

NATIONAL STEEL CO
Form 6-K
December 27, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

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

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes _____ No

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

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

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

Code	Description	Current	Year to	Same	YT
		Quarter	date	quarter	previous
		07/01/2016	01/01/2016	07/01/2015	01/01/2015
		to	to	to	to
		09/30/2016	09/30/2016	09/30/2015	09/30/2015
3.01	Revenues from sale of goods and rendering of services	4,469,240	12,630,353	3,933,604	11,609,222
3.02	Costs from sale of goods and rendering of services	(3,157,057)	(9,470,412)	(2,993,905)	(8,851,522)
3.03	Gross profit	1,312,183	3,159,941	939,699	2,757,700
3.04	Operating expenses/income	(498,861)	(1,840,607)	246,828	(664,833)
3.04.01	Selling expenses	(405,411)	(1,247,971)	(409,430)	(1,018,488)
3.04.02	General and administrative expenses	(117,792)	(382,114)	(120,037)	(339,766)
3.04.04	Other operating income	168,599	202,617	29,602	48,122
3.04.05	Other operating expenses	(170,377)	(501,612)	(114,659)	(569,555)
3.04.06	Equity in income of affiliates and jointly operations	26,120	88,473	861,352	1,214,844
3.05	Profit before finance income (expenses) and taxes	813,322	1,319,334	1,186,527	2,092,866
3.06	Finance income (expenses)	(760,015)	(1,908,517)	(1,549,045)	(3,193,293)
3.06.01	Finance income	140,423	522,995	105,446	202,293
3.06.02	Finance expenses	(900,438)	(2,431,512)	(1,654,491)	(3,395,586)
3.06.02.01	Net exchange differences over financial instruments	(67,202)	102,278	(644,421)	(717,071)
3.06.02.02	Finance expenses	(833,236)	(2,533,790)	(1,010,070)	(2,678,515)
3.07	Profit (loss) before taxes	53,307	(589,183)	(362,518)	(1,100,422)
3.08	Income tax and social contribution	(152,967)	(384,682)	(169,405)	338,977
3.09	Profit (loss) from continued operations	(99,660)	(973,865)	(531,923)	(761,445)
3.10	Profit (loss) from discontinued operations	(6,984)	(6,786)	(728)	6,000
3.11	Consolidated Profit (loss) for the year	(106,644)	(980,651)	(532,651)	(755,448)
3.11.01	Profit attributable to the controlling interests	(137,195)	(1,031,122)	(532,513)	(754,722)
3.11.02	Profit attributable to the non-controlling interests	30,551	50,471	(138)	(71)
3.99.01.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)
3.99.02.01	Common shares	(0.09595)	(0.75478)	(0.39184)	(0.56051)

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

Code	Description	Current	Year to date	Same quarter	YTD previous
		Quarter	Year to date	previous year	year
		07/01/2016 to 09/30/2016	01/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015
4.01	Consolidated profit for the year	(106,644)	(980,651)	(532,651)	(755,442)
4.02	Other comprehensive income	620,079	1,428,356	(1,026,861)	(1,040,896)
4.02.02	Actuarial gains (losses) on defined benefit pension plan	30	144	-	202
4.02.03	Income tax and social contribution on actuarial (losses) gains in pension plan	-	-	-	(68)
4.02.04	Cumulative translation adjustments for the year	75,140	(392,797)	550,919	719,875
4.02.05	Available-for-sale assets	647,550	775,403	(445,407)	(474,694)
4.02.06	Income tax and social contribution on available-for-sale assets	(42,734)	(42,734)	-	9,957
4.02.07	Impairment of available-for-sale assets	-	-	81,016	178,867
4.02.08	Income tax and social contribution on impairment of available-for-sale assets	-	-	-	(33,269)
4.02.09	(Loss) / gain on the percentage change in investments	740	1,324	245	202
4.02.10	Gain (loss) on cash flow hedge accounting	(56,324)	1,016,560	(1,171,346)	(1,517,306)
4.02.11	Income tax and social contribution on cash flow hedge accounting	-	(13,808)	-	117,626
4.02.12	Gain (Loss) on net investment hedge	(10,272)	57,792	(42,288)	(42,288)
4.02.13	Realization of cash flow hedge accounting reclassified to income statement	5,949	26,472	-	-
4.03		513,435	447,705	(1,559,512)	(1,796,338)

