

NATIONAL STEEL CO
Form 6-K
December 26, 2017

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of December, 2017
Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

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

Yes No

São Paulo, December 22, 2017

1Q17 Earnings Release

Companhia Siderúrgica Nacional (CSN) (BM3 S.A. – BOLSA BRASIL BALCÃO: CSNA3) (NYSE: SID) discloses results for the first quarter of 2017 (1Q17). The information disclosed in Brazilian Reais and prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB); and also in accordance with accounting practices adopted in Brazil and fully convergent with international accounting standards, issued by the Accounting Pronouncements Committee (CPC) and referenced by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of 09/01/2010. The below text encompasses the Company's consolidated results for the first quarter of 2017 (1Q17) and comparisons are for the fourth quarter of 2016 (4Q16) and for the first quarter of 2016 (1Q16) without Metallic, unless otherwise specified. The Real/U.S. Dollar exchange rate was R\$3.1684 on March 31, 2017 and R\$3.2591 on December 31, 2016.

Operating and Financial Highlights

- **EBITDA totaled R\$1,333 million**, 82% up on 1Q16, accompanied by an EBITDA margin of 28.7%, 11 p.p. higher than in the previous year.
- **Leverage declined by 3.2x**, from 8.7x on 1Q16 to 5.5x on 1Q17.
- **Steel EBITDA came to R\$610 million**, 12% higher on 4Q16, while apparent steel consumption climbed 5.0% according to the Brazilian Steel Institute (IABr).

| Highlights | 1Q16 | 4Q16 | 1Q17 | Change | |
|---|--------------|--------------|--------------|----------------|----------------|
| | | | | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
| Steel Sales (thousand t) | 1,248 | 1,187 | 1,194 | 1% | -4% |
| - Domestic Market | 52% | 62% | 52% | -10% | 0% |
| - Overseas Subsidiaries | 42% | 34% | 41% | 7% | -1% |
| - Exports | 6% | 4% | 8% | 4% | 2% |
| Iron Ore Sales (thousand t)1 | 8,295 | 9,191 | 7,244 | -21% | -13% |
| - Domestic Market | 13% | 14% | 19% | 5% | 6% |
| - Exports | 87% | 86% | 81% | -5% | -6% |
| Consolidated Results (R\$ Million) | | | | | |
| Net Revenue | 3,997 | 4,519 | 4,412 | -2% | 10% |

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| | | | | | |
|----------------------------|--------|--------|--------|---------|---------|
| Gross Profit | 923 | 1,349 | 1,318 | -2% | 43% |
| Adjusted EBITDA | 733 | 1,249 | 1,333 | 7% | 82% |
| Adjusted Net Debt | 26,654 | 25,831 | 25,477 | -1% | -4% |
| Adjusted Cash Position | 6,472 | 5,762 | 5,146 | -11% | -20% |
| Net Debt / Adjusted EBITDA | 8.7x | 6.3x | 5.5x | (0,89x) | (3.22x) |

¹ Adjusted EBITDA is calculated based on net income/loss, before depreciation and amortization, income taxes, the net financial result, results from investees, and other operating income (expenses) and includes the proportional share of the EBITDA of the jointly-owned investees MRS Logística and CBSI, as well as the Company's 60% interest in Namisa, 33.27% in MRS and 50% in CBSI until November 2015 and stakes of 100% in Congonhas Minérios, 37.27% in MRS and 50% in CBSI as of December 2015.

² Adjusted Net Debt and Adjusted Cash and Cash Equivalents included 33.27% of the stake in MRS, 60% of the interest in Namisa and 50% of the stake in CBSI until November 2015. As of December 2015, they included 100% of Congonhas Minérios, 32.27% of MRS and 50% of CBSI, excluding Forfaiting and drawee risk operations.

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CSN's Consolidated Results

- **Net revenue** totaled R\$4,412 million in 1Q17, 2% down on 4Q16, due to lower sold volume in the mining segment and despite the price increases and the slight upturn in steel product sales volume compared with the previous quarter.
- **COGS** came to R\$3,093 million in 1Q17, 2% lower than in the previous quarter.
- **Gross profit** totaled R\$1,318 million, 2% down on 4Q16. The gross margin stood at 29.9%, in line with the previous quarter.
- **Selling, general and administrative expenses** amounted to R\$488 million in 1Q17, 17% less than in 4Q16.
- **Other operating income (expenses)** was an expense of R\$99 million in 1Q17, versus negative R\$114 million in 4Q16.
- In 1Q17, the **net financial result** was negative by R\$497 million, as a result of financial expenses of R\$601 million, which has been partially offset by financial revenue of R\$103 million.

