NATIONAL STEEL CO
Form 6-K
May 17, 2013

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 May, 2013
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 ___X___ 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 ___X____

São Paulo, May 15, 2013

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) announces today its consolidated results for the first quarter of 2013 which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting norms, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's consolidated results and comparisons refer to the fourth quarter of 2012 (4Q12) and first quarter of 2012 (1Q12), unless otherwise stated. The Real/U.S. Dollar exchange rate on March 28, 2013 was R$2.0138.

- Steel sales volume in 1Q13 totaled 1.6 million tonnes, 17% up on 1Q12 and a new first-quarter record;
- Working capital declined R$0.8 billion at the end of 1Q13 as compared to the end of 1Q12, with a reduction of 33 days in the cash conversion cycle, chiefly due to improved payment management;
- Investments totaled R$509 million in 1Q13;
- CSN closed 1Q13 with cash and cash equivalents of R$14.1 billion.

Executive Summary

Highlights	1Q13	4Q12	1Q12	1Q13 x 4Q12 (Change)	1Q13 x 1Q12 (Change)
Consolidated Net Revenue (R$ MM)	3,642	4,444	3,435	-18%	6%
Consolidated Gross Profit (R$ MM)	790	1,129	1,011	-30%	-22%
Adjusted EBITDA (R$ MM)	902	1,222	1,114	-26%	-19%
Total Sales (thousand t)					
- Steel	**1,550**	**1,506**	**1,322**	**3%**	**17%**
- Domestic Market	77%	77%	79%	-1 p.p.	-2 p.p.
- Overseas Subsidiaries	21%	20%	19%	1 p.p.	2 p.p.
- Export	2%	3%	2%	0 p.p.	0 p.p.
- Iron Ore [1]	**4,148**	**6,422**	**6,691**	**-35%**	**-38%**

- Domestic Market	0%	0%	3%	0 p.p.	-3 p.p.
- Export	100%	100%	97%	0 p.p.	3 p.p.
Adjusted Net Debt (R$ MM)	**16,199**	**15,707**	**14,266**	**3%**	**14%**
Adjusted Cash Position	14,118	14,445	14,144	-2%	0%

(1) Sales volumes include 100% of NAMISA sales

At the close of 1Q13

- BM&FBovespa (CSNA3): R$8.76/share
- NYSE (SID): US$4.48/ADR (1 ADR = 1 share)
- Total no. of shares = 1,457,970,108
- Market Cap – BM&FBovespa: R$12.8 billion
- Market Cap – NYSE: US$6.5 billion

Investor Relations Team

- **IR Executive Officer:** David Salama (+55 11) 3049-7588
- **IR Manager:** Claudio Pontes - (+55 11) 3049-7592
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Economic Scenario

The outlook for global economic activity is one of moderate and volatile growth, pushed by the emerging nations. The United States continues to stand out among the mature economies and should record growth similar to that in 2012. In March, the global manufacturing Purchasing Managers Index (PMI) moved up for the third consecutive month, reaching 51.2 points, versus 50.9 in February.

According to the figures released in April, the IMF expects global growth of 3.3% in 2013, slightly higher than the 3.2% recorded last year.

USA

U.S. GDP grew by an annualized 2.5% in 1Q13, versus 0.4% in 4Q12. According to the FED, industrial production recorded annualized growth of 5.0% at the end of the first quarter, the highest figure since 1Q12, accompanied by capacity utilization of 78.5%. The manufacturing PMI recorded 51.3 points in March, moving up for the fourth consecutive month.

Thanks to controlled inflation, the FED is able to maintain its policy of stimulating the economy by keeping interest rates down, projecting for 2013 GDP growth between 2.3% and 2.8%.

Europe

Eurozone GDP is expected to shrink in 2013, not only in the peripheral nations but also in the central ones, despite moderate growth forecasted for certain countries, such as Germany. The European Central Bank expects a decline on GDP between 0.1% and 0.9% for the year as a whole, albeit with a gradual recovery in economic activity in the second half, driven by improved exports, although domestic demand is likely to remain sluggish.

The manufacturing industry continued to fall in March with deteriorating business conditions, and the manufacturing PMI recording 46.8 points, the lowest level in three months, remaining below expansion since August 2011.

Eurozone unemployment averaged 12.1% in March, in line with February’s figure, equivalent to 19 million people out of work. Greece and Spain recorded the highest rate, around 27%, versus 5.4% in Germany.

In the UK, first-quarter GDP edged up by 0.3% over 4Q12, when it dipped by the same amount. Annualized inflation remained at 2.8% in March, the highest figure since May 2012, and the Bank of England expects inflation to reach 3% in 2013, remaining above the target of 2% until the beginning of 2016.

