

NATIONAL STEEL CO  
Form 6-K  
May 31, 2018

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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, 2018**  
**Commission File Number 1-14732**

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**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, 19<sup>o</sup> e 20<sup>o</sup> andares**  
**São Paulo, Estado de São Paulo**  
**CEP 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

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**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1**

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**Company Information / Capital Breakdown**

| <b>Number of Shares</b> | <b>Current Quarter</b> |
|-------------------------|------------------------|
| <b>(Units)</b>          | <b>03/31/2018</b>      |
| <b>Paid-in Capital</b>  |                        |
| <b>Common</b>           | 1,387,524,047          |
| <b>Preferred</b>        | 0                      |
| <b>Total</b>            | 1,387,524,047          |
| <b>Treasury Shares</b>  |                        |
| <b>Common</b>           | 30,391,000             |
| <b>Preferred</b>        | 0                      |
| <b>Total</b>            | 30,391,000             |

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

| <b>Code</b> | <b>Description</b>                      | <b>Current Quarter<br/>03/31/2018</b> | <b>Previous Year<br/>12/31/2017</b> |
|-------------|---|---------------------------------------|-------------------------------------|
| 1           | Total Assets                            | 39,674,847                            | 42,365,935                          |
| 1.01        | Current assets                          | 7,701,212                             | 7,642,103                           |
| 1.01.01     | Cash and cash equivalent                | 921,589                               | 393,504                             |
| 1.01.02     | Financial investments                   | 727,246                               | 716,461                             |
| 1.01.02.02  | Financial investments at amortized cost | 727,246                               | 716,461                             |
| 1.01.03     | Trade receivables                       | 2,221,671                             | 2,966,706                           |
| 1.01.04     | Inventory                               | 3,136,761                             | 2,951,352                           |
| 1.01.08     | Other current assets                    | 693,945                               | 614,080                             |
| 1.01.08.03  | Others                                  | 693,945                               | 614,080                             |
| 1.02        | Non-current assets                      | 31,973,635                            | 34,723,832                          |
| 1.02.01     | Long-term assets                        | 2,349,103                             | 2,267,226                           |
| 1.02.01.09  | Other non-current assets                | 2,349,103                             | 2,267,226                           |
| 1.02.02     | Investments                             | 20,124,494                            | 22,894,885                          |
| 1.02.03     | Property, plant and equipment           | 9,443,432                             | 9,502,411                           |
| 1.02.04     | Intangible assets                       | 56,606                                | 59,310                              |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b>   | <b>Description</b>   | <b>Current Quarter<br/>03/31/2018</b> | <b>Previous Year<br/>12/31/2017</b> |
|---------------|--|---------------------------------------|-------------------------------------|
| 2             | Total liabilities  | 39,674,847                            | 42,365,935                          |
| 2.01          | Current liabilities  | 9,641,838                             | 9,175,980                           |
| 2.01.01       | Payroll and related taxes  | 121,866                               | 133,774                             |
| 2.01.02       | Trade payables   | 2,266,775                             | 1,787,392                           |
| 2.01.03       | Tax payables   | 111,427                               | 86,496                              |
| 2.01.04       | Borrowings and financing   | 6,522,980                             | 6,578,171                           |
| 2.01.05       | Other payables   | 567,211                               | 515,561                             |
| 2.01.06       | Provisions   | 51,579                                | 74,586                              |
| 2.01.06.01    | Provision for tax, social security, labor<br>and civil risks             | 51,579                                | 74,586                              |
| 2.02          | Non-current liabilities  | 23,065,239                            | 26,162,582                          |
| 2.02.01       | Long term Borrowings and financing                                       | 18,730,178                            | 22,454,846                          |
| 2.02.02       | Other payables   | 46,087                                | 57,599                              |
| 2.02.03       | Deferred Taxes   | 1,030,209                             | 570,559                             |
| 2.02.04       | Provisions   | 3,258,765                             | 3,079,578                           |
| 2.02.04.01    | Provision for tax, social security, labor<br>and civil risks             | 582,412                               | 555,459                             |
| 2.02.04.02    | Other provisions   | 2,676,353                             | 2,524,119                           |
| 2.02.04.02.03 | Provision for environmental liabilities<br>and decommissioning of assets | 242,529                               | 248,918                             |
| 2.02.04.02.04 | Pension and healthcare plan  | 908,721                               | 908,721                             |
| 2.02.04.02.05 | Provision for losses on investments                                      | 1,525,103                             | 1,366,480                           |
| 2.03          | Shareholders' equity   | 6,967,770                             | 7,027,373                           |
| 2.03.01       | Share Capital  | 4,540,000                             | 4,540,000                           |
| 2.03.02       | Capital reserves   | 30                                    | 30                                  |
| 2.03.04.02    | Earnings reserves  | 238,976                               | 238,976                             |
| 2.03.04.09    | Treasury shares  | (238,976)                             | (238,976)                           |
| 2.03.05       | Accumulated profit/(losses)  | 180,174                               | (1,291,689)                         |
| 2.03.08       | Other comprehensive income   | 2,247,566                             | 3,779,032                           |



**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b> | <b>Description</b>                                    | <b>Year to date<br/>01/01/2018 to<br/>03/31/2018</b> | <b>YTD previous year<br/>01/01/2017 to<br/>03/31/2017</b> |
|-------------|---|--|---|
| 3.01        | Revenues from sale of goods and rendering of services | 3,028,977  | 2,486,216   |
| 3.02        | Costs from sale of goods and rendering of services    | (2,337,373)  | (1,959,313)   |
| 3.03        | Gross profit  | 691,604  | 526,903   |
| 3.04        | Operating expenses/income                             | 1,632,771  | (152,046)   |
| 3.04.01     | Selling expenses                                      | (154,662)  | (163,525)   |
| 3.04.02     | General and administrative expenses                   | (73,543)   | (60,579)  |
| 3.04.04     | Other operating income                                | 1,938,914  | 3,582   |
| 3.04.05     | Other operating expenses                              | (103,815)  | (75,872)  |
| 3.04.06     | Equity in results of affiliated companies             | 25,877   | 144,348   |
| 3.05        | Profit before financial income (expenses) and taxes   | 2,324,375  | 374,857   |
| 3.06        | Financial income (expenses)                           | (392,862)  | (292,183)   |
| 3.06.01     | Financial income                                      | 30,326   | 81,728  |
| 3.06.02     | Financial expenses                                    | (423,188)  | (373,911)   |
| 3.06.02.01  | Net exchange differences over financial instruments   | (1,996)  | 307,177   |
| 3.06.02.02  | Financial expenses                                    | (421,192)  | (681,088)   |
| 3.07        | Profit (loss) before taxes                            | 1,931,513  | 82,674  |
| 3.08        | Income tax and social contribution                    | (459,650)  | 2,956   |
| 3.09        | Profit (loss) from continued operations               | 1,471,863  | 85,630  |
| 3.11        | Profit (loss) for the year                            | 1,471,863  | 85,630  |
| 3.99.01.01  | Common shares   | 1.08454  | 0.06310   |

3.99.02.01

Common shares

1.08454

0.06310



**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Statements / Statement of Comprehensive Income (R\$ thousand)**

|         |   |  | Year to date<br>01/01/2018<br>to<br>03/31/2018 | YTD<br>previous<br>year<br>01/01/2017<br>to<br>03/31/2017 |
|---------|---|--|--|---|
| Code    | Description   |  |  |   |
| 4.01    | (Loss) profit for the year                              |  | 1,471,863                                      | 85,630  |
| 4.02    | Other comprehensive income                              |  | (1,531,466)                                    | 167,792   |
|         | Actuarial gains over pension plan of affiliates, net of |  | 30   |   |
| 4.02.01 | taxes   |  |  | 30  |
| 4.02.02 | Cumulative translation adjustments for the year         |  | 37,958   | (39,643)  |
| 4.02.03 | Fair value through other comprehensive income           |  | (1,559,680)                                    | 53,299  |
|         | (Loss) / gain on the percentage change in               |  | -  |   |
| 4.02.5  | investments   |  |  | 2,814   |
| 4.02.8  | Gain (loss) on cash flow hedge accounting               |  | (18,646)                                       | 133,044   |
|         | Realization of cash flow hedge accounting               |  | 13,732   |   |
| 4.02.10 | reclassified to income statement                        |  |  | 16,402  |
|         | Gain (Loss) on net investment hedge from                |  | (4,860)  |   |
| 4.02.11 | investments in affiliates                               |  |  | 1,846   |
| 4.03    | Comprehensive income for the year                       |  | (59,603)                                       | 253,422   |

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**Version:  
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| <b>Parent Company Financial Statements / Statements of Cash Flows – Indirect Method (R\$ thousand)</b> |  |                                       |                                 |  |
|--|--|---------------------------------------|---------------------------------|--|
| <b>Code</b>  | <b>Description</b>   | <b>Year to date YTD previous year</b> |                                 |  |
|  |  | <b>01/01/2018 to 03/31/2018</b>       | <b>01/01/2017 to 03/31/2017</b> |  |
| 6.01   | Net cash from operating activities                                       | 4,361,055                             | (167.443)                       |  |
| 6.01.01  | Cash from operations   | 519,750                               | 427.478                         |  |
| 6.01.01.01   | Profit (loss) for the period   | 1,471,863                             | 85.630                          |  |
| 6.01.01.02   | Financial charges in borrowing and financing raised                      | 383,382                               | 608,474                         |  |
| 6.01.01.03   | Financial charges in borrowing and financing granted                     | (9,680)                               | (13,720)                        |  |
| 6.01.01.04   | Depreciation, depletion and amortization                                 | 142,547                               | 170,254                         |  |
| 6.01.01.05   | Equity in results of affiliated companies                                | (25,877)                              | (144,348)                       |  |
| 6.01.01.06   | Deferred tax   | 459,650                               | (2,956)                         |  |
| 6.01.01.07   | Provision for tax, social security, labor, civil and environmental risks | 3,946                                 | 15,714                          |  |
| 6.01.01.08   | Exchange differences, net  | 30,811                                | (301,616)                       |  |
| 6.01.01.09   | Write-off and net reversal losses  | 16                                    | 2,742                           |  |
| 6.01.01.10   | Provision for environmental liabilities and decommissioning of assets    | (6,389)                               | 868                             |  |
| 6.01.01.11   | Shares classified as fair value through profit or loss                   | (1,936,389)                           | 0                               |  |
| 6.01.01.13   | Others   | 5,870                                 | 6,436                           |  |
| 6.01.02  | Changes in assets and liabilities  | 3,841,305                             | (594,921)                       |  |
| 6.01.02.01   | Trade receivables - third parties  | 3,037                                 | (150,012)                       |  |
| 6.01.02.02   | Trade receivables - related parties                                      | (70,816)                              | (59,418)                        |  |
| 6.01.02.03   | Inventories  | (185,409)                             | (266,794)                       |  |
| 6.01.02.04   | Receivables - related parties  | 4,141,385                             | 474,367                         |  |
| 6.01.02.05   | Tax assets   | (53,572)                              | (44,811)                        |  |
| 6.01.02.06   | Judicial deposits  | (12,502)                              | (10,466)                        |  |
| 6.01.02.09   | Trade payables   | 479,383                               | 184,644                         |  |
| 6.01.02.10   | Payroll and related taxes  | (11,908)                              | (1,133)                         |  |
| 6.01.02.11   | Taxes in installments – REFIS  | 24,933                                | (5,028)                         |  |
| 6.01.02.13   | Payables to related parties  | (7,765)                               | (15,285)                        |  |
| 6.01.02.15   | Interest paid  | (462,122)                             | (738,016)                       |  |
| 6.01.02.16   | Interest received - Related Parties                                      | 1,522                                 | 187                             |  |
| 6.01.02.19   | Others   | (4,861)                               | 36,844                          |  |

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|         |  |             |           |
|---------|--|-------------|-----------|
| 6.02    | Net cash used in investing activities                      | (86,620)    | (93,231)  |
| 6.02.01 | Advance for future capital increase                        | (10,033)    | (7,410)   |
| 6.02.02 | Purchase of property, plant and equipment                  | (77,246)    | (105,372) |
| 6.02.04 | Capital increase - subsidiary                              | -           | 0         |
| 6.02.05 | Intercompany loans granted                                 | (36,362)    | (14,524)  |
| 6.02.06 | Intercompany loans received                                | 8,429       | 7,297     |
| 6.02.07 | Exclusive funds  | -           | (95)      |
| 6.02.08 | Financial Investments, net of redemption                   | (10,785)    | 26,873    |
| 6.02.09 | Cash received from the sale of Usiminas shares             | 39,377      | 0         |
| 6.03    | Net cash used in financing activities                      | (3,746,350) | (244,599) |
| 6.03.01 | Borrowings and financing raised, net of transaction cost   | -           | 0         |
| 6.03.02 | Borrowings and financing, related parties                  | -           | 0         |
| 6.03.03 | Transaction Costs  | (24,025)    | 0         |
| 6.03.04 | Amortization of borrowings and financing                   | (440,899)   | (215,207) |
| 6.03.05 | Amortization of borrowings and financing - related parties | (3,281,426) | (29,392)  |
| 6.04    | Exchange rate on translating cash and cash equivalents     | -           | (183)     |
| 6.05    | Increase (decrease) in cash and cash equivalents           | 528,085     | (505,456) |
| 6.05.01 | Cash and equivalents at the beginning of the year          | 393,504     | 1,466,746 |
| 6.05.02 | Cash and equivalents at the end of the year                | 921,589     | 961,290   |

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**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2018 to 03/31/2018  
(R\$ thousand)**

| <b>Code</b> | <b>Description</b>  | <b>Paid-in capital</b> | <b>Capital reserve, granted options and treasury shares</b> | <b>Earnings reserve</b> | <b>Retained earnings (accumulated losses)</b> | <b>Other comprehensive income</b> | <b>Shareholders' equity</b> |
|-------------|---|------------------------|---|-------------------------|---|-----------------------------------|-----------------------------|
| 5.01        | Opening balances  | 4,540,000              | 30  | -                       | (1,291,689)                                   | 3,779,032                         | 7,027,373                   |
| 5.03        | Adjusted opening balances                                 | 4,540,000              | 30  | -                       | (1,291,689)                                   | 3,779,032                         | 7,027,373                   |
| 5.05        | Total comprehensive income                                | -                      | -   | -                       | 1,471,863                                     | (1,531,466)                       | (59,603)                    |
| 5.05.01     | Profit (loss) for the period                              | -                      | -   | -                       | 1,471,863                                     | -                                 | 1,471,863                   |
| 5.05.02     | Other comprehensive income                                | -                      | -   | -                       | -   | (1,531,466)                       | (1,531,466)                 |
| 5.05.02.04  | Translation adjustments for the year                      | -                      | -   | -                       | -   | 37,958                            | 37,958                      |
| 5.05.02.06  | Actuarial gains/(Losses) on pension plan, net of taxes    | -                      | -   | -                       | -   | 30                                | 30                          |
| 5.05.02.07  | Available-for-sale assets, net of taxes                   | -                      | -   | -                       | -   | (1,559,680)                       | (1,559,680)                 |
| 5.05.02.08  | (Loss) / gain on cash flow hedge accounting, net of taxes | -                      | -   | -                       | -   | (4,914)                           | (4,914)                     |
| 5.05.02.09  | (Loss) / gain on foreign                                  | -                      | -   | -                       | -   | (4,860)                           | (4,860)                     |

|      |                 |           |    |   |         |           |           |
|------|-----------------|-----------|----|---|---------|-----------|-----------|
| 5.07 | investments     |           |    |   |         |           |           |
|      | Closing balance | 4,540,000 | 30 | - | 180,174 | 2,247,566 | 6,967,770 |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2017 to 03/31/2017  
(R\$ thousand)**

| <b>Code</b> | <b>Description</b>                                     | <b>Paid-in capital</b> | <b>Capital reserve, granted options and treasury shares</b> | <b>Earnings reserve</b> | <b>Retained earnings (accumulated losses)</b> | <b>Other comprehensive income</b> | <b>Shareholders' equity</b> |
|-------------|--|------------------------|---|-------------------------|---|-----------------------------------|-----------------------------|
| 5.01        | Opening balances                                       | 4,540,000              | 30  | -                       | (1,301,961)                                   | 2,956,459                         | 6,194,528                   |
| 5.03        | Adjusted opening balances                              | 4,540,000              | 30  | -                       | (1,301,961)                                   | 2,956,459                         | 6,194,528                   |
| 5.05        | Total comprehensive income                             | -                      | -   | -                       | 85,630  | 167,792                           | 253,422                     |
| 5.05.01     | Profit (loss) for the period                           | -                      | -   | -                       | 85,630  | -                                 | 85,630                      |
| 5.05.02     | Other comprehensive income                             | -                      | -   | -                       | -   | 167,792                           | 167,792                     |
| 5.05.02.04  | Translation adjustments for the year                   | -                      | -   | -                       | -   | (39,643)                          | (39,643)                    |
| 5.05.02.06  | Actuarial gains/(Losses) on pension plan, net of taxes | -                      | -   | -                       | -   | 30                                | 30                          |
| 5.05.02.07  | Available-for-sale assets, net of taxes                | -                      | -   | -                       | -   | 53,299                            | 53,299                      |
| 5.05.02.08  | (Loss) / gain on the percentage change in investments  | -                      | -   | -                       | -   | 2,814                             | 2,814                       |
| 5.05.02.09  | (Loss) / gain on cash flow hedge accounting, net of    | -                      | -   | -                       | -   | 149,446                           | 149,446                     |

|            |                  |           |    |   |             |           |           |
|------------|------------------|-----------|----|---|-------------|-----------|-----------|
|            | taxes            |           |    |   |             |           |           |
|            | (Loss) / gain on |           |    |   |             |           |           |
| 5.05.02.10 | foreign          | -         | -  | - | -           |           |           |
|            | investments      |           |    |   |             | 1,846     | 1,846     |
| 5.07       | Closing balance  | 4,540,000 | 30 | - | (1,216,331) | 3,124,251 | 6,447,950 |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Parent Company Financial Statements / Statement of Value Added  
(R\$ thousand)**

| <b>Code</b> | <b>Description</b>                               | <b>Year to date<br/>01/01/2018 to<br/>03/31/2018</b> | <b>Previous year<br/>01/01/2017 to<br/>03/31/2017</b> |
|-------------|--|--|---|
| 7.01        | Revenues   | 5,679,845  | 3,046,543   |
| 7.01.01     | Sales of products and rendering of services      | 3,750,436  | 3,038,748   |
| 7.01.02     | Other revenues                                   | 1,936,419  | 2,110   |
| 7.01.04     | Allowance for (reversal of) doubtful accounts    | (7,010)  | 5,685   |
| 7.02        | Raw materials acquired from third parties        | (2,716,816)  | (2,235,392)   |
| 7.02.01     | Cost of sales and services                       | (2,433,300)  | (1,980,282)   |
| 7.02.02     | Materials, electric power, outsourcing and other | (285,278)  | (258,922)   |
| 7.02.03     | Impairment/recovery of assets                    | 1,762  | 3,812   |
| 7.03        | Gross value added                                | 2,963,029  | 811,151   |
| 7.04        | Retentions                                       | (142,547)  | (170,254)   |
| 7.04.01     | Depreciation, amortization and depletion         | (142,547)  | (170,254)   |
| 7.05        | Wealth created                                   | 2,820,482  | 640,897   |
| 7.06        | Value added received                             | 84,720   | 208,755   |
| 7.06.01     | Equity in income of affiliates                   | 25,877   | 144,348   |
| 7.06.02     | Financial income                                 | 30,326   | 81,728  |
| 7.06.03     | Others   | 28,517   | (17,321)  |
| 7.06.03.01  | Others and exchange gains                        | 28,517   | (17,321)  |
| 7.07        | Wealth for distribution                          | 2,905,202  | 849,652   |
| 7.08        | Wealth distributed                               | 2,905,202  | 849,652   |
| 7.08.01     | Personnel  | 298,847  | 292,020   |
| 7.08.01.01  | Salaries and wages                               | 220,044  | 221,052   |
| 7.08.01.02  | Benefits   | 62,275   | 56,293  |
| 7.08.01.03  | Severance payment (FGTS)                         | 16,528   | 14,675  |
| 7.08.02     | Taxes, fees and contributions                    | 680,901  | 117,347   |
| 7.08.02.01  | Federal  | 604,936  | 91,158  |
| 7.08.02.02  | State  | 75,962   | 26,191  |
| 7.08.02.03  | Municipal  | 3  | (2)   |



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|               |  |           |           |
|---------------|--|-----------|-----------|
| 7.08.03       | Remuneration on third-party capital    | 453,591   | 354,655   |
| 7.08.03.01    | Interest                               | 421,192   | 681,020   |
| 7.08.03.02    | Leases                                 | 2,212     | 2,499     |
| 7.08.03.03    | Others                                 | 30,187    | (328,864) |
| 7.08.03.03.01 | Others and exchange losses             | 30,187    | (328,864) |
| 7.08.04       | Remuneration on Shareholders' capital  | 1,471,863 | 85,630    |
| 7.08.04.03    | Retained earnings (accumulated losses) | 1,471,863 | 85,630    |
| 7.08.05       | Others                                 | 0         | 0         |
| 7.08.05.01    | Gain (loss) on discontinued operations | 0         | 0         |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| Code       | Description   | Current Quarter | Previous Year |
|------------|---|-----------------|---------------|
|            |   | 03/31/2018      | 12/31/2017    |
| 1          | Total Assets  | 44,841,710      | 45,209,970    |
| 1.01       | Current assets                                      | 11,110,356      | 11,881,496    |
| 1.01.01    | Cash and cash equivalent                            | 2,234,154       | 3,411,572     |
| 1.01.02    | Financial investments                               | 729,027         | 735,712       |
| 1.01.02.02 | Financial investments measured at<br>amortized cost | 729,027         | 735,712       |
| 1.01.03    | Trade receivables                                   | 2,230,749       | 2,276,215     |
| 1.01.04    | Inventory   | 4,902,125       | 4,464,419     |
| 1.01.08    | Other current assets                                | 1,014,301       | 993,578       |
| 1.01.08.03 | Others  | 1,014,301       | 993,578       |
| 1.02       | Non-current assets                                  | 33,731,354      | 33,328,474    |
| 1.02.01    | Long-term assets                                    | 2,672,981       | 2,591,594     |
| 1.02.01.06 | Deferred tax assets                                 | 79,513          | 63,119        |
| 1.02.01.09 | Other non-current assets                            | 2,593,468       | 2,528,475     |
| 1.02.02    | Investments   | 5,865,593       | 5,499,995     |
| 1.02.03    | Property, plant and equipment                       | 17,923,452      | 17,964,839    |
| 1.02.04    | Intangible assets                                   | 7,269,328       | 7,272,046     |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b>   | <b>Description</b>  | <b>Current Quarter<br/>03/31/2018</b> | <b>Previous Year<br/>12/31/2017</b> |
|---------------|---|---------------------------------------|-------------------------------------|
| 2             | Total liabilities   | 44,841,710                            | 45,209,970                          |
| 2.01          | Current liabilities   | 9,492,525                             | 10,670,050                          |
| 2.01.01       | Payroll and related taxes   | 233,216                               | 252,418                             |
| 2.01.02       | Trade payables  | 3,077,448                             | 2,460,774                           |
| 2.01.03       | Tax payables  | 269,302                               | 264,097                             |
| 2.01.04       | Borrowings and financing  | 5,178,612                             | 6,526,902                           |
| 2.01.05       | Other payables  | 646,345                               | 1,059,901                           |
| 2.01.06       | Provisions  | 87,602                                | 105,958                             |
| 2.01.06.01    | Provision for tax, social security, labor and civil risks             | 87,602                                | 105,958                             |
| 2.02          | Non-current liabilities   | 27,125,565                            | 26,251,691                          |
| 2.02.01       | Long term Borrowings and financing                                    | 23,335,287                            | 22,983,942                          |
| 2.02.02       | Other payables  | 133,817                               | 129,323                             |
| 2.02.03       | Deferred tax liabilities  | 1,674,988                             | 1,173,559                           |
| 2.02.04       | Provisions  | 1,981,473                             | 1,964,867                           |
| 2.02.04.01    | Provision for tax, social security, labor and civil risks             | 739,009                               | 719,133                             |
| 2.02.04.02    | Other provisions  | 1,242,464                             | 1,245,734                           |
| 2.02.04.02.03 | Provision for environmental liabilities and decommissioning of assets | 333,743                               | 337,013                             |
| 2.02.04.02.04 | Pension and healthcare plan   | 908,721                               | 908,721                             |
| 2.03          | Consolidated Shareholders' equity                                     | 8,223,620                             | 8,288,229                           |
| 2.03.01       | Share Capital   | 4,540,000                             | 4,540,000                           |
| 2.03.02       | Capital reserves  | 30                                    | 30                                  |
| 2.03.04.02    | Earnings reserves   | 238,976                               | 238,976                             |
| 2.03.04.09    | Treasury shares   | (238,976)                             | (238,976)                           |
| 2.03.05       | Accumulated profit/(losses)   | 180,174                               | (1,291,689)                         |
| 2.03.08       | Other comprehensive income  | 2,247,566                             | 3,779,032                           |
| 2.03.09       | Profit attributable to the non-controlling interests                  | 1,255,850                             | 1,260,856                           |



**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b> | <b>Description</b>                                    | <b>Year to date<br/>01/01/2018 to<br/>03/31/2018</b> | <b>YTD previous year<br/>01/01/2017 to<br/>03/31/2017</b> |
|-------------|---|--|---|
| 3.01        | Revenues from sale of goods and rendering of services | 5,065,950  | 4,411,596   |
| 3.02        | Costs from sale of goods and rendering of services    | (3,684,743)  | (3,093,474)   |
| 3.03        | Gross profit  | 1,381,207  | 1,318,122   |
| 3.04        | Operating expenses/income                             | 1,257,703  | (566,335)   |
| 3.04.01     | Selling expenses                                      | (456,503)  | (369,792)   |
| 3.04.02     | General and administrative expenses                   | (107,573)  | (118,459)   |
| 3.04.04     | Other operating income                                | 1,945,587  | 6,499   |
| 3.04.05     | Other operating expenses                              | (148,659)  | (105,688)   |
| 3.04.06     | Equity in results of affiliated companies             | 24,851   | 21,105  |
| 3.05        | Profit before financial income (expenses) and taxes   | 2,638,910  | 751,787   |
| 3.06        | Financial income (expenses)                           | (593,704)  | (497,224)   |
| 3.06.01     | Financial income                                      | 42,896   | 116,519   |
| 3.06.02     | Financial expenses                                    | (636,600)  | (613,743)   |
| 3.06.02.01  | Net exchange differences over financial instruments   | (113,344)  | 172,744   |
| 3.06.02.02  | Financial expenses                                    | (523,256)  | (786,487)   |
| 3.07        | Profit (loss) before taxes                            | 2,045,206  | 254,563   |
| 3.08        | Income tax and social contribution                    | (558,711)  | (136,948)   |
| 3.09        | Profit (loss) from continued operations               | 1,486,495  | 117,615   |
| 3.11        | Consolidated Profit (loss) for the year               | 1,486,495  | 117,615   |
| 3.11.01     | Profit attributable to the controlling interests      | 1,471,863  | 85,630  |
| 3.11.02     | Profit attributable to the non-controlling interests  | 14,632   | 31,985  |
| 3.99.01.01  | Common shares   | 1.08454  | 0.06310   |
| 3.99.02.01  | Common shares   | 1,08454  | 0.06310   |



**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b> | <b>Description</b>  | <b>Year to date<br/>01/01/2018 to<br/>03/31/2018</b> | <b>YTD previous year<br/>01/01/2017 to<br/>03/31/2017</b> |
|-------------|---|--|---|
| 4.01        | Consolidated profit (loss) for the year                                       | 1,486,495  | 117,615   |
| 4.02        | Other comprehensive income  | (1,531,466)  | 167,792   |
| 4.02.01     | Actuarial gains over pension plan of affiliates,<br>net of taxes              | 30   | 30  |
| 4.02.04     | Cumulative translation adjustments for the<br>year                            | 37,958   | (39,643)  |
| 4.02.05     | Fair value through other comprehensive<br>income                              | (1,559,680)  | 53,299  |
| 4.02.07     | (Loss) / gain on the percentage change in<br>investments                      | -  | 2,814   |
| 4.02.09     | Gain (loss) on cash flow hedge accounting                                     | (18,646)   | 133,044   |
| 4.02.11     | Realization of cash flow hedge accounting<br>reclassified to income statement | 13,732   | 16,402  |
| 4.02.12     | Gain (Loss) on hedge of net investment in<br>foreign operations.              | (4,860)  | 1,846   |
| 4.03        | Consolidated comprehensive income for the<br>year                             | (44,971)   | 285,407   |
| 4.03.01     | Attributed to controlling Shareholders  | (59,603)   | 253,422   |
| 4.03.02     | Attributed to non-controlling Shareholders                                    | 14,632   | 31,985  |

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**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

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

| <b>Code</b> | <b>Description</b>   | <b>Year to date</b>             | <b>YTD previous year</b>        |
|-------------|--|---------------------------------|---------------------------------|
|             |  | <b>01/01/2018 to 03/31/2018</b> | <b>01/01/2017 to 03/31/2017</b> |
| 6.01        | Net cash from operating activities                                       | 459,217                         | (104,517)                       |
| 6.01.01     | Cash from operations   | 822,335                         | 929,170                         |
| 6.01.01.01  | Profit (loss) attributable to the controlling interests                  | 1,471,863                       | 85,630                          |
| 6.01.01.02  | Profit (loss) attributable to the non-controlling interests              | 14,632                          | 31,985                          |
| 6.01.01.03  | Financial charges in borrowing and financing raised                      | 462,685                         | 686,998                         |
| 6.01.01.04  | Financial charges in borrowing and financing granted                     | -11,175                         | (16,276)                        |
| 6.01.01.05  | Depreciation, depletion and amortization                                 | 315,872                         | 401,276                         |
| 6.01.01.06  | Equity in in results of affiliated companies                             | -24,851                         | (21,105)                        |
| 6.01.01.07  | Deferred tax   | 438,797                         | 22,793                          |
| 6.01.01.08  | Provision for tax, social security, labor, civil and environmental risks | 1,046                           | 17,478                          |
| 6.01.01.09  | Exchange differences, net  | 51,488                          | (272,176)                       |
| 6.01.01.10  | Gain (loss) from derivative financial instruments                        | -                               | (13,224)                        |
| 6.01.01.11  | Shares classified as fair value through profit or loss                   | (1,936,389)                     | -                               |
| 6.01.01.12  | Write-off and net reversal losses  | 1,780                           | 2,572                           |
| 6.01.01.14  | Provision for environmental liabilities and decommissioning of assets    | (3,270)                         | 2,518                           |
| 6.01.01.15  | Others   | 39,857                          | 701                             |
| 6.01.02     | Changes in assets and liabilities  | (363,118)                       | (1,033,687)                     |
| 6.01.02.01  | Trade receivables - third parties  | 112,946                         | 87,436                          |



