 | 51.77 |
| Closing Price (US\$/share) | 15.53 | 19.12 | 24.10 | 16.15 | 23.22 |
| Market Value (R\$ millions) | 10,841 | 12,401 | 15,456 | 10,874 | 14,085 |
| Market Value (US\$ millions) | 3,793 | 4,672 | 5,797 | 4,627 | 6,338 |
| Profitability | | | | | |
| CSNA3 (%) | 0.0 | 14.4 | 24.6 | (29.6) | 36.6 |
| SID (%) | 0.0 | 23.1 | 26.0 | (33.0) | 43.8 |
| Ibovespa - ratio | 23,245 | 26,196 | 26,610 | 25,051 | 31,583 |
| Ibovespa - profitability (%) | 0.0 | 12.7 | 1.6 | (5.9) | 26.1 |
| Volume | | | | | |
| Daily Average (# of shares) | 666,017 | 746,852 | 893,803 | 1,039,721 | 869,511 |
| Daily Average (R\$ Thousand) | 28,592 | 34,892 | 52,964 | 48,460 | 39,741 |
| Daily Average (# of ADR's) | 384,964 | 500,308 | 840,623 | 815,547 | 812,392 |
| Daily Average (US\$ Thousand) | 5,525 | 8,231 | 18,813 | 15,283 | 15,715 |

Source: *Economática*

Recent Developments

Brazil Day

CSN will be present at Brazil Day, November 14, in New York, joining a panel to discuss the steel industry. The event has been held every two years, since 2001, by Abrasca (Brazilian Association of Publicly-Traded Companies), Apimec (Capital Markets Professionals and Investment Analysts Association), Bovespa (São Paulo Stock Exchange) and IBRI (Brazilian Investor Relations Institute). The objective is to provide an opportunity for Brazilian companies listed on NYSE to network with US investors.

Antidumping

On October 3, and as of October 7, the US Commerce Department ratified a preliminary decision from April 6, in which CSN testified that it was not *dumping* its Hot Rolled exports in the US from March of 2003 to February of 2004. According to this decision, an *antidumping* tariff charged to exports of these products to US, will drop from 41.27% to zero.

The process encompasses two new annual reviews, and, in the end, if it is determined that during the period considered there was no *dumping*, the tariff will be definitively abolished.

Thus, Hot Rolled products of CSN are now only subject to 6.35% *countervailing duty* (subsidy tariff), a duty also subject to administrative revision.

Premiação Relatório Anual e Balanço Social

The 2004 Annual Report of the Company received fifth place in the 7th Abrasca Annual Report Awards for Publicly Traded Companies, competing with 62 other public companies. According to the organizers, participants and quality levels this year were one of the highest, with 16 companies receiving grades superior to 90 points. The initiative has the support of capital market representatives, aimed at stimulating the quality of reports through recognition of clarity, transparency, quality and quantity of information, in addition to the innovative nature of the design project.

CSN also received the Social Report Award for 2004, in the Southeast category. The award was created by Aberje, Apimec, Ethos, Fides and Ibase, aimed at establishing acknowledgement at the national prestigious level for the best social reports. Audited by BDO Trevisan, reports are evaluated according to the criteria of reach, coverage, integrity, consistency, credibility and communication. Ten companies were recognized, out of 166 registered in the following categories: regional, outstanding micro, small and medium sized companies, large and national level companies.

Novo Diretor Executivo

On September 20, the Board of Directors appointed Mr. Pedro Felipe Borges Neto as the Institutional Executive Officer, for a two-year term.

CADE

On August 10, in a judgment over market concentration in the Brazilian iron mining market, CADE determined through the contract change referring to Casa de Pedra mine, to exclude for non-competitiveness reasons, the first-refusal rights regarding the Casa de Pedra mine, for the domestic market as well as for the international market . Alternatively, CADE conceded to the request (the parties, CVRD and CSN) to opt for the entire discontinuation of the Act of Concentration #08012.002838/2001 -08 (Ferteco), transferring all of the acquired operational assets, as well as those assets acquired prior to the purchase, but required for full operation of Ferteco .