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

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

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

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

CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE

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

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

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

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

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

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

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

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

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

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

1. DESCRIPTION OF BUSINESS

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

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

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

- **Steel:**

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

- **Mining:**

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

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

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

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

- **Cement:**

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

- **Logistics**

Railroads:

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

Ports:

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

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

- **Energy:**

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.a) Basis of preparation

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

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

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

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

Note 02 - Summary of significant accounting policies

Note 03 – Business Combination

Note 09 – Investments

Note 27 - Employee benefits

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Note 29 – Commitments

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

2.b) Basis of presentation

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

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

2.c) Basis of consolidation

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

- Companies**

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

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

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

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

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

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

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

(4) Company liquidated in January 2016;

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

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

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

- **Exclusive funds**

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

2.d) Restatement of accounting balances

- **Forfaiting**

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

- **Drawee risk**

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

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

a) Statements of cash flows at September 30, 2015

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

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

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

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

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

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

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

The business combination steps are described as follows:

a) Determination of the purchase price

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

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

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

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

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

The results are presented in the following table:

Premises

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

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

Accounting Balances

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

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

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

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

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

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

(b) Refers to deferred tax.

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

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

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

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

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

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

4.a) Assets and liabilities:

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

4.b) Results from discontinued operations

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

4.c) Cash flow from discontinued operations

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

5. CASH AND CASH EQUIVALENTS

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

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

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

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

6. Financial Investments

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

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

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

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

7. TRADE RECEIVABLES

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

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

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

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

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

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

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

8. INVENTORIES

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

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

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

9. OTHER CURRENT AND NON-CURRENT ASSETS

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

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

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

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

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

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

10. INVESTMENTS

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

- **Transnordestina**

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

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

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

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

Arvedi Metalfer do Brasil	27.239.971	20,00	52.729	47.464	5.265	1.795	20,00
			52.729	47.464	5.265	1.795	

Classified as available-for-sale

Usiminas					1.416.041		
Panatlântica					21.471		
					1.437.512		

Other investments

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

Classification of investments in the balance sheet

Investments in assets					21.058.572		
Investments with negative equity					(1.108.614)		
					19.949.958		

(*) Company extinguished in 2015;

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

(***) Company incorporated in 2015

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

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

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

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

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

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

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

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

10.c) Joint ventures and joint operations financial information

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

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

intangible
assets

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

Current liabilities

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

Non-current liabilities

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

Shareholders' equity

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

01/01/2016 at
09/30/2016

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

Statements of Income

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

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

11. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

The estimated useful lives are as follows:

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

11.a) Depreciation, amortization and depletion expenses:

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

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

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

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

12. INTANGIBLE ASSETS

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

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

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

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

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

13. BORROWINGS, FINANCING AND DEBENTURES

As of September 30, 2016 the balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

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

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

(*) The balances of Pre-export loans, Fixed Rate Notes and Intercompany Bonds from related parties of the parent company totals R\$11,197,675 on September 30, 2016 (R\$13,416,687 on December 31, 2015), see note 19b.

(**) The balances of forfaiting and drawee risk operations totals R\$ 109,364 on September 30, 2016 (R\$372,835 on December 31, 2015).

13.a) Maturities of borrowings, financing and debentures presented in non-current liabilities

As of September 30, 2016, the breakdown of principal plus interest of long-term liabilities as borrowings, financing and debentures by maturity date is presented as follows:

		Consolidated		Parent Company	
2017	442,042	2%	2,023,229	7%	
2018	5,630,660	20%	5,711,883	20%	
2019	6,929,305	24%	5,301,403	19%	
2020	7,459,546	26%	4,649,265	16%	
2021	2,214,288	8%	2,803,442	10%	
After 2021	2,640,725	9%	7,908,335	28%	
Perpetual bonds	3,246,200	11%			
	28,562,766	100%	28,397,557	100%	

