

NATIONAL STEEL CO
Form 6-K
May 31, 2018

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of May, 2018
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, 19^o e 20^o 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

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

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

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

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

Code	Description	Current Quarter 03/31/2018	Previous Year 12/31/2017
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

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

Code	Description	Current Quarter 03/31/2018	Previous Year 12/31/2017
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 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 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 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

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**Version:
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Parent Company Financial Statements / Statements of Income

(R\$ thousand)

Code	Description	Year to date 01/01/2018 to 03/31/2018	YTD previous year 01/01/2017 to 03/31/2017
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

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

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

			Year to date 01/01/2018 to 03/31/2018	YTD previous year 01/01/2017 to 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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Parent Company Financial Statements / Statements of Cash Flows – Indirect Method (R\$ thousand)				
Code	Description	Year to date YTD previous year		
		01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017	
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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Version:
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Parent Company Financial Statements / Statement 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
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

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**Version:
1****Parent Company Financial Statements / Statement 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
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

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

Code	Description	Year to date 01/01/2018 to 03/31/2018	Previous year 01/01/2017 to 03/31/2017
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

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**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 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)**

Code	Description	Current Quarter 03/31/2018	Previous Year 12/31/2017
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)**

Code	Description	Year to date 01/01/2018 to 03/31/2018	YTD previous year 01/01/2017 to 03/31/2017
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

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

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

Code	Description	Year to date 01/01/2018 to 03/31/2018	YTD previous year 01/01/2017 to 03/31/2017
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, net of taxes	30	30
4.02.04	Cumulative translation adjustments for the year	37,958	(39,643)
4.02.05	Fair value through other comprehensive income	(1,559,680)	53,299
4.02.07	(Loss) / gain on the percentage change in 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 reclassified to income statement	13,732	16,402
4.02.12	Gain (Loss) on hedge of net investment in foreign operations.	(4,860)	1,846
4.03	Consolidated comprehensive income for the 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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**Version:
1****Consolidated Financial Statements / Statements of Cash Flows – Indirect Method
(R\$ thousand)**

Code	Description	Year to date	YTD previous year
		01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
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

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**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 (accumulated reserve)	Retained earnings (accumulated losses)	Other comprehensive income	Shareholders' equity	Non-current assets
5.01	Opening balances	4,540,000	30	-	(1,291,689)	3,779,032	7,027,373	1,000,000
5.03	Adjusted opening balances	4,540,000	30	-	(1,291,689)	3,779,032	7,027,373	1,000,000
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 hedge of net investment in foreign operations	-	-	-	-	(4,860)	(4,860)	
5.05.02.09	Internal changes in shareholders' equity	-	-	-	-	-	-	
5.06	Non-controlling interests in affiliates	-	-	-	-	-	-	
5.06.04	Closing balance	4,540,000	30	-	180,174	2,247,566	6,967,770	1,

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

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

Code	Description	Year to date	Previous year
		01/01/2018 to 03/31/2018	01/01/2017 to 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.

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

¹ 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.

² 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.

Finance income (costs) - IFRS	(497)	(860)	(594)
Finance income	103	48	43
Finance costs	(601)	(908)	(637)
Finance costs (ex-variation)	(787)	(683)	(523)
Exchange rate changes	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%)
Share of profit of investees	21	11	25	127%	25%

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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.

Net profit (loss) for the period	118	378	1,486	1,159%	293%
(-) Depreciation	390	319	305	(22%)	(4%)
(+) Income tax and social contribution	137	(1)	559	308%	-
(+) Finance income (costs), net	497	860	594	20%	(31%)
EBITDA (ICVM 527)	1,142	1,556	2,944	158%	89%
(+) 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%)
Adjusted EBITDA	1,333	1,204	1,242	(7%)	3%

¹The 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
Total assets	1,091	571
Borrowings and financing	(4,333)	(4,236)
Trade payables	(98)	(175)
Other payables	(4)	(5)
Total liabilities	(4,434)	(4,417)
	-	-
Natural foreign exchange exposure (assets - liabilities)	(3,343)	(3,846)
Derivatives, net	-	-
Cash flow hedge accounting	1,318	1,307

Foreign exchange exposure, net	(2,025)	(2,539)
Perpetual bond	1,000	1,000
Foreign exchange exposure, net (ex-bond)	(1,025)	(1,539)

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
Total investments - IFRS	190	239	293	344	1,065	223

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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.

Assets	5,5265,9866,252	266	726
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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)
Liabilities	2,495	3,067	3,869	801	1,374
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)
Working capital	3,031	2,919	2,383	(535)	(647)
Receipt	33	34	33	(1)	-
Payment	56	62	79	17	23
Inventories	104	95	99	4	(5)
Financial cycle	81	67	53	(14)	(28)

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)

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

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

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

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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.

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

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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%
Total production + purchases	7,995	8,206	7,616	(7%)	(5%)
Sales to UPV	1,347	1,236	1,309	6%	(3%)
Volume sold to third parties	5,897	8,325	6,165	(26%)	5%
Total sales	7,244	9,561	7,474	(22%)	3%

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.