The term required for involved parties to fulfill the determination is still ongoing.

Share Buy Back

In accordance with the share buy back program, approved by the Board of Directors in May, the Company held, on September 30, 2005, 7,636,900 shares in treasury, having spent close to R\$ 344 million in the acquisition of these shares. The market value of the shares in the treasury, at the same date, was R\$ 393 million.

Outlook

Both domestic and international demand have not returned to historic levels of growth, frustrating sector expectations for 2005. This can be largely attributed to high levels of inventory that distributors and service centers carry over the year. This scenario began in mid-September in the US with normalized inventory levels and sales promotions in the automotive industry, demand grew close to 1Mtonnes translating into significant price increases. However, in European and Brazilian markets, the conditions remained unchanged, even though European producers have managed to achieve small price increases, with expectations for new price increases in the fourth quarter.

The perspective is that these fundamentals will continue firmly into the fourth quarter: demand will continue to grow, without the counterbalancing supply growth, which will pressure prices or help to maintain high prices until the end of the year.

09.01 - EQUITY IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

| 1 - ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Corporate Taxpayer s ID) | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEE - % | 6 INVESTOR S SHAREHOLDERS' EQUITY - % |
|---|---|--|--------------------|---|---------------------------------------|
| 7 - TYPE OF COMPANY | | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands) | | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands) | |
| 01 | CSN OVERSEAS | 05.722.388/0001-58 | PRIVATE SUBSIDIARY | 100.00 | 13.24 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 7,173 | | 7,173 | |
| 02 | CSN STEEL | 05.706.345/0001-89 | PRIVATE SUBSIDIARY | 100.00 | 14.22 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 480,727 | | 480,727 | |
| 03 | CSN ISLANDS | 05.923.780/0001-65 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 50 | | 50 | |
| 04 | CSN ENERGY | 06.202.987/0001-03 | PRIVATE SUBSIDIARY | 100.00 | 5.59 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 3,675 | | 3,675 | |
| 06 | IND. NAC. DE AÇOS LAMINADOS INAL | 02.737.015/0001-62 | PRIVATE SUBSIDIARY | 99.99 | 6.68 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 345,950 | | 285,950 | |
| 07 | CSN CIMENTOS | 42.564.807/0001-05 | PRIVATE SUBSIDIARY | 99.99 | 0,06 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 376 | | 376 | |
| 08 | CIA METALIC DO NORDESTE | 01.183.070/0001-95 | PRIVATE SUBSIDIARY | 99.99 | 1.26 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 92,293 | | 84,916 | |
| 09 | INAL NORDESTE | 00.904.638/0001-57 | PRIVATE SUBSIDIARY | 99.99 | 0.25 |

| | | |
|--|--------|-------|
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | 37,800 | 1,100 |
|--|--------|-------|

09.01 - EQUITY IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

| 1 - ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Corporate Taxpayer's ID) | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEE - % | 6 - INVESTOR'S SHAREHOLDERS' EQUITY - % |
|---|---|---|--------------------|--|---|
| 7 - TYPE OF COMPANY | | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands) | | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands) | |
| 10 | CSN PANAMA | 05.923.777/0001-41 | PRIVATE SUBSIDIARY | 100.00 | 4.96 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 4,240 | | 4,240 | |
| 11 | CSN ENERGIA | 03.537.249/0001-29 | PRIVATE SUBSIDIARY | 99.90 | 1.54 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 12 | CSN PARTICIPAÇÕES ENERGÉTICAS | 03.537.201/0001-10 | PRIVATE SUBSIDIARY | 99.70 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 13 | CSN I | 04.518.302/0001-07 | PRIVATE SUBSIDIARY | 100.00 | 6.46 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 9,996,753 | | 9,996,753 | |
| 14 | GALVASUD | 02.618.456/0001-45 | PRIVATE SUBSIDIARY | 15.29 | 6.01 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 11,801,407 | | 11,801,407 | |
| 16 | SEPETIBA TECON | 02.394.276/0001-27 | PRIVATE SUBSIDIARY | 20.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 62,220 | | 62,220 | |
| 17 | COMPANHIA FERROVIÁRIA DO NORDESTE-CFN | 02.281.836/0001-37 | PRIVATE SUBSIDIARY | 49.99 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 36,206 | | 36,206 | |
| 18 | ITÁ ENERGÉTICA | 01.355.994/0002-02 | | 48.75 | 7.25 |