| Financial Result (R\$ million) | 1Q16 | 4Q16 | 1Q17 |
|---|----------------|--------------|--------------|
| Financial Result - IFRS | (885) | (677) | (497) |
| Financial Revenue | 243 | 115 | 103 |
| Financial Expenses | (1,128) | (792) | (601) |
| Financial Expenses (ex-exchange variation) | (821) | (813) | (787) |
| Result with Exchange Variation | (307) | 21 | 186 |
| Monetary and Exchange Variation | 936 | 5 | 308 |
| Hedge Accounting | (554) | 17 | (135) |
| Derivative Result | (689) | (2) | 13 |

- CSN's **equity result** was a positive R\$21 million in 1Q17, versus a negative R\$24 million in 4Q16. This result was chiefly due to the performance of TLISA.

| Share of Profit (Loss) of Investees (R\$ million) | 1Q16 | 4Q16 | 1Q17 | Change | |
|---|-----------|-------------|-----------|-------------|--------------|
| | | | | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
| MRS Logística | 61 | 20 | 39 | 91% | (37%) |
| CBSI | 1 | 1 | - | - | - |
| TLISA | (7) | (35) | (4) | (88%) | (39%) |
| Arvedi Metalfer BR | - | - | (1) | - | - |
| Eliminations | (11) | (9) | (13) | 45% | 26% |
| Share of Profit (Loss) of Investees | 46 | (24) | 21 | - | (55%) |

- CSN recorded a first-quarter **net income** of R\$118 million, versus loss income of R\$56 million in 4Q16. The result in 1Q17 is for the better performance of the financial result, which recorded R\$ 497 million, and R\$ 677 million in 4Q16, 27% down on the last quarter of 2016.

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| Adjusted EBITDA (R\$ million) | 1Q16 | 4Q16 | 1Q17 | Change | |
|--|--------------|--------------|--------------|--------------|-------------|
| | | | | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
| Profit (Loss) for the Period | (777) | (56) | 118 | - | - |
| (*) Result of Discontinued Operations | - | 3 | - | - | - |
| (-) Depreciation | 309 | 356 | 390 | 10% | 26% |
| (+) Income Tax and Social Contribution | 113 | 2 | 137 | - | 21% |
| (-) Net Financial Result | 897 | 677 | 497 | (27%) | (45%) |
| EBITDA (CVM Instruction 527) | 542 | 982 | 1,142 | (16%) | 111% |
| (+) Other Operating Income / Expenses | 126 | 114 | 99 | (13%) | (21%) |
| (+) Share of Profit (Loss) of Investees | (46) | 24 | (21) | - | (54%) |
| (-) Proportionate EBITDA of Jointly-Owned Subsidiaries | 110 | 129 | 113 | (13%) | 3% |
| Adjusted EBITDA | 733 | 1,249 | 1,333 | 7% | 82% |

¹The Company discloses adjusted EBITDA excluding interests in investments operating income (expenses) in the belief that these items should not be considered when calculating recurring operating cash flow.

- **Adjusted EBITDA** amounted to R\$1,333 million in 1Q17, versus R\$1,249 million in the previous quarter, accompanied by an adjusted EBITDA margin of 29%, 2.4 p.p. up.

¹The adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA and adjusted net revenue, which considered the stakes of 100% in CSN

Mineração, 37.27% in MRS and 50% in CBSI.

Debt

The adjusted amounts of EBITDA, debt and cash included the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI as of December 2015, as well as financial investments used as collateral for exchange operations on the B3 S.A. – BOLSA BRASIL BALCÃO. On March 31, 2017, consolidated net debt totaled R\$25,477 million, while the net debt/EBITDA ratio, calculated based on LTM adjusted EBITDA, stood at 5.5x.

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Foreign Exchange Exposure

The FX exposure of our consolidated balance sheet on March 31, 2017 was US\$ 603 million, ex bond as shown in the table below.