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|            |  |             |           |
|------------|--|-------------|-----------|
| 6.01.02.02 | Trade receivables - related parties                        | (24,304)    | (21,349)  |
| 6.01.02.03 | Inventories  | (420,862)   | (312,169) |
| 6.01.02.04 | Receivables - related parties                              | (10,408)    | 1,727     |
| 6.01.02.05 | Tax assets   | (1,156)     | (2,852)   |
| 6.01.02.06 | Judicial deposits  | (12,443)    | (15,347)  |
| 6.01.02.08 | Trade payables   | 606,335     | 192,477   |
| 6.01.02.09 | Payroll and related taxes                                  | (19,827)    | (1,670)   |
| 6.01.02.10 | Taxes in installments – REFIS                              | 1,673       | (56,195)  |
| 6.01.02.11 | Payables to related parties                                | 4,605       | (8,654)   |
| 6.01.02.13 | Interest paid  | (617,864)   | (929,979) |
| 6.01.02.14 | Dividends received   | -           | 187       |
| 6.01.02.16 | Others   | 18,187      | 32,701    |
| 6.02       | Net cash used in investing activities                      | (213,570)   | (153,386) |
| 6.02.02    | Purchase of property, plant and equipment                  | (223,270)   | (188,306) |
| 6.02.04    | Receivable/(payable) from derivative financial instruments | -           | 15,200    |
| 6.02.06    | Acquisition of intangible assets                           | -           | (267)     |
| 6.02.07    | Intercompany loans granted                                 | (36,362)    | (15,188)  |
| 6.02.08    | Intercompany loans received                                | -           | 9,472     |
| 6.02.09    | Financial Investments, net of redemption                   | 6,685       | 25,703    |
| 6.02.10    | Cash received from the sale of Usiminas shares             | 39,377      | -         |
| 6.03       | Net cash used in financing activities                      | (1,423,065) | (306,516) |
| 6.03.01    | Borrowings and financing raised, net of transaction cost   | 1,320,776   | -         |
| 6.03.02    | Transaction cost   | (51,156)    | -         |
| 6.03.03    | Amortization of borrowings and financing                   | (2,190,683) | (306,516) |
| 6.03.04    | Dividends paid   | (502,002)   | -         |
| 6.04       | Exchange rate on translating cash and cash equivalents     | -           | 9,053     |
| 6.05       | Increase (decrease) in cash and cash equivalents           | (1,177,418) | 555,366   |
| 6.05.01    | Cash and equivalents at the beginning of the year          | 3,411,572   | 4,871,162 |
| 6.05.02    | Cash and equivalents at the end of the year                | 2,234,154   | 4,315,796 |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2018 to 03/31/2018  
(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 |
|------------|---|-----------------|--|------------------|--|----------------------------|----------------------|-------------|
| 5.01       | Opening balances  | 4,540,000       | 30   | -                | (1,291,689)                            | 3,779,032                  | 7,027,373            | 1,          |
| 5.03       | Adjusted opening balances                                 | 4,540,000       | 30   | -                | (1,291,689)                            | 3,779,032                  | 7,027,373            | 1,          |
| 5.05       | Total comprehensive income                                | -               | -  | -                | 1,471,863                              | (1,531,466)                | (59,603)             |             |
| 5.05.01    | Profit (loss) for the year                                | -               | -  | -                | 1,471,863                              | -                          | 1,471,863            |             |
| 5.05.02    | Other comprehensive income                                | -               | -  | -                | -                                      | (1,531,466)                | (1,531,466)          |             |
| 5.05.02.04 | Translation adjustments for the year                      | -               | -  | -                | -                                      | 37,958                     | 37,958               |             |
| 5.05.02.06 | Actuarial gains on pension plan, net of taxes             | -               | -  | -                | -                                      | 30                         | 30                   |             |
| 5.05.02.07 | Available-for-sale assets, net of taxes                   | -               | -  | -                | -                                      | (1,559,680)                | (1,559,680)          |             |
| 5.05.02.08 | (Loss) / gain on cash flow hedge accounting, net of taxes | -               | -  | -                | -                                      | (4,914)                    | (4,914)              |             |

|            |  |           |    |   |         |           |           |    |
|------------|--|-----------|----|---|---------|-----------|-----------|----|
|            | (Loss) / gain on<br>hedge of net<br>investment in<br>foreign<br>operations | -         | -  | - | -       | (4,860)   | (4,860)   |    |
| 5.05.02.09 | Internal changes<br>in shareholders'<br>equity                             | -         | -  | - | -       | -         | -         |    |
| 5.06       | Non-controlling<br>interests in<br>affiliates                              | -         | -  | - | -       | -         | -         |    |
| 5.06.04    | Closing balance  | 4,540,000 | 30 | - | 180,174 | 2,247,566 | 6,967,770 | 1, |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statements of Changes in Equity - 01/01/2017 to 03/31/2017  
(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-con |
|------------|---|-----------------|--|------------------|--|----------------------------|----------------------|---------|
| 5.01       | Opening balances                              | 4,540,000       | 30   | -                | (1,301,961)                            | 2,956,459                  | 6,194,528            | 1,      |
| 5.03       | Adjusted opening balances                     | 4,540,000       | 30   | -                | (1,301,961)                            | 2,956,459                  | 6,194,528            | 1,      |
| 5.05       | Total comprehensive income                    | -               | -  | -                | 85,630                                 | 167,792                    | 253,422              |         |
| 5.05.01    | Profit (loss) for the year                    | -               | -  | -                | 85,630                                 | 0                          | 85,630               |         |
| 5.05.02    | Other comprehensive income                    | -               | -  | -                | 0                                      | 167,792                    | 167,792              |         |
| 5.05.02.04 | Translation adjustments for the year          | -               | -  | -                | 0                                      | (39,643)                   | (39,643)             |         |
| 5.05.02.06 | Actuarial gains on pension plan, net of taxes | -               | -  | -                | 0                                      | 30                         | 30                   |         |
| 5.05.02.07 | Available-for-sale assets, net of taxes       | -               | -  | -                | 0                                      | 53,299                     | 53,299               |         |
| 5.05.02.08 | (Loss) / gain on the percentage change in     | -               | -  | -                | 0                                      | 2,814                      | 2,814                |         |

|            |  |           |    |   |             |           |           |     |
|------------|--|-----------|----|---|-------------|-----------|-----------|-----|
| 5.05.02.09 | investments<br>(Loss) / gain on<br>hedge<br>accounting, net<br>of taxes    | -         | -  | - | 0           | 149,446   | 149,446   |     |
| 5.05.02.10 | (Loss) / gain on<br>hedge of net<br>investment in<br>foreign<br>operations | -         | -  | - | 0           | 1,846     | 1,846     |     |
| 5.06       | Internal changes<br>in shareholders'<br>equity                             | -         | -  | - | 0           | 0         | 0         |     |
| 5.06.04    | Non-controlling<br>interests in<br>affiliates                              | -         | -  | - | 0           | 0         | 0         |     |
| 5.07       | Closing balance  | 4,540,000 | 30 | - | (1,216,331) | 3,124,251 | 6,447,950 | 1,5 |

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information - March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1****Consolidated Financial Statements / Statements of Value Added  
(R\$ thousand)**

| Code       | Description                          | Year to date                | Previous year               |
|------------|--------------------------------------|-----------------------------|-----------------------------|
|            |                                      | 01/01/2018 to<br>03/31/2018 | 01/01/2017 to<br>03/31/2017 |
| 7.01       | Revenues                             | 7,781,869                   | 5,052,156                   |
|            | Sales of products and rendering of   | 5,850,130                   |                             |
| 7.01.01    | services                             |                             | 5,043,196                   |
| 7.01.02    | Other revenues                       | 1,940,033                   | 3,013                       |
|            | Allowance for (reversal of) doubtful | (8,294)                     |                             |
| 7.01.04    | debts                                |                             | 5,947                       |
|            | Raw materials acquired from third    | (3,950,032)                 |                             |
| 7.02       | parties                              |                             | (3,149,745)                 |
| 7.02.01    | Cost of sales and services           | (3,238,366)                 | (2,547,733)                 |
|            | Materials, electric power,           | (705,475)                   |                             |
| 7.02.02    | outsourcing and other                |                             | (605,184)                   |
| 7.02.03    | Impairment/recovery of assets        | (6,191)                     | 3,172                       |
| 7.03       | Gross value added                    | 3,831,837                   | 1,902,411                   |
| 7.04       | Retentions                           | (315,872)                   | (401,276)                   |
|            | Depreciation, amortization and       | (315,872)                   |                             |
| 7.04.01    | depletion                            |                             | (401,276)                   |
| 7.05       | Wealth created                       | 3,515,965                   | 1,501,135                   |
| 7.06       | Value added received                 | 11,346                      | 35,072                      |
| 7.06.01    | Equity in income of affiliates       | 24,851                      | 21,105                      |
| 7.06.02    | Financial income                     | 42,896                      | 116,519                     |
| 7.06.03    | Others                               | (56,401)                    | (102,552)                   |
| 7.06.03.01 | Others and exchange gains            | (56,401)                    | (102,552)                   |
| 7.07       | Wealth for distribution              | 3,527,311                   | 1,536,207                   |
| 7.08       | Wealth distributed                   | 3,527,311                   | 1,536,207                   |
| 7.08.01    | Personnel                            | 557,720                     | 529,763                     |
| 7.08.01.01 | Salaries and wages                   | 436,222                     | 416,986                     |
| 7.08.01.02 | Benefits                             | 100,501                     | 90,981                      |
| 7.08.01.03 | Severance payment (FGTS)             | 20,997                      | 21,796                      |
| 7.08.02    | Taxes, fees and contributions        | 896,795                     | 375,785                     |
| 7.08.02.01 | Federal                              | 796,634                     | 302,090                     |

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|               |  |           |           |
|---------------|--|-----------|-----------|
| 7.08.02.02    | State  | 94,051    | 68,423    |
| 7.08.02.03    | Municipal                                      | 6,110     | 5,272     |
| 7.08.03       | Remuneration on third-party capital            | 586,301   | 513,044   |
| 7.08.03.01    | Interest                                       | 523,256   | 786,419   |
| 7.08.03.02    | Leases   | 6,425     | 6,542     |
| 7.08.03.03    | Others   | 56,620    | (279,917) |
| 7.08.03.03.01 | Others and exchange losses                     | 56,620    | (279,917) |
| 7.08.04       | Remuneration on Shareholders' capital          | 1,486,495 | 117,615   |
| 7.08.04.03    | Retained earnings (accumulated losses)         | 1,471,863 | 85,630    |
| 7.08.04.04    | Non-controlling interests in retained earnings | 14,632    | 31,985    |

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**Comments on the Company's Consolidated Performance**

**1Q18 Earnings Release**

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) **announces today its results for the first quarter of 2018 (1Q18)** in Brazilian reais, and its consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and with the accounting practices adopted in Brazil, which are fully convergent with international accounting standards, 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. The comments presented herein refer to the Company's first quarter of 2018 (1Q18) and comparisons refer to the fourth quarter of 2017 (4Q17) and first quarter of 2017 (1Q17). The Brazilian real/US dollar exchange rate was R\$3.3238 as at March 31, 2018 and R\$3.3080 as at December 31, 2017.

**1Q18 financial and operating highlights**

- **Generation of adjusted EBITDA of R\$1,242MM**, an increase of 3% compared to the previous quarter, with EBITDA margin of 23%, due to better performance in the mining segment.
- **Steel sales volume** in the domestic market in 1Q18 reached 782 thousand tons, an increase of 27% compared to the same period in 2017.
- **Increase in the production of flat rolled products** from 12% to 2% compared to 1Q17 and 4Q17, respectively.



- **Mining adjusted EBITDA reached R\$442MM**, an increase of 26% compared to 4Q17, with highlight for the higher average price and adjusted EBITDA margin, an increase of 8.5 p.p. compared to the previous quarter.
- **Free cash flow, before the financing activities, significantly increased in 1Q18, totaling R\$544MM, compared to R\$73MM in 4Q17.**
- **Net profit of R\$1.486MM in 1Q18**, due to the gain accrued from the adjustment of the fair value of the Usiminas' shares, which began to be recorded in profit or loss, under IFRS9.

|  |              |              |              |           |              |
|--|--------------|--------------|--------------|-----------|--------------|
| <b>Steel sales (thousand tons)</b>               | <b>1,194</b> | <b>1,253</b> | <b>1,277</b> | <b>7%</b> | <b>2%</b>    |
| - Domestic market                                | 617          | 770          | 782          | 27%       | 2%           |
| - Subsidiaries abroad                            | 485          | 401          | 436          | (10%)     | 9%           |
| - Export trade                                   | 92           | 82           | 60           | (35%)     | (27%)        |
| <b>Iron ore sales (thousand tons)</b>            | <b>7,244</b> | <b>9,561</b> | <b>7,474</b> | <b>3%</b> | <b>(22%)</b> |
| - Domestic market                                | 1,347        | 1,236        | 1,309        | (3%)      | 6%           |
| - Foreign market                                 | 5,897        | 8,325        | 6,165        | 5%        | (26%)        |
| <b>Consolidated profit or loss (R\$ million)</b> |              |              |              |           |              |
| Net revenue                                      | 4,412        | 4,993        | 5,066        | 15%       | 1%           |
| Gross profit                                     | 1,318        | 1,413        | 1,381        | 5%        | (2%)         |
| Adjusted EBITDA <sup>1</sup>                     | 1,333        | 1,203        | 1,242        | (7%)      | 3%           |
| Adjusted net debt <sup>2</sup>                   | 25,477       | 26,268       | 26,508       | 4%        | 1%           |
| Adjusted cash/cash equivalents <sup>2</sup>      | 5,146        | 4,328        | 3,070        | (40%)     | (29%)        |
| Adjusted net debt/adjusted EBITDA                | 5.45x        | 5.66x        | 5.82x        | 0.37 x    | 0.16 x       |

<sup>1</sup> Adjusted EBITDA is calculated based on net profit/loss, plus depreciation and amortization, income tax, net finance income (costs), share of profit (loss) of investees and other operating income (expenses), and includes the proportionate share of EBITDA of the jointly-owned subsidiaries MRS Logística and CBSI. Adjusted EBITDA includes 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI beginning December/15.

<sup>2</sup> Adjusted net debt and adjusted cash account for, beginning December 15, 100% stake in Congonhas Minérios, 37.27% in MRS and 50% in CBSI.

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**CSN´s Consolidated Result**

- **Net revenue** in 1Q18 totaled R\$5,066 million, 15% and 1% higher than those recorded in 1Q17 and 4Q17, respectively. The improvement in performance compared to 4Q17 was due to the increase in steel product prices, while in the mining segment net revenue remained stable.

- In 1Q18, **cost of sales** totaled R\$3,685 million, an increase of 2.9% compared to 4Q17, due to coal HCC FOB Aus US\$/ton (+17.0%) price increases and iron ore Platts Iron Ore Fines 62% CFR North China (+13.3%).

- In the first quarter of **2018**, **gross profit** totaled R\$1,381 million, a decrease of 2% compared to 4Q17, and decrease in gross margin by 1.0 p.p. against the same comparison basis, reaching 27.3%, due to the increase in steel costs, partially compensated by the recovery of the mining margin.

- In 1Q18, **general and administrative expenses** totaled R\$102 million, a decrease of 9% compared to the same period in 2017, from 2.5% (1Q17) to 2.0% (1Q18) of net revenue, reflecting the dilution of expenses against an increase in revenues. **Selling expenses** totaled R\$455 million, or 9.0% of net revenue, a growth of 0.7 p.p. compared to 1Q17 (8.3% of net revenue) due to an increase in sales for the period.

- In 1Q18, **other net income (costs)**, totaled R\$1,797 million arising mainly from the gain on the appreciation of Usiminas' shares, which were recognized at fair value through results, under IFRS9/CPC48, effective in January 2018.

• In 1Q18, **net finance costs**, totaled R\$594 million. **Finance costs (ex-variation)** continue to decrease, by virtue of the decrease in Selic rate, generating a **reduction of R\$264MM** compared to 1Q17. The losses on inflation adjustments and exchange rate changes, in the amount of R\$138 million, were partially compensated by the hedge accounting positions.

|   |              |              |              |
|---|--------------|--------------|--------------|
| <b>Finance income (costs) - IFRS</b>            | <b>(497)</b> | <b>(860)</b> | <b>(594)</b> |
| <b>Finance income</b>                           | 103          | 48           | 43           |
| <b>Finance costs</b>                            | (601)        | (908)        | (637)        |
| <b>Finance costs (ex-variation)</b>             | (787)        | (683)        | (523)        |
| <b>Exchange rate changes</b>                    | 186          | (225)        | (113)        |
| Inflation adjustments and exchange rate changes | 308          | (427)        | (138)        |
| Hedge accounting                                | (135)        | 202          | 24           |
| Derivative gains                                | 13           | -            | 1            |

The finance income (costs) includes 100% stake in CSN Mining, 37.27% in MRS and 50% in CBSI, beginning December/15.

• **Share of profit of investees** totaled R\$25 million in **1Q18**, compared to R\$11 million in 4Q17, mainly due to the better results in MRS and Arverdi.

|                                     |           |           |           |             |            |
|-------------------------------------|-----------|-----------|-----------|-------------|------------|
| MRS Logística                       | 39        | 25        | 33        | 32%         | (15%)      |
| CBSI                                | 0         | 0         | 1         | -           | -          |
| TLSA                                | (4)       | (2)       | (3)       | 50%         | (25%)      |
| Arvedi Metalfer BR                  | (1)       | (5)       | 0         | -           | -          |
| Eliminations                        | (13)      | (8)       | (6)       | (25%)       | (54%)      |
| <b>Share of profit of investees</b> | <b>21</b> | <b>11</b> | <b>25</b> | <b>127%</b> | <b>25%</b> |

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- In **1Q18**, the Company recorded **net profit of R\$1,486 million**, compared to net profit of R\$378 million in 4Q17, arising from the adjustment to fair value of Usiminas' shares, which were recorded in results, under IFRS9.

|   |              |              |              |               |             |
|---|--------------|--------------|--------------|---------------|-------------|
| <b>Net profit (loss) for the period</b>               | <b>118</b>   | <b>378</b>   | <b>1,486</b> | <b>1,159%</b> | <b>293%</b> |
| (-) Depreciation                                      | 390          | 319          | 305          | (22%)         | (4%)        |
| (+) Income tax and social contribution                | 137          | (1)          | 559          | 308%          | -           |
| (+) Finance income (costs), net                       | 497          | 860          | 594          | 20%           | (31%)       |
| <b>EBITDA (ICVM 527)</b>                              | <b>1,142</b> | <b>1,556</b> | <b>2,944</b> | <b>158%</b>   | <b>89%</b>  |
| (+) Other operating income (expenses)                 | 99           | (473)        | (1,797)      | -             | 280%        |
| (+) Share of loss of investees                        | (21)         | (11)         | (25)         | 25%           | 127%        |
| (-) Proportional EBITDA in jointly-owned subsidiaries | 113          | 132          | 119          | 6%            | (10%)       |
| <b>Adjusted EBITDA</b>                                | <b>1,333</b> | <b>1,204</b> | <b>1,242</b> | <b>(7%)</b>   | <b>3%</b>   |

<sup>1</sup>The Company's adjusted EBITDA excludes equity interest and other operating income (expenses) as these items should not be considered when calculating the cash flow generated from operating activities.

- Adjusted EBITDA** totaled R\$1.242 million, compared to R\$1.204 million in 4Q17, an increase of 3% due to the increase in the mining segment. **Adjusted EBITDA margin reached 23.5%**, an increase of 0.5 p.p. compared to the previous quarter.

Adjusted EBITDA margin is calculated based on Adjusted EBITDA divided by Adjusted net revenue, which includes 100% stake in CSN Mineração, 37.27% in MRS and 50% in CBSI, beginning December/15.

## **Debt**

As of March 31, 2018, adjusted net debt totaled R\$26,508 million, while net debt/EBITDA ratio, calculated based on the adjusted EBITDA for the last twelve months, reached 5.82x. The increase resulted from the exchange gains for the period that impacted the US dollar-denominated debt and dividends to minority shareholders for the 2015-2016 period of the former subsidiary Nacional Minérios S.A. (merged into CSN Mineração S.A.), paid in 1Q18.

### **Debt (R\$ million) and net debt/adjusted EBITDA(x)**

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1****Foreign exchange exposure**

The net foreign exchange exposure of the consolidated balance sheet was US\$2,539 million as of March 31, 2018, as shown in the table below. It should be noted that within the net foreign exchange exposure, a liability of US\$1.0 billion is included in line item “Borrowings and financing” related to the perpetual bond, which, due to its nature, will not require disbursement for settlement of the principal amount in the foreseeable future.

The hedge accounting adopted by CSN correlates the projected export inflow in US dollars with part of the scheduled debt payments in the same currency. As a result, the exchange rate changes in the US dollar-denominated debt is temporarily recorded in equity and subsequently recorded in profit or loss when revenues in US dollars from exports occur.

|   |                |                |
|---|----------------|----------------|
| Cash  | 777            | 244            |
| Accounts receivable   | 311            | 322            |
| Other   | 3              | 4              |
| <b>Total assets</b>   | <b>1,091</b>   | <b>571</b>     |
| Borrowings and financing  | (4,333)        | (4,236)        |
| Trade payables  | (98)           | (175)          |
| Other payables  | (4)            | (5)            |
| <b>Total liabilities</b>  | <b>(4,434)</b> | <b>(4,417)</b> |
|   | -              | -              |
| <b>Natural foreign exchange exposure (assets - liabilities)</b> | <b>(3,343)</b> | <b>(3,846)</b> |
| Derivatives, net  | -              | -              |
| Cash flow hedge accounting                                      | 1,318          | 1,307          |

|   |                |                |
|---|----------------|----------------|
| <b>Foreign exchange exposure, net</b>           | <b>(2,025)</b> | <b>(2,539)</b> |
| Perpetual bond                                  | 1,000          | 1,000          |
| <b>Foreign exchange exposure, net (ex-bond)</b> | <b>(1,025)</b> | <b>(1,539)</b> |

## Investments

**Investments totaled R\$223 million in 1Q18**, a decrease of 35% compared to 4Q17, arising mainly due to the project seasonality. The increase in mining expenses refers to the waste filtering projects and production by magnetic concentrators.

|                                 |            |            |            |            |              |            |
|---------------------------------|------------|------------|------------|------------|--------------|------------|
| Steel                           | 92         | 102        | 119        | 168        | 481          | 65         |
| Mining                          | 60         | 106        | 115        | 97         | 378          | 116        |
| Cement                          | 24         | 20         | 34         | 40         | 118          | 23         |
| Logistics                       | 13         | 11         | 19         | 33         | 76           | 18         |
| Other                           | 0          | 0          | 6          | 6          | 12           | 2          |
| <b>Total investments - IFRS</b> | <b>190</b> | <b>239</b> | <b>293</b> | <b>344</b> | <b>1,065</b> | <b>223</b> |

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**Working capital**

To calculate working capital, CSN adjusts its assets and liabilities as demonstrated below:

- Accounts receivable: excludes dividends receivable, advances to employees and other receivables;
- Inventories: includes estimated losses and excludes the spare parts, which are not part of the cash conversion cycle, and will be subsequently recorded in property, plant and equipment when consumed;
- Advanced taxes: solely composed of income tax and social contribution included in line item “Recoverable taxes”;
- Taxes payable: composed of line item “Taxes payable”, in current liabilities, plus taxes in installments;
- Advances from customers: recognized in line item “Other payables”, in current liabilities;

Accordingly, working capital invested in the Company’s business **totaled R\$2,383 million in 1Q18, reducing the financial cycle in 14 and 28 days**, compared to **4Q17** and **1Q17**, respectively, reflecting the effective working capital management, mainly in relation to the extension of maturity dates for payment of raw materials.

|               |                        |            |            |
|---------------|------------------------|------------|------------|
| <b>Assets</b> | <b>5,5265,9866,252</b> | <b>266</b> | <b>726</b> |
|---------------|------------------------|------------|------------|



|                           |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| Trade receivables         | 1,849        | 2,197        | 2,146        | (51)         | 297          |
| Inventories               | 3,562        | 3,783        | 4,064        | 281          | 502          |
| Prepaid taxes             | 115          | 6            | 42           | 36           | (72)         |
| <b>Liabilities</b>        | <b>2,495</b> | <b>3,067</b> | <b>3,869</b> | <b>801</b>   | <b>1,374</b> |
| Trade payables            | 1,934        | 2,461        | 3,253        | 792          | 1,319        |
| Payroll and related taxes | 252          | 252          | 233          | (19)         | (18)         |
| Taxes payable             | 190          | 286          | 288          | 2            | 98           |
| Advances from customers   | 119          | 69           | 95           | 26           | (24)         |
| <b>Working capital</b>    | <b>3,031</b> | <b>2,919</b> | <b>2,383</b> | <b>(535)</b> | <b>(647)</b> |
| Receipt                   | 33           | 34           | 33           | (1)          | -            |
| Payment                   | 56           | 62           | 79           | 17           | 23           |
| Inventories               | 104          | 95           | 99           | 4            | (5)          |
| <b>Financial cycle</b>    | <b>81</b>    | <b>67</b>    | <b>53</b>    | <b>(14)</b>  | <b>(28)</b>  |

### Business segment reporting

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:

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Beginning 2013, the Company no longer proportionally consolidated its jointly-owned subsidiaries Namisa, MRS and CBSI. For purposes of preparation and presentation of the information by business segment, Management maintained the proportional consolidation of the jointly-owned subsidiaries, as historically presented. For purposes of reconciliation of the consolidated profit or loss, the amounts recorded by these companies are not included in “Corporate expenses/elimination”. After the closing of 2015, after the combination of the mining assets (Casa de Pedra, Namisa and Tecar), the consolidated profit or loss includes this new company’s information as a whole.

**Net revenue by segment - 1Q18 (R\$ million)**

**Adjusted EBITDA by segment - 1Q18 (R\$ million)**

|  |                |              |             |              |              |            |
|--|----------------|--------------|-------------|--------------|--------------|------------|
| <b>Net revenue</b>                               | <b>3,674</b>   | <b>1,152</b> | <b>66</b>   | <b>331</b>   | <b>131</b>   | <b>9</b>   |
| Domestic market                                  | 2,291          | 219          | 66          | 331          | 131          |            |
| Foreign market                                   | 1,384          | 933          | -           | -            | -            |            |
| <b>CPV</b>                                       | <b>(2,900)</b> | <b>(795)</b> | <b>(46)</b> | <b>(244)</b> | <b>(125)</b> | <b>(6)</b> |
| <b>Gross profit</b>                              | <b>774</b>     | <b>356</b>   | <b>20</b>   | <b>87</b>    | <b>5</b>     | <b>2</b>   |
| SG&A   | (234)          | (21)         | (10)        | (23)         | (20)         | (6)        |
| Depreciation                                     | 150            | 106          | 4           | 65           | 27           |            |
| Proportional EBITDA - jointly-owned subsidiaries | -              | -            | -           | -            | -            |            |
| <b>Adjusted EBITDA</b>                           | <b>690</b>     | <b>442</b>   | <b>14</b>   | <b>128</b>   | <b>12</b>    | <b>2</b>   |

|  |                |              |             |              |              |            |
|--|----------------|--------------|-------------|--------------|--------------|------------|
| <b>Net revenue</b>                               | <b>3,435</b>   | <b>1,175</b> | <b>71</b>   | <b>365</b>   | <b>106</b>   | <b>10</b>  |
| Domestic market                                  | 2,147          | 175          | 71          | 365          | 106          | 1          |
| Foreign market                                   | 1,287          | 1,001        | -           | -            | -            |            |
| <b>CPV</b>                                       | <b>(2,670)</b> | <b>(909)</b> | <b>(45)</b> | <b>(259)</b> | <b>(106)</b> | <b>(7)</b> |
| <b>Gross profit</b>                              | <b>765</b>     | <b>266</b>   | <b>26</b>   | <b>106</b>   | <b>(0)</b>   | <b>3</b>   |
| SG&A   | (204)          | (37)         | (8)         | (27)         | (22)         | (6)        |
| Depreciation                                     | 153            | 121          | 4           | 63           | 25           |            |
| Proportional EBITDA - jointly-owned subsidiaries | -              | -            | -           | -            | -            |            |
| <b>Adjusted EBITDA</b>                           | <b>713</b>     | <b>351</b>   | <b>22</b>   | <b>142</b>   | <b>3</b>     | <b>2</b>   |

|  |                |              |             |              |              |            |
|--|----------------|--------------|-------------|--------------|--------------|------------|
| <b>Net revenue</b>                               | <b>3,071</b>   | <b>1,174</b> | <b>55</b>   | <b>323</b>   | <b>126</b>   | <b>9</b>   |
| Domestic market                                  | 1,789          | 190          | 55          | 323          | 126          |            |
| Foreign market                                   | 1,283          | 984          | -           | -            | -            |            |
| <b>CPV</b>                                       | <b>(2,395)</b> | <b>(636)</b> | <b>(37)</b> | <b>(280)</b> | <b>(130)</b> | <b>(6)</b> |
| <b>Gross profit</b>                              | <b>677</b>     | <b>538</b>   | <b>18</b>   | <b>43</b>    | <b>(4)</b>   | <b>2</b>   |
| SG&A   | (235)          | (40)         | (7)         | (24)         | (19)         | (6)        |
| Depreciation                                     | 169            | 123          | 3           | 104          | 35           |            |
| Proportional EBITDA - jointly-owned subsidiaries | -              | -            | -           | -            | -            |            |
| <b>Adjusted EBITDA</b>                           | <b>610</b>     | <b>620</b>   | <b>14</b>   | <b>123</b>   | <b>12</b>    | <b>2</b>   |

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## CSN's Steel Results

According to the World Steel Association (WSA), the global crude steel production totaled 426.6 million tons (Mton) in 1Q18, an increase of 4.1% compared to 1Q17. Asia produced 294.1 Mton in 1Q18, an increase of 4.6% compared to the same period in 2017, while the European Union and North America increased by 0.9% and 1.9%, respectively, on the same comparison basis.

• In **1Q18**, CSN's **plate production** totaled 1,050 thousand tons, an increase of 5% compared to 1Q17. In turn, the **production of flat rolled products in 1Q18 increased by 2% and 12%** compared to 4Q17 and 1Q17, respectively, totaling 1,023 thousand tons. **According to the Brazilian Steel Institute (IABr)**, in the first quarter of 2018, **the domestic sales** totaled 4.4 million tons of steel, **an increase of 11.4%** compared to the first three months of prior year. The **apparent consumption** totaled 4.9 million tons, **an increase of 8.3%** compared to the same period of last year. **Brazilian steel production** totaled 8.6 million tons, **an increase of 4.9%**. The **estimated domestic sales** increased from 4.1% to 6.6% (18 million tons) in 2018.

|   |            |              |              |              |              |
|---|------------|--------------|--------------|--------------|--------------|
| <b>Total plates (UPV + third parties)</b> | <b>999</b> | <b>1,099</b> | <b>1,050</b> | <b>(5%)</b>  | <b>5%</b>    |
| Plate production                          | 982        | 1,099        | 1,050        | (4%)         | 7%           |
| Third-party plates                        | 18         | 0            | 0            | (100%)       | (100%)       |
| <b>Total flat rolled products</b>         | <b>874</b> | <b>959</b>   | <b>978</b>   | <b>2%</b>    | <b>12%</b>   |
| <b>Total long rolled products</b>         | <b>53</b>  | <b>45</b>    | <b>40</b>    | <b>(11%)</b> | <b>(25%)</b> |



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- CSN's **total sales** reached 1,277 thousand tons of steel products in **1Q18**, an increase of 2% compared to 4Q17.

- In **1Q18** the steel volume sold by CSN in the **domestic market** totaled 782 thousand tons, an increase of 2% compared to 4Q17 and 27% compared to 1Q17. The **expansion of the automotive and OEM market significantly increased the cold rolled flat steel products (+33% - 1Q18x1Q17) and galvanized items (+54%- 1Q18x1Q17)**. Out of this total, 737 thousand tons refers to flat steel products 45 thousand tons to long steel products.

- In the **foreign market**, CSN's sales in **1Q18** totaled 496 thousand tons, an increase of 2.5% compared to the immediately prior quarter. In this period, 60 thousand tons were directly exported and 436 thousand tons were sold by the foreign subsidiaries, out of which 118 thousand tons by LLC, 216 thousand tons by SWT and 102 thousand tons by Lusosider.