| | PUBLICLY-TRADED SUBSIDIARY | |
|--|-------------------------------|---------|
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | 520,219 | 520,219 |

09.01 - EQUITY IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

| 1 - ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Corporate Taxpayer's ID) | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEE - % | 6 - INVESTOR'S SHAREHOLDERS' EQUITY - % |
|---|---|--|----------------------------|---|---|
| 7 - TYPE OF COMPANY | | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands) | | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands) | |
| 19 | MRS LOGÍSTICA | 01.417.222/0001-77 | PUBLICLY-TRADED SUBSIDIARY | 32.22 | 9.45 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 340,000 | | 340,000 | |
| 20 | CSN ISLANDS II | 05.918.534/0001-15 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 22 | CSN ISLANDS III | 05.918.535/0001-60 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 23 | CSN ISLANDS IV | 05.918.536/0001-04 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 24 | CSN ISLANDS V | 05.918.538/0001-01 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 27 | CSN EXPORT | 05.760.237/0001-94 | PRIVATE SUBSIDIARY | 100.00 | 0.51 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 32 | | 32 | |
| 28 | CSN ISLANDS VII | 05.918.539/0001-48 | PRIVATE SUBSIDIARY | 100.00 | 0.00 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 | | 1 | |
| 29 | CSN ISLANDS VIII | 06.042.103/0001-09 | PRIVATE SUBSIDIARY | 100.00 | 0.03 |

| | | |
|--|--|---|
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | 1 |
|--|--|---|

09.01 - EQUITY IN SUBSIDIARIES AND/OR AFFILIATED COMPANIES

| 1 ITEM | 2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY | 3 - CNPJ (Corporate Taxpayer s ID) | 4 - CLASSIFICATION | 5 - PARTICIPATION IN CAPITAL OF INVESTEES - % | 6 INVESTOR S SHAREHOLDERS' EQUITY -% |
|--|---|---|-----------------------|---|--|
| 7 - TYPE OF COMPANY | | 8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (in thousands) | | 9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (in thousands) | |
| 30 | CSN ISLANDS IX | 07.064.261/0001-14 | PRIVATE SUBSIDIARY | 100.00 | 0.44 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | | | 1 | 1 |
| 31 | ERSA ESTANHO DE RONDÔNIA | 00.684.808/0001-35 | PRIVATE SUBSIDIARY | 100.00 | 0.25 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | | | 34,236 | 34,236 |
| 32 | CSN ISLANDS X | .. /- | PRIVATE SUBSIDIARY | 100.00 | 0.23 |
| COMMERCIAL, INDUSTRY AND OTHER TYPES OF COMPANY | | | | 1 | 1 |