The hedge accounting adopted by CSN correlates projected export inflows in dollars with part of the scheduled debt payments in the same currency. Therefore, the exchange variation of the dollar-denominated debt is temporarily booked under shareholders' equity, being recorded in the income statement when dollar revenues from exports are received.

| Foreign Exchange Exposure (US\$ million) | 12/31/2016 | IFRS 3/31/2017 |
|--|----------------|-------------------|
| Cash | 914 | 1,091 |
| Accounts Receivable | 373 | 331 |
| Total Assets | 1,290 | 1,425 |
| Borrowings and Financing | (4,373) | (4,327) |
| Suppliers | (97) | (115) |
| Other Liabilities | (18) | (15) |
| Total Liabilities | (4,488) | (4,458) |
| Foreign Exchange Exposure | (3,198) | (3,032) |
| Notional Amount of Derivatives Contracted, Net | - | - |
| Cash Flow Hedge Accounting | 1,458 | 1,429 |
| Net Foreign Exchange Exposure | (1,740) | (1,603) |
| Perpetual Bonds | 1,000 | 1,000 |
| Net Foreign Exchange Exposure excluding Perpetual Bonds | (740) | (603) |

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Capex

CSN invested R\$189 million in 1Q17, 58% less of 4Q16.

| Capex (R\$ million) | 1Q16 | 4Q16 | 1Q17 |
|---------------------------|------------|------------|------------|
| Steel | 119 | 208 | 92 |
| Mining | 62 | 78 | 59 |
| Cement | 139 | 135 | 24 |
| Logistics | 10 | 23 | 13 |
| Other | - | 8 | - |
| Total Capex - IFRS | 330 | 452 | 189 |

Working Capital

The working capital invested in the Company's business totaled R\$3,031 million in 1Q17, R\$161 million more than in 4Q16, chiefly due to the R\$171 million increase in inventories. On a same comparison basis, the average receivable period down on 2 days, while payment periods and inventory turnover increased by 5 days and 10 days, respectively.

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

- Accounts Receivable: Excludes Dividends Receivable, Advances to Employees and Other Credits.;
- Inventories: Includes Estimated Losses and excludes Spare Parts, which are not part of the cash conversion cycle, and will be booked in Fixed Assets when consumed;
- Recoverable Taxes: Composed only by the Income (IRPJ) and Social Contribution (CSLL) Taxes amount included in Recoverable Taxes;
- Taxes Payable: Composed by the Current Liabilities account Taxes Payable plus Taxes in Installments;
- Advance from Clients: Subaccount of Other Liabilities recorded in Current Liabilities;
- Suppliers: Includes Forfeiting and Drawee Risk (Note 13 to the Quarterly Information - ITR).

| Working Capital (R\$ Million) | 1Q16 | 4Q16 | 1Q17 | Change | |
|----------------------------------|--------------|--------------|--------------|-------------|-------------|
| | | | | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
| Assets | 5,573 | 5,210 | 5,526 | 316 | -47 |
| Accounts Receivable | 1,689 | 1,905 | 1,849 | -57 | 160 |
| Inventories Turnover | 3,587 | 3,251 | 3,562 | 311 | -24 |
| Advances to Taxes | 298 | 54 | 115 | 60 | -183 |
| Liabilities | 2,266 | 2,340 | 2,495 | 155 | 229 |
| Suppliers | 1,543 | 1,763 | 1,934 | 171 | 392 |
| Salaries and Social Contribution | 244 | 254 | 252 | -2 | 8 |
| Taxes Payable | 412 | 232 | 190 | -41 | -222 |
| Advances from Clients | 67 | 91 | 119 | 28 | 52 |
| Working Capital | 3,307 | 2,870 | 3,031 | 161 | -276 |

| Turnover Ratio (days) | 1Q16 | 4Q16 | 1Q17 | Change | |
|------------------------------|-----------|-----------|-----------|-------------|-------------|
| | | | | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
| Receivables | 33 | 35 | 33 | -2 | 0 |
| Supplier Payment | 46 | 51 | 56 | 5 | 10 |
| Inventory Turnover | 106 | 94 | 104 | 10 | -2 |
| Cash Conversion Cycle | 93 | 78 | 81 | 3 | -12 |

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Results by Segment

The Company maintains integrated operations in five business segments: Steel, Mining, Logistics, Cement and Energy.

The main assets and/or companies comprising each segment are presented below:

Notes: As of 2013, the Company ceased the proportional consolidation of its jointly-owned subsidiaries Namisa, MRS and CBSI. For the purpose of preparing and presenting the information by business segment, Management opted to maintain the proportional consolidation of its jointly-owned subsidiaries, in line with historical data. In the reconciliation of CSN's consolidated results, these companies' results are eliminated in the "Corporate Expenses/Elimination" column.

Since the end of 2015, after the combination of CSN's mining assets (Casa de Pedra, Namisa and Tecar), the consolidated results have included all the data related to this new company.