Asia

In China, positive highlights were manufacturing PMI, which stood at 51.6 points in March, higher than the 50.4 points in February and the fifth consecutive monthly upturn, together with industrial output and retail sales, which climbed in 1Q13 by 9.5% and 10.3% in relation to the same period in 2012.

Despite the favorable figures, the growth of the Chinese economy presents signs of a slight slowdown. First-quarter GDP moved up by 7.7% over 1Q12, less than the year-on-year upturn of 7.9% recorded in 4Q12. For 2013, the country’s Central Bank is maintaining its GDP growth target of 7.5%.

In Japan, some indicators are pointing to an improvement in economic activity. In January, industrial production inched up by 0.3%, while consumer confidence recorded 44.3 points in February, the highest figure since the beginning of 2007. Fueled by the expansionist policy and the recent depreciation of the yen, the recovery of exports had a positive impact on manufacturing PMI, which reached 50.4 points in March, the first expansion since May 2012.

Brazil

For 2013, the Central Bank’s FOCUS report expects GDP growth of 3%, pulled by household consumption, low unemployment and the increase in average real earnings. However, growth is not diffused throughout the entire economy, with highlight for the demand in the services sector.

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Economic Scenario

First-quarter industrial output grew by 0.8% over the previous three months, while in the last twelve months it recorded a decline of 2.0%.

Inflation measured by the IPCA consumer price index recorded 6.59% in the 12 months through March 2013, exceeding the target of 6.50% set by the Monetary Policy Committee (COPOM). This contributed for the COPOM to raise the Selic base rate to 7.50% at its last meeting in April.

On the foreign exchange front, the real appreciated by 1.5% against the U.S. dollar in 1Q13, closing March at R$2.01/US$, while foreign reserves totaled US$377 billion.

Macroeconomic Projections

	2013	2014
IPCA (%)	5.80	5.80
Commercial dollar (final) – R$	2.01	2.05
SELIC (final - %)	8.25	8.25
GDP (%)	3.00	3.50
Industrial Production (%)	2.53	3.55

Source: FOCUS BACEN Base: May 10, 2013

Adoption of IFRS 10/11

As of January 1, 2013, the Company adopted IFRS 10 – Consolidated Financial Statements, corresponding to CPC 36 (R3) – *Demonstrações Financeiras Consolidadas*, approved by the CVM in December 2012, and IFRS 11 – Joint Arrangements, corresponding to CPC 19 (R2) - *Negócios em Conjunto*, approved by the CVM in November 2012. As a result, given that the proportional consolidation method is no longer permitted, the Company has ceased to consolidate its jointly-owned subsidiaries Namisa, MRS Logística and CBSI, and now accounts for them under the equity method. The main impacts are on net revenue, cost of goods sold, gross profit, financial result, equity result and net income. For comparability purposes, the consolidated financial statements for the quarters ended March 31, 2012 and December 31, 2012 were reclassified to reflect this alteration.

Net Revenue

CSN recorded consolidated net revenue of R$3,642 million in 1Q13, 18% down on the R$4,444 million recorded in 4Q12, mainly due to lower iron ore sales.

Cost of Goods Sold (COGS)

In 1Q13, consolidated COGS came to R$2,852 million, 14% less than the R$3,315 million posted in the previous quarter, also mainly due to lower iron ore sales.

Selling, General, Administrative and Other Operating Expenses

SG&A expenses totaled R$311 million in the first quarter, 21% down on the R$395 million recorded in 4Q12, essentially due to lower iron ore freight costs.

In 1Q13, the “Other Operating Expenses” totaled R$95 million, 34% down on the other expenses of R$145 million posted in 4Q12, chiefly due to the reduction in corporate expenses.

The Company uses Adjusted EBITDA to measure the performance of its various segments and their operating cash flow generation capacity. It comprises net income before the net financial result, income and social contribution taxes, depreciation and amortization, equity income and other operating revenue (expenses). However, although it is used to measure segment results, EBITDA is not a measure recognized by Brazilian accounting practices or International Financial Reporting Standards (IFRS), has no standard definition and therefore should not be compared to similar indicators adopted by other companies.

Adjusted EBITDA considers the Company’s proportional interest in Namisa, MRS Logística and CBSI and is on a comparable basis with the amounts published in 2012.

Adjusted EBITDA totaled R$902 million in 1Q13, 26% down on 4Q12, chiefly due to the contribution from the mining, steel, logistics and energy segments.

The adjusted consolidated EBITDA margin stood at 25% in 1Q13, 2 p.p. less than in 4Q12.