10.01 - CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

| | |
|--|----------------------|
| 1- ITEM | 02 |
| 2 - No. ORDER | 2 |
| 3 - No. REGISTRY AT CVM | CVM/SRE/DEB/2003/020 |
| 4 - REGISTRY DATE AT CVM | 12/8/2003 |
| 5 - ISSUED SERIES | SINGLE |
| 6 - TYPE OF ISSUANCE | COMMON |
| 7 - NATURE OF ISSUANCE | PUBLIC |
| 8 - DATE OF ISSUANCE | 12/1/2003 |
| 9 - MATURITY DATE | 12/1/2006 |
| 10 - TYPE OF DEBENTURE | WITHOUT PREFERENCE |
| 11 - CONDITION OF CURRENT REMUNERATION | 107% CDI CETIP |
| 12 - PREMIUM/NEGATIVE GOODWILL | |
| 13 - NOMINAL VALUE (Reais) | 10,0000.00 |
| 14-AMOUNT ISSUED (Thousands of Reais) | 400,000 |
| 15-AMOUNT OF SECURITIES ISSUED (UNIT) | 40,000 |
| 16 - OUTSTANDING SECURITIES (UNIT) | 40,000 |
| 17 - TREASURY SECURITIES (UNIT) | 0 |
| 18 - CALLED AWAY SECURITIES (UNIT) | 0 |
| 19 CONVERTED SECURITIES (UNIT) | 0 |
| 20 SECURITIES TO BE DISTRIBUTED (UNIT) | 0 |
| 21 - DATE OF THE LAST RENEGOTIATION | |
| 22 - DATE OF NEXT EVENT | 12/01/2005 |

10.01 - CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

| | |
|--|----------------------|
| 1- ITEM | 03 |
| 2 - No. ORDER | 3 |
| 3 - No. REGISTRY AT CVM | CVM/SRE/DEB/2003/022 |
| 4 REGISTRY DATE AT CVM | 12/19/2003 |
| 5 - ISSUED SERIES | 1A |
| 6 - TYPE OF ISSUANCE | COMMON |
| 7 - NATURE OF ISSUANCE | PUBLIC |
| 8 - DATE OF ISSUANCE | 12/1/2003 |
| 9 - EXPIRATION DATE | 12/1/2006 |
| 10 - TYPE OF DEBENTURE | WITHOUT PREFERENCE |
| 11 - CONDITION OF CURRENT REMUNERATION | 106.5% CDI CETIP |
| 12 PREMIUM/NEGATIVE GOODWILL | |
| 13 NOMINAL VALUE (Reais) | 10,000.00 |
| 14- AMOUNT ISSUED (Thousands of Reais) | 250,000 |
| 15- AMOUNT OF SECURITIES ISSUED (UNIT) | 25,000 |
| 16 - OUTSTANDING SECURITIES (UNIT) | 25,000 |
| 17 - TREASURY SECURITIES (UNIT) | 0 |
| 18 - CALLED AWAY SECURITIES (UNIT) | 0 |
| 19 CONVERTED SECURITIES (UNIT) | 0 |
| 20 SECURITIES TO BE DISTRIBUTED (UNIT) | 0 |
| 21 - DATE OF THE LAST RENEGOTIATION | |
| 22 - DATE OF NEXT EVENT | 12/1/2005 |

10.01 - CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

| | |
|--|----------------------|
| 1- ITEM | 04 |
| 2 - No. ORDER | 3 |
| 3 - No. REGISTRY AT CVM | CVM/SRE/DEB/2003/023 |
| 4 - REGISTRY DATE AT CVM | 12/19/2003 |
| 5 - ISSUED SERIES | 2A |
| 6 - TYPE OF ISSUANCE | COMMON |
| 7 - NATURE OF ISSUANCE | PUBLIC |
| 8 - DATE OF ISSUANCE | 12/1/2003 |
| 9 - EXPIRATION DATE | 12/1/2008 |
| 10 - TYPE OF DEBENTURE | WITHOUT PREFERENCE |
| 11 - CONDITION OF CURRENT REMUNERATION | IGPM + 10% p.a. |
| 12 - PREMIUM/NEGATIVE GOODWILL | |
| 13 - NOMINAL VALUE (Reais) | 10,000.00 |
| 14- AMOUNT ISSUED (Thousands of Reais) | 250,000 |
| 15- AMOUNT OF SECURITIES ISSUED (UNIT) | 25,000 |
| 16 - OUTSTANDING SECURITIES (UNIT) | 25,000 |
| 17 - TREASURY SECURITIES (UNIT) | 0 |
| 18 - CALLED AWAY SECURITIES (UNIT) | 0 |
| 19 CONVERTED SECURITIES (UNIT) | 0 |
| 20 SECURITIES TO BE DISTRIBUTED (UNIT) | 0 |
| 21 - DATE OF THE LAST RENEGOTIATION | |
| 22 - DATE OF NEXT EVENT | 12/1/2005 |