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| 1Q17 Result (R\$ million) | Steel | Mining | Port Logistics | Railway Logistics | Cement | Energy | Corporate Expenses/Elimination | Consolidated |
|----------------------------------|--------------|--------------|-------------------|----------------------|------------|-----------|-----------------------------------|--------------|
| Net Revenue | 3,071 | 1,174 | 55 | 323 | 126 | 90 | (428) | 4,412 |
| Domestic Market | 1,789 | 190 | 55 | 323 | 126 | 90 | (584) | 1,990 |
| Exports | 1,283 | 984 | - | - | - | - | 156 | 2,422 |
| Cost of Goods and Services | (2,395) | (636) | (37) | (280) | (130) | (69) | 454 | (3,093) |
| Sold | | | | | | | | |
| Gross Profit | 677 | 538 | 18 | 43 | (4) | 21 | 25 | 1,318 |
| S&A expenses | (235) | (40) | (7) | (24) | (19) | (7) | (156) | (488) |
| Depreciation | 169 | 123 | 3 | 104 | 35 | 4 | (48) | 390 |
| Proportionate EBITDA of | - | - | - | - | - | - | 113 | 113 |
| Jointly-Owned Subsidiaries | | | | | | | | |
| Adjusted EBITDA | 610 | 620 | 14 | 123 | 12 | 19 | (65) | 1,333 |

| 4Q16 Result (R\$ million) | Steel | Mining | Port Logistics | Railway Logistics | Cement | Energy | Corporate Expenses/Elimination | Consolidated |
|----------------------------------|--------------|--------------|-------------------|----------------------|------------|-----------|-----------------------------------|--------------|
| Net Revenue | 2,962 | 1,317 | 62 | 324 | 128 | 67 | (341) | 4,519 |
| Domestic Market | 1,979 | 168 | 62 | 324 | 128 | 67 | (570) | 2,159 |
| Exports | 982 | 1,149 | - | - | - | - | 228 | 2,359 |
| Cost of Goods and Services | (2,334) | (797) | (34) | (237) | (133) | (48) | 413 | (3,170) |
| Sold | | | | | | | | |
| Gross Profit | 628 | 521 | 28 | 87 | (5) | 19 | 72 | 1,349 |
| | (262) | (133) | (6) | (9) | (20) | (7) | (148) | (585) |

| | | | | | | | | |
|----------------------------|------------|------------|-----------|------------|----------|-----------|-----------|--------------|
| S&A expenses | | | | | | | | |
| Depreciation | 179 | 124 | 3 | 58 | 28 | 4 | (41) | 356 |
| Proportionate EBITDA of | | | | | | | | |
| | - | - | - | - | - | - | 129 | 129 |
| Jointly-Owned Subsidiaries | | | | | | | | |
| Adjusted EBITDA | 545 | 511 | 26 | 137 | 2 | 17 | 12 | 1,249 |

Steel

According to the World Steel Association (WSA), global crude steel production totaled 410 billion tonnes in the first quarter of 2017, 5.7% more than in 1Q16. According to the Brazilian Steel Institute (IABr), domestic crude steel production came to 8.2 million tonnes, 10.9% up. Domestic flat rolled steel production totaled 5.4 million tonnes, 6.9% up on 1Q16, while apparent consumption moved up by 5.0%, to 4.6 million tonnes, with domestic sales of 4.0 million tonnes and imports of 637,000 tonnes. Exports totaled 3.8 million tonnes, 17.4% more than in the same period last year. According

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to the Brazilian Steel Distributors' Association (INDA), 1Q17 steel purchases sales remain flat, while sales fell 8.7%, totaling 759,600 tonnes and 708,600 tonnes, respectively. Inventories stood at 951,500 tonnes at the close of 1Q17, 3.6% more than in the previous quarter while inventory turnover fell to 3.7 months.

Automotive

According to the Auto Manufacturers' Association (ANFAVEA), vehicle production totaled 610 million units in 1Q17, 24% up on 1Q16. In the same period, new car, light commercial vehicle, truck and bus licensing fell by 1.9% to 472,000 units. The association expects an increase of 4.0% in vehicle licensing in 2017, with the sale of 2.13 million units and production of 2.41 million units, 11.9% more than in 2016.

Construction

According to the Construction Material Manufacturers' Association (ABRAMAT), sales of building materials fell 6.3% between 1Q16 and 1Q17.

Home Appliances

According to the Brazilian Institute of Geography and Statistics (IBGE), home appliance production increased 4.5% in the first quarter over the same period last year.