- In 1Q18, CSN maintained its high **share of coated products** as a percentage of total sales volume, following the strategy of adding more value to its product mix. Sales of coated products such as galvanized items and metallic sheets accounted for 53% of flat steel sales, considering all markets in which the Company operates. In the **foreign market**, coated products accounted for 81% of flat steel sales in 1Q18.

According to **ANFAVEA** (National Association of Automobile Manufacturers), **in the first quarter of 2018, the production of vehicles, light commercial vehicles, trucks and buses** totaled 669,657 thousand units, **an increase of 14.6%**, compared to the same period of prior year. **The exports** maintained good performance, totaling 180,200 thousand vehicles sold, **an increase of 3.3%** compared to the same period of prior year. Anfavea estimates an increase of 13.2% in vehicles produced in, for 3.05 million units.

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According to **ABRAMAT** (Brazilian Association of Building Material Industry), the accumulated **building material sales** decreased by 6.3% through March 2018, compared to 1Q17; however, the association estimates an increase between 1% and 2% in the industry revenues.

According to **IBGE** (Brazilian Institute of Geography and Statistics), the **home appliance production** increased in the first six-month period of 2018, **an increase of 4.3% and 28.3%, in white and brown lines**, respectively.

According to **INDA** (National Institute of Steel Distributors) in **1Q18**, distribution purchases **increased by 4.4%**, while **flat steel sales increased by 13.8%** compared to 1Q17. **Accumulated imports through March 2018 increased by 2.9%** compared to the same period in 2017, a total volume of 302.7 thousand tons.

- **Net revenue** totaled R\$3,674 million in 1Q18, an increase of 7% and 20% compared to 4Q17 and 1Q17, respectively, mainly due to an increase in sales in the domestic market and higher average steel prices, both in the domestic market (+6% compared to 4Q17) and foreign market (+5% compared to 4Q17).
- **Cost of sales** in **1Q18** increased by 8.6% compared to 4Q17, totaling R\$2,900 million, mainly due to the increase in raw material prices (coal, iron ore, coke and pellets), non-scheduled maintenances and adverse climate condition.



- **Plate production cost** in **1Q18** totaled R\$1,474/t, an increase of 14% compared to 4Q17. The increase in the prices of the main raw materials, due to the abovementioned operational events, will be balanced in the next quarters.
- **Adjusted EBITDA** totaled R\$690 million in **1Q18**, a decrease of 3.2% compared to R\$713 million in 4Q17, due to CPV increase. The adjusted EBITDA margin in 1Q18 reached 18.8%, or a decrease of 2.0p.p. compared to the immediately prior quarter.

### CSN's Mining Results

In **1Q18**, the expansion of the Chinese steel production aligned with the increase in the steel price in the foreign market positively impacted the iron ore prices. In this regard, **iron ore price ratio in 1Q18 reached US\$74.26/dmt (Platts, Fe62%, N. China), on average, a 13% increase compared to 4Q17**; however, a decrease of 13% compared to 1Q17, with an average of US\$85.64/dmt.

In relation to **maritime freight**, the BCI-C3 (Tubarão-Qingdao) route reached an average of US\$15.60/wmt in **1Q18, a decrease of 16%** compared to the prior quarter. In addition to the ore price, another positive factor in this quarter was the decrease in silica discounts, and the respective **market discount has significantly decreased by 17% in 1Q18** compared to 4Q17.

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• In **1Q18**, **iron ore production totaled** 6.2 million tons, a decrease of 4% compared to 4Q17, mainly due to the high rainfall index in the period and limitations on our tailing dam utilization. **Iron ore purchases** totaled 1,487 thousand tons in **1Q18**, a decrease of 19% compared to 4Q17.

• **Iron ore sales** totaled 7.5 million tons in **1Q18**, an increase of 3% compared to 1Q17, out of which 1.3 million tons were sold to Presidente Vargas Plant.

|                                     |              |              |              |              |             |
|-------------------------------------|--------------|--------------|--------------|--------------|-------------|
| Iron ore production                 | 7,858        | 6,378        | 6,129        | (4%)         | (22%)       |
| Ore purchased from third parties    | 137          | 1,828        | 1,487        | (19%)        | 988%        |
| <b>Total production + purchases</b> | <b>7,995</b> | <b>8,206</b> | <b>7,616</b> | <b>(7%)</b>  | <b>(5%)</b> |
| Sales to UPV                        | 1,347        | 1,236        | 1,309        | 6%           | (3%)        |
| Volume sold to third parties        | 5,897        | 8,325        | 6,165        | (26%)        | 5%          |
| <b>Total sales</b>                  | <b>7,244</b> | <b>9,561</b> | <b>7,474</b> | <b>(22%)</b> | <b>3%</b>   |

The production and sales volumes considered a 100% stake in CSN Mineração.

• In **1Q18**, mining **net revenue** totaled R\$1.152 million, a decrease of 2% compared to the immediately prior quarter due to the decrease in sales volumes (-22%), compensated by the increase in the market prices, as well as the respective realization by the company. The CIF+FOB unit revenue in 1Q18 totaled US\$55.9/wmt, an increase of 12% compared to the prior quarter.

**Realized iron ore price by CSN Mineração**

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**(CIF+FOB\* - US\$/wmt delivered in China)**

\*Beginning 4Q16, the company started to report the realized iron ore price considering the sum of the CIF and FOB values, as shown above.

• **Mining sales cost** totaled R\$795 million in **1Q18**, a decrease of 13% compared to 4Q17, due to the decrease in the sales volume in the period (-22%).

• **Adjusted EBITDA** totaled R\$442 million in **1Q18**, an increase of 26% compared to 4Q17. **Adjusted EBITDA margin reached 38% in 1Q18, or an increase of 8,5p.p. compared to 4Q17**, mainly due to the increase in realized prices, lower freight/ton ratio and decrease in the silica discounts in the period.

#### CSN's Logistics Results

**Railway logistics:** In **1Q18**, **net revenue** totaled R\$331 million, generating **adjusted EBITDA** of R\$128 million and **adjusted EBITDA margin** of 39%.

**Port logistics:** In **1Q18**, Sepetiba Tecon shipped 219 thousand tons of steel products, in addition to 31 thousand tons of general cargo and approximately 65 thousand containers. In 1Q18, **net revenue** totaled R\$66 million, generating **adjusted EBITDA** of R\$14 million and **adjusted EBITDA margin** of 21%.

|                                     |     |     |     |       |       |
|-------------------------------------|-----|-----|-----|-------|-------|
| Container volume (thousand units)   | 30  | 69  | 65  | (6%)  | 117%  |
| Steel volume (thousand ton)         | 275 | 253 | 219 | (13%) | (20%) |
| General cargo volume (thousand ton) | 5   | 3   | 31  | 933%  | 520%  |

#### CSN's Cement Results



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In the **first quarter of 2018, cement sales in the domestic market** totaled 12.6 million tons, according to the preliminary industry data, disclosed by the **SNIC** (National Cement Industry Union), a decrease of 3.0% compared to the first quarter of 2017.

According to the SNIC data, **sales volume in the first quarter was slightly below the estimated volume**, due to the strong rainfall index in February and March, which impacted the sales performance. For 2018, SNIC estimates an increase between 1% and 2% in cement sales compared to the sales in 2017.

In **1Q18, cement sales** totaled 806 thousand tons, an increase of 22% compared to 4Q17, representing **net revenue** of R\$131 million. Adjusted **EBITDA** reached R\$12 million (+346%), with **adjusted EBITDA margin** of 9.3%, or an increase of 6.7p.p. compared to the prior quarter, due to the increased prices and volumes.

|                  |     |     |     |     |      |
|------------------|-----|-----|-----|-----|------|
| Total production | 817 | 726 | 775 | 7%  | (5%) |
| Total sales      | 821 | 661 | 806 | 22% | (2%) |

#### CSN's Energy Results

According to the **EPE** (Energy Research Company), **domestic electric energy consumption** increased by 0.4% in 1Q18 compared to the same period of prior year. The electric energy consumption in the industrial sector increased by 0.8% in March 2018 compared to the past

year. The residential and commercial sectors reduced the electric energy consumption by -2.6% and -2.0%, respectively, compared to March 2017.

In **1Q18**, **net energy revenue** totaled R\$91 million, with **adjusted EBITDA** of R\$22 million and **adjusted EBITDA margin** of 24%.

## Capital market

In the **first quarter of 2018**, the CSN's shares appreciated by 5.0%, while the Ibovespa index appreciated by 11.7%. The daily traded volume (CSNA3) on B3, in turn, totaled R\$103.4 million. On the New York Stock Exchange (NYSE), the Company's American Depositary Receipts (ADRs) appreciated by 4.4%, while Dow Jones decreased by 2.9%. The daily traded volume (SID) of the Company's ADRs on NYSE totaled US\$11.0 million.

|   |                  |
|---|------------------|
| <b>Number of shares (in thousands)</b>                          | <b>1,387,524</b> |
| <b>Market value</b>   |                  |
| Closing price (R\$/share)                                       | 8.80             |
| Closing price (US\$/ADR)  | 2.63             |
| Market value (R\$ million)                                      | 12,210           |
| Market value (US\$ million)                                     | 3,673            |
| <b>Total return including dividends and interest on capital</b> |                  |
| CSNA3   | 5.0%             |
| SID   | 4.4%             |
| Ibovespa  | 11.7%            |
| Dow Jones   | (2.9%)           |
| <b>Volume</b>   |                  |
| Daily average (thousand shares)                                 | 10,466           |
| Daily average (R\$ thousand)                                    | 103,407          |
| Daily average (thousand ADRs)                                   | 3,636            |
| Daily average (US\$ thousand)                                   | 11,031           |
| <i>Source: Bloomberg</i>  |                  |

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**CONSOLIDATED SALES VOLUME (thousand tons)**

|                              |                   |                     |                     |                   |                    |
|------------------------------|-------------------|---------------------|---------------------|-------------------|--------------------|
| <b><u>Flat steel</u></b>     | <b><u>566</u></b> | <b><u>720</u></b>   | <b><u>737</u></b>   | <b><u>17</u></b>  | <b><u>171</u></b>  |
| Plate                        | -                 | 1                   | -                   | (1)               | -                  |
| Hot rolled                   | 215               | 275                 | 271                 | (4)               | 56                 |
| Cold rolled                  | 118               | 129                 | 157                 | 28                | 39                 |
| Galvanized                   | 157               | 236                 | 242                 | 6                 | 85                 |
| Tin plates                   | 77                | 78                  | 67                  | (11)              | (10)               |
| <b>UPV Long Steel</b>        | <b>51</b>         | <b>50</b>           | <b>45</b>           | <b>(5)</b>        | <b>(6)</b>         |
| <b>DOMESTIC MARKET</b>       | <b>617</b>        | <b>770</b>          | <b>782</b>          | <b>12</b>         | <b>165</b>         |
| <br>                         |                   |                     |                     |                   |                    |
| <b><u>Flat steel</u></b>     | <b><u>349</u></b> | <b><u>285</u></b>   | <b><u>280</u></b>   | <b><u>(5)</u></b> | <b><u>(69)</u></b> |
| Hot rolled                   | 20                | 24                  | 35                  | 11                | 15                 |
| Cold rolled                  | 24                | 8                   | 17                  | 9                 | (7)                |
| Galvanized                   | 258               | 202                 | 191                 | (11)              | (67)               |
| Tin Plates                   | 48                | 52                  | 37                  | (15)              | (11)               |
| <b>Long Steel (profiles)</b> | <b>228</b>        | <b>198</b>          | <b>216</b>          | <b>18</b>         | <b>(12)</b>        |
| <b>FOREIGN MARKET</b>        | <b>577</b>        | <b>484</b>          | <b>496</b>          | <b>12</b>         | <b>(81)</b>        |
| <br>                         |                   |                     |                     |                   |                    |
| <b><u>Flat steel</u></b>     | <b><u>915</u></b> | <b><u>1.005</u></b> | <b><u>1.017</u></b> | <b><u>12</u></b>  | <b><u>102</u></b>  |
| Plate                        | -                 | 1                   | -                   | (1)               | -                  |
| Hot rolled                   | 235               | 298                 | 306                 | 8                 | 71                 |
| Cold rolled                  | 141               | 137                 | 174                 | 37                | 33                 |
| Galvanized                   | 415               | 438                 | 433                 | (5)               | 18                 |
| Tin Plates                   | 124               | 130                 | 104                 | (26)              | (20)               |
| <b>UPV Long Steel</b>        | <b>51</b>         | <b>50</b>           | <b>45</b>           | <b>(5)</b>        | <b>(6)</b>         |
| <b>Long Steel (profiles)</b> | <b>228</b>        | <b>198</b>          | <b>216</b>          | <b>18</b>         | <b>(12)</b>        |
| <b>TOTAL MARKET</b>          | <b>1,194</b>      | <b>1,253</b>        | <b>1,277</b>        | <b>24</b>         | <b>83</b>          |





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**(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, associates and joint ventures 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 (B3 S.A. - Brasil, Bolsa, Balcão) and on the New York Stock Exchange (NYSE). Accordingly, the Company reports its information to the Brazilian Securities and Exchange Commission (CVM) and the U.S. Securities and Exchange Commission (SEC).

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The Group's main operating activities are divided into five (5) 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 all operations related to the 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 aimed at gaining markets and providing excellent services to end consumers. Its steel is 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 carried out through Terminal de Carvão e Minérios do Porto de Itaguaí – ("TECAR"), a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, in the state of Rio de Janeiro. Imports of coal and coke are also carried out through this terminal by providing services to CSN's steel segment.

The Company's mining activities also comprise exploitation of tin in the State of Rondônia, to supply the needs of the UPV. The surplus of these raw materials is sold to subsidiaries and third parties.

- **Cement:**

CSN entered the cement market boosted by the synergy between this activity and its existing businesses. Next to the Presidente Vargas Steelworks (UPV) in Volta Redonda (RJ), the Company installed a new business unit that produces CP-III type cement using slag produced by the UPV's blast furnaces. It also exploits limestone and dolomite at the Arcos unit in the State of Minas Gerais, to meet the needs of the UPV and of the cement plant.

In the fourth quarter of 2016, the Company started the operation of its second clinker production line in Arcos/MG. As a result, the Company is self-sufficient in the production of cement, with an installed capacity of 4.7 million tons per year.

- **Logistics**

*Railroads:*

CSN has interests in three railroad companies: MRS Logística S.A., which manages the Southeast Railway System of the former Rede Ferroviária Federal S.A. ("RFFSA"), Transnordestina Logística S.A. ("TLSA") and FTL - Ferrovia Transnordestina Logística S.A. ("FTL"), which has the concession to 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), still under construction and FTL being responsible for the rail links of São Luiz-Mucuripe, Arrojado-Recife, Itabaiana-Cabedelo, Paula Cavalcante-Macau and Propriá-Jorge Lins (Railway System I).

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*Ports:*

The Company operates in the State of Rio de Janeiro, through its subsidiary Sepetiba Tecon S.A., the Container Terminal (“TECON”) and through its subsidiary CSN Mineração S.A.(“CSN Mineração”), TECAR, both at the Itaguaí Port. Located in the Bay of Sepetiba, they have privileged highway, railroad and maritime access.

At TECON, shipment of CSN’s steel products, movement of containers, storage, consolidation and deconsolidation of cargo are carried out and, at TECAR, the shipment of iron ore to overseas market and the unloading of coal and other products, such as petroleum coke, sulfur and zinc concentrate for our own use and for several customers.

- **Energy:**

As energy is fundamental to its production process, the Company has electric energy generation assets to guarantee its self-sufficiency.

Note 25 - “Segment Information” details the financial information per CSN’s business segment.

- **Going Concern**

The interim financial information was prepared based on the normal continuity of its business.

Negotiations in progress for reprofiling part of the debts do not jeopardize the Company's operating continuity and Management does not have any other relevant operational restructuring plan that implies a change to the conclusion of the operational continuity. Further disclosures on the bases for evaluating the operational continuity were made in the disclosures of this subject included in the financial statements of December 31, 2017, approved by Management on March 26, 2018.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.a) Basis of preparation**

The Group's parent company and consolidated condensed interim financial information ("condensed quarterly information") have been prepared and are being presented in accordance with accounting practices adopted in Brazil based on the provisions of the Brazilian Corporate Law, pronouncements, guidelines and interpretations issued (CPC), standards issued by the Brazilian Securities and Exchange Commission ("CVM") and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board (IASB) and highlight all the relevant information of the interim financial statements, and only this information, is being disclosed and corresponds to the information used by the Company's management in its activities

The condensed interim financial information has been prepared and is being presented in accordance with CPC 21 (R1) - "Interim Financial Reporting" and IAS 34 - "Interim Financial Reporting", consistently with the standards issued by the CVM.

The significant accounting policies applied in this condensed interim financial information are consistent with the policies described in Note 02 to the Company's financial statements for the year ended December 31, 2017, filed with CVM.

This condensed interim financial information does not include all requirements of annual or full financial statements and, accordingly, should be read in conjunction with the Company's financial statements for the year ended December 31, 2017.



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Therefore, in this condensed interim financial information the following notes are not repeated, either due to redundancy or to the materiality in relation to those already presented in the annual financial statements:

Note 02 – Summary of significant accounting policies

Note 08 - Investments

Note 15 - Taxes in installments

Note 16 - Provision for tax, social security, labor, civil and environmental risks and judicial deposits

Note 26 – Employee benefits

Note 27 – Commitments

The parent company and consolidated condensed interim financial information was approved by Management on May 14, 2018.

**2.b) Basis of presentation**

The consolidated condensed interim financial information is presented in thousands of reais (R\$), which is the Company's principal 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 valuations when items are remeasured. The asset and liability balances are translated at the exchange rates prevailing at the end of the reporting period. As of March 31,

2018, US\$1 is equivalent to R\$3.3238 (R\$3.3080 as of December 31, 2017) and €1 is equivalent to R\$4.0850 (R\$3.9693 as of December 31, 2017), according to the rates obtained from the Central Bank of Brazil website.

## **2.c) Basis of consolidation**

The accounting policies have been consistently applied to all consolidated companies. The consolidated interim financial statements for the period ended March 31, 2018 and year ended December 31, 2017 include the following direct and indirect subsidiaries and joint ventures, as well as the exclusive funds, as described below:



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| <b>Companies</b>   | <b>Equity interests (%)</b> |                   | <b>Core business</b>   |
|--|-----------------------------|-------------------|--|
|  | <b>03/31/2018</b>           | <b>12/31/2017</b> |  |
| <b>Direct interest in subsidiaries:<br/>full consolidation</b> |                             |                   |  |
| CSN Islands VII 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. (1)  | -                           | 100,00            | Equity interests   |
| CSN Export Europe, S.L.U. (1)                                  | -                           | 100,00            | Financial transactions and Equity interests                  |
| CSN Metals S.L.U. (1)  | -                           | 100,00            | Equity interests and Financial transactions                  |
| CSN Americas S.L.U. (1)  | -                           | 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.   | 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   |
| Companhia Metalúrgica Prada                                    | 99,99                       | 99,99             | Manufacture of containers and distribution of steel products |

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|   |       |       |  |
|---|-------|-------|--|
| CSN Gestão de Recursos Financeiros Ltda. (*)  | 99,99 | 99,99 | Management of funds and securities portfolio                 |
| CSN Mineração S.A.                            | 87,52 | 87,52 | Mining and Equity interests                                  |
| CSN Energia S.A.                              | 99,99 | 99,99 | Sale of electric power                                       |
| FTL - Ferrovia Transnordestina Logística S.A. | 90,78 | 90,78 | Railroad logistics   |
| Nordeste Logística S.A.                       | 99,99 | 99,99 | Port services  |
| Aceros México CSN (2)                         | 1,00  | -     | Commercial representation,sale of steel and related activity |

**Indirect interest in subsidiaries: full consolidation**

|   |        |        |  |
|---|--------|--------|--|
| Companhia Siderúrgica Nacional LLC      | 100,00 | 100,00 | Steel  |
| 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 Resources S.A.                      | 100,00 | 100,00 | Financial transactions and Equity interests                  |
| Companhia Brasileira de Latas           | 99,99  | 99,99  | 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                                    |
| CSN Mining Holding, S.L                 | 87,52  | 87,52  | Financial transactions, product sales and Equity interests   |
| CSN Mining GmbH                         | 87,52  | 87,52  | Financial transactions, product sales and Equity interests   |
| CSN Mining Asia Limited                 | 87,52  | 87,52  | Commercial representation                                    |
| Aceros México CSN (2)                   | 99,00  | 100,00 | Commercial representation,sale of steel and related activity |
| Lusosider Ibérica S.A.                  |        |        |  |

|   |       |       |  |
|---|-------|-------|--|
|   |       |       | Steel, industrial and commercial activities and equity interests |
|   | 99,94 | 99,94 |  |
| CSN Mining Portugal, Unipessoal Lda.                                    | 87,52 | 87,52 | Commercial representation  |
| <b>Direct interest in joint operations: proportionate consolidation</b> |       |       |  |
| Itá Energética S.A.   | 48,75 | 48,75 | Electric power generation  |
| Consórcio da Usina Hidrelétrica de Igarapava                            | 17,92 | 17,92 | Electric power consortium  |
| <b>Direct interest in joint ventures: equity method</b>                 |       |       |  |
| 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.  | 46,30 | 46,30 | Railroad logistics   |
| <b>Indirect interest in joint ventures: equity method</b>               |       |       |  |
| MRS Logística S.A.  | 16,30 | 16,30 | Railroad transportation  |
| <b>Direct interest in associates: equity method</b>                     |       |       |  |
| Arvedi Metalfer do Brasil S.A.  | 20,00 | 20,00 | Metallurgy and Equity interests                                  |

(\*) Dormant companies, therefore, they are presented in note 9.a., where information on companies accounted for under the equity method and fair value through profit or loss and comprehensive income is disclosed;

- Events in 2018

(1) On February 6, 2018, the Spanish commercial registry recognized the merger by absorption of the companies by CSN Steel, S.L.U., date from which the companies were considered legally extinct, before third parties and for the purposes of commercial law, the merger is retroactive to the date of December 28, 2017.

(2) Transfer of 1% stake in Aceros Mexico from CSN Steel to Companhia Siderúrgica Nacional on February 1, 2018.



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- **Exclusive funds**

| <b>Exclusive funds</b>                              | <b>Equity interests (%)</b> |                   | <b>Core business</b> |
|---|-----------------------------|-------------------|----------------------|
|   | <b>03/31/2018</b>           | <b>12/31/2017</b> |                      |
| <b>Direct interest: full consolidation</b>          |                             |                   |                      |
| Diplic II - Private credit balanced mutual fund     | 100.00                      | 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      |

**3. ADOPTION OF NEW ACCOUNTING PRACTICES**

The Company applied as of January 1, 2018, the IFRS 09 Financial Instruments (corresponding to CPC 48) and IFRS 15 Revenues from Contracts with Customers (corresponding to CPC 47), both of which were approved by CVM in November 2016 as well as interpretation IFRIC 22, corresponding to ICPC 21, approved in July 2017. IFRS 09 and 15 replaced IAS 39 Financial Instruments: Recognition and Measurement and IAS 18 Revenue and related interpretations, respectively.

The Company decided to adopt the modified transition model for the implementation of the new standards, where any transitional adjustment is recognized in retained earnings on January 1, 2018, without comparative adjustment

• **IFRS 9 / CPC 48 Financial instruments**

The new pronouncement includes new rules on the classification and measurement of financial assets, as well as impairment and new practices for hedge accounting, which are simplified below:

Classification and measurement - IFRS 9 establishes that financial assets should be classified and measured in one of three categories: amortized cost, fair value through other comprehensive income (VJORA) and fair value through profit or loss (VJR). The categories of held-to-maturity loans and receivables available for sale that were part of the scope of IAS 39 were withdrawn

Impairment - the "incurred losses" model is replaced by an "estimated credit loss" model, where it is no longer necessary for a loss event to occur before recognition of the impairment loss. The model uses a two-pronged approach, in which the provision will be measured for expected credit losses for 12 months or for the entire life of the asset. These changes did not bring impacts to the Company.

Hedge Accounting - a new general hedge accounting model was included, which does not change, but fundamentally the types of hedge relationship or requirements for measurement and recognition of ineffectiveness. These changes did not bring impacts to the Company.

The main effect of the adoption of IFRS 09 is shown in note 13.II, referring to the classification and measurement of the investment in Usinas Siderúrgicas de Minas Gerais SA - Usiminas and Panatlântica SA at fair value through profit or loss (VJR) and obtained a gain of R \$ 1.9 billion (gross) as of March 31, 2018 recorded in other operating income and expenses (Note 23).

• **IFRS 15 / CPC 47 Revenue from contract with customer**

Revenue from contracts with customers - IFRS 15 establishes a new concept for revenue recognition, replacing IAS 18 Revenue, IAS 11 - Construction Contracts and related interpretations. The Company adopted IFRS 15 using the modified retrospective method, which does not require the restatement of comparative information



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The new pronouncement establishes a five-step model for determining the recognition of revenue from customer contracts, as follows:

- Identification of the contract: identify when there is an agreement and the parties involved.
  
- Identify the performance obligations: from the defined contract, analyze the contractual promises, in order to identify which promised items can be considered as performance obligations.
  
- Determine the price of the obligation: The transaction price is the value of the consideration that the entity expects to receive by transferring the control of the promised goods and services, the value of the transaction can include fixed values, variable values or both.
  
- Transaction Price Allocation: At the time of signing the contract, the transaction price must be allocated to each performance obligation.
  
- Recognize Revenue: Revenue recognition occurs at the time (or to the extent that) meets a performance obligation by transferring control of a good or service to a customer.

Analyzing the topic "identification of performance obligations", the Company identified in its operations the following performance obligations



- Sale of finished products: the transfer of risks and benefits coincides with the transfer of control of the products, thus, the moment of recognition of revenue from product sales was not impacted by the adoption of this new standard.

- Provision of service: in the main services provided by the company the revenue recognition coincides with the conclusion of the service, therefore without impacts by the adoption of this standard.

- Freight / insurance liability in CFR / CIF incoterms: the freight service in the CFR and CIF modalities will be considered a separate service and therefore a separate performance obligation, with allocation of part of the price of the transaction recognized in profit or loss, according to the effective provision of the service over time.

The effect of the difference in the recognition of the portion of revenue allocated to freight does not significantly affect the Company's income. Therefore, such revenue will not be presented separately in the Company's financial statements.

In the other topics of the new standard, the Company did not identify material measurement impacts in the application of this standard

#### • **IFRIC 22 / ICPC 21 Foreign currency transaction and advance consideration**

Required to apply in January 2018, IFRIC 22, which corresponds to ICPC 21, came to regulate the concepts established in CPC 02 - Effects of Changes in Foreign Exchange Rates and Conversion of Financial Statements, on how to determine the transaction date with the purpose of determining the exchange rate to be used in the initial recognition of an asset, expense or revenue (or part thereof) in the derecognition of non-monetary assets or non-monetary liabilities arising from the payment or early receipt in foreign currency.

Generally speaking, the interpretation deals with transactions in foreign currency in which the Company recognizes a non-monetary asset or non-monetary liability resulting from payment or early receipt, before the company recognizes the related asset, expense or revenue.

The consensus of this interpretation clarifies that the transaction date for determining the exchange rate to be used in the case of advances is defined as the date that the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or early receipt. In the case of multiple payments or receipts in advance, the company shall determine the transaction date as each payment or anticipated receipt.

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As the Company already adopts the practices established by CPC 02, establishing the historical rate at the time of recognition of non-monetary assets and liabilities related to the anticipation, there is no impact resulting from the application of this technical interpretation.

**4. CASH AND CASH EQUIVALENTS**

|                                     | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|-------------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                                     | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| <b>Current</b>                      |                     |                   |                       |                   |
| <b>Cash and cash equivalents</b>    |                     |                   |                       |                   |
| <b>Cash and banks</b>               | 399,750             | 193,702           | 51,867                | 38,311            |
| <b>Short-term investments</b>       |                     |                   |                       |                   |
| <b>In Brazil:</b>                   |                     |                   |                       |                   |
| Government securities               | 888                 | 12,100            | 49                    | 150               |
| Private securities                  | 1,057,091           | 644,525           | 555,864               | 79,116            |
|                                     | <b>1,057,979</b>    | <b>656,625</b>    | <b>555,913</b>        | <b>79,266</b>     |
| <b>Abroad:</b>                      |                     |                   |                       |                   |
| <i>Time deposits</i>                | 776,425             | 2,561,245         | 313,809               | 275,927           |
| <b>Total short-term investments</b> | <b>1,834,404</b>    | <b>3,217,870</b>  | <b>869,722</b>        | <b>355,193</b>    |
| <b>Cash and cash equivalents</b>    | <b>2,234,154</b>    | <b>3,411,572</b>  | <b>921,589</b>        | <b>393,504</b>    |

The funds available established in Brazil, are basically invested in repurchase agreements and Bank Certificate of Deposit (“CDBs”) and yield interest based on the floating of Certificates of Interbank Deposits (“CDI”) and government securities are basically repurchase agreements backed by National Treasury Notes. The funds are managed by BNY Mellon Serviços Financeiros DTVM S.A. and Caixa Econômica Federal (CEF). The Company invests part of the resources through the investments considered exclusive, and their financial statements were consolidated into the Company’s statements. The funds are managed by BNY Mellon Serviços Financeiros DTVM S.A. and Caixa Econômica Federal (CEF).

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

**5. SHORT-TERM INVESTMENTS**

|                                       | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|---------------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                                       | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| CDB - Bank certificate of deposit (1) | 727,141             | 716,218           | 727,141               | 716,218           |
| Government securities (2)             | 1,886               | 19,494            | 105                   | 243               |
|                                       | <b>729,027</b>      | <b>735,712</b>    | <b>727,246</b>        | <b>716,461</b>    |

1. Financial investment linked to Bank Certificate of Deposit to secure a letter of guarantee of certain loans.

2. Investments in National Treasury Bills (LFT) managed by its exclusive funds.

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1****6. TRADE RECEIVABLES**

|                                      | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--------------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                                      | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| <b>Trade receivables</b>             |                     |                   |                       |                   |
| <b>Third parties</b>                 |                     |                   |                       |                   |
| Domestic market                      | 1,398,110           | 1,290,823         | 1,125,218             | 1,056,929         |
| Foreign market                       | 808,799             | 982,846           | 106,474               | 150,264           |
|                                      | <b>2,206,909</b>    | <b>2,273,669</b>  | <b>1,231,692</b>      | <b>1,207,193</b>  |
| Allowance for doubtful debts         | (200,164)           | (191,979)         | (147,402)             | (140,392)         |
|                                      | <b>2,006,745</b>    | <b>2,081,690</b>  | <b>1,084,290</b>      | <b>1,066,801</b>  |
| Related parties (Note 18 a)          | 139,692             | 115,388           | 902,809               | 831,993           |
|                                      | <b>2,146,437</b>    | <b>2,197,078</b>  | <b>1,987,099</b>      | <b>1,898,794</b>  |
| <b>Other receivables</b>             |                     |                   |                       |                   |
| Dividends receivable (Note 18 a) (*) | 41,178              | 41,528            | 209,466               | 1,044,242         |
| Advances to employees                | 35,163              | 33,942            | 24,562                | 22,123            |
| Other receivables                    | 7,971               | 3,667             | 544                   | 1,547             |
|                                      | <b>84,312</b>       | <b>79,137</b>     | <b>234,572</b>        | <b>1,067,912</b>  |
|                                      | <b>2,230,749</b>    | <b>2,276,215</b>  | <b>2,221,671</b>      | <b>2,966,706</b>  |

(\*) In Parent Company, refers mainly to dividends receivable from CSN Mineração S.A. amounting to R\$ 187,517. In 2018, was received the amount of R\$ 969,648.