Financial Result and Net Debt

The 1Q13 net financial result was negative by R$527 million, chiefly due to the following factors:

§ Interest on loans and financing totaling R$480 million;

§ Expenses of R$6 million with the monetary restatement of tax payment installments;

§ Monetary and foreign exchange variations of R$31 million, including the result of derivative operations;

§ Other financial expenses totaling R$48 million.

These negative effects were partially offset by consolidated financial revenue of R$38 million.

Gross debt, net debt and the net debt/EBITDA ratio presented below reflect the Company’s proportional interest in Namisa, MRS Logística and CBSI and are on a comparable basis with the amounts published in 2012.

On March 31, 2013, consolidated net debt stood at R$16.2 billion, R$0.5 billion more than the R$15.7 billion recorded on December 31, 2012, essentially due to the following factors:

§ Dividend payments totaling R$0.3 billion;

§ Investments of R$0.5 billion in fixed assets;

§ A R$0.5 billion effect from disbursements related to debt charges;

§ Exchange variation of R$0.1 billion.

These effects were partially offset by adjusted EBITDA of R$0.9 billion.

The net debt/EBITDA ratio closed the first quarter at 3.75x, based on LTM adjusted EBITDA.

Equity Result

The effect of equity result on the Company's consolidated income statement totaled R$17 million in 1Q13, due to the adoption of IFRS 10 (CPC 36) and IFRS 11 (CPC 19).

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Consolidated Net Income

CSN posted consolidated net income of R$16 million in 1Q13 due to the operating results described above.

Investments reflect the Company's proportional interest in Namisa, MRS Logística and CBSI and are on a comparable basis with the amounts published in 2012.

CSN invested R$509 million in 1Q13, R$280 million of which in the parent company, mostly in the following projects:

ü Expansion of the Casa de Pedra mine and Itaguaí Port: R$54 million;

ü Construction of the long steel plant: R$101 million.

The remaining R$229 million went to subsidiaries and joint subsidiaries, as follows:

ü Transnordestina Logística: R$82 million;

ü MRS: R$61 million;

ü Namisa: R$2 million.

Working capital closed 1Q13 at R$1,666 million, R$17 million up on the R$1,649 million recorded at the end of 2012, chiefly due to increased inventories, partially offset by the reduction in accounts receivable. The average inventory turnover period increased by four days, while the average supplier payment and receivables period fell by three days and two days, respectively.

In the last 12 months, working capital fell by R$783 million, basically due to the increase in the suppliers line, thanks to improved payment management and the reduction in accounts receivable.

WORKING CAPITAL (R$ MM)	1Q13	4Q12	1Q12	Change 1Q13 x 4Q12	Change 1Q13 x 1Q12
Assets	4,100	4,040	4,123	60	(23)
Accounts Receivable	1,506	1,646	1,623	(140)	(117)
Inventory (*)	2,583	2,388	2,498	195	85
Advances to Taxes	12	6	2	6	10
Liabilities	2,435	2,392	1,673	43	762
Suppliers	1,881	1,892	1,154	(11)	727
Salaries and Social Contribution	192	185	166	7	27
Taxes Payable	332	273	330	59	2
Advances from Clients	30	41	24	(11)	7
Working Capital	1,666	1,649	2,449	17	(783)

TURNOVER RATIO Average Periods	1Q13	4Q12	1Q12	Change 1Q13 x 4Q12	Change 1Q13 x 1Q12
Receivables	30	32	35	(2)	(5)
Supplier Payment	59	62	43	(3)	16
Inventory Turnover	82	78	94	4	(12)
Cash Conversion Cycle	53	48	86	5	(33)

(*) Inventory - includes "Advances to Suppliers" and does not include "Supplies".

Results by Segment

The Company maintains integrated operations in five business segments: steel, mining, logistics, cement and energy. The main assets and/or companies comprising each segment are presented below:

Steel	Mining	Logistics	Cement	Energy
Pres. Vargas Steel Mill	Casa de Pedra	Railways:	Volta Redonda	CSN Energia
Porto Real	Namisa (60%)	- MRS	Arcos	Itasa
Paraná	Tecar	- Transnordestina		
LLC	ERSA	Port:		
Lusosider		- Sepetiba Tecon		
Prada (Distribution and Packaging)				
Metalic				
SWT				

The information on CSN's five business segments is derived from the accounting data, together with allocations and the apportionment of costs among the segments.

Results by segment reflect the Company's proportional interest in Namisa, MRS Logística and CBSI and are on a comparable basis with the amounts published in 2012.

Net Revenue by Segment (R$ million)

Adjusted EBITDA by Segment (R$ million)

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R$ million								**1Q13**
Consolidated Results	**Steel**	**Mining**	**Logistics (Port)**	**Logistics (Railways)**	**Energy**	**Cement**	**Corporate/ Eliminations**	**Consolidated**