Results from CSN's Steel Operation

- **Total sales** came to 1,194,000 tonnes in 1Q17, 1% up quarter-on-quarter, broken down as follows: 52% from the domestic market, 40% from our subsidiaries abroad and 8% from exports.
- In 1Q17, CSN's **domestic** steel sales came to 617,000 tonnes, 16% less than in 4Q16. Of this total, 566,000 tonnes corresponded to flat steel and 51,000 tonnes to long steel.
- First-quarter **export** sales amounted to 577,000 tonnes, 28% up on the 4Q16 figure. Of this total, direct exports reached 92,000 tonnes, the overseas subsidiaries sold 485,000 tonnes, 157,000 LLC, 228,000 by SWT and 100,000 by Lusosider.
- In the first quarter, 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 tin plate accounted for 59% of flat steel sales, 1.4% up on 4Q16, including all the markets where the Company operates. The **export market** was one of the quarter's highlights, with the share of coated products remaining high, at 87% in 1Q17.
- **Net revenue** totaled R\$3,071 million in 1Q17, 4% up on 4T16, mostly due to higher steel sales volume and the price increase observed this quarter. In the first

quarter, **average net revenue per tonne** stood at R\$2,522, 3% higher than in 4Q16.

- **COGS** moved up by 3% over the previous quarter, to R\$2,395 million.

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- Company's **production cost** amounted to R\$1,865 million in 1Q17, 4% more than in 4Q16, particularly due to the increase in coal prices.
- The **slab production cost** reached R\$1,367/t, 16% up on 4Q16.
- **Adjusted EBITDA** totaled R\$610 million in the first quarter, increasing by 12% over the R\$545 million posted in 4Q16. The adjusted EBITDA margin increased 1.5 p.p. over the previous quarter, to 19.9%.

| Flat Steel Production (Thousand tonnes) | 1Q16 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
|--|-------------|--------------|-------------|------------------------|------------------------|
| Total Slabs (UPV + Third Parties) | 836 | 1,058 | 999 | (6%) | 20% |
| Crude Steel Production | 835 | 942 | 982 | 4% | 18% |
| Third Parties Slabs | 1 | 116 | 18 | - | - |
| Total Rolled Products | 746 | 952 | 874 | (8%) | 17% |
| Total Long Steel | 38 | 54 | 53 | - | 39% |

Mining

Demand for steel in China remained high, influenced by heavy investments in infrastructure and the strong construction activity in the first quarter. Given this scenario, rising steel prices pushed up iron ore prices, which came to more than US\$95.00/dmt in February and averaged US\$85.64/dmt (Platts, Fe62%, N. China) at the end of 1Q17, 21% up quarter-on-quarter.

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In the first quarter, maritime freight was positively impacted by the upturn in crude prices and, consequently, in ship fuel. As a result, Route BCI-C3 (Tubarão-Qingdao) averaged US\$13.03/t, 10% up on 4Q16.

Results from CSN's Mining Operation

- CSN's first-quarter **iron ore production** totaled 7.8 million tonnes, in line with the 4Q16 figure.
- Iron ore **sales** amounted to 7.2 million tonnes in 1Q17, 21% down on 4Q16. CSN Mineração sold 1.3 million tonnes of iron ore to the President Vargas Plant (UPV).

| Production Volume and Mining Sales (thousand t) | 1Q16 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
|--|--------------|--------------|--------------|--------------------|--------------------|
| Iron Ore Production ¹ | 7,326 | 7,758 | 7,858 | 1% | 7% |
| Third Parties Purchase | 617 | 609 | 137 | (78%) | (78%) |
| Total Production + Purchase | 7,943 | 8,367 | 7,995 | (4%) | 1% |
| UPV Sale | 1,047 | 1,264 | 1,347 | 7% | 29% |
| Third Parties Sales Volume | 7,248 | 7,927 | 5,897 | (26%) | (19%) |
| Total Sales | 8,295 | 9,191 | 7,244 | (21%) | (13%) |

¹ Production and sales volumes included the stakes of 100% in NAMISA until November 2015 and 100% in Congonhas in December 2015.

² As of December 2015, Congonhas Minérios began selling iron ore to CSN's President Vargas Plant (UPV).

- **Net revenue** from mining operations totaled R\$1,174 million in 1Q17, 11% down on 4Q16 due to the lower sales volume. CRF+FOB unit revenue stood at US\$53/t in 4Q16, 20% up on the previous quarter, while the iron ore price index (Platts, 62% Fe, N. China) rose 21% in the same period.
- In the first quarter, mining **COGS** totaled R\$636 million, 20% less than in 4Q16, influenced by lower sales volume.
- **Adjusted EBITDA** amounted to R\$620 million in 1Q17, 20% higher than in 4Q16, accompanied by an adjusted EBITDA margin of 52.8%, 14.0 p.p. up, chiefly due to the reduction in total sales volume.