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

Accounting
Practices

**QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY**

Date:
09/30/2005

Adopted in Brazil

00403-0

**COMPANHIA
SIDERÚRGICA
NACIONAL**

33.042.730/0001-04

15.01 INVESTMENT PROJECTS

OPERATING INVESTMENTS

Expenditures made in 2005 with the main investment projects were:

| Description | Amount in thousands of R\$ | |
|--|----------------------------|---------|
| | 3Q | 2005 |
| Sepetiba Project Port Expansion | 65,843 | 178,599 |
| Mine Project Casa de Pedra Mine Expansion | 6,526 | 13,521 |
| Sepetiba Project Ship Unloader DN1 | 2,958 | 13,490 |
| LTF#3 Change of the Thickness Measurer T-306 | 1,745 | 1,831 |
| Campaign Extension of Battery # 1 | 1,536 | 2,083 |
| Revamp of the Rolling Bridges (Sumitomo Project) | 1,399 | 1,833 |
| Natural Gas Injection in Blast Furnaces | 1,294 | 3,278 |
| Revamp of Gas System 1 Phase II | 1,034 | 1,264 |
| Replacement of Main Engine Feeding LTF#3 | 1,016 | 1,063 |
| Efficiency Increase of the Pig Iron Desulphurization Station | 966 | 1,481 |
| Cement Project - Implementation of Cement Plant | 949 | 2,586 |
| Revamp of AF#3 Facilities | 914 | 2,648 |
| Cisa Project Phase II | 822 | 3,451 |
| Improvements in the LDCs 3 and 4 | 622 | 1,561 |
| Cisa Project Infrastructure | 433 | 1,614 |
| Water Purification System of Converter B | 381 | 876 |
| Revamp of Lime Furnace #3 | 237 | 3,200 |
| Campaign Extension of Batteries # 4A, 4B and 5 | 215 | 831 |
| Repotentiation of Liquid Metal Rolling Bridges | 109 | 1,748 |
| Steelmaking Automation | 67 | 941 |
| Laboratory Resources | 18 | 247 |

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| | | |
|---|---------------|----------------|
| Adjustment of Pig-iron Pans | 4 | 1,233 |
| Repair and Modification of Torpedo Cars | | 518 |
| Electromechanical Revamp in Torpedo Cars | | 399 |
| Benzene Steam Capture from Tanks | | 286 |
| Regenerators Thermal Isolation AF#3 | | 259 |
| Repair of Steelmaking Gasometer Broadside | | 530 |
| Cisa Project Phase I | | 1,700 |
| | 89,088 | 243,071 |

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

**QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY**

Date:
09/30/2005

Accounting
Practices
Adopted in
Brazil

00403-0 COMPANHIA SIDERÚRGICA NACIONAL 33.042.730/0001-04

**16.01 - OTHER INFORMATION CONSIDERED MATERIAL BY
THE COMPANY**

**Companhia Siderúrgica Nacional
Statements of Cash Flows
For the periods ended on September 30, 2005 and 2004
(In thousands of reais)**