In accordance with the internal sales policy the Group carries out transactions of 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 receivables and becomes entirely free from the credit risk of the transaction. This transaction totals R\$268,180 as of March 31, 2018 (R\$181,972 as of December 31,

2017), less the trade receivables.

The gross balance of receivables from third parties is comprised as follows:

|                         | <b>03/31/2018</b> | <b>Consolidated<br/>12/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>12/31/2017</b> |
|-------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Current                 | 1,277,739         | 1,391,839                          | 534,105           | 530,774                              |
| Past-due up to 30 days  | 133,221           | 167,760                            | 23,863            | 50,141                               |
| Past-due up to 180 days | 77,460            | 142,346                            | 24,967            | 114,230                              |
| Past-due over 180 days  | 718,489           | 571,724                            | 648,757           | 512,048                              |
|                         | <b>2,206,909</b>  | <b>2,273,669</b>                   | <b>1,231,692</b>  | <b>1,207,193</b>                     |

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

|                         | <b>03/31/2018</b> | <b>Consolidated<br/>12/31/2017</b> | <b>03/31/2018</b> | <b>Parent<br/>Company<br/>12/31/2017</b> |
|-------------------------|-------------------|------------------------------------|-------------------|--|
| <b>Opening balance</b>  | <b>(191,979)</b>  | <b>(172,782)</b>                   | <b>(140,392)</b>  | <b>(124,351)</b>                         |
| Estimated losses        | (8,591)           | (36,697)                           | (7,056)           | (29,270)                                 |
| Recovery of receivables | 406               | 17,500                             | 46                | 13,229                                   |
| <b>Closing balance</b>  | <b>(200,164)</b>  | <b>(191,979)</b>                   | <b>(147,402)</b>  | <b>(140,392)</b>                         |

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1****7. INVENTORIES**

|                          | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--------------------------|---------------------|-------------------|-----------------------|-------------------|
|                          | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| Finished goods           | 1,517,805           | 1,308,802         | 905,542               | 856,707           |
| Work in progress         | 1,212,887           | 1,135,589         | 1,023,876             | 981,204           |
| Raw materials            | 1,092,383           | 1,050,588         | 776,035               | 699,671           |
| Spare parts              | 832,857             | 814,725           | 445,628               | 435,827           |
| Iron ore                 | 295,430             | 278,041           | 13,733                | 20,914            |
| Advances to suppliers    | 91,360              | 12,514            | 20,412                | 8,997             |
| (-) Provision for losses | (140,597)           | (135,840)         | (48,465)              | (51,968)          |
|                          | <b>4,902,125</b>    | <b>4,464,419</b>  | <b>3,136,761</b>      | <b>2,951,352</b>  |

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

|  | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| <b>Opening balance</b>                               | <b>(135,840)</b>    | <b>(101,176)</b>  | <b>(51,968)</b>       | <b>(37,312)</b>   |
| Reversal / (losses) for slow-moving and obsolescence | (4,757)             | (34,664)          | 3,503                 | (14,656)          |
| <b>Closing balance</b>                               | <b>(140,597)</b>    | <b>(135,840)</b>  | <b>(48,465)</b>       | <b>(51,968)</b>   |

**8. OTHER CURRENT AND NONCURRENT ASSETS**

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

|  | <b>Consolidated</b> |                   |                    |                   |                   |                   | <b>Parent Company</b> |                   |
|--|---------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-----------------------|-------------------|
|  | <b>Current</b>      |                   | <b>Non-current</b> |                   | <b>Current</b>    |                   | <b>Non-current</b>    |                   |
|  | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>  | <b>12/31/2017</b> | <b>03/31/2018</b> | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| Judicial deposits (note 16)                        |                     |                   | 352.060            | 339.351           |                   |                   | 272.265               | 259.763           |
| Credits with the PGFN (1)                          |                     |                   | 46.774             | 46.774            |                   |                   | 46.774                | 46.774            |
| Recoverable taxes (2)                              | 869.273             | 866.986           | 399.940            | 401.071           | 578.873           | 530.748           | 240.305               | 234.858           |
| Prepaid expenses                                   | 81.369              | 50.078            | 42.125             | 30.741            | 51.526            | 16.860            | 23.792                | 11.345            |
| Actuarial asset - related party (note 18 a)        |                     |                   | 104.877            | 111.281           |                   |                   | 90.839                | 95.898            |
| Derivative financial instruments (note 13 I)       | 734                 |                   |                    |                   |                   |                   |                       |                   |
| Securities held for trading (note 13 I)            | 2.622               | 2.952             |                    |                   | 2.399             | 2.764             |                       |                   |
| Iron ore inventory (3)                             |                     |                   | 144.499            | 144.499           |                   |                   |                       |                   |
| Northeast Investment Fund – FINOR                  |                     |                   | 26.598             | 26.598            |                   |                   | 26.598                | 26.598            |
| Other receivables (note 13 I)                      |                     |                   | 16.025             | 20.024            |                   |                   | 1.365                 | 5.364             |
| Loans with related parties (note 18 a e 13 I)      | 2.498               | 2.441             | 602.175            | 554.694           | 17.218            | 26.701            | 489.665               | 444.091           |
| Other receivables from related parties (note 18 a) | 3.577               | 3.577             | 30.145             | 30.770            | 43.929            | 37.007            | 329.785               | 320.377           |
|  |                     |                   | 755.151            | 755.151           |                   |                   | 755.151               | 755.151           |



Monetary  
adjustment  
related to  
the  
Eletrobrás's  
compulsory  
loan (4)

|        |                  |                |                  |                  |                |                |                  |                  |
|--------|------------------|----------------|------------------|------------------|----------------|----------------|------------------|------------------|
| Others | 54.228           | 67.544         | 73.099           | 67.521           |                |                | 72.564           | 67.007           |
|        | <b>1.014.301</b> | <b>993.578</b> | <b>2.593.468</b> | <b>2.528.475</b> | <b>693.945</b> | <b>614.080</b> | <b>2.349.103</b> | <b>2.267.226</b> |

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1. Refers to the excess of judicial deposit originated by the 2009 REFIS program (Tax Debt Refinancing Program). After the settlement of the program amount, the balance of one of the lawsuits was withdrawn by the Company with a court 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 implementation of the processing plant, generating as final product the pellet feed, expected to start operating in the first half of 2020.
4. This is a net amount, certain and due, arising from a favorable final decision to the Company, which is irreversible and irrevocable, in order to apply the STJ's consolidated position on the subject, which culminated in the conviction of the Eletrobrás to the payment of the correct interest and monetary correction of the Compulsory Loan. The said final decision, as well as the certainty about the amounts involved in the settlement of the judgment (judicial procedure to request the satisfaction of the right), allowed the conclusion that the entry of this value is certain.

**9. INVESTMENTS**

The information on the activities of subsidiaries, joint ventures, joint operations, associates and other investments did not have any changes in relation to that disclosed in the Company's financial statements as of December 31, 2017 and, accordingly, the Company decided not to repeat it in the condensed interim financial information as of March 31, 2018.



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1****9.a) Direct interests in subsidiaries, joint ventures, joint operations, associates and other investments**

| Companies                                  | Number of shares held by CSN in units |           | % Direct equity interest | Assets    | Liabilities | Participation in     |                                | % Direct equity interest |
|--|---------------------------------------|-----------|--------------------------|-----------|-------------|----------------------|--------------------------------|--------------------------|
|  | Common                                | Preferred |                          |           |             | Shareholders' equity | Profit / (loss) for the period |                          |
| <b>Investments under the equity method</b> |                                       |           |                          |           |             |                      |                                |                          |
| <b>Subsidiaries</b>                        |                                       |           |                          |           |             |                      |                                |                          |
| CSN Islands VII Corp.                      | 20.001.000                            |           | 100,00                   | 2.101.108 | 2.385.608   | (284.500)            | (106.347)                      | 100                      |
| CSN Islands XI Corp.                       | 50.000                                |           | 100,00                   | 2.497.289 | 2.557.392   | (60.103)             | (17.598)                       | 100                      |
| CSN Islands XII Corp.                      | 1.540                                 |           | 100,00                   | 2.147.826 | 3.328.327   | (1.180.501,0)        | (34.678)                       | 100                      |
| CSN Minerals S.L.U.                        | (1)                                   | -         | -                        | -         | -           | -                    | -                              | -                        |
| CSN Export Europe, S.L.U.                  | (1)                                   | -         | -                        | -         | -           | -                    | -                              | -                        |
| CSN Metals S.L.U.                          | (1)                                   | -         | -                        | -         | -           | -                    | -                              | -                        |
| CSN Americas S.L.U.                        | (1)                                   | -         | -                        | -         | -           | -                    | -                              | -                        |
| CSN Steel S.L.U.                           | 22.042.688                            |           | 100,00                   | 3.843.470 | 270.036     | 3.573.434            | 103.286                        | 100                      |
| Sepetiba Tecon S.A.                        | 254.015.052                           |           | 99,99                    | 460.986   | 156.460     | 304.526              | 5.281                          | 99                       |
| Minérios Nacional S.A.                     | 66.393.587                            |           | 99,99                    | 114.203   | 74.001      | 40.202               | (94)                           | 99                       |
| Fair Value - Minérios Nacional             |                                       | -         | -                        | -         | -           | 2.123.507            | -                              | -                        |
|  | 121.861.697                           |           | 99,99                    | 44.579    | 40.176      | 4.403                | (570)                          | 99                       |

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|  |             |           |       |                   |                   |                   |               |    |
|--|-------------|-----------|-------|-------------------|-------------------|-------------------|---------------|----|
| Estanho de Rondônia S.A. Companhia Metalúrgica Prada   | 313.651.399 |           | 99,99 | 699.304           | 546.091           | 153.213           | (16.620)      | 99 |
| CSN Mineração S.A.   | 158.419.480 |           | 87,52 | 12.572.364        | 3.951.216         | 8.621.148         | 105.765       | 87 |
| CSN Energia S.A.   | 43.149      |           | 99,99 | 91.292            | 29.775            | 61.517            | 9.054         | 99 |
| FTL - Ferrovia Transnordestina Logística S.A. Companhia Florestal do Brasil  | 395.302.149 |           | 90,78 | 409.242           | 137.342           | 271.900           | (8.600)       | 90 |
| Nordeste Logística CGPAR - Construção Pesada S.A. Fair Value - CGPAR   | 41.673.302  |           | 99,99 | 34.953,0          | 3.779,0           | 31.174,0          | (2)           | 99 |
|  | 99.999      |           | 99,99 | 80                | 55                | 25                | -             | 99 |
| (2)  | -           |           | -     | -                 | -                 | -                 | -             | -  |
|  | -           |           | -     | -                 | -                 | -                 | -             | -  |
|  |             |           |       | <b>25.016.696</b> | <b>13.480.258</b> | <b>13.659.945</b> | <b>38.877</b> |    |
| <b>Joint-venture e Joint-operation</b>   | -           |           | -     | -                 | -                 | -                 | -             | -  |
| Itá Energética S.A.  | 253.606.846 |           | 48,75 | 260.921           | 14.591            | 246.330           | 2.734         | 48 |
| MRS Logística S.A.   | 26.611.282  | 2.673.312 | 18,64 | 1.448.893         | 769.713           | 679.180           | 16.481        | 18 |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura Transnordestina Logística S.A. Fair Value allocated to TLISA due to control loss | 1.876.146   |           | 50,00 | 16.740            | 13.708            | 3.032             | 684           | 50 |
|  | 24.168.304  |           | 46,30 | 3.861.776         | 2.662.108         | 1.199.668         | (2.514)       | 46 |
|  |             |           |       | <b>5.588.330</b>  | <b>3.460.120</b>  | <b>2.399.326</b>  | <b>17.385</b> |    |
| <b>Associates</b>  |             |           |       |                   |                   |                   |               |    |
| Arvedi Metalfer do Brasil  | 46.994.971  |           | 20,00 | 43.512            | 23.792            | 19.720            | 45            | 20 |
|  |             |           |       | <b>43.512</b>     | <b>23.792</b>     | <b>19.720</b>     | <b>45</b>     |    |
| <b>Classified at fair value through profit or loss and other</b>   |             |           |       |                   |                   |                   |               |    |

**comprehensive  
income (note 13  
l)**

|  |                   |                 |
|--|-------------------|-----------------|
| Usiminas                                   | 2.532.795         |                 |
| Panatlântica                               | 26.968            |                 |
|  | <b>2.559.763</b>  |                 |
| <b>Other<br/>investments</b>               |                   |                 |
| Profits on<br>subsidiaries'<br>inventories | (102.900)         | (30.428)        |
| Others                                     | 63.537            | (2)             |
|  | <b>(39.363)</b>   | <b>(30.430)</b> |
| <b>Total<br/>investments</b>               | <b>18.599.391</b> | <b>25.877</b>   |

**Classification  
of investments  
in the balance  
sheet**

|                                    |                   |  |
|------------------------------------|-------------------|--|
| Investments in<br>assets           | 20.124.494        |  |
| Investments with<br>equity deficit | (1.525.103)       |  |
|                                    | <b>18.599.391</b> |  |

(1) On February 6, 2018, the Spanish commercial registry recognized the merger by absorption of the companies by CSN Steel, S.L.U., date from which the companies were considered legally extinct, before third parties and for the purposes of commercial law, the merger is retroactive to the date of December 28, 2017.

(2) Company sold in July 2017, to the subsidiary CSN Mineração.

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

**9.b) Movement in investments in subsidiaries, joint ventures, joint operations, associates and other  
investments**

|                                       | <b>Consolidated</b> |                   | <b>Parent Co</b>  |                   |
|---------------------------------------|---------------------|-------------------|-------------------|-------------------|
|                                       | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b> | <b>12/31/2017</b> |
| <b>Opening balance of investments</b> | <b>5,499,995</b>    | <b>4,568,451</b>  | <b>22,894,885</b> | <b>22,7</b>       |

|  |                  |                  |                    |                    |
|--|------------------|------------------|--------------------|--------------------|
| <b>Opening balance of loss provisions</b>                              |                  |                  | <b>(1,366,480)</b> | <b>(1,012,351)</b> |
| Capital increase   | -                | 20,579           | -                  | -                  |
| Dividends (1)  | -                | (79,189)         | (3,325,351)        | (2,052,351)        |
| Comprehensive income (2)   | (1,559,646)      | 850,640          | (1,526,552)        | 1,012,351          |
| Equity pickup (3)  | 31,169           | 147,800          | 25,877             | 9,999              |
| Receipt for the sale of Usiminas shares.                               | (39,377)         | -                | (39,377)           | -                  |
| Updated of Panatlântica shares in the statement of income (note 13 II) | 4,725            | -                | 4,725              | -                  |
| Updated of Usiminas shares in the statement of income (note 13 II)     | 1,931,664        | -                | 1,931,664          | -                  |
| Write-off of the investment due to sale of CGPAR                       | -                | -                | -                  | (1,012,351)        |
| Asset valuation of CGPAR   | -                | -                | -                  | (5,000)            |
| Capital transaction - CGPAR  | -                | -                | -                  | (3,000)            |
| Amortization of fair value – investment in MRS                         | (2,937)          | (11,746)         | -                  | -                  |
| Others   | -                | 3,460            | -                  | -                  |
| <b>Closing balance of investments</b>                                  | <b>5,865,593</b> | <b>5,499,995</b> | <b>20,124,494</b>  | <b>22,812,351</b>  |
| <b>Balance provision for investments with equity deficit</b>           |                  |                  | <b>(1,525,103)</b> | <b>(1,366,480)</b> |
| <b>Total</b>   | <b>5,865,593</b> | <b>5,499,995</b> | <b>18,599,391</b>  | <b>21,445,871</b>  |

1. In 2018, refers to the allocation of dividends of subsidiaries CSN Energia, Itá Energética, CSN Mineração and CSN Steel.

2. Refers to the mark-to-market of investments classified fair value through profit or loss and fair value through other comprehensive income, translation to reporting currency of the foreign investment whose functional currency is not US Dollar, Real, actuarial gain/loss and gain/loss on investment hedge from investments accounted for under the equity method.

3. The reconciliation of the equity in results of joint ventures and associates and the amount recorded in the statement of income are presented below and derive from the elimination of results of CSN's transactions with these companies.

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|   | <b>03/31/2018</b> | <b>Consolidated<br/>03/31/2017</b> |
|---|-------------------|------------------------------------|
| <b>Equity in results of affiliated companies</b>          |                   |                                    |
| MRS Logística S.A.  | 32,954            | 38,547                             |
| CBSI - Companhia Brasileira de Serviços de Infraestrutura | 684               | 375                                |
| Transnordestina   | (2,514)           | (4,264)                            |
| Arvedi Metalfer do Brasil                                 | 45                | 447                                |
| Others  | -                 | (551)                              |
|   | <b>31,169</b>     | <b>34,554</b>                      |
| <b>Eliminations</b>                                       |                   |                                    |
| To cost of sales  | (8,999)           | (9,958)                            |
| To taxes  | 3,060             | 3,386                              |
| <b>Others</b>   | -                 | -                                  |
| Amortization of fair value – investment in MRS            | (2,936)           | (2,937)                            |
| Amortization of fair value – investment in CGPAR          | -                 | (3,940)                            |
| Others  | 2,557             | -                                  |
| <b>Equity in results</b>                                  | <b>24,851</b>     | <b>21,105</b>                      |



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**9.c) Investments in joint ventures and joint operations**

The balances of the balance sheet and statement of income of joint ventures are presented below and refer to 100% of the companies' results:

|   | 03/31/2018                 |                                |  |                            |
|---|----------------------------|--------------------------------|--|----------------------------|
|   | MRS<br>Logística<br>34.94% | CBSI Transnordestina<br>50.00% | Joint Operation<br>Logística Itá<br>Energética<br>46.30% | MRS<br>Logística<br>34.94% |
| <b>Equity interest (%)</b>              |                            |                                |  |                            |
| <b>Balance sheet</b>                    |                            |                                |  |                            |
| <b>Current assets</b>                   |                            |                                |  |                            |
| Cash and cash equivalents               | 285,759                    | 28                             | 9,246  | 484,978                    |
| Advance to suppliers                    | 12,199                     | 81                             | -33  | 14,911                     |
| Other current assets                    | 535,345                    | 29,932                         | 54,020   | 685,311                    |
| <b>Total current assets</b>             | <b>833,303</b>             | <b>30,041</b>                  | <b>63,469</b>  | <b>1,185,200</b>           |
| <b>Non-current assets</b>               |                            |                                |  |                            |
| Other non-current assets                | 668,755                    | 1,063                          | 236,983  | 693,434                    |
| Investments, PP&E and intangible assets | 6,271,224                  | 2,376                          | 8,047,200  | 6,277,550                  |
| <b>Total non-current assets</b>         | <b>6,939,979</b>           | <b>3,439</b>                   | <b>8,284,483</b>   | <b>6,970,984</b>           |
| <b>Total Assets</b>                     | <b>7,773,282</b>           | <b>33,480</b>                  | <b>8,357,952</b>   | <b>8,156,184</b>           |

|   |                  |               |                  |                  |
|---|------------------|---------------|------------------|------------------|
| <b>Current liabilities</b>                        |                  |               |                  |                  |
| Borrowings and financing                          | 627,389          | 969           | 54,793           | 668,947          |
| Other current liabilities                         | 985,005          | 26,448        | 112,918          | 1,272,365        |
| <b>Total current liabilities</b>                  | <b>1,612,394</b> | <b>27,417</b> | <b>167,711</b>   | <b>1,941,312</b> |
| <b>Non-current liabilities</b>                    |                  |               |                  |                  |
| Borrowings and financing                          | 1,950,224        |               | 5,582,415        | 2,084,422        |
| Other non-current liabilities                     | 566,877          | -             | 13,761           | 575,170          |
| <b>Total non-current liabilities</b>              | <b>2,517,101</b> | <b>-</b>      | <b>5,596,176</b> | <b>2,659,592</b> |
| <b>Shareholders' equity</b>                       | <b>3,643,787</b> | <b>6,063</b>  | <b>2,550,293</b> | <b>3,555,280</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>7,773,282</b> | <b>33,480</b> | <b>8,353,272</b> | <b>8,156,184</b> |

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|   | <i>Joint-Venture</i>            |                        |   | <i>Joint-Op</i>            |
|---|---------------------------------|------------------------|---|----------------------------|
| <b>Equity interest (%)</b>                              | <b>MRS Logística<br/>34.94%</b> | <b>CBSI<br/>50.00%</b> | <b>Transnordestina Logística<br/>46.30%</b> | <b>Itá Energ<br/>48.75</b> |
| <b>Statements of Income</b>                             |                                 |                        |   |                            |
| Net revenue   | 820,628                         | 34,919                 |   |                            |
| Cost of sales and services                              | (574,930)                       | (30,653)               |   |                            |
| <b>Gross profit</b>                                     | 245,698                         | 4,266                  | -   |                            |
| Operating income (expenses)                             | (55,809)                        | (2,442)                | (923)                                       |                            |
| Financial income (expenses), net                        | (54,468)                        | (20)                   | (4,506)                                     |                            |
| <b>Income before income tax and social contribution</b> | 135,421                         | 1,804                  | (5,429)                                     |                            |
| Current and deferred income tax and social contribution | (46,999)                        | (436)                  |   |                            |
| <b>Profit / (loss) for the period</b>                   | <b>88,422</b>                   | <b>1,368</b>           | <b>(5,429)</b>                              |                            |

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- TRANSNORDESTINA LOGÍSTICA S.A. (“TLSA”)

It is in pre-operational phase and will continue as such until the completion of Railway System II. The approved schedule, which estimated the completion of the work by January 2017, is currently under review and discussion with the responsible agencies; however, Management believes that new deadlines for project completion will not have material adverse effects on the expected return on the investment. After analyzing this matter, Management considered as appropriate the use of the accounting basis of operational continuity (going concern) of the project in the preparation of its financial statements.

The assumptions used to evaluate the impairment test in December 2017 remain valid and there is no trigger to justify records of impairment in the first quarter.

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**10. PROPERTY, PLANT AND EQUIPMENT**

The information on property, plant and equipment has not changed significantly in relation to that disclosed in the Company's financial statements as of December 31, 2017.

|  |                |                                     |  |                               |                                 | <b>Consolidated</b> |                   |
|--|----------------|-------------------------------------|--|-------------------------------|---------------------------------|---------------------|-------------------|
|  | <b>Land</b>    | <b>Buildings and Infrastructure</b> | <b>Machinery, equipment and facilities</b> | <b>Furniture and fixtures</b> | <b>Construction in progress</b> | <b>Other (*)</b>    | <b>Total</b>      |
| <b>Balance at December 31, 2017</b>    | <b>279,740</b> | <b>2,796,947</b>                    | <b>11,985,920</b>                          | <b>33,103</b>                 | <b>2,475,935</b>                | <b>393,194</b>      | <b>17,964,839</b> |
| Cost                                   | 279,740        | 3,819,929                           | 21,674,362                                 | 164,152                       | 2,475,935                       | 669,096             | 29,083,214        |
| Accumulated depreciation               |                | (1,022,982)                         | (9,688,442)                                | (131,049)                     |                                 | (275,902)           | (11,118,375)      |
| <b>Balance at December 31, 2017</b>    | <b>279,740</b> | <b>2,796,947</b>                    | <b>11,985,920</b>                          | <b>33,103</b>                 | <b>2,475,935</b>                | <b>393,194</b>      | <b>17,964,839</b> |
| Effect of foreign exchange differences | 836            | 3,418                               | 16,003                                     | 129                           | 1,405                           | (466)               | 22,385            |
| Acquisitions                           |                | 15                                  | 28,316                                     | 153                           | 193,750                         | 1,036               | 223,270           |

|  |                |                  |                   |               |                  |                |                   |
|--|----------------|------------------|-------------------|---------------|------------------|----------------|-------------------|
| Capitalized interest (notes 24 and 27) |                |                  |                   | 17,090        |                  | 17,090         |                   |
| Write-off (note 23)                    | (74)           | (1,703)          | (2)               | (1)           |                  | (1,780)        |                   |
| Depreciation (note 22)                 | (39,096)       | (262,640)        | (1,335)           |               | 2,355            | (300,716)      |                   |
| Transfers to other asset categories    | 302,911        | 33,726           | (177)             | (50,153)      | (286,307)        | -              |                   |
| Others                                 |                | (2,635)          | (10)              | 2,213         | (1,204)          | (1,636)        |                   |
| <b>Balance at March 31, 2018</b>       | <b>281,636</b> | <b>3,064,121</b> | <b>11,796,987</b> | <b>31,861</b> | <b>2,640,240</b> | <b>108,607</b> | <b>17,923,452</b> |
| Cost                                   | 281,636        | 4,117,680        | 21,757,805        | 164,789       | 2,640,240        | 404,065        | 29,366,215        |
| Accumulated depreciation               | (1,053,559)    | (9,960,818)      | (132,928)         |               | (295,458)        | (11,442,763)   |                   |
| <b>Balance at March 31, 2018</b>       | <b>281,636</b> | <b>3,064,121</b> | <b>11,796,987</b> | <b>31,861</b> | <b>2,640,240</b> | <b>108,607</b> | <b>17,923,452</b> |

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|  | <b>Parent Company</b> |                                     |  |                               |                                 |                  |                  |
|--|-----------------------|-------------------------------------|--|-------------------------------|---------------------------------|------------------|------------------|
|  | <b>Land</b>           | <b>Buildings and Infrastructure</b> | <b>Machinery, equipment and facilities</b> | <b>Furniture and fixtures</b> | <b>Construction in progress</b> | <b>Other (*)</b> | <b>Total</b>     |
| <b>Balance at December 31, 2017</b>    | <b>94,485</b>         | <b>1,091,303</b>                    | <b>7,375,505</b>                           | <b>13,830</b>                 | <b>906,851</b>                  | <b>20,437</b>    | <b>9,502,411</b> |
| Cost                                   | 94,485                | 1,334,093                           | 13,159,644                                 | 96,609                        | 906,851                         | 118,888          | 15,710,570       |
| Accumulated depreciation               | -                     | (242,790)                           | (5,784,139)                                | (82,779)                      | -                               | (98,451)         | (6,208,159)      |
| <b>Balance at December 31, 2017</b>    | <b>94,485</b>         | <b>1,091,303</b>                    | <b>7,375,505</b>                           | <b>13,830</b>                 | <b>906,851</b>                  | <b>20,437</b>    | <b>9,502,411</b> |
| Acquisitions                           | -                     | -                                   | 11,744                                     | 18                            | 65,048                          | 436              | 77,246           |
| Capitalized interest (notes 24 and 27) | -                     | -                                   | -  | -                             | 3,594                           | -                | 3,594            |
| Write-off (note 23)                    | -                     | -                                   | (14)                                       | -                             | -                               | (2)              | (16)             |
| Depreciation (note 22)                 | -                     | (8,607)                             | (129,211)                                  | (650)                         | -                               | (1,375)          | (139,843)        |
| Transfers to other asset categories    | -                     | -                                   | 24,092                                     | -                             | (24,101)                        | 9                |                  |
| Others                                 | -                     | -                                   | -  | -                             | 40                              | -                | 40               |
| Version: 1                             |                       |                                     |  |                               |                                 |                  | 95               |

|                                  |               |                  |                  |               |                |               |                  |
|----------------------------------|---------------|------------------|------------------|---------------|----------------|---------------|------------------|
| <b>Balance at March 31, 2018</b> | <b>94,485</b> | <b>1,082,696</b> | <b>7,282,116</b> | <b>13,198</b> | <b>951,432</b> | <b>19,505</b> | <b>9,443,432</b> |
| Cost                             | 94,485        | 1,334,093        | 13,195,461       | 96,624        | 951,432        | 119,289       | 15,791,384       |
| Accumulated depreciation         | -             | (251,397)        | (5,913,345)      | (83,426)      | -              | (99,784)      | (6,347,952)      |
| <b>Balance at March 31, 2018</b> | <b>94,485</b> | <b>1,082,696</b> | <b>7,282,116</b> | <b>13,198</b> | <b>951,432</b> | <b>19,505</b> | <b>9,443,432</b> |

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

The assumptions used for the impairment test in December 2017 are still effective and there is not factor that justifies the recognition of impairment in the quarter.

The breakdown of the projects comprising construction in progress is as follows:

|                                 | <b>Project description</b>                                       | <b>Start date</b> | <b>Completion Date</b> | <b>03/31/2018</b> | <b>Cor</b> |
|---------------------------------|--|-------------------|------------------------|-------------------|------------|
| <b>Logistics</b>                | Current investments for maintenance of current operations.       |                   |                        | 123,996           |            |
|                                 |  |                   |                        | <b>123,996</b>    |            |
| <b>Mining</b>                   | Expansion of Casa de Pedra Mine capacity production.             | 2007              | 2020 <sup>(1)</sup>    | 760,564           |            |
|                                 | Expansion of TECAR export capacity.                              | 2009              | 2022 <sup>(2)</sup>    | 277,507           |            |
|                                 | Current investments for maintenance of current operations.       |                   |                        | 493,521           |            |
|                                 |  |                   |                        | <b>1,531,592</b>  |            |
| <b>Steel</b>                    | Supply of 16 torpedo's cars for operation in the steel industry. | 2008              | 2019                   | 100,576           |            |
|                                 | Current investments for maintenance of current operations.       |                   | <sup>(3)</sup>         | 260,316           |            |
|                                 |  |                   | a                      | <b>360,892</b>    |            |
| <b>Cement</b>                   | Construction of cement plants.                                   | 2011              | 2020 <sup>(4)</sup>    | 563,749           |            |
|                                 | Current investments for maintenance of current operations.       |                   |                        | 60,011            |            |
|                                 |  |                   |                        | <b>623,760</b>    |            |
| <b>Construction in progress</b> |  |                   |                        | <b>2,640,240</b>  |            |

(1) Estimated completion date of the Central Plant Step 1;



- (2) Estimated completion date of phase 60 Mtpa;
- (3) Refers substantially to renovation of coke ovens batteries and reuse of carbo-chemical cooling water;
- (4) Refers substantially to the acquisition of new Integrated Cement Plants.

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The average estimated useful lives are as follows (in years):

|                                     | <b>03/31/2018</b> | <b>Consolidated<br/>12/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>12/31/2017</b> |
|-------------------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| <b><i>In Years</i></b>              |                   |                                    |                   |                                      |
| Buildings                           | 38                | 39                                 | 41                | 41                                   |
| Machinery, equipment and facilities | 22                | 21                                 | 24                | 24                                   |
| Furniture and fixtures              | 12                | 12                                 | 12                | 12                                   |
| Others                              | 15                | 17                                 | 12                | 12                                   |

**11. INTANGIBLE ASSETS**

|  | <b>Goodwill</b>  | <b>Customer relationships</b> | <b>Software</b> | <b>Trademarks and patents</b> | <b>Rights and licenses (*)</b> |
|--|------------------|-------------------------------|-----------------|-------------------------------|--------------------------------|
| <b>Balance at December 31, 2017</b>          | <b>3,590,931</b> | <b>300,875</b>                | <b>73,185</b>   | <b>134,137</b>                | <b>3,172,469</b>               |
| Cost   | 3,834,234        | 513,068                       | 167,162         | 134,137                       | 3,185,701                      |
| Accumulated amortization                     | (133,973)        | (212,193)                     | (93,977)        | -                             | (13,232)                       |
| Adjustment for accumulated recoverable value | (109,330)        | -                             | -               | -                             | -                              |
| <b>Balance at December 31, 2017</b>          | <b>3,590,931</b> | <b>300,875</b>                | <b>73,185</b>   | <b>134,137</b>                | <b>3,172,469</b>               |

|  |                  |                |               |                |                  |
|--|------------------|----------------|---------------|----------------|------------------|
| Effect of foreign exchange differences       | -                | 8,486          | 29            | 3,910          | -                |
| Amortization (note 22)                       | -                | (10,697)       | (4,459)       | -              | -                |
| <b>Balance at March 31, 2018</b>             | <b>3,590,931</b> | <b>298,664</b> | <b>68,755</b> | <b>138,047</b> | <b>3,172,469</b> |
| Cost   | 3,834,234        | 527,982        | 163,402       | 138,047        | 3,185,701        |
| Accumulated amortization                     | (133,973)        | (229,318)      | (94,647)      | -              | (13,232)         |
| Adjustment for accumulated recoverable value | (109,330)        | -              | -             | -              | -                |
| <b>Balance at March 31, 2018</b>             | <b>3,590,931</b> | <b>298,664</b> | <b>68,755</b> | <b>138,047</b> | <b>3,172,469</b> |

(\*) Composed mainly by mineral rights with potential of 1,101 million tons (Not reviewed by independent auditors). Amortization is based on production volume.