The table above shows the breakdown of CSN's price of modality, CFR+FOB, by quarter, as of 2Q16.

Logistics

Railway Logistics: first-quarter **net revenue** totaled R\$323 million, generating **EBITDA** of R\$123 million and an **EBITDA margin** of 38%.

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Port Logistics: in the first quarter, Sepetiba Tecon handled 275,000 tonnes of steel products, in addition to 5,000 tonnes of general cargo and approximately 30,000 containers. First-quarter **net revenue** came to R\$55 million, accompanied by **EBITDA** of R\$14 million and an **EBITDA margin** of 26%.

| Sepetiba TECON Highlights | 1Q1 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17x 1Q16 |
|-----------------------------------|------------|-------------|-------------|------------------------|-----------------------|
| Container Volume (thousand units) | 39 | 35 | 30 | (15%) | (23%) |
| Steel Product Volume (thousand t) | 143 | 338 | 275 | (19%) | 92% |
| General Cargo Volume (thousand t) | 12 | 7 | 5 | (27%) | (58%) |

Cement

According to IBGE's Monthly Survey of Industry (PIM-PF), Brazil's cement production in the last twelve months recorded year-on-year reduction of 9.3%, in line with the civil construction segment's performance.

Preliminary figures from the Cement Industry Association (SNIC) indicate local cement sales of 13 million tonnes in 1Q17, 8.2% less than in the previous year. The SNIC expects 2017 cement sales to fall by between 5% and 7% over 2016.

Results from CSN's Cement Operation

In 1Q17, **cement sales** amounted to 821,000 tonnes, 3% more than in 4Q16, while **net revenue** came to R\$126 million **EBITDA** totaled R\$12 million, with an **EBITDA margin** of 10%.

| Cement Highlights (thousand t) | 1Q16 | 4Q16 | 1Q17 | Change | |
|---|-------------|-------------|-------------|--------------------|-------------------|
| | | | | 1Q17 x 4Q16 | 1Q17x 1Q16 |
| Total Production | 580 | 801 | 817 | 2% | 41% |
| Total Sales | 571 | 799 | 821 | 3% | 44% |

Energy

According to the Energy Research Company (EPE), Brazilian electricity consumption until March 2017 recorded a year-on-year increase of 2.0%, to 118GWh. Consumption in the industrial and commercial segments grew by 1.1% and 0.5%, respectively.

Results from CSN's Energy Operation

In 1Q17, **net revenue** from energy operations totaled R\$90 million, **EBITDA** stood at R\$19 million and the **EBITDA margin** was 21%.

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Capital Market

CSN's shares appreciated by 6% in 1Q17, while the Ibovespa increased by 7% in the same period. Daily traded volume on the B3 S.A. – BOLSA BRASIL BALCÃO averaged R\$51.8 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) appreciated by 15%, versus the Dow Jones' 1% upturn. On the NYSE, daily traded volume of CSN's ADRs averaged US\$8.3 million.

| | 1Q17 |
|--|------------------|
| Number of shares in thousand | 1,387,524 |
| Market Cap | |
| Closing price (R\$/share) | 11.47 |
| Closing price (US\$/ADR) | 3.70 |
| Market Capitalization (R\$ million) | 15,915 |
| Market Capitalization (US\$ million) | 5,134 |
| Total return including dividends and interest on equity | |
| CSNA3 | 6% |
| SID | 15% |
| Ibovespa | 7% |
| Dow Jones | 1% |
| Volume | |
| Daily Average (thousand shares) | 4,555 |
| Daily Average (R\$ thousand) | 51,755 |
| Daily Average (thousand ADRs) | 2,302 |
| Daily Average (US\$ thousand) | 8,346 |

Source: Bloomberg

Webcast –1Q17 Earnings Presentation

Conference Call in Portuguese with Simultaneous

Translation

into English

October 31, 2017 –Tuesday

12:30 p.m. (US EDT)

02:30 p.m. (Brasília time)

Phone: +1 (516) 300-1066

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Certain of the statements contained herein are forward-looking statements, which express or imply results, performance or events that are expected in the future. These include future results that may be implied by historical results and the

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statements under 'Outlook'. Actual results, performance or events may differ materially from those expressed or implied by the forward-looking statements as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate and exchange rate levels, protectionist measures in the U.S., Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