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

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

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

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

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

- **Capitalization**

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

- **Amortization**

Transaction	Payment of principal	Consolidated Debt charges
Fixed Rate Notes	107,048	643,748
Debentures		220,175
Bank Credit Bill		821,637
Export Credit Note	65,000	629,074
Pre - Export Payment	144,218	136,522
BNDES/FINAME	33,146	39,556
Pre - Debt Payment	309,707	
Others	4,924	1,328
Total	664,043	2,492,040

- **Covenants**

Some of the Company's debt contracts contain covenants clauses, which require it to maintain certain net debt indices over the EBITDA. On September 30, 2016, the Company has provisioned, due to commission over risk assumption, R\$25,311 in consolidated and R\$10,060 in the parent Company financial statements,

14. FINANCIAL INSTRUMENTS

The information related to financial instruments did not have significant changes compared to what was disclosed in Company's financial statements as of December 31, 2015 and, accordingly, the Company decided not to repeat it fully in the condensed interim financial statements as of September 30, 2016.

I - Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, marketable securities, trade receivables, trade payables, and borrowings and financing. The Company also enters into derivative transactions, especially interest rate and foreign exchange rate swaps.

- **Classification of financial instruments**

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

Total		28.562.766	28.562.766
Total Liabilities	50	32.476.229	32.476.279

- Fair value measurement**

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

Consolidated	09/30/2016		12/31/2015	
	Level 1	Level 2	Level 1	Level 2
Assets				
Current				
Financial assets at fair value through profit or loss				
Derivative financial instruments		558	118,592	118,592
Trading securities	13,037		10,778	10,778
Non-current				
Available-for-sale financial assets				
Investments	1,437,512		471,674	471,674
Total Assets	1,450,549	558	482,452	601,444
Liabilities				
Current				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments		50	26,257	26,257
Total Liabilities		50	26,257	26,257

II – Investments in financial instruments classified as available-for-sale and measured at fair value through OCI

The Company has investments in common (USIM3) and preferred (USIM5) shares of Usiminas (“Usiminas Shares”), designated as available-for-sale financial assets. The Company adopts this designation because the nature of the investment is not comprised in any other categories of financial instruments (loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss). The asset is classified as a non-current asset in line item “investments” and is carried at fair value based on the quoted price on the stock exchange (BM&FBOVESPA). According to the Company's policy, the gains and losses arising from changes in the price of shares are recorded directly in equity, as other comprehensive income.

During March 2016, the Usiminas’ Board of Directors authorized a capital increase amounting to R\$64,882, through the issuance of up to 50,689,310 preferred shares. On April 22, 2016, CSN fully exercised its right of subscription, paying R\$11,603 by 9,064,856 preferred shares. The capital increase has been approved by the Usiminas’ Board of Directors on June 03, 2016.

The Usiminas’ Board of Directors authorized in April 2016 an increase in its share capital in the amount of R\$1,000,000, through the issuance of 200,000,000 common shares. Over again, on May 20, 2016, CSN fully exercised its right of subscription, paying R\$178,832 by 35,766,351 preferred shares. The capital increase has been approved by the Usiminas’ Board of Directors on July 19, 2016.

As of September 30, 2016, there was no impairment recorded and the gain from the change in share price in the period was recorded in other comprehensive income (the impairment recorded as of 30 September, 2015 amounted to R\$ 81,016):

Class of shares	Quantity	09/30/2016		12/31/2015			Variation in the period	
		Share price	Closing Balance	Quantity	Share price	Closing Balance	Share price	Variation in the carrying amount

Common	107,156,651	9.45	1,012,630	71,390,300	4.02	286,989	5.43	725,641
Preferred	114,280,556	3.53	403,411	105,215,700	1.55	163,084	1.98	240,327
	221,437,207		1,416,041			450,073		965,968

On September 30, 2016, the Company's stake in USIMINAS was 15.19% in the common shares and 20.86% in the preferred shares.

On September 30, 2016 the carrying amounts recorded in other comprehensive income for investments available for sale is R\$732,596 (R\$ (73) as of December 31, 2015).