| | Parent Company | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Cash flow from operating activities | | | | |
| Net income (loss) for the period | 1,516,911 | 1,551,970 | 1,652,927 | 1,451,278 |
| Adjustments to reconcile the net income for the period with the resources from operating activities: | | | | |
| - Amortization of deferred exchange variation | | 78,252 | | 79,832 |
| - Net monetary and exchange variations | (1,567,495) | (183,797) | (1,256,653) | (75,576) |
| - Provision for loan and financing charges | 512,042 | 714,811 | 726,816 | 666,871 |
| - Depreciation, depletion and amortization | 591,060 | 548,546 | 693,568 | 606,490 |
| - Write-off of permanent assets | 6,468 | 7,921 | 32,525 | 8,431 |
| - Equity accounting and amortization of goodwill and negative goodwill | 645,130 | (453,704) | 35,192 | (14,457) |
| - Deferred income tax and social contribution | (105,352) | 209,332 | (55,082) | 162,104 |
| - Provision Swap and Forward | 193,903 | (477,868) | 45,000 | (597,502) |
| - Provision for contingencies | (282,923) | | (323,519) | |
| - Employees' pension fund provision | 18,630 | 22,609 | 18,630 | 22,345 |
| - Other provisions | 111,251 | 153,991 | 120,511 | 119,621 |

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 1,639,625 | 2,172,063 | 1,689,915 | 2,429,437 |
| (Increase) decrease in assets: | | | | |
| - Accounts receivable | (151,593) | (453,110) | (359,283) | (249,443) |
| - Inventories | 218,006 | (892,707) | 367,361 | (1,257,062) |
| - Judicial deposits | (44,027) | (43,976) | (46,597) | (46,677) |
| - Credits with subsidiaries | 9,057 | (17,763) | (18,547) | 1,240 |
| - Recoverable taxes | (54,754) | (148,919) | (72,915) | (163,781) |
| - Other | (90,125) | 176,933 | (185,742) | 113,623 |
| | (113,436) | (1,379,542) | (315,723) | (1,602,100) |
| Increase (decrease) in liabilities | | | | |
| - Suppliers | 301,918 | (120,360) | 237,666 | 55,504 |
| - Salaries and payroll charges | 19,578 | 20,547 | 24,414 | 25,333 |
| - Taxes | 208,935 | 432,802 | 207,664 | 465,417 |
| - Accounts payable - Subsidiaries | (343,784) | (10,329) | | |
| - Unsecured liabilities | 660,341 | | 683,229 | |
| - Other | (23,550) | (104,903) | (65,018) | (66,837) |
| | 823,438 | 217,757 | 1,087,955 | 479,417 |
| Net resources from operating activities | 2,349,627 | 1,010,278 | 2,462,147 | 1,306,754 |
| Cash Flow from investing activities | | | | |
| - Investments | (194,378) | (531,527) | (81,430) | (139,205) |
| - Property, plant and equipment | (489,254) | (259,860) | (648,067) | (457,613) |
| - Deferred assets | (31,019) | (31,864) | (31,871) | (49,615) |
| Net resources used on investing activities | (714,651) | (823,251) | (761,368) | (646,433) |
| Cash Flow from financing activities | | | | |
| Financial Funding | | | | |
| - Loans and Financing | 2,239,127 | 2,584,628 | 4,321,812 | 2,805,746 |
| | 2,239,127 | 2,584,628 | 4,321,812 | 2,805,746 |
| Payments | | | | |
| - Financial Institution | | | | |
| - Principal | (1,190,791) | (1,524,178) | (1,819,330) | (2,221,235) |
| - Charges | (428,579) | (679,978) | (537,469) | (675,560) |
| - Dividends and interest on own capital | (2,268,931) | (752,254) | (2,268,931) | (752,254) |
| - Treasury stocks | (570,437) | (181,938) | (570,437) | (181,938) |
| | (4,458,738) | (3,138,348) | (5,196,167) | (3,830,987) |
| Net resources from (to) financing activities | (2,219,611) | (553,720) | (874,355) | (1,025,241) |
| Increase (decrease) in cash and cash equivalents | (584,635) | (366,693) | 826,424 | (364,920) |
| Cash and marketable securities, beginning of period | 1,957,276 | 2,193,171 | 3,325,969 | 3,650,707 |
| Cash and marketable securities (except for derivatives), end of period | 1,372,641 | 1,826,478 | 4,152,393 | 3,285,787 |