Number of shares (in thousands)	1,387,524
Market value	
Closing price (R\$/share)	8.80
Closing price (US\$/ADR)	2.63
Market value (R\$ million)	12,210
Market value (US\$ million)	3,673
Total return including dividends and interest on capital	
CSNA3	5.0%
SID	4.4%
Ibovespa	11.7%
Dow Jones	(2.9%)
Volume	
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)

<u>Flat steel</u>	<u>566</u>	<u>720</u>	<u>737</u>	<u>17</u>	<u>171</u>
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)
UPV Long Steel	51	50	45	(5)	(6)
DOMESTIC MARKET	617	770	782	12	165
<u>Flat steel</u>	<u>349</u>	<u>285</u>	<u>280</u>	<u>(5)</u>	<u>(69)</u>
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)
Long Steel (profiles)	228	198	216	18	(12)
FOREIGN MARKET	577	484	496	12	(81)
<u>Flat steel</u>	<u>915</u>	<u>1.005</u>	<u>1.017</u>	<u>12</u>	<u>102</u>
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)
UPV Long Steel	51	50	45	(5)	(6)
Long Steel (profiles)	228	198	216	18	(12)
TOTAL MARKET	1,194	1,253	1,277	24	83

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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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Companies	Equity interests (%)		Core business
	03/31/2018	12/31/2017	
Direct interest in subsidiaries: full consolidation			
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
Direct interest in joint operations: proportionate consolidation			
Itá Energética S.A.	48,75	48,75	Electric power generation
Consórcio da Usina Hidrelétrica de Igarapava	17,92	17,92	Electric power consortium
Direct interest in joint ventures: equity method			
MRS Logística S.A.	18,64	18,64	Railroad transportation
Aceros Del Orinoco S.A.	31,82	31,82	Dormant company
CBSI - Companhia Brasileira de Serviços de Infraestrutura	50,00	50,00	Equity interests and product sales and iron ore
Transnordestina Logística S.A.	46,30	46,30	Railroad logistics
Indirect interest in joint ventures: equity method			
MRS Logística S.A.	16,30	16,30	Railroad transportation
Direct interest in associates: equity method			
Arvedi Metalfer do Brasil S.A.	20,00	20,00	Metallurgy and Equity interests

(*) 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**

Exclusive funds	Equity interests (%)		Core business
	03/31/2018	12/31/2017	
Direct interest: full consolidation			
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

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

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

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

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**

	Consolidated		Parent Company	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Trade receivables				
Third parties				
Domestic market	1,398,110	1,290,823	1,125,218	1,056,929
Foreign market	808,799	982,846	106,474	150,264
	2,206,909	2,273,669	1,231,692	1,207,193
Allowance for doubtful debts	(200,164)	(191,979)	(147,402)	(140,392)
	2,006,745	2,081,690	1,084,290	1,066,801
Related parties (Note 18 a)	139,692	115,388	902,809	831,993
	2,146,437	2,197,078	1,987,099	1,898,794
Other receivables				
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
	84,312	79,137	234,572	1,067,912
	2,230,749	2,276,215	2,221,671	2,966,706

(*) 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:

	03/31/2018	Consolidated 12/31/2017	03/31/2018	Parent Company 12/31/2017
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
	2,206,909	2,273,669	1,231,692	1,207,193

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

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

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1****7. INVENTORIES**

	Consolidated		Parent Company	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
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)
	4,902,125	4,464,419	3,136,761	2,951,352

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

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

8. OTHER CURRENT AND NONCURRENT ASSETS

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

	Consolidated						Parent Company	
	Current		Non-current		Current		Non-current	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	12/31/2017	03/31/2018	12/31/2017
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
	1.014.301	993.578	2.593.468	2.528.475	693.945	614.080	2.349.103	2.267.226

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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	
Investments under the equity method								
Subsidiaries								
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)	-		-	-	-	-	-	-
	-		-	-	-	-	-	-
				25.016.696	13.480.258	13.659.945	38.877	
Joint-venture e Joint-operation	-		-	-	-	-	-	-
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
				5.588.330	3.460.120	2.399.326	17.385	
Associates								
Arvedi Metalfer do Brasil	46.994.971		20,00	43.512	23.792	19.720	45	20
				43.512	23.792	19.720	45	
Classified at fair value through profit or loss and other								

**comprehensive
income (note 13
l)**

Usiminas	2.532.795	
Panatlântica	26.968	
	2.559.763	
Other investments		
Profits on subsidiaries' inventories	(102.900)	(30.428)
Others	63.537	(2)
	(39.363)	(30.430)
Total investments	18.599.391	25.877

**Classification
of investments
in the balance
sheet**

Investments in assets	20.124.494	
Investments with equity deficit	(1.525.103)	
	18.599.391	

(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**

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

Opening balance of loss provisions			(1,366,480)	(1,011,351)
Capital increase	-	20,579	-	-
Dividends (1)	-	(79,189)	(3,325,351)	(2,051,189)
Comprehensive income (2)	(1,559,646)	850,640	(1,526,552)	1,011,351
Equity pickup (3)	31,169	147,800	25,877	9,375
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	-	-	-	(1,011,351)
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	-	-
Closing balance of investments	5,865,593	5,499,995	20,124,494	22,811,351
Balance provision for investments with equity deficit			(1,525,103)	(1,366,480)
Total	5,865,593	5,499,995	18,599,391	21,444,871

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 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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	03/31/2018	Consolidated 03/31/2017
Equity in results of affiliated companies		
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)
	31,169	34,554
Eliminations		
To cost of sales	(8,999)	(9,958)
To taxes	3,060	3,386
Others	-	-
Amortization of fair value – investment in MRS	(2,936)	(2,937)
Amortization of fair value – investment in CGPAR	-	(3,940)
Others	2,557	-
Equity in results	24,851	21,105

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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 Logística 34.94%	CBSI Transnordestina 50.00%	Joint Operation Logística Itá Energética 46.30%	MRS Logística 34.94%
Equity interest (%)				
Balance sheet				
Current assets				
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
Total current assets	833,303	30,041	63,469	1,185,200
Non-current assets				
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
Total non-current assets	6,939,979	3,439	8,284,483	6,970,984
Total Assets	7,773,282	33,480	8,357,222	8,156,184

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