The average useful lives by nature are as follows (in years):

|                        | <b>03/31/2018</b> | <b>Consolidated<br/>12/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>12/31/2017</b> |
|------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| Software               | 8                 | 8                                  | 9                 | 9                                    |
| Customer relationships | 13                | 13                                 |                   |                                      |

The assumptions used for the impairment test in December 2017 are still effective and there is not factor that justifies the recognition of impairment in the quarter.

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1****12. BORROWINGS, FINANCING AND DEBENTURES**

The balances of borrowings, financing and debentures, which are carried at amortized cost, are as follows:

|                         | Rates<br>p.a.<br>(%) | Consolidated                      |                                   | Parent                                |                                       |                                   |                                   |                                       |                                       |
|-------------------------|----------------------|-----------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
|                         |                      | Current liabilities<br>03/31/2018 | Current liabilities<br>12/31/2017 | Non-current liabilities<br>03/31/2018 | Non-current liabilities<br>12/31/2017 | Current liabilities<br>03/31/2018 | Current liabilities<br>12/31/2017 | Non-current liabilities<br>03/31/2018 | Non-current liabilities<br>12/31/2017 |
| <b>FOREIGN CURRENCY</b> |                      |                                   |                                   |                                       |                                       |                                   |                                   |                                       |                                       |
| Prepayment              | 1% to 3,5%           | 2,481                             | 2,174                             | 491,922                               | 489,584                               | 2,481                             | 2,174                             | 491,922                               | 489,584                               |
| Prepayment              | 3,51% to 8%          | 828,856                           | 788,989                           | 3,558,682                             | 3,607,925                             | 828,856                           | 788,989                           | 3,558,682                             | 3,607,925                             |
| Prepayment Intercompany | 3,51% to 8%          | -                                 | -                                 | -                                     | -                                     | 807,117                           | 72,019                            | 4,043,364                             | 4,043,364                             |
| Perpetual bonds         | 7%                   | 4,524                             | 4,503                             | 3,323,800                             | 3,308,000                             | -                                 | -                                 | -                                     | -                                     |
| Bonds                   | 4,14% to 10% (1)     | 50,467                            | 139,184                           | 5,639,150                             | 5,612,342                             | -                                 | -                                 | -                                     | -                                     |
| Bonds Intercompany      |                      | -                                 | -                                 | -                                     | -                                     | 3,400                             | 27,450                            | 309,113                               | 309,113                               |
| Intercompany            | Libor 6M to 3%       | -                                 | -                                 | -                                     | -                                     | 1,125,516                         | 1,113,411                         | 1,526,269                             | 1,526,269                             |
| ACC                     | 3.14%                | 181,298                           | 379,822                           | -                                     | -                                     | 181,298                           | 379,822                           | -                                     | -                                     |
| Others                  | 1,2% to 8%           | 410,717                           | 251,630                           | 102,451                               | 197,130                               | -                                 | -                                 | -                                     | -                                     |
|                         |                      | <b>1,478,343</b>                  | <b>1,566,302</b>                  | <b>13,116,005</b>                     | <b>13,214,981</b>                     | <b>2,948,668</b>                  | <b>2,383,865</b>                  | <b>9,929,350</b>                      | <b>9,929,350</b>                      |

**LOCAL CURRENCY**

|   |   |                  |                  |                   |                   |                  |                  |                   |
|---|---|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|
| BNDES/FINAME  | 1,3% + TJLP and fixed 2,5% to 6% + 1,5% | 69,951           | 71,121           | 946,957           | 960,872           | 43,832           | 43,235           | 910,203           |
| Debentures  | 110,8% to 113,7% CDI                    | 495,059          | 523,252          | 670,103           | 770,767           | 495,059          | 523,252          | 670,103           |
| Prepayment  | 109,5% to 116,5% CD and fixed of 8% (2) | 574,579          | 1,789,737        | 3,981,273         | 3,378,333         | 467,388          | 1,048,204        | 2,576,073         |
| CCB   | 112,5% and 113% CDI                     | 2,590,969        | 2,601,352        | 4,693,000         | 4,693,000         | 2,590,969        | 2,601,352        | 4,693,000         |
| <b>Total Borrowings and Financing (note 13 I)</b>         |   | <b>3,730,558</b> | <b>4,985,462</b> | <b>10,291,333</b> | <b>9,802,972</b>  | <b>3,597,248</b> | <b>4,216,043</b> | <b>8,849,379</b>  |
| Transaction Costs and Issue Premiums                      |   | (30,289)         | (24,862)         | (72,051)          | (34,011)          | (22,936)         | (21,737)         | (48,551)          |
| <b>Total Borrowings and Financing + Transaction Costs</b> |   | <b>5,178,612</b> | <b>6,526,902</b> | <b>23,335,287</b> | <b>22,983,942</b> | <b>6,522,980</b> | <b>6,578,171</b> | <b>18,730,178</b> |

(1) In February 2018, the Company issued debt securities in the foreign market ("Notes"), through its subsidiary CSN Resources SA, in the amount of US \$ 350 million, with maturity in 2023 and interest of 7.625% per annum. In parallel, a tender offer ("Tender Offer") of the Notes issued by CSN Islands XI Corp. and CSN Resources S.A., subsidiaries of the Company, having repurchased US\$ 350 million in bonds with maturity in 2019 and 2020. The Notes are unconditionally and irrevocably guaranteed by the Company.

(2) In February 2018, the Company concluded the renegotiation of its debt of R\$4.9 billion with Banco do Brasil SA ("BB"), related to its own issues of Export Credit Notes plus the issues made by its subsidiary CSN Mineração, moving the maturities from 2018 to 2022 to maturity until December 2024, with a guarantee of part of the preferred shares of Usiminas (USIM5), owned by the Company.

**12.a) Maturities of borrowings, financing and debentures presented in noncurrent liabilities**

In the first quarter of 2018, the principal amount of long-term borrowings, financing and debentures by maturity year, adjusted for interest and inflation, is as follows:

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|                    | <b>Prepayment</b> | <b>Bonds</b>     | <b>Perpetual<br/>bonds</b> | <b>CCB</b>       | <b>Others</b>    | <b>Consolidated<br/>Total</b> |             |
|--------------------|-------------------|------------------|----------------------------|------------------|------------------|-------------------------------|-------------|
| 2019               | 1,747,223         | 1,574,305        | -                          | 1,507,000        | 459,157          | 5,287,685                     | 23%         |
| 2020               | 1,700,068         | 2,901,515        | -                          | 1,508,000        | 282,488          | 6,392,071                     | 27%         |
| 2021               | 1,333,401         | -                | -                          | 774,000          | 176,454          | 2,283,855                     | 10%         |
| 2022               | 1,405,973         | -                | -                          | 784,000          | 95,256           | 2,285,229                     | 10%         |
| 2023               | 1,216,856         | 1,163,330        | -                          | 120,000          | 56,719           | 2,556,905                     | 11%         |
| After 2023         | 628,356           | -                | -                          | -                | 649,437          | 1,277,793                     | 5%          |
| Perpetual<br>bonds | -                 | -                | 3,323,800                  | -                | -                | 3,323,800                     | 14%         |
|                    | <b>8,031,877</b>  | <b>5,639,150</b> | <b>3,323,800</b>           | <b>4,693,000</b> | <b>1,719,511</b> | <b>23,407,338</b>             | <b>100%</b> |

|            | <b>Prepayment</b> | <b>Bonds</b>   | <b>Intercompany</b> | <b>CCB</b>       | <b>Others</b>    | <b>Parent Company<br/>Total</b> |             |
|------------|-------------------|----------------|---------------------|------------------|------------------|---------------------------------|-------------|
| 2019       | 2,138,463         | -              | 1,526,269           | 1,507,000        | 441,983          | 5,613,715                       | 30%         |
| 2020       | 2,545,597         | -              | -                   | 1,508,000        | 171,623          | 4,225,220                       | 23%         |
| 2021       | 1,802,210         | -              | -                   | 774,000          | 170,960          | 2,747,170                       | 15%         |
| 2022       | 1,613,930         | -              | -                   | 784,000          | 91,623           | 2,489,553                       | 13%         |
| 2023       | 822,436           | -              | -                   | 120,000          | 54,956           | 997,392                         | 5%          |
| After 2023 | 1,747,405         | 309,113        | -                   | -                | 649,161          | 2,705,679                       | 14%         |
|            | <b>10,670,041</b> | <b>309,113</b> | <b>1,526,269</b>    | <b>4,693,000</b> | <b>1,580,306</b> | <b>18,778,729</b>               | <b>100%</b> |

**12.b) Borrowings, financing and debentures raised and paid**

The table below shows the borrowings, financing and debentures raised and paid during the period:

|                        | 03/31/2018        | Consolidated<br>12/31/2017 | 03/31/2018        | Parent Company<br>12/31/2017 |
|------------------------|-------------------|----------------------------|-------------------|------------------------------|
| <b>Opening balance</b> | <b>29,510,844</b> | <b>30,441,018</b>          | <b>29,033,017</b> | <b>30,248,775</b>            |
| Raised                 | 1,320,776         | 538,771                    | -                 | 371,000                      |
| Payment of principal   | (2,190,683)       | (1,528,023)                | (3,722,325)       | (1,652,283)                  |
| Payment of charges     | (617,864)         | (2,634,931)                | (462,122)         | (2,278,089)                  |
| Provision of charges   | 479,775           | 2,438,555                  | 386,976           | 2,136,425                    |
| Others (1)             | 11,051            | 255,454                    | 17,612            | 207,189                      |
| <b>Closing balance</b> | <b>28,513,899</b> | <b>29,510,844</b>          | <b>25,253,158</b> | <b>29,033,017</b>            |

1. Includes unrealized exchange and monetary variations.

In the first quarter of 2018, the Group raised and paid borrowings as shown below:

- Raised**

| Transaction      | Financial Institution | Date                       | Amount           | Consolidated<br>Maturity |
|------------------|-----------------------|----------------------------|------------------|--------------------------|
| Fixed Rate Notes | BAYER LB              | January/18 and<br>March/18 | 69,003           | March/18 and<br>March/19 |
| Bonds            | BONY                  | February/18                | 1,148,735        | February/23              |
| Fixed Rate Notes | JP MORGAN             | March/18                   | 103,038          | February/19              |
| <b>Total</b>     |                       |                            | <b>1,320,776</b> |                          |



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- **Paid**

| <b>Transaction</b>              | <b>Principal</b> | <b>Consolidated Charges</b> |
|---------------------------------|------------------|-----------------------------|
| Bonds                           | 1,132,785        | 238,845                     |
| Fixed Rate Notes                | 109,661          | 6,748                       |
| Debentures                      | 116,666          | 34,499                      |
| Bank Credit Bill                | -                | 139,714                     |
| Export Credit Note              | 550,000          | 156,821                     |
| Pre - Export Payment            | 64,934           | 20,552                      |
| BNDES/FINAME                    | 16,638           | 18,005                      |
| Advance contract exchange (ACC) | 199,999          | 2,680                       |
| <b>Total</b>                    | <b>2,190,683</b> | <b>617,864</b>              |

- **Covenants**

The Company's borrowing agreements provide for the fulfillment of certain non-financial obligations, as well as the maintenance of certain parameters and performance indicators, such as the publication of its audited financial statements within the regulatory terms or payment of commission on assumption of risks in case the indicator of net debt to EBITDA reaches the levels set out in such agreements, under penalty of early maturity. Until now, the Company has complied with all financial and non-financial obligations (covenants) of its current contracts.

In the first quarter of 2018, the Company has provisioned R\$36,049 in the Consolidated (R\$30,843 as of December 31, 2017) and R\$16,733 in the Parent Company (R\$13,413 as of December 31, 2017) for commission on assumption of risks.



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1****12.c) Guarantees**

The Company is the guarantor or is liable for the guarantees given to its subsidiaries and joint ventures as follows:

|                                | <b>Currency</b> | <b>Maturities</b>               | <b>Borrowings</b> |                   | <b>Tax fore</b>   |
|--------------------------------|-----------------|---------------------------------|-------------------|-------------------|-------------------|
|                                |                 |                                 | <b>03/31/2018</b> | <b>12/31/2017</b> | <b>03/31/2018</b> |
| Transnordestina Logísitca      | R\$             | Up to 09/19/2056 and Indefinite | 2,541,347         | 2,541,347         | 22,214            |
| FTL - Ferrovia Transnordestina | R\$             | 11/15/2020                      | 69,405            | 69,405            | -                 |
| Sepetiba Tecon                 | R\$             | Indefinite                      | -                 | -                 | -                 |
| Cia Metalurgica Prada          | R\$             | Indefinite                      | -                 | -                 | 333               |
| CSN Energia                    | R\$             | Indefinite                      | -                 | -                 | 2,829             |
| CSN Mineração                  | R\$             | 12/22/2022                      | 2,000,000         | 2,000,000         | -                 |
| Estanho de Rondônia            | R\$             | 07/15/2022                      | 3,153             | 3,153             | -                 |
| <b>Total in R\$</b>            |                 |                                 | <b>4,613,905</b>  | <b>4,613,905</b>  | <b>25,376</b>     |
| CSN Islands XI                 | US\$            | 09/21/2019                      | 750,000           | 750,000           | -                 |
| CSN Islands XII                | US\$            | Perpetual                       | 1,000,000         | 1,000,000         | -                 |
| CSN Resources                  | US\$            | 07/21/2020                      | 1,550,000         | 1,200,000         | -                 |
| <b>Total in US\$</b>           |                 |                                 | <b>3,300,000</b>  | <b>2,950,000</b>  |                   |
| CSN Steel S.L.                 | EUR             | 1/31/2020                       | 120,000           | 120,000           | -                 |

|                       |     |            |                   |                   |               |
|-----------------------|-----|------------|-------------------|-------------------|---------------|
| Lusosider Aços Planos | EUR | Indefinite | 75,000            | 25,000            | -             |
| <b>Total in EUR</b>   |     |            | <b>195,000</b>    | <b>145,000</b>    | <b>-</b>      |
| <b>Total in R\$</b>   |     |            | <b>11,765,115</b> | <b>10,334,149</b> |               |
|                       |     |            | <b>16,379,020</b> | <b>14,948,054</b> | <b>25,376</b> |

### 13. FINANCIAL INSTRUMENTS

#### 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.

Considering the nature of the instruments, the fair value is basically determined by the use of quotations in the open capital market of Brazil and the Commodities and Futures Exchange. The amounts recorded in current assets and liabilities have immediate liquidity or maturity, mostly in terms of less than three months. Considering the term and the characteristics of these instruments, the book values approximate the fair values.

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1****• Classification of financial instruments**

With the implementation of pronouncements CPC 48/ IFRS9, the classification of financial instruments: held to maturity, loans and receivables and available for sale were replaced by three categories of classification and measurement of financial instruments: amortized cost, fair value through other comprehensive income (VJORA) and fair value through profit or loss (VJR).

|                                   | <b>Disclosed on 12/31/2017</b> | <b>Applied on 01/01/2018</b> | <b>Consolidated Balance at 12/31/2017</b> | <b>Disclosed on 12/31/2017</b> |
|-----------------------------------|--------------------------------|------------------------------|---|--------------------------------|
| <b>Assets</b>                     |                                |                              |   |                                |
| <b>Current</b>                    |                                |                              |   |                                |
| Cash and cash equivalents         | Loans and receivables          | Amortized Cost               | 3,411,572                                 | Loans and receivables          |
| Short term investment             | Loans and receivables          | Amortized Cost               | 735,712                                   | Loans and receivables          |
| Accounts receivables, net         | Loans and receivables          | Amortized Cost               | 2,197,078                                 | Loans and receivables          |
| Loans with related parties        | Loans and receivables          | Amortized Cost               | 2,441                                     | Loans and receivables          |
| Derivative financial instruments  | VJR                            | VJR                          | -   | VJR                            |
| Trading securities                | VJR                            | VJR                          | 2,952                                     | VJR                            |
| Dividends receivable              | Amortized Cost                 | Amortized Cost               | 41,528                                    | Amortized Cost                 |
| <b>Non-current</b>                |                                |                              |   |                                |
| Loans with related parties        | Loans and receivables          | Amortized Cost               | 554,694                                   | Loans and receivables          |
| Other trade receivables           | Loans and receivables          | Amortized Cost               | 20,024                                    | Loans and receivables          |
| Investments                       | Available for sale             | VJR                          | 2,222,479                                 | Available for sale             |
| <b>Liabilities</b>                |                                |                              |   |                                |
| <b>Current</b>                    |                                |                              |   |                                |
| <b>Borrowings and financing</b>   |                                |                              |   |                                |
| Derivative financial instruments  | VJR                            | VJR                          | -   | VJR                            |
| Trade payables                    | Amortized Cost                 | Amortized Cost               | 2,460,774                                 | Amortized Cost                 |
| Dividends and interest on capital | Amortized Cost                 | Amortized Cost               | 510,692                                   | Amortized Cost                 |

|  |                |                |            |              |
|--|----------------|----------------|------------|--------------|
| Non-current<br><b>Borrowings and financing</b> | Amortized Cost | Amortized Cost | 23,017,953 | Amortized Co |
|--|----------------|----------------|------------|--------------|

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| Consolidated                     | Notes | Fair value through profit or loss | Measured at amortized cost method | 03/31/2018       |                                   | Consolidated 12/31/2017           |                  |
|----------------------------------|-------|-----------------------------------|-----------------------------------|------------------|-----------------------------------|-----------------------------------|------------------|
|                                  |       |                                   |                                   | Balances         | Fair value through profit or loss | Measured at amortized cost method | Balances         |
| <b>Assets</b>                    |       |                                   |                                   |                  |                                   |                                   |                  |
| <b>Current</b>                   |       |                                   |                                   |                  |                                   |                                   |                  |
| Cash and cash equivalents        | 4     | -                                 | 2,234,154                         | 2,234,154        | -                                 | 3,411,572                         | 3,411,572        |
| Short-term investments           | 5     | -                                 | 729,027                           | 729,027          | -                                 | 735,712                           | 735,712          |
| Trade receivables                | 6     | -                                 | 2,146,437                         | 2,146,437        | -                                 | 2,197,078                         | 2,197,078        |
| Derivative financial instruments | 8     | 734                               | -                                 | 734              | -                                 | -                                 | -                |
| Trading securities               | 8     | 2,622                             | -                                 | 2,622            | 2,952                             | -                                 | 2,952            |
| Loans - related parties          | 8     | -                                 | 2,498                             | 2,498            | -                                 | 2,441                             | 2,441            |
| Dividends receivable             | 6     | -                                 | 41,178                            | 41,178           | -                                 | 41,528                            | 41,528           |
| <b>Total</b>                     |       | <b>3,356</b>                      | <b>5,153,294</b>                  | <b>5,156,650</b> | <b>2,952</b>                      | <b>6,388,331</b>                  | <b>6,391,283</b> |
| <b>Non-current</b>               |       |                                   |                                   |                  |                                   |                                   |                  |
| Other trade receivables          | 8     | -                                 | 16,025                            | 16,025           | -                                 | 20,024                            | 20,024           |
| Investments                      | 9     | 2,559,763                         | -                                 | 2,559,763        | 2,222,433                         | -                                 | 2,222,433        |
| Loans - related parties          | 8     | -                                 | 602,175                           | 602,175          | -                                 | 554,694                           | 554,694          |
| <b>Total</b>                     |       | <b>2,559,763</b>                  | <b>618,200</b>                    | <b>3,177,963</b> | <b>2,222,433</b>                  | <b>20,024</b>                     | <b>2,797,151</b> |

|                                   |    |   |                   |                   |                  |                   |                   |                  |
|-----------------------------------|----|---|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| <b>Total Assets</b>               |    |   | <b>2,563,119</b>  | <b>5,771,494</b>  | <b>8,334,613</b> | <b>2,225,385</b>  | <b>6,408,355</b>  | <b>9,188,434</b> |
| <b>Liabilities</b>                |    |   |                   |                   |                  |                   |                   |                  |
| <b>Current</b>                    |    |   |                   |                   |                  |                   |                   |                  |
| Borrowings and financing          | 12 | - | 5,208,901         | 5,208,901         | -                | 6,551,764         | 6,551,764         |                  |
| Trade payables                    | -  | - | 3,077,448         | 3,077,448         | -                | 2,460,774         | 2,460,774         |                  |
| Dividends and interest on capital | 14 | - | 28,331            | 28,331            | -                | 510,692           | 510,692           |                  |
| <b>Total</b>                      |    |   | <b>8,314,680</b>  | <b>8,314,680</b>  |                  | <b>9,523,230</b>  | <b>9,523,230</b>  |                  |
| <b>Non-current</b>                |    |   |                   |                   |                  |                   |                   |                  |
| Borrowings and financing          | 12 | - | 23,407,338        | 23,407,338        | -                | 23,017,953        | 23,017,953        |                  |
| <b>Total</b>                      |    |   | <b>23,407,338</b> | <b>23,407,338</b> |                  | <b>23,017,953</b> | <b>23,017,953</b> |                  |
| <b>Total Liabilities</b>          |    |   | <b>31,722,018</b> | <b>31,722,018</b> |                  | <b>32,541,183</b> | <b>32,541,183</b> |                  |



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| Consolidated              | Notes | Fair value through profit or loss | Measured at amortized cost method | 03/31/2018       |                                   | Parent Company 12/31/2017         |                  |
|---------------------------|-------|-----------------------------------|-----------------------------------|------------------|-----------------------------------|-----------------------------------|------------------|
|                           |       |                                   |                                   | Balances         | Fair value through profit or loss | Measured at amortized cost method | Balances         |
| <b>Assets</b>             |       |                                   |                                   |                  |                                   |                                   |                  |
| <b>Current</b>            |       |                                   |                                   |                  |                                   |                                   |                  |
| Cash and cash equivalents | 4     | -                                 | 921,589                           | 921,589          | -                                 | 393,504                           | 393,504          |
| Short-term investments    | 5     | -                                 | 727,246                           | 727,246          | -                                 | 716,461                           | 716,461          |
| Trade receivables         | 6     | -                                 | 1,987,099                         | 1,987,099        | -                                 | 1,898,794                         | 1,898,794        |
| Trading securities        | 8     | 2,399                             | -                                 | 2,399            | 2,764                             | -                                 | 2,764            |
| Loans - related parties   | 8     | -                                 | 17,218                            | 17,218           | -                                 | 26,701                            | 26,701           |
| Dividends receivable      | 6     | -                                 | 209,466                           | 209,466          | -                                 | 1,044,242                         | 1,044,242        |
| <b>Total</b>              |       | <b>2,399</b>                      | <b>3,862,618</b>                  | <b>3,865,017</b> | <b>2,764</b>                      | <b>4,079,702</b>                  | <b>4,082,466</b> |
| <b>Non-current</b>        |       |                                   |                                   |                  |                                   |                                   |                  |
| Other trade receivables   | 8     | -                                 | 1,365                             | 1,365            | -                                 | 5,364                             | 5,364            |
| Investments               | 9     | 2,559,763                         | -                                 | 2,559,763        | 2,222,433                         | -                                 | 2,222,433        |
| Loans - related parties   | 8     | -                                 | 489,665                           | 489,665          | -                                 | 444,091                           | 444,091          |
| <b>Total</b>              |       | <b>2,559,763</b>                  | <b>491,030</b>                    | <b>3,050,793</b> | <b>2,222,433</b>                  | <b>449,455</b>                    | <b>2,671,888</b> |
| <b>Total Assets</b>       |       | <b>2,562,162</b>                  | <b>4,353,648</b>                  | <b>6,915,810</b> | <b>2,225,197</b>                  | <b>4,529,157</b>                  | <b>6,754,354</b> |

**Liabilities****Current**

|                                   |    |   |                  |                  |   |                  |                  |
|-----------------------------------|----|---|------------------|------------------|---|------------------|------------------|
| Borrowings and financing          | 12 | - | 6,545,916        | 6,545,916        | - | 6,599,908        | 6,599,908        |
| Trade payables                    | -  | - | 2,266,775        | 2,266,775        | - | 1,787,392        | 1,787,392        |
| Dividends and interest on capital | 14 | - | 2,345            | 2,345            | - | 2,345            | 2,345            |
| <b>Total</b>                      |    |   | <b>8,815,036</b> | <b>8,815,036</b> | - | <b>8,389,645</b> | <b>8,389,645</b> |

**Non-current**

|                          |    |   |                   |                   |   |                   |                   |
|--------------------------|----|---|-------------------|-------------------|---|-------------------|-------------------|
| Borrowings and financing | 12 | - | 18,778,729        | 18,778,729        | - | 22,486,485        | 22,486,485        |
| <b>Total</b>             |    |   | <b>18,778,729</b> | <b>18,778,729</b> | - | <b>22,486,485</b> | <b>22,486,485</b> |

|                          |  |  |                   |                   |   |                   |                   |
|--------------------------|--|--|-------------------|-------------------|---|-------------------|-------------------|
| <b>Total Liabilities</b> |  |  | <b>27,593,765</b> | <b>27,593,765</b> | - | <b>30,876,130</b> | <b>30,876,130</b> |
|--------------------------|--|--|-------------------|-------------------|---|-------------------|-------------------|

- Fair value measurement

The following table shows the financial instruments recognized at fair value through profit or loss classifying them according to the fair value hierarchy:

| Consolidated   | Level 1          | Level 2    | 03/31/2018<br>Balances | Level 1          | Level 2 | 12/31/2017<br>Balances |
|--|------------------|------------|------------------------|------------------|---------|------------------------|
| <b>Assets</b>  |                  |            |                        |                  |         |                        |
| <b>Current</b>   |                  |            |                        |                  |         |                        |
| <b>Financial assets at fair value through profit or loss</b> |                  |            |                        |                  |         |                        |
| Derivative financial instruments                             |                  | 734        | 734                    |                  | -       | -                      |
| Trading securities   | 2,622            |            | 2,622                  | 2,952            |         | 2,952                  |
| <b>Non-current</b>   |                  |            |                        |                  |         |                        |
| <b>Available-for-sale financial assets</b>                   |                  |            |                        |                  |         |                        |
| Investments  | 2,559,763        |            | 2,559,763              | 2,222,433        |         | 2,222,433              |
| <b>Total Assets</b>  | <b>2,562,385</b> | <b>734</b> | <b>2,563,119</b>       | <b>2,225,385</b> | -       | <b>2,225,385</b>       |

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Includes observable inputs in market such as interest rates, exchange etc., but not prices traded in active markets.

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There are no assets and liabilities classified as level 3.

***II – Investments in securities measured at fair value through profit or loss***

During the application of IAS 39/CPC 38 until December 2017, the Company has investments in equity instruments, measured at fair value through other comprehensive income, because the nature of the investment is not included in any other categories of financial instruments (loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss).

Gains and losses arising from the variation of the share price, were recorded directly in shareholders' equity under the account "Other comprehensive income" and for each significant decrease in market value an impairment loss was recognized in income.

With the implementation of the pronouncements IFRS 9 / CPC 48 as from January 1, 2018, the equity instruments classified as held-to-maturity should be classified as fair value through profit or loss (VJR). In this way, the Company reclassified the investments in common (USIM3) and preferred (USIM5) shares of Usiminas ("Usiminas Shares"), from fair value through other comprehensive income (VJORA) to fair value through profit or loss. In relation to Panatlântica shares (PATI3), currently classified as (VJORA), the Company based on its current business model, whose objective is to maintain this financial asset to obtain contractual cash flows, but adopts the option to reclassify it to VJR, recognizing changes in fair value in profit or loss.

Accordingly, the credit balance accumulated in December 2017 in other comprehensive income of R\$1,559,682 was reclassified to the statement of income from the effective date of the new standard. With the new classification, changes in fair value are recorded in the statement of income, totaling in the first

quarter of 2018 an adjustment gain at fair value of R\$ 376,707 and an adjustment gain at fair value accumulated of R\$ 1,936,389. (See opening below and note 23).

| Class of shares | 03/31/2018         |             |                  | Sales of shares  |             |               | 12/                |
|-----------------|--------------------|-------------|------------------|------------------|-------------|---------------|--------------------|
|                 | Quantity           | Share price | Closing Balance  | Quantity         | Share price | Cash received | Quantity           |
| USIM3           | 107.156.651        | 12,31       | 1.319.098        |                  |             |               | 107.156.651        |
| USIM5           | 111.144.456        | 10,92       | 1.213.697        | 3.136.100        | 12,56       | 39.377        | 114.280.556        |
| PATI3           | 1.997.642          | 13,50       | 26.968           |                  |             |               | 1.997.642          |
|                 | <b>220.298.749</b> |             | <b>2.559.763</b> | <b>3.136.100</b> |             | <b>39.377</b> | <b>223.434.849</b> |

As of March 31, 2018, the Company's interest in USIMINAS comprised 15.19% in common shares and 20.29% in preferred shares. As of December 31, 2017, the Company's interest in USIMINAS comprised 15.19% in common shares and 20.86% in preferred shares.

In February 2018, 3,136,100 preferred shares (USIM5) were sold, totaling R \$ 39,377 through the exclusive fund "VR1 - Multimarket Private Investment Fund".

- Share market price risks

The Company is exposed to the risk of changes in the price of the shares due to the investments, valued at fair value through profit or loss and other comprehensive income that have their prices based on the market price on the stock exchange (B3).

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**III - Financial risk management:**

The Company follows risk management strategies, with guidelines in relation to the risks incurred by the company. The nature and general position of financial risks is regularly monitored and managed to assess the results and the financial impact on cash flow. The credit limits and hedge quality of the counterparties are also periodically reviewed.

Market risks are protected when it is considered necessary to support the corporate strategy or when it is necessary to maintain the level of financial flexibility.

The Company may manage some of the risks through the use of derivative instruments, not associated with any speculative trading or short selling.

**13.a) Foreign exchange rate and interest rate risks:**

- **Foreign exchange rate risk:**

The exposure arises from the existence of assets and liabilities denominated in Dollar or Euro, since the Company's functional currency is substantially the Real and is denominated natural currency hedge. The net exposure is the result of offsetting the natural currency exposure by hedging instruments adopted by CSN.