Companhia Siderúrgica Nacional
Statements of Changes in Financial Position
For the periods ended on September 30, 2005 and 2004
(In thousands of reais)

| | Parent Company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| SOURCES OF FUNDS | | | | |
| Funds provided by operations | | | | |
| Net income for the period | 1,516,911 | 1,551,970 | 1,652,927 | 1,451,278 |
| Expenses (income) not affecting net working capital | | | | |
| Amortization of special exchange variation | | 78,252 | | 79,832 |
| Monetary and exchange variation and long term accrued charges (net) | (1,214,253) | (165,284) | (829,374) | (56,546) |
| Equity accounting and amortization of goodwill and negative goodwill | 645,130 | (453,704) | 35,192 | (14,457) |
| Write-offs from permanent assets | 6,468 | 7,921 | 32,525 | 8,431 |
| Depreciation, depletion and amortization | 591,060 | 548,546 | 693,658 | 606,490 |
| Deferred income tax and social contribution | (84,104) | (192,138) | (61,265) | (196,597) |
| Provision for contingent liabilities | | | | |
| PIS/COFINS/CPMF | 253,511 | 103,155 | 262,463 | 103,155 |
| Employees pension fund provision | 18,630 | 22,609 | 18,630 | 22,345 |
| Deferred income variation | | | (23,326) | 25,529 |
| Other | (5,671) | 113,296 | 1,078 | 123,270 |
| | 1,727,682 | 1,614,623 | 1,782,508 | 2,152,730 |
| Funds Provided by Others | | | | |
| Resources from loans and financing | 1,150,173 | 2,537,876 | 2,926,583 | 2,097,995 |
| Dividends and interest on own capital of subsidiaries | 27,175 | | | 131,120 |
| Decrease in other long-term assets | 136,353 | 115,788 | 82,753 | 426,557 |
| Increase in other long-term liabilities | 13,754 | 406,644 | 63,352 | |
| Other | | 22,468 | 354 | 29,171 |
| | 1,327,455 | 3,082,776 | 3,073,042 | 2,684,843 |
| TOTAL SOURCES OF FUNDS | 3,055,137 | 4,697,399 | 4,855,550 | 4,837,573 |
| USES OF FUNDS | | | | |
| Funds used in permanent assets | | | | |
| Investments | 194,378 | 531,527 | 81,430 | 139,205 |
| Property, plant and equipment | 489,254 | 259,582 | 648,067 | 457,335 |
| Deferred assets | 31,019 | 31,864 | 31,871 | 49,615 |
| | 714,651 | 822,973 | 761,368 | 646,155 |
| Others | | | | |

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| | | | | |
|---|--------------------|--------------------|--------------------|------------------|
| Dividends and Interest on own equity | 184,177 | 35,000 | 184,177 | 35,000 |
| Treasury stocks | 570,437 | 181,938 | 570,437 | 181,938 |
| Transfer of loans and financing to short term | 400,808 | 1,784,108 | 541,828 | 1,796,245 |
| Increases in long-term assets | 217,481 | 93,517 | 337,579 | 138,535 |
| Decreases in long-term liabilities | 53,443 | 30,517 | 87,257 | 62,273 |
| | 1,426,346 | 2,125,080 | 1,720,594 | 2,213,991 |
| TOTAL USES OF FUNDS | 2,140,997 | 2,948,053 | 2,481,962 | 2,860,146 |
| INCREASE (DECREASE) IN NET WORKING CAPITAL | 914,140 | 1,749,346 | 2,373,588 | 1,977,427 |
| CHANGES IN NET WORKING CAPITAL | | | | |
| Current Assets | | | | |
| At end of the period | 5,097,177 | 6,249,078 | 8,758,829 | 7,840,038 |
| At beginning of the period | 6,440,179 | 5,507,669 | 8,608,514 | 6,775,380 |
| | (1,343,002) | 741,409 | 150,315 | 1,064,658 |
| Current Liabilities | | | | |
| At end of the period | 3,974,435 | 3,543,808 | 3,940,389 | 3,629,749 |
| At beginning of the period | 6,231,577 | 4,551,745 | 6,163,662 | 4,542,518 |
| | (2,257,142) | (1,007,937) | (2,223,273) | (912,769) |
| INCREASE (DECREASE) IN NET WORKING CAPITAL | 914,140 | 1,749,346 | 2,373,588 | 1,977,427 |