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INCOME STATEMENT
CONSOLIDATED – Corporate Law (In thousand of R\$)

| | 1Q16 | 4Q16 | 1Q17 |
|---|--------------------|--------------------|--------------------|
| Net Revenues | 3,997,286 | 4,518,596 | 4,411,596 |
| Domestic Market | 1,701,293 | 2,159,265 | 1,989,552 |
| Foreign Market | 2,295,993 | 2,359,331 | 2,422,044 |
| Cost of Goods Sold (COGS) | (3,073,661) | (3,169,630) | (3,093,474) |
| COGS, excluding depreciation | (2,770,932) | (2,833,972) | (2,711,868) |
| Depreciation allocated to COGS | (302,729) | (335,658) | (381,606) |
| Gross Profit | 923,625 | 1,348,966 | 1,318,122 |
| Gross Margin (%) | 23% | 30% | 30% |
| Selling Expenses | (447,175) | (446,470) | (367,575) |
| General and Administrative Expenses | (156,408) | (118,400) | (112,398) |
| Depreciation allocated to SG&A | (5,866) | (20,173) | (8,278) |
| Other operation income (expense), net | (138,823) | (114,226) | (99,189) |
| Share of profits (losses) of investees | 45,624 | (23,555) | 21,105 |
| Operational Income before Financial Results | 220,977 | 626,142 | 751,787 |
| Net Financial Results | (884,599) | (677,171) | (497,224) |
| Income before social contribution and income taxes | (663,622) | (51,029) | 254,563 |
| Income Tax and Social Contribution | (113,408) | (1,929) | (136,948) |
| Continued operations, net | (777,030) | (52,958) | 117,615 |
| Discontinued Operations, Net | 333 | (2,775) | |
| Profit/(Loss) for the period | (776,697) | (55,733) | 117,615 |

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BALANCE SHEET
Company Corporate Law (In Thousand of R\$)

| | 12/31/2016 | Consolidated 03/31/2017 |
|---|-------------------|----------------------------|
| Current assets | 12,444,918 | 12,149,265 |
| Cash and cash equivalents | 5,631,553 | 5,050,484 |
| Trade receivables | 1,997,216 | 1,931,081 |
| Inventories | 3,964,136 | 4,259,964 |
| Other current assets | 852,013 | 907,736 |
| Non-current assets | 31,708,705 | 31,628,900 |
| Long-term receivables | 1,745,971 | 1,791,202 |
| Investments measured at amortized cost | 4,568,451 | 4,652,783 |
| Property, plant and equipment | 18,135,879 | 17,921,071 |
| Intangible assets | 7,258,404 | 7,263,844 |
| Total assets | 44,153,623 | 43,778,165 |
| Current liabilities | 5,496,683 | 5,407,953 |
| Payroll and related taxes | 253,837 | 251,521 |
| Suppliers | 1,763,206 | 1,934,358 |
| Taxes payable | 231,861 | 177,488 |
| Borrowings and financing | 2,117,448 | 1,837,999 |
| Other payables | 1,021,724 | 1,105,992 |
| Provision for tax, social security, labor and civil risks | 108,607 | 100,595 |
| Non-current liabilities | 31,272,419 | 30,700,275 |
| Borrowings and financing | 28,323,570 | 27,688,594 |
| Deferred Income Tax and Social Contribution | 1,046,897 | 1,084,701 |
| Other payables | 131,137 | 128,301 |
| Provision for tax, social security, labor and civil risks | 704,485 | 729,831 |
| Other provisions | 1,066,330 | 1,068,848 |
| Shareholders' equity | 7,384,521 | 7,669,937 |
| Paid-in capital | 4,540,000 | 4,540,000 |
| Capital reserves | 30 | 30 |
| Acumulated Losses | (1,301,961) | (1,216,331) |
| Statutory reserve | 2,956,459 | 3,124,251 |
| Non-controlling interests | 1,189,993 | 1,221,987 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 44,153,623 | 43,778,165 |