III - Financial risk management

As of September 30, 2016, there were no changes in the financial risk management policies in relation to those disclosed in the Company's financial statements for the year ended December 31, 2015

14.a) Foreign exchange and interest rate risks

- **Exchange rate risk**

The exchange rate risk arises from the existence of assets and liabilities denominated in US dollars or Euros is called natural currency exposure. Net exposure is the result of offsetting the natural currency exposure by hedging instruments adopted by CSN.

The consolidated net exposure as of September 30, 2016 is as follows:

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

- **Interest rate risk**

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

14.b) Hedging instruments: Derivative and hedge accounting

CSN uses several instruments for protection of foreign currency risk and interest rate risk, as shown in the following topics:

- **Portfolio of derivative financial instruments**

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

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

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

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

- **Hedge accounting – cash flow**

Beginning November 1, 2014, the Company formally designated cash flow hedging relationships to protect highly probable future cash flows against US dollar fluctuations.

In order to better reflect the accounting impacts of this foreign exchange hedging strategy on its profit, CSN designated part of its US dollar-denominated liabilities as a hedging instrument of its future exports. As a result, foreign exchange differences arising on translating the designated liabilities shall be temporarily recognized in shareholders' equity and allocated to profit or loss when such exports are carried out, which will allow recognizing the US dollar impact on liabilities and exports concurrently.

The table below shows a summary of the hedging relationships as of September 30, 2016:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Hedged period	Exchange rate on designation	Designated amounts (US\$'000)	Amortized part (USD'000)	Impact on finance income (cost) (*)
11/03/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2016 - September 2019	2,4442	500.000		
12/01/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2015 - February 2019 (2)	2,5601	175.000	(33.333)	26.472
12/18/2014	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	May 2020	2,6781	100.000		
07/21/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	July 2019 - March 2021	3,1813	60.000		
07/23/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly	Foreign exchange - R\$ vs. US\$ spot rate	July 2019 - March 2021	3,2850	100.000		

07/23/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,285	30.000
07/24/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3254	100.000
07/27/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3557	25.000
07/27/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3557	70.000
07/27/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3557	30.000
07/28/2015	Export prepayments in US\$ to third parties	iron ore exports Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3815	30.000
08/01/2015		exports		(1)	3,3940	(9.000)

	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate				
08/03/2015	Export prepayments in US\$ to third parties	Part of the highly probable future monthly iron ore exports	Foreign exchange - R\$ vs. US\$ spot rate	October 2018 - October 2022	3,3940	355.000	
	Total					1.566.000	(33.333) 26.472

(*) The effect on the financial result was recorded in net foreign exchange rates.

(1) During the designation on August 2015, we reviewed the future export projections and identified that the amount of US\$ 9 million designated previously were not highly probable due to Platt's quotation reduction. Therefore, the hedge relationship was discontinued from August 2015. The exchange rate of the effective period remains recorded in Stockholders' Equity until the time of debt settlement.

In the hedging relationships described above, the amounts of the debt instruments were fully designated for equivalent iron ore export portions.

The movements in the hedge accounting amounts recognized in shareholders' equity as of September 30, 2016 are as follows:

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

As of September 30, 2016, the hedging relationships established by the Company were effective, according to the prospective tests conducted. Thus, no reversal for hedge accounting ineffectiveness was recognized.

- Net investment hedge in foreign subsidiaries**

CSN has foreign exchange exposure in Euros arising from a loan made by a foreign subsidiary with functional currency in Reais, for the acquisition of investments abroad whose functional currency is Euro. Such exposure arises from converting the balance sheets of these subsidiaries for consolidation in CSN, and the exchange rate of the loans affected the income statement in the financial result item and the exchange variation of the net assets of the foreign operation directly affected the equity in other comprehensive income.

As from September 1st, 2015 CSN began to adopt hedge of net investment to eliminate exposure in order to cover future fluctuations of the Euro on such loans. Non-derivative financial liabilities have been designated represented by loan agreements with financial institutions in the amount of € 120 million. The carrying amounts on September 30, 2016 are:

Designation Date	Hedging Instrument	Hedged item	Type of hedged risk	Exchange rate on designation	Designated amounts (EUR'000)	09/30/2016 Impact on shareholders' equity
09/01/2015						