The consolidated net exposure as of March 31, 2018 is as follows.

| <b>Foreign Exchange Exposure</b>                               | <b>(Amounts in<br/>US\$'000)</b> | <b>03/31/2018<br/>(Amounts in<br/>€'000)</b> |
|--|----------------------------------|--|
| Cash and cash equivalents overseas                             | 243,913                          | 2,761  |
| Trade receivables  | 322,481                          | 4,387  |
| Other assets   | 4,480                            | 4,210  |
| <b>Total Assets</b>  | <b>570,874</b>                   | <b>11,358</b>                                |
| Borrowings and financing                                       | (4,236,471)                      | (48,305)                                     |
| Trade payables   | (175,441)                        | (5,502)                                      |
| Other liabilities  | (4,637)                          | (3,131)                                      |
| <b>Total Liabilities</b>                                       | <b>(4,416,549)</b>               | <b>(56,938)</b>                              |
| <b>Foreign exchange exposure</b>                               | <b>(3,845,675)</b>               | <b>(45,580)</b>                              |
| Cash flow hedge accounting                                     | 1,306,667                        |  |
| Net Investment hedge accounting                                |                                  | 48,000                                       |
| <b>Net foreign exchange exposure</b>                           | <b>(2,539,008)</b>               | <b>2,420</b>                                 |
| Perpetual bonds  | 1,000,000                        |  |
| <b>Net foreign exchange exposure excluding perpetual bonds</b> | <b>(1,539,008)</b>               | <b>2,420</b>                                 |

CSN is currently in process of redefining its currency hedge strategy. The Company began to focus its hedging strategy to preserve its cash flow capturing the existing natural relationships and the use of derivative instruments to hedge CSN's future cash flows.

- **Interest rate risk:**

The risk arises from short and long term liabilities with fixed or floating interest rates and inflation indices.

In item 13b) we show the derivatives and hedging strategies to hedge foreign exchange and interest rate risks.

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**13.b) Hedging instruments: Derivatives and hedge accounting:**

CSN uses various instruments to hedge foreign exchange and interest rate risks, as shown in the following topics:

- Portfolio of derivative financial instruments**

| Counterparties                          | Maturity                 | Functional Currency | Notional amount | Appreciation (R\$) |                    | Fair value (market) Amounts receivable / (payable) | Consolidated                              |
|---|--------------------------|---------------------|-----------------|--------------------|--------------------|--|---|
|   |                          |                     |                 | Asset position     | Liability position |  | 03/31/2018                                |
|   |                          |                     |                 |                    |                    |  | Impact on financial income (cost) in 2018 |
| <i>BNPP</i>                             | 06/22/2018 to 09/12/2018 | Dollar              | 25,315          | 83,931             | (83,197)           | 734  | 730                                       |
| <b><i>Total dollar-to-euro swap</i></b> |                          |                     | <b>25,315</b>   | <b>83,931</b>      | <b>(83,197)</b>    | <b>734</b>   | <b>730</b>                                |

**Swap cambial Dólar x Euro**

The subsidiary Lusosider has derivative operations to hedge its exposure of the dollar against the euro.



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

| Instruments                    | Assets     |            | 03/31/2018                   | 03/31/2017    |
|--------------------------------|------------|------------|------------------------------|---------------|
|                                | Current    | Total      | Net Finance Income (Note 23) |               |
| <i>Dollar - to - euro swap</i> | 734        | 734        | 730                          | (229)         |
| <i>Future DI</i>               |            |            | -                            | 13,224        |
|                                | <b>734</b> | <b>734</b> | <b>730</b>                   | <b>12,995</b> |

- ***Cash flow hedge accounting***

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

In order to better reflect the accounting impacts of this foreign exchange hedging strategy on the Company's results, CSN designated part of its US dollar-denominated liabilities as a hedging instrument of its future exports. As a result, foreign exchange differences arising from designated liabilities will be temporarily recognized in shareholders' equity and recognized in profit or loss when such exports are carried out, allowing the concurrent recognition of the dollar impact on liabilities and on exports. The adoption of this hedge accounting does not entail entering into any financial instrument. As of March 31, 2018, US\$1.3 billion in exports to be carried out between January 2018 until October 2022 are designated.

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In order to support the aforementioned designations, the Company prepared formal documentation indicating how the hedge designation is aligned with CSN's objective and risk management strategy, identifying the hedging instruments used, the hedge object, the nature of the risk to be hedged and demonstrating the expectation of high effectiveness of the designated relations. Debt instruments have been designated in amounts equivalent to the portion of future exports. Therefore, the exchange variation of the instrument and the object are similar. According to the Company's accounting policy, continuous evaluations of prospective and retrospective effectiveness should be carried out, comparing the amounts designated with the amounts expected and approved in the Management's budgets, as well as the amounts actually exported.

Through hedge accounting, the exchange gains and losses on debt instruments will not immediately affect the Company's profit or loss except to the extent that exports are carried out.

The table below shows a summary of the hedging relationships as of March 31, 2018:

| Designation Date | Hedging Instrument                          | Hedged item   | Type of hedged risk                       | Hedged period                 | Exchange rate on designation | Designated amounts (US\$'000) | Amortized part (USD'000) | Eff R (* ) ( |
|------------------|---|---|---|-------------------------------|------------------------------|-------------------------------|--------------------------|--------------|
| 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                       | (133.334)                |              |
| 12/01/2014       | Export prepayments                          | Part of the   | Foreign exchange                          | October 2015 -                | 2,5601                       | 175.000                       | (134.999)                |              |

|            |   |   |   |                             |        |         |
|------------|---|---|---|-----------------------------|--------|---------|
|            | in US\$ to third parties                    | highly probable future monthly iron ore exports Part of the | - R\$ vs. US\$ spot rate                  | February 2019               |        |         |
| 12/18/2014 | Export prepayments in US\$ to third parties | highly probable future monthly iron ore exports Part of the | Foreign exchange - R\$ vs. US\$ spot rate | May 2020                    | 2,6781 | 100.000 |
| 07/21/2015 | Export prepayments in US\$ to third parties | highly probable future monthly iron ore exports Part of the | 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 | highly probable future monthly iron ore exports Part of the | 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 | highly probable future monthly iron ore exports Part of the | 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 | highly probable future monthly iron ore exports Part of the | 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 | Part of the highly probable future                          | 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 | monthly iron ore exports<br>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 | monthly iron ore exports<br>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 | monthly iron ore exports<br>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           |
| 08/03/2015   | Export prepayments in US\$ to third parties | monthly iron ore exports<br>Part of the highly probable future monthly iron ore exports | Foreign exchange - R\$ vs. US\$ spot rate | Outubro de 2018 a Outubro de 2022 | 3,3940           | 355.000          |
| <b>Total</b> |   |   |   |                                   | <b>1.575.000</b> | <b>(268.333)</b> |

(\*) The effect on profit or loss was recognized in other operating expenses.

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

The movement in hedge accounting amounts recognized in shareholders' equity as of March 31, 2018 is as follows:

|  | <b>12/31/2017</b> | <b>Movement</b> | <b>Realization</b> | <b>03/31/2018</b> |
|--|-------------------|-----------------|--------------------|-------------------|
| Cash flow hedge accounting                         | 395,524           | 18,646          | (13,732)           | 400,438           |
| <b>Fair value of cash flow hedge, net of taxes</b> | <b>395,524</b>    | <b>18,646</b>   | <b>(13,732)</b>    | <b>400,438</b>    |

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As of March 31, 2018, the hedging relationships established by the Company were effective, according to prospective tests conducted. Thus, no reversal for hedge accounting ineffectiveness was recognized.

- ***Hedge of net investment in foreign operation***

CSN has a natural currency exposure in Euros substantially arising from a borrowing taken by a foreign subsidiary with functional currency in Reais, for the acquisition of investments abroad where the functional currency is Euro. Such exposure arises from translating the balance sheets of these subsidiaries for consolidation into CSN, where the exchange difference on the borrowings affected the statement of income, in the financial income (expenses) line item, and the exchange difference on the net assets of the foreign operation directly affected the shareholders equity, in other comprehensive income.

As from September 1, 2015, CSN began to adopt the net investment hedge to eliminate such exposure and cover future fluctuations of the Euro on such borrowings. Non-derivative financial liabilities were designated, represented by borrowing agreements with financial institutions in the amount of € 120 million. The account balances as of March 31, 2018 are as follows:

| Designation Date | Hedging Instrument  | Hedged item  | Type of hedged risk                      | Exchange rate on designation | Designated amounts (EUR'000) | 03/31/2018               |  | Impact on shareholders' equity |
|------------------|---|--|--|------------------------------|------------------------------|--------------------------|--|--------------------------------|
|                  |   |  |  |                              |                              | Amortized part (USD'000) |  |                                |
| 09/01/2015       | Non-derivative financial liabilities in EUR – Debt contract | Investments in subsidiaries which EUR is the functional currency | Foreign exchange - R\$ vs. EUR spot rate | 4.0825                       | 120,000                      | (72,000)                 |  | (13,051)                       |

|              |  |                |                 |                 |
|--------------|--|----------------|-----------------|-----------------|
| <b>Total</b> |  | <b>120,000</b> | <b>(72,000)</b> | <b>(13,051)</b> |
|--------------|--|----------------|-----------------|-----------------|

The movement in the amounts related to net investment hedge recognized in shareholders' equity as of March 31, 2018 is as follows:

|   | <b>12/31/2017</b> | <b>Movement</b> | <b>03/31/2018</b> |
|---|-------------------|-----------------|-------------------|
| Net Investment hedge accounting                                 | (17,911)          | 4,860           | (13,051)          |
| <b>Fair value of net investment hedge in foreign operations</b> | <b>(17,911)</b>   | <b>4,860</b>    | <b>(13,051)</b>   |

As of March 31, 2018, the hedging relationships established by the Company were effective, according to prospective tests conducted. Therefore, no reversal for hedge ineffectiveness was recognized.

### 13.c) Sensitivity analysis

We present below the sensitivity analysis of foreign exchange rate and interest rate risks.

- **Sensitivity analysis of derivative financial instruments and consolidated foreign exchange exposure**

The Company considered scenarios 1 and 2 as 25% and 50% deterioration for currency volatility using as reference the closing exchange rate as of March 31, 2018.

The currencies used in the sensitivity analysis and their scenarios are shown below:

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| Currency  | Exchange rate | Probable scenario | 03/31/2018 |            |
|-----------|---------------|-------------------|------------|------------|
|           |               |                   | Scenario 1 | Scenario 2 |
| USD       | 3.3238        | 3.3903            | 4.1548     | 4.9857     |
| EUR       | 4.0850        | 4.1772            | 5.1063     | 6.1275     |
| USD x EUR | 1.2321        | 1.2304            | 1.5401     | 1.8482     |

| Interest | Interest rate | 12/31/2017 |            |
|----------|---------------|------------|------------|
|          |               | Scenario 1 | Scenario 2 |
| CDI      | 6.39%         | 7.99%      | 9.59%      |
| TJLP     | 6.75%         | 8.44%      | 10.13%     |
| Libor    | 2.45%         | 3.06%      | 3.68%      |

The effects on profit or loss, considering scenarios 1 and 2, are shown below:

| Instruments   | Notional           | Risk          | Probable scenario (*) | 03/31/2018         |                    |
|---|--------------------|---------------|-----------------------|--------------------|--------------------|
|   |                    |               |                       | Scenario 1         | Scenario 2         |
| Hedge accounting of exports   | 1,306,667          | Dollar        | 86,893                | 1,085,775          | 2,171,550          |
| Currency position<br>(not including exchange derivatives above)                 | (3,845,675)        | Dollar        | (255,737)             | (3,195,564)        | (6,391,128)        |
| <b>Consolidated exchange position</b><br>(including exchange derivatives above) | <b>(2,539,008)</b> | <b>Dollar</b> | <b>(168,844)</b>      | <b>(2,109,789)</b> | <b>(4,219,578)</b> |
| Net Investment hedge accounting   | 48,000             | Euro          | 4,426                 | 49,020             | 98,040             |



|   |              |             |            |              |              |
|---|--------------|-------------|------------|--------------|--------------|
| Currency position   | (45,580)     | Euro        | (4,202)    | (46,549)     | (93,098)     |
| <b>Consolidated exchange position</b><br>(including exchange derivatives above) | <b>2,420</b> | <b>Euro</b> | <b>224</b> | <b>2,471</b> | <b>4,942</b> |
| Dollar-to-euro swap   | 25,315       | Dollar      | (850)      | 16,052       | 27,243       |

(\*) The probable scenarios were calculated considering the following variations for the risks: Real x Dollar – depreciation of Real by 2.00% / Real x Euro – depreciation of Real by 0.14%. Source: quotations from Central Bank of Brazil and European Central Bank on 04/09/2018.

- Sensitivity analysis of changes in interest rates**

The Company considered scenarios 1 and 2 as 25% and 50% of changes in interest volatility as of March 31, 2018.

| Changes in interest rates | % p.a | Consolidated Impact on profit or loss |              |                       |            |            |
|---------------------------|-------|---------------------------------------|--------------|-----------------------|------------|------------|
|                           |       | Assets                                | Liabilities  | Probable scenario (*) | Scenario 1 | Scenario 2 |
| TJLP                      | 7.00  |                                       | (1,003,712)  | (3,202)               | (17,565)   | (35,130)   |
| Libor                     | 1.84  |                                       | (4,844,015)  | (44,657)              | (22,247)   | (44,494)   |
| CDI                       | 6.89  | 644,525                               | (13,550,383) | (206,061)             | (222,303)  | (444,606)  |

(\*) The sensitivity analysis is based on the assumption of maintaining as a probable scenario the market values as of March 31, 2017 recognized in the company's assets and liabilities.

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1****13.d) Liquidity risk**

It is the risk that the Company does not have sufficient liquid resources to honor its financial commitments, as a result of mismatching of term or volume between expected receipts and payments.

In order to manage the liquidity of the cash in local and foreign currency, premises of disbursements and future receipts are established, being monitored daily by the Treasury area. The payment schedules for the long-term portions of the loans and financing and debentures are presented in Note 12.

The following table shows the contractual maturities of financial liabilities, including accrued interest.

|                                      | <b>Consolidated</b>       |                              |                               |                        |              |
|--------------------------------------|---------------------------|------------------------------|-------------------------------|------------------------|--------------|
| <b>At March 31, 2018</b>             | <b>Less than one year</b> | <b>From one to two years</b> | <b>From two to five years</b> | <b>Over five years</b> | <b>Total</b> |
| Borrowings, financing and debentures | 5,208,901                 | 11,679,756                   | 7,125,989                     | 4,601,593              | 28,616,239   |
| Trade payables                       | 3,077,448                 | -                            | -                             | -                      | 3,077,448    |
| Dividends and interest on capital    | 28,331                    | -                            | -                             | -                      | 28,331       |

**IV - Fair values of assets and liabilities as compared to their carrying amounts**

Financial assets and liabilities measured at fair value through profit or loss are recorded in current and noncurrent assets and liabilities and gains and losses are recorded as financial income and expenses, respectively.

The amounts are recorded in the financial statements at their carrying amount, which are substantially similar to those that would be obtained if they were traded in the market. The fair values of other long-term assets and liabilities do not differ significantly from their carrying amounts, except for the amounts below.

The estimated fair values for certain consolidated long-term borrowings and financing were calculated at prevailing market rates, taking into consideration the nature, terms and risks similar to those of the recorded contracts, according below:

|                  | <b>Closing Balance</b> | <b>03/31/2018<br/>Fair value</b> | <b>Closing Balance</b> | <b>12/31/2017<br/>Fair value</b> |
|------------------|------------------------|----------------------------------|------------------------|----------------------------------|
| Perpetual bonds  | 3,328,324              | 2,576,589                        | 3,312,503              | 2,602,090                        |
| Fixed Rate Notes | 5,689,617              | 6,402,283                        | 5,751,526              | 6,207,946                        |

(\*) Source: Bloomberg

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• **Credit Risks**

The exposure to credit risks of financial institutions complies with the parameters established in the financial policy. The Company has as practice the detailed analysis of the patrimonial and financial situation of its clients and suppliers, the establishment of a credit limit and the permanent monitoring of its outstanding balance.

With respect to financial investments, the Company only makes investments in institutions with low credit risk rated by rating agencies. Since part of the funds is invested in repo operations that are backed by Brazilian government bonds, there is also exposure to the credit risk of the Brazilian State.

Regarding the exposure to credit risk in accounts receivable and other receivables, the company has a credit risk committee, in which each new customer is analyzed individually regarding their financial condition, before granting the credit limit and payment terms and periodically revised, according to the periodicity procedures of each business area.

• **Capital Management**

The Company seeks to optimize its capital structure in order to reduce its financial costs and maximize the return to its shareholders. The table below shows the evolution of the Company's capital structure, with financing by equity and third-party capital:

| <b>Thousands of reais</b>                      | <b>03/31/2018</b> | <b>03/31/2017</b> |
|--|-------------------|-------------------|
| Shareholder's equity (equity)                  | 8,189,603         | 8,288,229         |
| Borrowings and Financing (Third-party capital) | 28,513,899        | 29,510,844        |
| Gross Debit/Shareholder's equity               | 3.48              | 3.56              |

**14. OTHER PAYABLES**

The group of other payables classified in current and noncurrent liabilities is comprised as follows:

|   | <b>Consolidated</b> |                   |                    |                   |                   |                   | <b>Parent Company</b> |                   |
|---|---------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-----------------------|-------------------|
|   | <b>Current</b>      |                   | <b>Non-current</b> |                   | <b>Current</b>    |                   |                       |                   |
|   | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>  | <b>12/31/2017</b> | <b>03/31/2018</b> | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| Payables to related parties (note 18 a)               | 61.613              | 57.008            |                    |                   | 298.838           | 295.094           | 37.745                | 49.254            |
| Dividends and interest on capital payable (Note 13 I) | 28.331              | 510.692           |                    |                   | 2.345             | 2.345             |                       |                   |
| Advances from customers                               | 94.732              | 68.521            |                    |                   | 70.917            | 50.391            |                       |                   |
| Taxes in installments                                 | 20.746              | 21.551            | 77.230             | 79.242            | 9.425             | 9.420             | 1.388                 | 1.421             |
| Profit sharing - employees                            | 97.247              | 42.699            |                    |                   | 60.927            | 26.759            |                       |                   |
| Provision for freight                                 | 98.006              | 81.699            |                    |                   | 17.200            | 12.578            |                       |                   |
| Provision industrial restructuring                    | 3.330               | 1.350             |                    |                   |                   |                   |                       |                   |
| Taxes payable   |                     |                   | 8.440              | 8.410             |                   |                   | 6.954                 | 6.924             |
| Other provisions                                      | 204.819             | 152.205           |                    |                   | 86.894            | 95.729            |                       |                   |
| Third party materials in our possession               | 212                 | 231               |                    |                   |                   |                   |                       |                   |
| Other payables  | 37.309              | 123.945           | 48.147             | 41.671            | 20.665            | 23.245            |                       |                   |
|   | <b>646.345</b>      | <b>1.059.901</b>  | <b>133.817</b>     | <b>129.323</b>    | <b>567.211</b>    | <b>515.561</b>    | <b>46.087</b>         | <b>57.599</b>     |

**15. INCOME TAX AND SOCIAL CONTRIBUTION**

**15.a) Income tax and social contribution recognized in profit or loss:**

The income tax and social contribution recognized in profit or loss for the year are as follows:

|  | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>03/31/2018</b>   | <b>03/31/2017</b> | <b>03/31/2018</b>     | <b>03/31/2017</b> |
| <b>Income tax and social contribution income (expense)</b> |                     |                   |                       |                   |
| Current  | (119,914)           | (114,155)         | -                     | -                 |
| Deferred   | (438,797)           | (22,793)          | (459,650)             | 2,956             |
|  | <b>(558,711)</b>    | <b>(136,948)</b>  | <b>(459,650)</b>      | <b>2,956</b>      |

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The reconciliation of consolidated and parent company income tax and social contribution expenses and the result from applying the tax rate to profit before income tax and social contribution are as follows:

|   | 03/31/2018       | Consolidated Parent Company |                  | 03/31/2017      |
|---|------------------|-----------------------------|------------------|-----------------|
|   |                  | 03/31/2017                  | 03/31/2018       |                 |
| <b>Profit before income tax and social contribution</b>                   | <b>2,045,206</b> | <b>254,563</b>              | <b>1,931,513</b> | <b>82,674</b>   |
| Tax rate  | 34%              | 34%                         | 34%              | 34%             |
| <b>Income tax and social contribution at combined statutory rate</b>      | <b>(695,370)</b> | <b>(86,551)</b>             | <b>(656,714)</b> | <b>(28,109)</b> |
| <b>Adjustment to reflect the effective rate:</b>                          |                  |                             |                  |                 |
| Equity pickup   | 9,448            | 9,514                       | 8,798            | 50,418          |
| Profit with differentiated rates or untaxed                               | (42,380)         | (20,840)                    | -                | -               |
| Transfer pricing adjustment   | (9,546)          | (653)                       | -                | -               |
| Tax loss carryforwards without recognizing deferred taxes                 | (465,400)        | (137,880)                   | (455,949)        | (116,051)       |
| Indebtdness limit   | (7,800)          | (7,770)                     | (7,800)          | (7,770)         |
| Unrecorded deferred taxes on temporary differences                        | 1,110,508        | 130,195                     | 1,110,038        | 129,374         |
| (Losses)/Reversal for deferred income and social contribution tax credits | (459,649)        | (28,698)                    | (459,649)        | (28,698)        |
| Deferred taxes on foreign profit  | (554)            | -                           | -                | -               |
| Tax incentives  | 1,379            | 1,590                       | -                | -               |
| Other permanent deductions (add-backs)                                    | 653              | 4,145                       | 1,626            | 3,792           |
| <b>Income tax and social contribution in profit for the period</b>        | <b>(558,711)</b> | <b>(136,948)</b>            | <b>(459,650)</b> | <b>2,956</b>    |
| <b>Effective tax rate</b>   | <b>27%</b>       | <b>54%</b>                  | <b>24%</b>       | <b>-4%</b>      |

Currently, there are no sufficiently strong evidences to support the recognition of tax credits. For this reason, we maintained the recognition of tax credits arising from income tax and social contribution losses up to the limit of 30% of the deferred tax liabilities.

### 15.b) Deferred income tax and social contribution:

Deferred income tax and social contribution are calculated on income tax and social contribution losses and the corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements:

|  | Opening<br>balance |                         | Movement         |                 | Consolidated<br>Closing<br>balance |
|--|--------------------|-------------------------|------------------|-----------------|------------------------------------|
|  | 12/31/2017         | Shareholders'<br>Equity | P&L              | Others          | 03/31/2018                         |
| <b>Deferred</b>  |                    |                         |                  |                 |                                    |
| Income tax losses  | 1,137,234          | -                       | 348,646          | 1               | 1,485,881                          |
| Social contribution tax losses   | 406,884            | -                       | 125,701          | -               | 532,585                            |
| <b>Temporary differences</b>   | <b>(2,654,558)</b> | <b>(6,007)</b>          | <b>(913,144)</b> | <b>(40,232)</b> | <b>(3,613,941)</b>                 |
| - Provision for tax. social security, labor, civil and environmental risks | 269,899            | -                       | (599)            | 360             | 269,660                            |
| - Provision for environmental liabilities                                  | 86,851             | -                       | (1,781)          | -               | 85,070                             |
| - Asset impairment losses  | 88,433             | -                       | (1,832)          | -               | 86,601                             |
| - Inventory impairment losses  | 45,814             | -                       | (238)            | -               | 45,576                             |
| - (Gains)/losses on financial instruments                                  | (912)              | -                       | (441)            | -               | (1,353)                            |
| - (Gains)/losses on available-for-sale financial assets                    | 417,568            | 528,776                 | (656,766)        | -               | 289,578                            |
| - Actuarial liability (pension and healthcare plan)                        | 273,058            | -                       | (104)            | -               | 272,954                            |
| - Accrued supplies and services  | 67,716             | -                       | 18,744           | -               | 86,460                             |
| - Allowance for doubtful debts   | 47,216             | -                       | 2,790            | -               | 50,006                             |
| - Goodwill on merger   | 608                | -                       | -                | (608)           | -                                  |
| - Unrealized ex change differences (1)                                     | 1,511,152          | -                       | (472,178)        | -               | 1,038,974                          |
| - (Gain) on loss of control over Transnordestina                           | (92,180)           | -                       | -                | -               | (92,180)                           |
| - Cash flow hedge accounting   | 134,479            | (122,156)               | -                | -               | 12,323                             |
| - Aquisition Fair Value SWT/CBL  | (193,311)          | (4,396)                 | 6,581            | -               | (191,126)                          |
| - Deferred taxes non computed  | (212,236)          | -                       | (8,981)          | 246             | (220,971)                          |
|  | (4,130,837)        | (406,620)               | 193,827          | -               | (4,343,630)                        |



|  |                    |                |                  |                 |                    |
|--|--------------------|----------------|------------------|-----------------|--------------------|
| - (Losses) estimated/ reversals<br>to deferred taxes credits |                    |                |                  |                 |                    |
| - Business Combination                                       | (1,040,536)        | -              | 2,557            | -               | (1,037,979)        |
| - Other  | 72,660             | (1,611)        | 5,277            | (40,230)        | 36,096             |
| <b>Total</b>   | <b>(1,110,440)</b> | <b>(6,007)</b> | <b>(438,797)</b> | <b>(40,231)</b> | <b>(1,595,475)</b> |
|  | -                  |                |                  |                 | -                  |
| Total Deferred Assets  | 63,119             |                |                  |                 | 79,513             |
| Total Deferred Liabilities                                   | (1,173,559)        |                |                  |                 | (1,674,988)        |
| <b>Total Deferred</b>  | <b>(1,110,440)</b> |                |                  |                 | <b>(1,595,475)</b> |

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|  | Opening balance<br>12/31/2017 | Movement<br>Shareholders'<br>Equity | P&L              | Parent<br>Closing<br>03/31/2018 |
|--|-------------------------------|-------------------------------------|------------------|---------------------------------|
| <b>Deferred tax assets</b>   |                               |                                     |                  |                                 |
| Income tax losses  | 1,033,661                     |                                     | 342,145          |                                 |
| Social contribution tax losses   | 369,549                       |                                     | 123,359          |                                 |
| <b>Temporary differences</b>   | <b>(1,973,769)</b>            |                                     | <b>(925,154)</b> | <b>(4)</b>                      |
| - Provision for tax. social security, labor, civil and environmental risks | 215,128                       |                                     | (448)            |                                 |
| - Provision for environmental liabilities                                  | 84,317                        |                                     | (2,177)          |                                 |
| - Asset impairment losses  | 56,505                        |                                     | (1,517)          |                                 |
| - Inventory impairment losses  | 17,669                        |                                     | (627)            |                                 |
| (Gain)/loss in financial instruments                                       | (912)                         |                                     | (441)            |                                 |
| - (Gains)/losses on available-for-sale financial assets                    | 417,568                       | 528,776                             | (656,766)        |                                 |
| - Actuarial liability (pension and healthcare plan)                        | 276,792                       |                                     |                  |                                 |
| - Accrued supplies and services  | 55,722                        |                                     | 19,993           |                                 |
| - Allowance for doubtful debts   | 33,168                        |                                     | 2,383            |                                 |
| - Unrealized ex change differences (1)                                     | 1,593,587                     |                                     | (481,695)        |                                 |
| (Gain) in control loss on Transnorderstina                                 | (92,180)                      |                                     |                  |                                 |
| - Cash flow hedge accounting   | 134,479                       | (122,156)                           |                  |                                 |
| - (Losses) estimated/ reversals to deferred taxes credits                  | (4,130,837)                   | (406,620)                           | 193,827          | (4)                             |
| - Business Combination   | (699,383)                     |                                     |                  |                                 |
| - Deferred IR and CS on Business Combination of CGPAR                      | (22,609)                      |                                     |                  |                                 |
| - Other  | 87,217                        |                                     | 2,314            |                                 |
| <b>Total</b>   | <b>(570,559)</b>              |                                     | <b>(459,650)</b> | <b>(1)</b>                      |
|  | (570,559)                     |                                     |                  | (1)                             |
|  | <b>(570,559)</b>              |                                     |                  | <b>(1)</b>                      |

(1) The Company taxes exchange differences on a cash basis to calculate income tax and social contribution.



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In its corporate structure, the Company has foreign subsidiaries whose profits are subject to income tax in the countries where they were established at rates lower than those prevailing in Brazil. In the period from 2013 to 2018, these foreign subsidiaries generated profits amounting to R\$ 962,371. If the tax authorities understand that these profits are subject to additional taxation in Brazil in respect of income tax and social contribution, these, if due, would total approximately R\$ 314,793

The Company, based on its legal counsel's opinion, assessed as possible the likelihood of loss in the event of challenge by the tax authorities and, therefore, no provision was recognized in the financial statements.

**15.c) Income tax and social contribution recognized in shareholders' equity:**

The income tax and social contribution recognized directly in shareholders' equity are as follows:

|  | <b>03/31/2018</b> | <b>Consolidated<br/>12/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>12/31/2017</b> |
|--|-------------------|------------------------------------|-------------------|--------------------------------------|
| <b>Income tax and social contribution</b>  |                   |                                    |                   |                                      |
| Actuarial gains on defined benefit pension plan  | 176,688           | 171,473                            | 180,834           | 175,649                              |
| Estimated losses for deferred income and social contribution tax credits - actuarial gains   | (180,834)         | (175,649)                          | (180,834)         | (175,649)                            |
| Change in the fair value of assets measured at fair value through other comprehensive income   | (1,606)           | (525,107)                          | (1,606)           | (525,107)                            |
| Estimated losses for deferred income and social contribution tax assets - assets measured at fair value through other comprehensive income | 1,606             | 525,107                            | 1,606             | 525,107                              |

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Exchange differences on translating foreign operations                                     | (369,017)        | (369,017)        | (369,017)        | (369,017)        |
| Cash flow hedge accounting   | 12,322           | 134,478          | 12,322           | 134,478          |
| Estimated losses for deferred income and social contribution tax credits - cash flow hedge | (12,322)         | (134,478)        | (12,322)         | (134,478)        |
|  | <b>(373,163)</b> | <b>(373,193)</b> | <b>(369,017)</b> | <b>(369,017)</b> |

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1****16. PROVISION FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS**

Are being discussed in the competent spheres, actions and complaints of various natures. The details of the provisioned amounts and the related judicial deposits are presented below:

|                        | <b>Consolidated</b>        |                   |                          |                   | <b>Parent Company</b>      |                   |                          |                   |
|------------------------|----------------------------|-------------------|--------------------------|-------------------|----------------------------|-------------------|--------------------------|-------------------|
|                        | <b>Accrued liabilities</b> |                   | <b>Judicial deposits</b> |                   | <b>Accrued liabilities</b> |                   | <b>Judicial deposits</b> |                   |
|                        | <b>03/31/2018</b>          | <b>12/31/2017</b> | <b>03/31/2018</b>        | <b>12/31/2017</b> | <b>03/31/2018</b>          | <b>12/31/2017</b> | <b>03/31/2018</b>        | <b>12/31/2017</b> |
| Tax                    | 114,835                    | 113,451           | 54,905                   | 52,542            | 55,719                     | 55,285            | 37,580                   | 36,709            |
| Social security        | 75,047                     | 74,522            | 50,098                   | 50,098            | 73,034                     | 72,542            | 50,098                   | 50,098            |
| Labor                  | 443,349                    | 451,173           | 214,922                  | 202,104           | 339,949                    | 345,878           | 172,234                  | 160,603           |
| Civil                  | 154,174                    | 148,212           | 21,092                   | 22,752            | 129,188                    | 121,742           | 10,527                   | 10,527            |
| Environmental          | 39,206                     | 37,733            | 1,826                    | 1,826             | 36,101                     | 34,598            | 1,826                    | 1,826             |
| Deposit of a guarantee |                            |                   | 9,217                    | 10,029            |                            |                   |                          |                   |
|                        | <b>826,611</b>             | <b>825,091</b>    | <b>352,060</b>           | <b>339,351</b>    | <b>633,991</b>             | <b>630,045</b>    | <b>272,265</b>           | <b>259,763</b>    |

**Classification**

|             |                |                |                |                |                |                |                |                |
|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current     | 87,602         | 105,958        |                |                | 51,579         | 74,586         |                |                |
| Non-current | 739,009        | 719,133        | 352,060        | 339,351        | 582,412        | 555,459        | 272,265        | 259,763        |
|             | <b>826,611</b> | <b>825,091</b> | <b>352,060</b> | <b>339,351</b> | <b>633,991</b> | <b>630,045</b> | <b>272,265</b> | <b>259,763</b> |

The movement in the provision for tax, social security, labor, civil and environmental risks in the period ended March 31, 2018 is as follows:

| Nature          | 12/31/2017     | Additions     | Net update<br>on amount | Net utilization<br>of reversal | Consolidated             |
|-----------------|----------------|---------------|-------------------------|--------------------------------|--------------------------|
|                 |                |               |                         |                                | Current +<br>Non-current |
|                 |                |               |                         |                                | 03/31/2018               |
| Tax             | 113,451        | 13,421        | 1,201                   | (13,238)                       | 114,835                  |
| Social security | 74,522         | 1,594         | 467                     | (1,536)                        | 75,047                   |
| Labor           | 451,173        | 1,285         | 1,447                   | (10,556)                       | 443,349                  |
| Civil           | 148,212        | 3,951         | 4,103                   | (2,092)                        | 154,174                  |
| Environmental   | 37,733         | 8             | 1,548                   | (83)                           | 39,206                   |
|                 | <b>825,091</b> | <b>20,259</b> | <b>8,766</b>            | <b>(27,505)</b>                | <b>826,611</b>           |

| Nature          | 12/31/2017     | Additions     | Net update<br>on amount | Net utilization<br>of reversal | Current +      |
|-----------------|----------------|---------------|-------------------------|--------------------------------|----------------|
|                 |                |               |                         |                                | Non-current    |
|                 |                |               |                         |                                | 03/31/2018     |
| Tax             | 55,285         | 13,414        | 512                     | (13,492)                       | 55,719         |
| Social security | 72,542         | 1,594         | 449                     | (1,551)                        | 73,034         |
| Labor           | 345,878        | 1,159         | 1,062                   | (8,150)                        | 339,949        |
| Civil           | 121,742        | 3,881         | 3,565                   | -                              | 129,188        |
| Environmental   | 34,598         | 8             | 1,501                   | (6)                            | 36,101         |
|                 | <b>630,045</b> | <b>20,056</b> | <b>7,089</b>            | <b>(23,199)</b>                | <b>633,991</b> |

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The provision for tax, social security, labor, civil and environmental risks was estimated by Management and is mainly based on the legal counsel’s assessment. Only lawsuits for which the risk is classified as probable loss are provisioned. Additionally, this provision includes tax liabilities resulting from lawsuits filed by the Company, subject to SELIC (Central Bank’s policy rate).