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CASH FLOW STATEMENT
CONSOLIDATED - Corporate Law (In Thousand of R\$)

| | 4Q16 | 1Q17 |
|--|------------------|------------------|
| Net cash generated by operating activities | 501,798 | (104,517) |
| (Net Losses) / Net income attributable to controlling shareholders | (82,164) | 85,630 |
| Loss for the period attributable to non-controlling interests | 26,431 | 31,985 |
| Charges on borrowings and financing | 698,075 | 670,722 |
| Depreciation, depletion and amortization | 365,782 | 401,276 |
| Share of profits (losses) of investees | 23,555 | (21,105) |
| Deferred income tax and social contribution | (73,048) | 22,793 |
| Foreign exchange and monetary variations, net | 102,301 | (272,176) |
| Result from derivative financial instruments | (5,829) | (13,224) |
| Write off fixed assets and intangible | 26,548 | 2,572 |
| Accrued actuarial liability | (18,803) | |
| Gain with business combination | (38,483) | |
| Gain on divestiture from assets | (252,023) | |
| Environmental liabilities and Deactivation Provisions | 18,271 | 2,518 |
| Impairment Fair Value Transnordestina | 387,989 | |
| Fiscal, Social Security, Labor, Civil and Environmental Provisions | 2,817 | 18,179 |
| Working Capital | (139,630) | (103,895) |
| Accounts Receivable | (85,853) | 87,436 |
| Trade Receivables – Related Parties | (2,859) | (21,349) |
| Inventory | (164,844) | (312,169) |
| Interest receive - Related Parties | 27,633 | 1,727 |
| Judicial Deposits | 13,354 | (15,347) |
| Suppliers | 195,354 | 192,477 |
| Taxes and Contributions | (60,711) | (59,047) |
| Others | (61,704) | 22,377 |
| Others Payments and Receipts | (539,991) | (929,792) |
| Interest Expenses | (539,991) | (929,792) |
| Cash Flow from Investment Activities | (572,077) | (153,386) |
| Fixed Assets/Intangible | (452,170) | (188,573) |
| Derivative transactions | (9,394) | 15,200 |
| Related parties loans | (64,343) | (15,188) |
| Loans / Receive loans - related parties | | 9,472 |
| Short-term investment, net of redeemed amount | (418,707) | 25,703 |
| Cash and Cash Equivalent from discontinued operations | 40,702 | |
| Net Cash from Divestiture from discontinued operations investments | 331,835 | |
| Cash Flow from Financing Companies | (128,354) | (306,516) |
| Borrowings and financing raised, net of transaction costs | 22,597 | |
| Borrowing amortizations - principal | (151,196) | (306,516) |
| Borrowing costs | 245 | |
| Foreign Exchange Variation on Cash and Cash Equivalents | (21,577) | 9,053 |

Free Cash Flow

(220,210)

(555,366)

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SALES VOLUME CONSOLIDATED (thousand tonnes)

| | 1Q16 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
|------------------------|------------|------------|------------|----------------|----------------|
| Flat Steel | 611 | 689 | 566 | (123) | (45) |
| Slabs | - | - | - | - | - |
| Hot Rolled | 220 | 243 | 215 | (29) | (6) |
| Cold Rolled | 108 | 137 | 118 | (19) | 9 |
| Galvanized | 197 | 207 | 157 | (50) | (40) |
| Tin Plates | 85 | 102 | 77 | (26) | (8) |
| Long Steel UPV | 38 | 47 | 51 | 4 | 13 |
| DOMESTIC MARKET | 649 | 736 | 617 | (119) | (32) |

| | 1Q16 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
|------------------------------|------------|------------|------------|----------------|----------------|
| Flat Steel | 381 | 270 | 349 | 79 | (32) |
| Hot Rolled | 59 | 9 | 20 | 11 | (39) |
| Cold Rolled | 27 | 18 | 24 | 6 | (3) |
| Galvanized | 265 | 202 | 258 | 56 | (7) |
| Tin Plates | 30 | 41 | 48 | 6 | 18 |
| Long Steel (profiles) | 216 | 181 | 228 | 47 | 12 |
| FOREIGN MARKET | 597 | 451 | 577 | 126 | (20) |

| | 1Q16 | 4Q16 | 1Q17 | 1Q17 x 4Q16 | 1Q17 x 1Q16 |
|------------------------------|--------------|--------------|--------------|----------------|----------------|
| Flat Steel | 992 | 959 | 915 | (44) | (77) |
| Slabs | - | - | - | - | - |
| Hot Rolled | 280 | 252 | 235 | (17) | (45) |
| Cold Rolled | 135 | 155 | 141 | (14) | 6 |
| Galvanized | 462 | 408 | 415 | 7 | (47) |
| Tin Plates | 115 | 144 | 124 | (20) | 9 |
| Long Steel UPV | 38 | 47 | 51 | 4 | 13 |
| Long Steel (profiles) | 216 | 181 | 228 | 47 | 12 |
| TOTAL MARKET | 1.246 | 1.187 | 1.194 | 7 | (52) |

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