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

Accounting
Practices

QUARTERLY INFORMATION ITR
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

Date:
09/30/2005

Adopted in Brazil

00403-0 COMPANHIA SIDERÚRGICA NACIONAL 33.042.730/0001-04

17.01 - REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT PUBLIC ACCOUNTANTS SPECIAL REVIEW REPORT

To the Stockholders and Management of Companhia Siderúrgica Nacional Rio de Janeiro RJ

1. We have conducted a special review on the Quarterly Information (ITRs) of Companhia Siderúrgica Nacional, which includes the individual and consolidated balance sheets as of September 30, 2005, the related statements of income for the quarter and semester ended on that date, the performance report and the relevant information, presented in accordance with the accounting practices adopted in Brazil, prepared under the responsibility of the Company's management.
2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Auditors - IBRACON, together with the Federal Accounting Council, and mainly comprised: (a) inquiries and discussions with the administrators responsible for the accounting, financial and operating areas of the Company and its subsidiaries, as to main criteria adopted in the preparation of the Quarterly Information; and (b) review of the information and subsequent events that have or may have significant effects on the Company and its subsidiaries financial position and operations.
3. Based on our special review, we are not aware of any material modification that should be made to the Quarterly Information referred to in paragraph (1) above for it to be in accordance with the accounting practices adopted in Brazil, applied in compliance with the standards issued by CVM, specifically applicable to the preparation of mandatory Quarterly Information.
4. The individual and consolidated balance sheets as of June 30, 2005 presented for comparative purposes, were reviewed by us, and our report, dated July 29, 2005 included an emphasis paragraph relating to accounts receivable from sale of energy in the Wholesale Electric Energy Market - MAE, from the period between September 2000 to September 2002, which is subject to alteration depending on the outcome of current judicial processes. The individual and consolidated statements of income for the quarter and semester ended September 30, 2004, presented for comparative purposes, were reviewed by us, and our report, dated October 22, 2004, contains an exception with respect to the deferral of net negative exchange variations and emphasis paragraph relating to the same subject mentioned in June 30, 2005.

5. Our special review was conducted for the purpose of issuing a report on the Quarterly Information referred to in paragraph (1) above, taken as a whole. The Supplementary Information referring to the Value-Added Statement is exhibited in the explanatory note 23, the EBTIDA Statement is included in the explanatory note 24, and the Statements of Changes in Financial Position and of Cash Flows are presented in Attachment 16.01 to the Quarterly Information for the purposes of allowing additional analyses and are not required as part of the basic Quarterly Information. This information was reviewed by us according to the review procedures mentioned in paragraph (2) above, and based on our special review is fairly stated, in all its material aspects, in relation to the Quarterly Information taken as a whole.
6. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, October 31, 2005

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC-SP 11609/O-S-RJ

José Carlos Monteiro
Accountant
CRC-SP 100597/O

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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: November 09, 2005

COMPANHIA SIDERÚRGICA NACIONAL

By: /s/ Benjamin Steinbruch

**Benjamin Steinbruch
Chief Executive Officer and
Acting Chief Financial
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.