§ Possible administrative and judicial proceedings

The table below shows a summary of the main matters classified as possible risk compared with the balances as of March 31, 2018 and December 31, 2017.

|  |                       |
|--|-----------------------|
| Income tax / Social contribution - Assessment Notice and imposition of fine (AIIM) - Capital gain for an alleged sale of the shares of its subsidiary NAMISA.                            | <b>03/31</b><br>11.23 |
| Income tax / Social contribution - Assessment Notice and imposition of fine (AIIM) - Disallowance of deductions of goodwill generated in the reverse incorporation of Big Jump by Namisa | 2.64                  |
| Assessment Notice and Imposition of fine (AIIM) - Income tax/ Social contribution - gloss of interest on prepayment arising from supply contracts of iron ore and port services          | 2.52                  |
| Notices of violation and imposition of fine - Income taxes and social contribution due to profits from foreign subsidiaries (years 2008,2010 and 2011) (1)                               | 1.87                  |
| Tax foreclosures - ICMS - Electricity credits  | 93                    |
| Installments MP 470 - alleged insufficiency of tax losses  | 71                    |
| Offset of taxes that were not approved by the Federal Revenue Service - IRPJ/CSLL, PIS/COFINS e IPI  | 1.70                  |
| Disallowance of the ICMS credits - Transfer of iron ore  | 50                    |



|  |              |
|--|--------------|
| ICMS - Refers to the transfer of imported raw material at an amount lower than the price disclosed in the import documentation | 27           |
| Disallowance of the tax losses arising on adjustments to the SAPLI   | 49           |
| Assessment Notice - ICMS - shipping and return merchandise for Industrialization   | 82           |
| Assessment Notice- Income tax- Capital Gain of CFM vendors located outside   | 20           |
| CFEM - Divergence on the understanding between CSN and DNPM on the calculation basis   | 29           |
| Assessment Notice - ICMS - Question on sales to Incentivized Zone  | 17           |
| Other tax (federal, state, and municipal) lawsuits   | 3.09         |
| Social security lawsuits   | 28           |
| Law suit applied by Brazilian antitrust authorities (CADE)   | 9            |
| Other civil lawsuits   | 1.15         |
| Labor and social security lawsuits   | 1.56         |
| Environmental lawsuits - ACP TAC/PAC - Compliance with environmental obligations   | 22           |
| Tax foreclosures - Fine of Volta Grande IV   | 7            |
| Others Enviromental lawsuits   | 12           |
|  | <b>31.03</b> |

The assessments made by the legal counsel define these administrative and judicial proceedings as entailing risk of possible loss and, therefore, no provision was recognized in conformity with Management's judgment and accounting practices adopted in Brazil.

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1****17. PROVISION FOR ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS**

The information on provision for environmental liabilities and asset retirement obligations has not changed in relation to that disclosed in the Company's financial statements as of December 31, 2017 and, accordingly, the Company decided not to repeat it in the condensed interim financial information as of March 31, 2018.

The balance of the provision for environmental liabilities and asset retirement obligation (ARO) is as follows:

|                              | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                              | <b>03/31/2018</b>   | <b>12/31/2017</b> | <b>03/31/2018</b>     | <b>12/31/2017</b> |
| Environmental liabilities    | 250,313             | 255,517           | 241,904               | 248,306           |
| Asset retirement obligations | 83,430              | 81,496            | 625                   | 612               |
|                              | <b>333,743</b>      | <b>337,013</b>    | <b>242,529</b>        | <b>248,918</b>    |

**18. RELATED-PARTY BALANCES AND TRANSACTIONS**

The information on related-party transactions has not changed significantly in relation to that disclosed in the Company's financial statements as of December 31, 2017.

**18.a) Transactions with subsidiaries, joint ventures, associates, exclusive funds and other related parties**

- **By transaction**

|                                    | <b>Current</b>    |                   | <b>Non-current</b> |                   | <b>Consolidated Total</b> |                   |
|------------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------------|-------------------|
|                                    | <b>03/31/2018</b> | <b>12/31/2017</b> | <b>03/31/2018</b>  | <b>12/31/2017</b> | <b>03/31/2018</b>         | <b>12/31/2017</b> |
| <b>Assets</b>                      |                   |                   |                    |                   |                           |                   |
| Trade receivables(note 6)          | 139,692           | 115,388           |                    |                   | 139,692                   | 115,388           |
| Dividends receivable (note 6)      | 41,178            | 41,528            |                    |                   | 41,178                    | 41,528            |
| Actuarial asset (note 8)           |                   |                   | 104,877            | 111,281           | 104,877                   | 111,281           |
| Financial investments/ investments | 78,088            | 53                |                    |                   | 78,088                    | 53                |
| Loans (note 8)                     | 2,498             | 2,441             | 602,175            | 554,694           | 604,673                   | 557,135           |
| Other receivables (note 8)         | 3,577             | 3,577             | 30,145             | 30,770            | 33,722                    | 34,347            |
| <b>Total Deferred Liabilities</b>  | <b>265,033</b>    | <b>162,987</b>    | <b>737,197</b>     | <b>696,745</b>    | <b>1,002,230</b>          | <b>859,732</b>    |
| <b>Other payables (Note 14)</b>    |                   |                   |                    |                   |                           |                   |
| Accounts payable                   | 61,613            | 57,008            |                    |                   | 61,613                    | 57,008            |
| Trade payables                     | 97,452            | 81,063            |                    |                   | 97,452                    | 81,063            |
| Actuarial liabilities              |                   |                   | 41,937             | 41,937            | 41,937                    | 41,937            |
| <b>Total Deferred Liabilities</b>  | <b>159,065</b>    | <b>138,071</b>    | <b>41,937</b>      | <b>41,937</b>     | <b>201,002</b>            | <b>180,008</b>    |

|   | <b>31/03/2018</b> | <b>31/03/2017</b> |
|---|-------------------|-------------------|
| <b>P&amp;L</b>                                |                   |                   |
| <b>Revenues</b>                               |                   |                   |
| Sales   | 293,123           | 250,657           |
| Interest (note 24)                            | 14,225            | 20,177            |
| <b>Expenses</b>                               |                   |                   |
| Purchases                                     | (295,724)         | (258,307)         |
| Foreing exchange and monetary variations, net | -                 | (4,381)           |
|   | <b>11,624</b>     | <b>8,146</b>      |



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**Version:  
1**• **By company**

|  | Assets         |                |                  | Liabilities    |               |                |
|--|----------------|----------------|------------------|----------------|---------------|----------------|
|  | Current        | Non-current    | Total            | Current        | Non-current   | Total          |
| <b>Joint-venture and Joint-operation</b>                 |                |                |                  |                |               |                |
| Itá Energética S.A.                                      | -              | -              |                  | 2,741          | -             | 2,741          |
| MRS Logística S.A.                                       | 40,828         | -              | 40,828           | 110,781        |               | 110,781        |
| CBSI - Companhia Brasileira de Serviços e Infraestrutura | 360            | -              | 360              | 25,837         | -             | 25,837         |
| Transnordestina Logística S.A (1)                        | 248            | 602,175        | 602,423          | 7,382          | -             | 7,382          |
|  | <b>41,436</b>  | <b>602,175</b> | <b>643,611</b>   | <b>146,741</b> |               | <b>146,741</b> |
| <b>Other related parties</b>                             |                |                |                  |                |               |                |
| CBS Previdência  | -              | 104,877        | 104,877          | -              | 41,937        | 41,937         |
| Fundação CSN   | 1,831          |                | 1,831            | 556            | -             | 556            |
| Banco Fibra (2)  | 78,088         |                | 78,088           |                |               |                |
| Usiminas   |                | -              |                  | 80             | -             | 80             |
| Panatlântica (3)   | 128,917        | 1,125          | 130,042          | 11,688         |               | 11,688         |
| Ibis Participações e Serviços                            | -              | -              |                  |                | -             |                |
| Partifib Projetos Imobiliários                           | 94             | -              | 94               | -              |               |                |
| Vicunha Imóveis Ltda.                                    |                |                |                  |                |               |                |
| Vicunha Serviços Ltda.                                   |                |                |                  |                |               |                |
| Vicunha Ind de Implementos                               |                |                |                  |                |               |                |
|  | <b>208,930</b> | <b>106,002</b> | <b>314,932</b>   | <b>12,324</b>  | <b>41,937</b> | <b>54,261</b>  |
| <b>Associates</b>  |                |                |                  |                |               |                |
| Arvedi Metalfer do Brasil S.A.                           | 14,667         | 29,020         | 43,687           | -              | -             |                |
| <b>Total at 03/31/2018</b>                               | <b>265,033</b> | <b>737,197</b> | <b>1,002,230</b> | <b>159,065</b> | <b>41,937</b> | <b>201,002</b> |
| <b>Total at 12/31/2017</b>                               | <b>162,987</b> | <b>696,745</b> | <b>859,732</b>   | <b>138,071</b> | <b>41,937</b> | <b>180,008</b> |
| <b>Total at 03/31/2017</b>                               |                |                |                  |                |               |                |

1. Transnordestina Logística S.A: Assets: Refers mainly to loan agreements in R\$: Interest from 102.0% to 115.0% of the CDI. As of March 31, 2018, the loans amounted to R\$602,175 (R\$507,009 as of

December 31, 2017).

2. Banco Fibra S.A: Assets: Refers mainly to Eurobond from Fibra Bank with maturity in February 2018.
3. Panatlantica: Receivables from the sale of steel products.

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1**• **By transaction**

|  | <b>Current</b>    |                   | <b>Non-current</b> |                   | <b>Parent Company Total</b> |                   |
|--|-------------------|-------------------|--------------------|-------------------|-----------------------------|-------------------|
|  | <b>03/31/2018</b> | <b>12/31/2017</b> | <b>03/31/2018</b>  | <b>12/31/2017</b> | <b>03/31/2018</b>           | <b>12/31/2017</b> |
| <b>Assets</b>                            |                   |                   |                    |                   |                             |                   |
| Trade receivables (1) (note 6)           | 902.809           | 831.993           |                    |                   | 902.809                     | 831.993           |
| Dividends receivable (note 6)            | 209.466           | 1.044.242         |                    |                   | 209.466                     | 1.044.242         |
| Actuarial asset (note 8)                 |                   |                   | 90.839             | 95.898            | 90.839                      | 95.898            |
| Loans (note 8)                           | 17.218            | 26.701            | 489.665            | 444.091           | 506.883                     | 470.792           |
| Short-term investments / Investments (2) | 120.565           | 2.619             | 113.985            | 127.569           | 234.550                     | 130.188           |
| Other receivables (3) (note 8)           | 43.929            | 37.007            | 329.785            | 320.377           | 373.714                     | 357.384           |
|  | <b>1.293.987</b>  | <b>1.942.562</b>  | <b>1.024.274</b>   | <b>987.935</b>    | <b>2.318.261</b>            | <b>2.930.497</b>  |
| <b>Liabilities</b>                       |                   |                   |                    |                   |                             |                   |
| <b>Borrowings and financing</b>          |                   |                   |                    |                   |                             |                   |
| Prepayment (note 12)                     | 807.117           | 72.019            | 4.043.364          | 4.856.104         | 4.850.481                   | 4.928.123         |
| Intercompany Bonds (nota 12)             | 3.400             | 27.450            | 309.113            | 3.436.385         | 312.513                     | 3.463.835         |
| Intercompany Loans (note 13)             | 1.125.516         | 1.113.411         | 1.526.269          | 1.620.921         | 2.651.785                   | 2.734.332         |
|  | <b>1.936.033</b>  | <b>1.212.880</b>  | <b>5.878.746</b>   | <b>9.913.410</b>  | <b>7.814.779</b>            | <b>11.126.290</b> |
| <b>Other payables (Note 14)</b>          |                   |                   |                    |                   |                             |                   |

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|                       |                |                |               |               |                |                |
|-----------------------|----------------|----------------|---------------|---------------|----------------|----------------|
| Trade payables (4)    | 298.838        | 295.094        | 37.745        | 49.254        | 336.583        | 344.348        |
| Trade payables        | 200.000        | 146.631        |               |               | 200.000        | 146.631        |
| Actuarial liabilities |                |                | 41.937        | 41.937        | 41.937         | 41.937         |
|                       | <b>498.838</b> | <b>441.725</b> | <b>79.682</b> | <b>91.191</b> | <b>578.520</b> | <b>532.916</b> |

**03/31/2018      03/31/2017**

**P&L**

**Revenues**

|                           |           |         |
|---------------------------|-----------|---------|
| Sales/Others              | 1.058.449 | 869.358 |
| Interest (note 24)        | 14.744    | 16.913  |
| Exclusive funds (note 24) | 44        | 25.673  |

**Expenses**

|   |                |                |
|---|----------------|----------------|
| Purchases                                     | (487.690)      | (467.131)      |
| Interest (note 24)                            | (100.913)      | (119.461)      |
| Foreing exchange and monetary variations, net | (5.561)        | 283.731        |
|   | <b>479.073</b> | <b>609.083</b> |

1. Receivables from sales of goods and services between the parent company, subsidiaries and joint ventures.

2. Assets: Financial investments classified in current total, are investments in exclusive funds and in the Fibra Bank. In noncurrent refers to investments in Usiminas shares classified as fair value through profit or loss.

Current: Refers mainly to pass through of administrative expenses amounting to R\$ 36,481.

Noncurrent: Refers mainly to advance for future capital increases, dividends receivable and receivables from acquisition of debentures.

3. Current: Refers mainly to commission and logistics expenses related to sales of steel for resale through its subsidiary CSN LLC.

Noncurrent: Refers mainly to assignment of credits from income tax and social contribution losses with Ferrovias Transnordestina Logistica)





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1**• **By company**

|  | <b>Assets</b>    |                    |                  | <b>Liabilities</b> |                    |
|--|------------------|--------------------|------------------|--------------------|--------------------|
|  | <b>Current</b>   | <b>Non-current</b> | <b>Total</b>     | <b>Current</b>     | <b>Non-current</b> |
| <b>Subsidiaries</b>                                      |                  |                    |                  |                    |                    |
| Companhia Metalúrgica Prada (1)                          | 252,151          | 121,336            | 373,487          | 10,540             | 196                |
| Estanho de Rondônia S.A.                                 | 16,345           | 1,766              | 18,111           |                    |                    |
| Sepetiba Tecon S.A.                                      | 10,641           | 96,747             | 107,388          | 29,427             |                    |
| Minérios Nacional S.A.                                   | 1                | 45,195             | 45,196           |                    |                    |
| CSN Mineração S.A. (2)                                   | 277,449          |                    | 277,449          | 84,127             |                    |
| CSN Energia S.A.   | 116              |                    | 116              | 72,975             |                    |
| Ferrovias Transnordestina Logística S.A.                 | -                | 31,920             | 31,920           |                    | 37,551             |
| Companhia Siderúrgica Nacional, LLC (3)                  | 400,916          |                    | 400,916          | 246,108            |                    |
| CSN Resources S.A. (4)                                   |                  |                    |                  | 1,465,689          | 3,953,621          |
| Lusosider Aços Planos, S.A.                              | 60,334           |                    | 60,334           | 176                |                    |
| CSN Islands XI Corp. (5)                                 | -                |                    |                  |                    | 1,001,107          |
| CSN Islands XII Corp. (6)                                | -                |                    |                  | 470,344            | 924,016            |
| Companhia Florestal do Brasil                            | 1,103            | 2,676              | 3,779            |                    |                    |
| Stahlwerk Thüringen GmbH                                 | -                |                    |                  | 18                 |                    |
|  | <b>1,019,056</b> | <b>299,640</b>     | <b>1,318,696</b> | <b>2,379,404</b>   | <b>5,916,491</b>   |
| <b>Joint-venture e Joint-operation</b>                   |                  |                    |                  |                    |                    |
| MRS Logística S.A.                                       | 20,419           |                    | 20,419           | 25,673             |                    |
| CBSI - Companhia Brasileira de Serviços e Infraestrutura | 360              |                    | 360              | 17,855             |                    |
| Transnordestina Logística S.A. (7)                       | 248              | 489,665            | 489,913          |                    |                    |
|  | <b>21,027</b>    | <b>489,665</b>     | <b>510,692</b>   | <b>43,528</b>      |                    |
| <b>Other related parties</b>                             |                  |                    |                  |                    |                    |
| CBS Previdência  | -                | 90,839             | 90,839           |                    | 41,937             |
| Fundação CSN   | 1,831            |                    | 1,831            | 171                |                    |
| Banco Fibra  | 78,235           |                    | 78,235           |                    |                    |

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|  |                  |                  |                  |                  |                   |
|--|------------------|------------------|------------------|------------------|-------------------|
| Usiminas                                 | -                |                  |                  | 80               |                   |
| Panatlântica (8)                         | 128,917          | 1,125            | 130,042          | 11,688           |                   |
| Ibis Participações e Serviços            | -                |                  |                  |                  |                   |
| Partifib Projetos Imobiliários           | 94               |                  | 94               |                  |                   |
| Vicunha Imóveis Ltda.                    | -                | -                | -                | -                | -                 |
| Vicunha Serviços Ltda.                   | -                | -                | -                | -                | -                 |
| Vicunha Ind. de Implementos              | -                | -                | -                | -                | -                 |
|  | <b>209,077</b>   | <b>91,964</b>    | <b>301,041</b>   | <b>11,939</b>    | <b>41,937</b>     |
| <b>Associates</b>                        | -                |                  |                  |                  |                   |
| Arvedi Metalfer do Brasil S.A.           | 2,497            | 29,020           | 31,517           |                  |                   |
|  | -                |                  |                  |                  |                   |
| <b>Exclusive Funds</b>                   | -                |                  |                  |                  |                   |
| Diplic, Caixa Vertice, VR1, BB Steel (9) | 42,330           | 113,985          | 156,315          |                  |                   |
|  | -                |                  |                  |                  |                   |
| <b>Total at 03/31/2018</b>               | <b>1,293,987</b> | <b>1,024,274</b> | <b>2,318,261</b> | <b>2,434,871</b> | <b>5,958,428</b>  |
| <b>Total at 12/31/2017</b>               | <b>1,942,562</b> | <b>987,935</b>   | <b>2,930,497</b> | <b>1,654,605</b> | <b>10,004,601</b> |
| <b>Total at 03/31/2017</b>               |                  |                  |                  |                  |                   |

1. Companhia Metalúrgica Prada: Refers mainly to receivables in the amount of R\$252,151 as of March 31, 2018 (197,654 as of December 31, 2017), and debentures from the indirect subsidiary CBL in the amount of R\$121,336.

2. CSN Mineração: Assets: Refers mainly to dividends in the amount of R\$187,516, and pass through of administrative expenses in the amount of R\$86,886.

Liabilities: Payables from purchases of iron ore and port services.

3. Companhia Siderurgica Nacional, LLC: Receivables of R\$400,916 as of December 31, 2018 (R\$232,505 as of December 31, 2017), related to sale of steel for resale.

4. CSN Resources SA: Prepayment and *Fixed Rate Notes*. As of December 31, 2018, the loans amounted to R\$5,419,310 (R\$7,446,925 as of December 31, 2017).

5. CSN Islands XI Corp.: Intercompany contracts in US dollars. As of December 31, 2018, loans total R\$1,001,107 (R\$1,058,560 as of December 31, 2017).

6. CSN Islands XII Corp.: Refers mainly to prepayment contracts and Intercompany contracts in dollar. As of December 31, 2018, loans total R\$1,394,360 (R\$1,417,099 as of December 31, 2017).

7. Transnordestina Logística S.A. Noncurrent assets: refers to an intercompany contract in the amount of R\$489,665 (R\$ 444,091 as of December 31,2017).

8. Panatlântica S.A: Current assets: refers to accounts receivable for the supply of flat steel in the amount of R\$ 128,917 (R\$ 109,565 as of December 31,2017).

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9. Exclusive funds: Current assets: Refers mainly to investments in government securities and CDBs, in the amount of R\$42,330 (R\$ 2,567 as of December 31, 2017). Noncurrent assets: Refers to Usiminas S.A. shares in the amount of R\$ 113,985 (R\$ 127,569 as of December 31, 2017). The funds VR1 and Diplic II are managed by Taquari Asset.

**18.b) Key management personnel**

The key management personnel with authority and responsibility for planning, directing and controlling the Company's activities, include the members of the Board of Directors and statutory directors. The following is information on the compensation of such personnel and the related balances as of March 31, 2018.

|  | <b>03/31/2018</b>          | <b>03/31/2017</b> |
|--|----------------------------|-------------------|
|  | <b>Statement of Income</b> |                   |
| Short-term benefits for employees and officers | 9,393                      | 5,283             |
| Post-employment benefits                       | 26                         | 53                |
|  | <b>9,419</b>               | <b>5,336</b>      |

**19. SHAREHOLDERS' EQUITY****19.a) Paid-in capital**

Fully subscribed and paid-in capital as of March 31, 2018 and December 31, 2017 is R\$4,540,000 comprising 1,387,524,047 book-entry common shares without par value. Each common share entitles to one vote in resolutions of the General Meeting.

### 19.b) Authorized capital

The Company's bylaws in effect as of March 31, 2018 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

### 19.c) Legal reserve

This reserve is recognized at the rate of 5% of the profit for each period, as provided for by Article 193 of Law 6,404/76, up to the ceiling of 20% of the share capital.

### 19.d) Ownership structure

As of March 31, 2018, the Company's ownership structure was as follows:

|   |                               |                         | 03/31/2018                |                               | 12/31/2017              |                           |
|---|-------------------------------|-------------------------|---------------------------|-------------------------------|-------------------------|---------------------------|
|   | Number of<br>common<br>shares | % of<br>total<br>shares | % of<br>voting<br>capital | Number of<br>common<br>shares | % of<br>total<br>shares | % of<br>voting<br>capital |
| Vicunha Aços S.A.<br>(*)                            | 682,855,454                   | 49.21%                  | 50.32%                    | 682,855,454                   | 49.21%                  | 50.32%                    |
| Rio Iaco<br>Participações S.A.<br>(*)               | 58,193,503                    | 4.19%                   | 4.29%                     | 58,193,503                    | 4.19%                   | 4.29%                     |
| CFL Participações<br>S.A. (*)                       | 3,977,536                     | 0.29%                   | 0.29%                     | 3,977,536                     | 0.29%                   | 0.29%                     |
| Vicunha Textil S.A.<br>(*)                          | 4,927,000                     | 0.36%                   | 0.36%                     | 4,927,000                     | 0.36%                   | 0.36%                     |
| Caixa Beneficente<br>dos Empregados da<br>CSN - CBS | 20,143,031                    | 1.45%                   | 1.48%                     | 20,143,031                    | 1.45%                   | 1.48%                     |
|   | 8,794,890                     | 0.63%                   | 0.65%                     | 8,794,890                     | 0.63%                   | 0.65%                     |

## BNDES

Participações S.A. –

## BNDESPAR

|                     |                      |                |                |                      |                |                |
|---------------------|----------------------|----------------|----------------|----------------------|----------------|----------------|
| NYSE (ADRs)         | 296,042,642          | 21.34%         | 21.81%         | 303,590,364          | 21.88%         | 22.37%         |
| BM&FBovespa         | 282,198,991          | 20.34%         | 20.80%         | 274,651,269          | 19.79%         | 20.24%         |
|                     | <b>1,357,133,047</b> | <b>97.81%</b>  | <b>100.00%</b> | <b>1,357,133,047</b> | <b>97.81%</b>  | <b>100.00%</b> |
| Treasury shares     | 30,391,000           | 2.19%          |                | 30,391,000           | 2.19%          |                |
| <b>Total shares</b> | <b>1,387,524,047</b> | <b>100.00%</b> |                | <b>1,387,524,047</b> | <b>100.00%</b> |                |

(\*) Controlling group companies.

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1****19.e) Treasury shares**

The Board of Directors authorized various share buyback programs in order to hold shares in treasury for subsequent disposal and/or cancelation with a view to maximizing the generation of value to the shareholder through an efficient capital structure management, as shown in the table below:

| <b>Program</b> | <b>Board's Authorization</b> | <b>Authorized quantity</b> | <b>Program period</b>        | <b>Average buyback price</b> | <b>Minimum and maximum buyback price</b> | <b>Number bought</b> |
|----------------|------------------------------|----------------------------|------------------------------|------------------------------|--|----------------------|
| 1º             | 3/13/2014                    | 70.205.661                 | From 3/14/2014 to 4/14/2014  | R\$ 9,34                     | R\$ 9,22 e R\$ 9,45                      | 2.000.000            |
| 2º             | 4/15/2014                    | 67.855.661                 | From 4/16/2014 to 5/23/2014  | R\$ 8,97                     | R\$ 8,70 e R\$ 9,48                      | 9.000.000            |
| 3º             | 5/23/2014                    | 58.326.161                 | From 5/26/2014 to 6/25/2014  | R\$ 9,21                     | R\$ 8,61 e R\$ 9,72                      | 31.000.000           |
| 4º             | 6/26/2014                    | 26.781.661                 | From 6/26/2014 to 7/17/2014  | R\$ 10,42                    | R\$ 9,33 e R\$ 11,54                     | 26.000.000           |
|                | 7/18/2014                    |                            |                              | Not applicable               | Not applicable                           |                      |
| 5º             | 7/18/2014                    | 64.205.661                 | From 7/18/2014 to 8/18/2014  | R\$ 11,40                    | R\$ 11,40                                | 0                    |
|                | 8/19/2014                    |                            |                              | Not applicable               | Not applicable                           |                      |
| 6º             | 8/19/2014                    | 63.161.055                 | From 8/19/2014 to 9/25/2014  | R\$ 9,82                     | R\$ 9,47 e R\$ 10,07                     | 6.000.000            |
| 7º             | 9/29/2014                    | 56.369.755                 | From 9/29/2014 to 12/29/2014 | R\$ 7,49                     | R\$ 4,48 e R\$ 9,16                      | 21.000.000           |
| 8º             | 12/30/2014                   | 34.611.155                 | From 12/31/2014 to 3/31/2015 | R\$ 5,10                     | R\$ 4,90 e R\$ 5,39                      | 1.000.000            |
| 9º (*)         | 03/31/2015                   | 32.770.055                 | From 4/01/2015 to 6/30/2015  |                              |  |                      |
|                | 04/20/2018                   | 30.391.000                 | From 4/20/2018 to 4/30/2018  | Não aplicável                | Não aplicável                            |                      |

(\*) There was no share buyback in this program.

1. In 2014, the Board of Directors approved the cancellation of 70,446,061 shares held in treasury without changing the value of the Company's capital stock.



2. In April 2018, the Board of Directors authorized the sale of up to 30,391,000 common shares held in treasury. Until the end of the program, 22,981,500 shares were sold for R\$ 213,494 (see note 30)

As of March 31, 2018, the position of the treasury shares was as follows:

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**Share price**

| <b>Quantity purchased (Units)</b> | <b>Amount paid for the shares</b> | <b>Minimum</b> | <b>Maximum</b> | <b>Average</b> | <b>Market price of the</b> |
|-----------------------------------|-----------------------------------|----------------|----------------|----------------|----------------------------|
| 30,391,000                        | R\$ 238,976                       | R\$ 4.48       | R\$ 10.07      | R\$ 7.86       | R\$                        |

(\* ) The last share average quotation on B3 – S.A. - Brasil, Bolsa, Balcão as of March 31, 2018 was used in the amount of R\$ 8.74 per share.

**19.f) Policy on investments and payment of interest on capital and dividends**

At a meeting held on December 11, 2000, the Board of Directors decided to adopt a profit distribution policy which, in compliance with the provisions in Law 6,404/76, as amended by Law 9,457/97, will entail to the destination of all the profit to the Company’s shareholders, provided that the following priorities are observed, irrespective of their order: (i) carrying out the business strategy; (ii) fulfilling its obligations; (iii) making the required investments; and (iv) maintaining a healthy financial situation of the Company.

**19.g) Earnings/(loss) per share:**

Basic earnings/(loss) per share were calculated based on the profit/loss attributable to the owners of CSN divided by the weighted average number of common shares outstanding during the year, excluding the common shares purchased and held as treasury shares, as follows:

|                      | <b>03/31/2018</b> | <b>Parent Company<br/>03/31/2017</b> |
|----------------------|-------------------|--------------------------------------|
| <b>Common Shares</b> |                   |                                      |

|                                   |                  |                |
|-----------------------------------|------------------|----------------|
| <b>Profit for the year</b>        | <b>1,471,863</b> | <b>85,630</b>  |
| Weighted average number of shares | 1,357,133,047    | 1,357,133,047  |
| <b>Basic and diluted EPS</b>      | <b>1.08454</b>   | <b>0.06310</b> |

The Company does not hold potential dilutable ordinary shares outstanding that could result in dilution of earnings per share

## 20. PAYMENT TO SHAREHOLDERS

The Company's bylaws provide for the distribution of minimum dividends of 25% of adjusted net income under the law, to the holders of its shares. Dividends are calculated in accordance with the Company's Bylaws and in accordance with the Brazilian Corporate Law.

The following table shows the history of dividends approved and paid:

| <b>Approval Year</b>  | <b>Dividends</b> | <b>Payment Year</b> | <b>Dividends</b> |
|-----------------------|------------------|---------------------|------------------|
| 2014                  | 700,000          | 2014                | 424,939          |
|                       |                  | 2015                | 274,917          |
| 2015                  | 275,000          | 2015                | 274,918          |
| 2016 (*)              |                  | 2016                | 53               |
| 2017 (*)              |                  | 2017                |                  |
| <b>Total approved</b> | <b>975,000</b>   | <b>Total paid</b>   | <b>974,827</b>   |

(\*) There was no resolution on the distribution of dividends during the years 2016 and 2017.

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1****21. NET SALES REVENUE**

Net sales revenue is comprised as follows:

|                             | <b>03/31/2018</b> | <b>Consolidated<br/>03/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>03/31/2017</b> |
|-----------------------------|-------------------|------------------------------------|-------------------|--------------------------------------|
| <b>Gross revenue</b>        |                   |                                    |                   |                                      |
| Domestic market             | 3,302,143         | 2,623,699                          | 3,172,428         | 2,406,405                            |
| Foreign market              | 2,609,288         | 2,463,249                          | 623,481           | 672,987                              |
|                             | <b>5,911,431</b>  | <b>5,086,948</b>                   | <b>3,795,909</b>  | <b>3,079,392</b>                     |
| <b>Deductions</b>           |                   |                                    |                   |                                      |
| Sales returns and discounts | (61,301)          | (43,752)                           | (45,473)          | (40,644)                             |
| Taxes on sales              | (784,180)         | (631,600)                          | (721,459)         | (552,532)                            |
|                             | <b>(845,481)</b>  | <b>(675,352)</b>                   | <b>(766,932)</b>  | <b>(593,176)</b>                     |
| <b>Net revenue</b>          | <b>5,065,950</b>  | <b>4,411,596</b>                   | <b>3,028,977</b>  | <b>2,486,216</b>                     |

**22. EXPENSES BY NATURE**

|   | <b>03/31/2018</b>  | <b>Consolidated<br/>03/31/2017</b> | <b>03/31/2018</b>  | <b>Parent Company<br/>03/31/2017</b> |
|---|--------------------|------------------------------------|--------------------|--------------------------------------|
| Raw materials and inputs                  | (1,551,131)        | (1,209,878)                        | (1,328,974)        | (1,078,571)                          |
| Labor cost                                | (652,488)          | (553,269)                          | (317,627)          | (285,008)                            |
| Supplies                                  | (405,762)          | (328,309)                          | (289,716)          | (238,154)                            |
| Maintenance cost (services and materials) | (290,572)          | (255,091)                          | (159,510)          | (149,334)                            |
| Outsourcing services                      | (887,224)          | (738,760)                          | (322,033)          | (254,617)                            |
| Depreciation, amortization and depletion  | (305,175)          | (389,884)                          | (142,547)          | (170,254)                            |
| Others                                    | (156,467)          | (106,534)                          | (5,171)            | (7,479)                              |
|   | <b>(4,248,819)</b> | <b>(3,581,725)</b>                 | <b>(2,565,578)</b> | <b>(2,183,417)</b>                   |
| <b>Classified as:</b>                     |                    |                                    |                    |                                      |
| Cost of sales                             | (3,684,743)        | (3,093,474)                        | (2,337,373)        | (1,959,313)                          |

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|                                     |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Selling expenses                    | (456,503)          | (369,792)          | (154,662)          | (163,525)          |
| General and administrative expenses | (107,573)          | (118,459)          | (73,543)           | (60,579)           |
|                                     | <b>(4,248,819)</b> | <b>(3,581,725)</b> | <b>(2,565,578)</b> | <b>(2,183,417)</b> |

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

|                                     | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|-------------------------------------|---------------------|-------------------|-----------------------|-------------------|
|                                     | <b>03/31/2018</b>   | <b>03/31/2017</b> | <b>03/31/2018</b>     | <b>03/31/2017</b> |
| Production costs                    | 298,344             | 381,606           | 137,761               | 163,982           |
| Sales expenses                      | 1,643               | 2,217             | 1,238                 | 1,851             |
| General and Administrative Expenses | 5,188               | 6,061             | 3,548                 | 4,421             |
|                                     | <b>305,175</b>      | <b>389,884</b>    | <b>142,547</b>        | <b>170,254</b>    |
| Other operating expenses (*)        | 10,697              | 11,392            |                       |                   |
|                                     | <b>315,872</b>      | <b>401,276</b>    | <b>142,547</b>        | <b>170,254</b>    |

(\*) Refers to the amortization of intangible assets as described in note 23.

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**23. OTHER OPERATING INCOME (EXPENSES)**

|  | <b>Consolidated</b> |                   | <b>Parent Company</b> |                   |
|--|---------------------|-------------------|-----------------------|-------------------|
|  | <b>03/31/2018</b>   | <b>03/31/2017</b> | <b>03/31/2018</b>     | <b>03/31/2017</b> |
| <b>Other operating income</b>  |                     |                   |                       |                   |
| Indemnities/gains on lawsuits  | 546                 | 679               | 397                   | 530               |
| Rentals and leases   | 460                 | 459               | 370                   | 369               |
| Contractual fines  | 1,780               | 348               | 960                   | 152               |
| Shares - VJR (Note 13)   | 1,936,389           |                   | 1,936,389             |                   |
| Other revenues   | 6,412               | 5,013             | 798                   | 2,531             |
|  | <b>1,945,587</b>    | <b>6,499</b>      | <b>1,938,914</b>      | <b>3,582</b>      |
| <b>Other operating expenses</b>  |                     |                   |                       |                   |
| Taxes and fees   | (5,284)             | (1,481)           | (1,988)               | (719)             |
| Write-off/(Provision) of judicial deposits                                       | (3,993)             | 3,276             | (3,431)               | 3,042             |
| Expenses with environmental liabilities, net                                     | (3,790)             | 3,350             | (1,473)               | 4,856             |
| Expenses from tax, social security, labor, civil and environmental law suits     | (24,393)            | (38,353)          | (22,490)              | (30,021)          |
| Depreciation of unused equipment and amortization of intangible assets (note 22) | (10,697)            | (11,392)          | -                     | -                 |
| Write-off of PPE and intangible assets (notes 10 and 11)                         | (1,780)             | (2,572)           | (16)                  | (2,742)           |
| Inventory impairment losses/reversals  | (6,191)             | (4,091)           | 1,762                 | 1,095             |
| Losses on spare parts  | (295)               | (1,250)           | (295)                 | (1,250)           |
| Studies and project engineering expenses   | (6,571)             | (8,180)           | (5,577)               | (8,196)           |
| Research and development expenses  | (958)               | (676)             | (958)                 | (676)             |
| Advisory expenses  | (777)               | (16)              | (658)                 | (16)              |
| Healthcare plan expenses   | (26,088)            | (22,086)          | (26,096)              | (21,944)          |
| Hedge cash flow realized (Note 13 b)   | (13,732)            | (16,402)          | (13,732)              | (16,402)          |
| Other expenses   | (44,110)            | (5,815)           | (28,863)              | (2,899)           |
|  | <b>(148,659)</b>    | <b>(105,688)</b>  | <b>(103,815)</b>      | <b>(75,872)</b>   |
| <b>Other operating expenses, net</b>   | <b>1,796,928</b>    | <b>(99,189)</b>   | <b>1,835,099</b>      | <b>(72,290)</b>   |

**24. FINANCIAL INCOME (EXPENSES)**

|   | 03/31/2018       | 03/31/2017       | 03/31/2018       | 03/31/2017       |
|---|------------------|------------------|------------------|------------------|
| <b>Financial income</b>   |                  |                  |                  |                  |
| Related parties (note 18 a)                                       | 14,225           | 20,177           | 14,788           | 42,586           |
| Income from short-term investments                                | 27,168           | 53,578           | 15,178           | 25,070           |
| Gain from derivative  |                  | 13,224           |                  |                  |
| Gain on repurchase of debt securities                             |                  | 12,564           |                  |                  |
| Outros rendimentos (1)  | 1,503            | 16,976           | 360              | 14,072           |
|   | <b>42,896</b>    | <b>116,519</b>   | <b>30,326</b>    | <b>81,728</b>    |
| <b>Financial costs</b>  |                  |                  |                  |                  |
| Borrowings and financing - foreign currency                       | (215,502)        | (214,097)        | (57,575)         | (55,275)         |
| Borrowings and financing - local currency                         | (264,273)        | (511,998)        | (228,488)        | (440,272)        |
| Related parties (note 18 a)                                       | -                | -                | (100,913)        | (119,461)        |
| Capitalized interest (notes 10 and 27)                            | 17,090           | 26,533           | 3,594            | 6,534            |
| Interest, fines and late payment charges                          | (2,034)          | (2,791)          | (455)            | (244)            |
| Commission and bank fees  | (41,875)         | (38,875)         | (37,928)         | (34,496)         |
| PIS/COFINS over financial income                                  | (3,733)          | (6,458)          | (2,798)          | (5,191)          |
| Other financial costs (2)   | (12,929)         | (38,801)         | 3,371            | (32,683)         |
|   | <b>(523,256)</b> | <b>(786,487)</b> | <b>(421,192)</b> | <b>(681,088)</b> |
| <b>Inflation adjustment and exchange differences, net</b>         |                  |                  |                  |                  |
| Inflation adjustments, net  | 1,570            | 1,364            | 11,179           | (5,101)          |
| Exchange rates, net   | (115,644)        | 171,609          | (13,175)         | 312,278          |
| Exchange gain (losses) on derivatives                             | 730              | (229)            | -                | -                |
|   | <b>(113,344)</b> | <b>172,744</b>   | <b>(1,996)</b>   | <b>307,177</b>   |
| <b>Financial income (costs), net</b>                              | <b>(593,704)</b> | <b>(497,224)</b> | <b>(392,862)</b> | <b>(292,183)</b> |
| <b>Statement of gains and (losses) on derivative transactions</b> |                  |                  |                  |                  |
| Future Dollar BM&F  |                  |                  |                  |                  |
| Dollar - to - euro swap   | 730              | (229)            |                  |                  |
|   | <b>730</b>       | <b>(229)</b>     |                  |                  |
| Future DI   |                  | 13,224           |                  |                  |
|   | <b>730</b>       | <b>13,224</b>    |                  |                  |

(1) Refers substantially an updating of tax credits

(2) Refers substantially to IOF and provision of charges IRRF/CSLL.





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**25. SEGMENT INFORMATION**

The segment information has not changed in relation to that disclosed in the Company's financial statements as of December 31, 2017. Therefore, management decided not to repeat it in this condensed interim financial information.

According to the Group's structure, the businesses are distributed and managed in five operating segments as follows:

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| <b>P&amp;L</b>                         | <b>Steel</b>     | <b>Mining</b>    | <b>Logistics<br/>Port</b> | <b>Railroads</b> |
|--|------------------|------------------|---------------------------|------------------|
| Metric tons (thou.) (*)                | 1.277.386        | 7.474.162        |                           |                  |
| Net revenues                           |                  |                  |                           |                  |
| Domestic market                        | 2.290.629        | 218.650          | 65.643                    | 330.9            |
| Foreign market                         | 1.383.668        | 932.944          |                           |                  |
| <b>Total net revenue (note 21)</b>     | <b>3.674.297</b> | <b>1.151.594</b> | <b>65.643</b>             | <b>330.9</b>     |
| Cost of sales and services             | (2.900.337)      | (795.292)        | (45.943)                  | (244.17)         |
| <b>Gross profit</b>                    | <b>773.960</b>   | <b>356.302</b>   | <b>19.700</b>             | <b>86.7</b>      |
| General and administrative expenses    | (234.058)        | (20.864)         | (9.972)                   | (23.30)          |
| Depreciation (note 22)                 | 150.463          | 106.487          | 4.035                     | 64.6             |
| Proportionate EBITDA of joint ventures |                  |                  |                           |                  |
| <b>Adjusted EBITDA</b>                 | <b>690.365</b>   | <b>441.925</b>   | <b>13.763</b>             | <b>128.0</b>     |
| <b>Sales by geographic area</b>        |                  |                  |                           |                  |
| Asia                                   | 157              | 852.152          |                           |                  |
| North America                          | 430.706          |                  |                           |                  |
| Latin America                          | 105.557          |                  |                           |                  |
| Europe                                 | 829.013          | 80.792           |                           |                  |
| Others                                 | 18.235           |                  |                           |                  |
| <b>Foreign market</b>                  | <b>1.383.668</b> | <b>932.944</b>   |                           |                  |
| <b>Domestic market</b>                 | <b>2.290.629</b> | <b>218.650</b>   | <b>65.643</b>             | <b>330.9</b>     |
| <b>Total</b>                           | <b>3.674.297</b> | <b>1.151.594</b> | <b>65.643</b>             | <b>330.9</b>     |

| <b>P&amp;L</b>                     | <b>Steel</b>     | <b>Mining</b>    | <b>Logistics<br/>Port</b> | <b>Railroads</b> |
|------------------------------------|------------------|------------------|---------------------------|------------------|
| Metric tons (thou.) (*)            | 1.194.246        | 7.243.854        |                           |                  |
| Net revenues                       |                  |                  |                           |                  |
| Domestic market                    | 1.788.518        | 190.311          | 55.215                    | 323.3            |
| Foreign market                     | 1.282.689        | 983.794          |                           |                  |
| <b>Total net revenue (note 21)</b> | <b>3.071.207</b> | <b>1.174.105</b> | <b>55.215</b>             | <b>323.3</b>     |

|  |                  |                  |               |              |
|--|------------------|------------------|---------------|--------------|
| Cost of sales and services             | (2,394.558)      | (636.455)        | (37.194)      | (280.07)     |
| <b>Gross profit</b>                    | <b>676.649</b>   | <b>537.650</b>   | <b>18.021</b> | <b>43.3</b>  |
| General and administrative expenses    | (235.504)        | (40.384)         | (7.093)       | (24.36)      |
| Depreciation (note 22)                 | 169.042          | 122.651          | 3.460         | 103.6        |
| Proportionate EBITDA of joint ventures |                  |                  |               |              |
| <b>Adjusted EBITDA</b>                 | <b>610.187</b>   | <b>619.917</b>   | <b>14.388</b> | <b>122.5</b> |
| <b>Sales by geographic area</b>        |                  |                  |               |              |
| Asia                                   | 4.055            | 913.827          |               |              |
| North America                          | 480.624          |                  |               |              |
| Latin America                          | 150.614          |                  |               |              |
| Europe                                 | 633.917          | 69.967           |               |              |
| Others                                 | 13.479           |                  |               |              |
| <b>Foreign market</b>                  | <b>1.282.689</b> | <b>983.794</b>   |               |              |
| <b>Domestic market</b>                 | <b>1.788.518</b> | <b>190.311</b>   | <b>55.215</b> | <b>323.3</b> |
| <b>Total</b>                           | <b>3.071.207</b> | <b>1.174.105</b> | <b>55.215</b> | <b>323.3</b> |

(\*) The ore sales volumes presented in this note take into consideration Company sales and the interest in its subsidiaries and joint ventures.

- **Adjusted EBITDA**

Adjusted EBITDA is the measurement through which the chief operating decision maker assesses the segment performance and the capacity to generate recurring operating cash, consisting of profit for the year less net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results, results of discontinued operations and other operating income (expenses), plus the proportionate EBITDA of joint ventures.

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Even though it is an indicator used in segment measurement, EBITDA is not a measurement recognized by accounting practices adopted in Brazil or IFRS, it does not have a standard definition, and may not be comparable with measurements using similar names provided by other companies.

As required by IFRS 8, the table below shows the reconciliation of the measurement used by the chief operating decision maker with the results determined using the accounting practices:

|   | <b>03/31/2018</b> | <b>Consolidated<br/>03/31/2017</b> |
|---|-------------------|------------------------------------|
| Profit for the year                           | 1,486,495         | 117,615                            |
| Depreciation/Amortization/Depletion (Note 22) | 305,175           | 389,884                            |
| Income tax and social contribution (note 15)  | 558,711           | 136,948                            |
| Finance income (cost) (note 24)               | 593,704           | 497,224                            |
| <b>EBITDA</b>                                 | <b>2,944,085</b>  | <b>1,141,671</b>                   |
| Other operating income (expenses) (note 23)   | (1,796,928)       | 99,189                             |
| Equity in results of affiliated companies     | (24,851)          | (21,105)                           |
| Proportionate EBITDA of joint ventures        | 119,284           | 112,792                            |
| <b>Adjusted EBITDA (*)</b>                    | <b>1,241,590</b>  | <b>1,332,547</b>                   |

(\*) The Company discloses its adjusted EBITDA net of its share of investments and other operating income (expenses) because it understands that these should not be considered in the calculation of recurring operating cash generation.

**26. INSURANCE**

Aiming to properly mitigate risk and in view of the nature of its operations, the Company and its subsidiaries have taken out several different types of insurance policies. Such policies are contracted in line with the Risk Management policy and are similar to the insurance taken out by other companies operating in the same lines of business as CSN and its subsidiaries. The risks covered under such policies include the following: Domestic Transportation, International Transportation, Life and Casualty, Health, Vehicles Fleet, D&O (Civil Liability Insurance for Directors and Officers), General Civil Liability, Engineering Risks, Named Peril, Export Credit, Surety Bond and Port Operator's Civil Liability.

In 2017, after negotiation with insurers and reinsurers in Brazil and abroad, an insurance policy was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from September 30, 2017 to March 31, 2019. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US\$600 million and deductibles in the amount of R\$385 million for material damages and 45 days for loss of profits and covers the following Company's units and subsidiaries: Presidente Vargas Steelworks, CSN Mineração and Sepetiba Tecon.

In view of their nature, the risk assumptions adopted are not part of the scope of an audit of the financial statements and, accordingly, were not audited by our independent auditors.

## 27. ADDITIONAL INFORMATION TO CASH FLOWS

The following table provides additional information on transactions related to the statement of cash flows:

|  | <b>03/31/2018</b> | <b>Consolidated<br/>03/31/2017</b> | <b>03/31/2018</b> | <b>Parent Company<br/>03/31/2017</b> |
|--|-------------------|------------------------------------|-------------------|--------------------------------------|
| Income tax and social contribution paid                        | 15,373            | 126,753                            |                   | -                                    |
| Addition to PP&E with interest capitalization (note 10 and 24) | 17,090            | 26,533                             | 3,594             | 6,534                                |
| Capitalization in subsidiaries without cash                    |                   | 509                                |                   | 10,353                               |
|  | <b>32,463</b>     | <b>153,795</b>                     | <b>3,594</b>      | <b>16,887</b>                        |



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1****28. STATEMENT OF COMPREHENSIVE INCOME**

|   |                   | <b>Consolidated</b> |                   | <b>Parent Company</b> |
|---|-------------------|---------------------|-------------------|-----------------------|
|   | <b>03/31/2018</b> | <b>03/31/2017</b>   | <b>03/31/2018</b> | <b>03/31/2017</b>     |
| <b>(Loss)/ Profit for the period</b>  | <b>1.486.495</b>  | <b>117.615</b>      | <b>1.471.863</b>  | <b>85.630</b>         |
| <b>Other comprehensive income</b>   |                   |                     |                   |                       |
| <b>Items that will not be subsequently reclassified to the statement of income</b>            |                   |                     |                   |                       |
| Actuarial (loss) gain the defined benefit plan from investments in subsidiaries, net of taxes | 30                | 30                  | 30                | 30                    |
|   | <b>30</b>         | <b>30</b>           | <b>30</b>         | <b>30</b>             |

**Items that could be subsequently reclassified to the statement of income**

|   |                    |                |                    |                |
|---|--------------------|----------------|--------------------|----------------|
| Cumulative translation adjustments for the period                           | 37.958             | (39.643)       | 37.958             | (39.643)       |
| Fair Value through other comprehensive income                               | (1.559.680)        | 53.299         | (1.559.680)        | 53.299         |
| (Loss) / gain on the percentage change in investments                       |                    | 2.814          |                    | 2.814          |
| (Loss)/gain on cash flow hedge accounting                                   | (18.646)           | 133.044        | (18.646)           | 133.044        |
| Realization of cash flow hedge accounting reclassified to income statements | 13.732             | 16.402         | 13.732             | 16.402         |
| (Loss)/gain on investments hedge of investments in subsidiaries             |                    |                | (4.860)            | 1.846          |
| (Loss)/gain on foreing investment hedge                                     |                    |                |                    |                |
| (Loss)/gain on business combination   | (4.860)            | 1.846          |                    |                |
|   | <b>(1.531.496)</b> | <b>167.762</b> | <b>(1.531.496)</b> | <b>167.762</b> |
|   | <b>(1.531.466)</b> | <b>167.792</b> | <b>(1.531.466)</b> | <b>167.792</b> |
| <b>Total comprehensive income for period</b>                                | <b>(44.971)</b>    | <b>285.407</b> | <b>(59.603)</b>    | <b>253.422</b> |
| <b>Attributable to:</b>   |                    |                |                    |                |
| Participation of controlling interest                                       | (59.603)           | 253.422        | (59.603)           | 253.422        |
| Participation of non - controlling interest                                 | 14.632             | 31.985         |                    |                |
|   | <b>(44.971)</b>    | <b>285.407</b> | <b>(59.603)</b>    | <b>253.422</b> |

**29. INDEPENDENT INVESTIGATION – CONSTRUCTION OF THE LONG STEEL PLANT**

Considering the information from a Company's officer published in the press in April 2017, based on testimonials made before the Court, the Audit Committee decided to hire a specialized forensic service to conduct an independent external investigation of the contractual relationship related to the construction of



CSN's Long Steel Plant (contract in which there would have been alleged undue payments, as bonus, as a form of reimbursement for payments made to political parties), and to analyze the extent of the business relationships between the contracting parties. The conclusion of the investigation is that nothing from the testimonials referred to above was confirmed, and there are no contingencies deriving from the matters investigated. Consequently, the Company understands that there is no basis to justify the setting up of a provision for losses or the disclosure of a contingency. In October 2017, complying with a determination of the Supreme Federal Court, the Federal Police started an investigation of the facts reported in those testimonials previously mentioned. Subsequently, in February 2018, the Second Panel of the Federal Supreme Court determined that the examination of the facts should occur within the scope of the Electoral Justice rather than the Common Federal Justice. At the moment, compliance with the STF decision is awaited for referral of the case to the Electoral Court.

**CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE**

Quarterly Financial Information – March 31, 2018 – CIA SIDERURGICA NACIONAL

**Version:  
1**

**30. EVENTS AFTER THE REPORTING PERIOD**

**• Transactions between related parties (Banco Fibra)**

As disclosed to the market on April 10, 2018 during the first quarter of 2018, the Company, within its regular management of cash and marketable securities, acquired USD 23 million in foreign debt securities issued by Banco Fibra SA (" Banco Fibra "), with a remuneration of 8,125% pa and maturing in February 2028.

**• Disposal of treasury shares**

The Company disclosed a material fact on April 20, 2018 informing that the Board of Directors authorized the sale by the Company of up to 30,391,000 common shares of its own issuance held in treasury in order to comply with the provisions of Art. 9th of CVM Instruction 567/2015. The sale operations were carried out between April 20 and 23, 2018, through stock exchange trading, at a market price totaling 22,981,500 shares in the total amount of R \$ 213,494 million (average price R\$ 9.29), recognizing a gain of R \$ 32,690 million in shareholders' equity.

**•Sale of subsidiary LLC**

The Board of Directors approved the sale, through its wholly-owned subsidiary CSN Steel SLU, of its entire ownership interest in Companhia Siderúrgica Nacional, LLC, a company located in the United States ("LLC"), with operations in stripping, cold rolling and galvanizing of flat steel. The transaction must be

completed in up to 90 days and must be carried out in free cash and financial debt terms, as well as being subject to adjustments established in a purchase and sale agreement signed between the parties. The transaction is part of the Company's divestiture and deleverage plan.

## COMMENTS ON THE PERFORMANCE OF BUSINESS PROJECTIONS

### 1) Projections

The Company clarifies that the information disclosed in this item represents a mere estimate, hypothetical data and cannot be interpreted as a promise of performance by the Company and/or its Management. The projections listed below include market variables that are not under the Company's control and, therefore, may change.

**a) Purpose of Projection**

CSN estimates a Net Revenue of R\$22.2 billion for 2018.

CSN estimates an adjusted annualized EBTIDA close to R\$5.6 billion for 2018.

CSN estimates a leverage measured by the ratio of net debt to adjusted EBITDA close to 3.5 times over a 12 to 15 months.

**b) Period and validity term of the projection.**

For the year 2018, is projected Net Revenue of R\$22.2 billion, an adjusted EBITDA close to R\$5.6 billion. In turn, the validity term of the presented projection ends with the results being disclosed for the fiscal year ended December 31, 2018, that will be available to the market within the period established by the local authority.

From 2018 to 2019, CSN estimates a leverage measured by the ratio of net debt to adjusted EBTIDA close to 3.5 times, that will be available to the market at the end of the first half of 2019.

**c) Assumptions of the projection, indicating which can be influenced by the issuer's management and which are beyond its control.**

All assumptions mentioned below are subject to the influence of external variables, which are beyond the control of the Company's management. Therefore, in case of relevant changes in these assumptions, the Company may revise its estimates mentioned below, modifying them in comparison with those originally presented.

#### Net Revenue

The assumptions used to project the estimated Net Revenue for 2018 is 20% above when compared to the previous year.

#### Adjusted EBITDA

The assumptions used to project the adjusted EBITDA 20% above in 2018, consider the best average prices for flat and long steel in the domestic and foreign markets, as well as the higher sales volume, highlighting the allocation of goods to the domestic market focusing on better operational margins. In relation to the mining, our estimate is that the price levels (Platts) of iron ore will remain the same in 2018 when compared to the previous year.

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Leverage 15 months

The assumptions used for the leverage measured by the ratio of net debt to adjusted EBITDA close to 3.5 times over a 12 to 15 months, is based on an increase of the adjusted EBITDA in 2018 and 2019, resulting in a higher generation of free cash flow and lower net debt, leading to a substantial reduction of the indicator.

**d) Values of the indicators that are subject of the forecast.**



| <b>Net Revenue</b>     | <b>2016</b> | <b>2017 E</b> | <b>2018 E</b> | <b>2019 E</b> |
|------------------------|-------------|---------------|---------------|---------------|
| Estimated              | n.a.        | 18,000        | 22,230        | n.a.          |
| Reached                | 17,149      | 18,525        | n.a.          | n.a.          |
| Variation %            | -           | 3%            | -             | -             |
| <b>Adjusted EBITDA</b> | <b>2016</b> | <b>2017 E</b> | <b>2018 E</b> | <b>2019 E</b> |
| Estimated              | n.a.        | 5,000         | 5,574         | n.a.          |
| Reached                | 4,075       | 4,645         | n.a.          | n.a.          |
| Variation %            | -           | -7%           | -             | -             |
| <b>Leverage</b>        | <b>2016</b> | <b>2017 E</b> | <b>2018 E</b> | <b>2019 E</b> |
| Estimated              | n.a.        | 5.00x         | n.a.          | 3.50x         |
| Reached                | 6.32x       | 5.66x         | n.a.          | n.a.          |
| Variation %            | n.a.        | 13%           | n.a.          | n.a.          |

\*E = estimated

\*\*n.a = not evaluated or estimated

**1.1 If the issuer has disclosed, in the last 3 fiscal years, projections over the progress of its indicators:**

**a) In the form, inform which were being replaced by new projections and which were being repeated.**

New estimates:

CSN estimates a Net Revenue of R\$22.2 billion for 2018.

CSN estimates an adjusted annualized EBTIDA close to R\$5.6 billion for 2018. Estimates maintained:

CSN estimates a leverage measured by the ratio of net debt to adjusted EBITDA close to 3.5 times over a 12 to 15 months.

**b) In relation to the projections for periods that have already occurred, compare the projection data with the performance indicators, clearly indicating the reasons that led to deviations in the projections.**

In 2017, Net Revenue was 3% higher than the previous estimate, due to the better steel prices.

In 2017, the Adjusted EBITDA was 7% lower than the previous estimate, due to the fact that mining presented an adjusted EBITDA lower than expected in 4Q17.

In 2017, leverage was 13% higher than expected, due to the lower Adjusted EBITDA and exchange-rate appreciation that affected our dollar-debt position, resulting in an above average leverage ratio.

**c) In relation to the projections for periods still in progress, inform if the projections remain valid on the date of delivery the form and, when applicable, explain why they were abandoned or replaced.**

Estimates in progress:

CSN estimates a leverage measured by the ratio of net debt to adjusted EBITDA close to 3.5 times over a 12 to 15 months.

c) In relation to the projections for periods still in progress, inform if the projections remain valid on the ~~180~~ of deliv

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **Independent auditor's report on review of the interim financial information**

To the

Shareholders, Directors and Management of

### **Companhia Siderúrgica Nacional**

São Paulo – SP

We have reviewed the accompanying individual and consolidated interim financial information of **Companhia Siderúrgica Nacional (“Company”)**, identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2018, which comprises the balance sheet as at March 31, 2018 and the related income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, and other explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the individual and consolidated interim financial information**

c) In relation to the projections for periods still in progress, inform if the projections remain valid on the ~~180~~ of deliv

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Interim Financial Information Form (ITR) referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of interim financial information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

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## Emphasis of matter

### **Ability of the jointly-controlled subsidiary Transnordestina Logística S.A. to continue as a going concern**

We draw attention to note 9.c) to the interim financial information, which describes the percentage of completion of the new railway network by the jointly-controlled subsidiary Transnordestina Logística S.A. (TLSA), currently under construction and originally scheduled to be completed by January 2017, is currently being revised and discussed by the relevant regulatory bodies. The completion of the work under the project (and consequent start of operations) is contingent upon receiving ongoing financial contribution from TLSA's shareholders and third parties. These events and conditions, together with other issues described in note 8.c) to the financial statements, indicate the existence of significant uncertainty that may raise significant doubt as to TLSA's ability to continue as a going concern. Our conclusion is not qualified regarding this matter.

## Other matters

### Interim statements of value added

We have also reviewed the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial information and considered supplemental information by IFRS, which does not require the presentation of a DVA. This interim financial information was subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it was not fairly presented, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

São Paulo, May 14, 2018

Nelson Fernandes Barreto Filho

Grant Thornton Auditores Independentes

**Opinions and Statements / Officers Statement on the Financial Statement**

As Executive Officers of Companhia Siderurgica Nacional, we declare pursuant to Article 25, paragraph 1º, item VI of CVM Instruction 480, of December 7, 2009, as amended, that we reviewed, discussed and agreed with the Company's Financial Statements for the quarter ended March 31, 2018.

São Paulo, May 14<sup>th</sup>, 2018.

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Benjamin Steinbruch

CEO

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Luis Fernando Barbosa Martinez

Executive Officer

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David Moise Salama

Executive Officer

c) In relation to the projections for periods still in progress, inform if the projections remain valid on the ~~192~~ of deliv



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Pedro Gutemberg Quariguasi Netto

Executive Officer

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Marcelo Cunha Ribeiro

Executive Officer – CFO and Investors Relations

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**Opinions and Statements / Officers Statement on Auditor's Report**

As Executive Officers of Companhia Siderurgica Nacional, we declare pursuant to Article 25, paragraph 1º, item V of CVM Instruction 480, of December 7, 2009, as amended, that we reviewed, discussed and agreed with the opinion expressed on the Independent Auditors' Report related to the Company's Financial Statements for the quarter ended March 31, 2018.

São Paulo, May 14<sup>th</sup>, 2018.

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Benjamin Steinbruch

CEO

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Luis Fernando Barbosa Martinez

Executive Officer

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David Moise Salama

Executive Officer

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c) In relation to the projections for periods still in progress, inform if the projections remain valid on the date of deliv

Pedro Gutemberg Quariguasi Netto

Executive Officer

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Marcelo Cunha Ribeiro

Executive Officer – CFO and Investors Relations

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