BATY RODERICK R
Form 4
March 27, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
BATY RODERICK R

(Last) (First) (Middle)

2000 WATERS EDGE DR., BUILDING C, SUITE 12

(Street)

JOHNSON CITY, TN 37604

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NN INC [NNBR]

3. Date of Earliest Transaction (Month/Day/Year)
03/25/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CEO, Chairman, President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Stock Options	$ 1.3	03/25/2009		A		45,000		03/25/2010 (1)	03/25/2019	Common Stock	45,00

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BATY RODERICK R 2000 WATERS EDGE DR. BUILDING C, SUITE 12 JOHNSON CITY, TN 37604	X		CEO, Chairman, President	

Signatures

/s/William C. Kelly, Jr./by Power of Attorney	03/27/2009
** Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Vests 1/3 per year beginning 3/25/10.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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To determine the decline percentage, we have analyzed volatility, which represents a dispersion measure of a share or market index returns. The more a share price varies over a short period of time, the higher is the risk of financial gain or loss if the share is traded and, therefore, volatility is a risk measure. The historical volatility of a share is calculated and taken into account to identify the expected fluctuation of the related instrument, measure the expected future volatility of the analyzed equity instrument, and conclude if the decline in the market value of an instrument below its cost should or not be considered significant.

The table below illustrates this index for a twelve-year period (as from December 31, 2011), a sufficiently long period to eliminate volatility peaks caused by domestic and international economic crises:

Period	Volatility	
	USIM3	USIM5
1/3/2000 to 12/31/2011	50.42%	48.57%

Based on this information, the criteria adopted by management, and the relevant accounting and legal rules, management concluded that the decline in the market value as compared to the acquisition cost of the USIM3 and USIM5 shares as of June 30, 2012, of 66.3% and 59.0%, respectively, should be considered a significant decline in the market value of these equity instruments.

Considering the quantitative and qualitative analyses above, management concluded, in its best judgment, that there is evidence of impairment of the investment in Usiminas Shares as of June 30, 2012, and, consequently, reclassified the accumulated losses recorded in other comprehensive income amounting to R$1,599,485, net of income tax and social contribution, to profit/loss for the period, recognizing R$2,022,793 in other operating expenses and R$423,308 in deferred taxes.

The Company continues to evaluate strategic alternatives with respect to its investment in Usiminas. These initiatives can impact, among others, the way an investment is recorded in the Company's financial statements.

III – Fair values of assets and liabilities as compared to their carrying amounts

Financial assets and liabilities at fair value through profit or loss are recognized in current and non-current assets and liabilities, and any gains and possible losses are recognized as finance income or finance costs, respectively.

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

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

	6/30/2012		12/31/2011	
	Carrying amount	Fair value	amount	Fair value
Perpetual bonds	2,024,051	2,016,403	1,878,353	1,819,903
Fixed rate notes	6,001,638	6,308,710	5,183,690	5,832,364

IV Financial risk management policy

The Company has and follows a policy of managing its risks, with guidelines regarding the risks incurred by the company. Pursuant to this policy, the nature and general position of financial risks are regularly monitored and managed in order to assess the results and the financial impact on cash flow. The credit limits and the quality of counterparties' hedge instruments are also periodically reviewed.

The risk management policy was established by the Board of Directors. Under this policy, market risks are hedged when it is considered necessary to support the corporate strategy or when it is necessary to maintain a level of financial flexibility.

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Under the terms of the risk management policy, the Company manages some risks by using derivative financial instruments. The Company's risk policy prohibits any speculative deals or short sales.

- **Liquidity risk**

It is the risk that the Company may not have sufficient net funds to honor its financial commitments as a result of mismatching of terms or volumes between scheduled receipts and payments.

To manage cash liquidity in domestic and foreign currency, assumptions of future disbursements and receipts are established and daily monitored by the treasury area. The payment schedules for the long-term portions of borrowings, financing and debentures are shown in note 14.

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

					Consolidated
At June 30, 2012	**Less than one year**	**From one to two years**	**From two to five years**	**Over five years**	**Total**
Borrowings, financing and debentures	2,465,233	4,144,693	8,910,167	13,924,309	29,444,402
Derivative financial instruments	2,801	356,497			359,298
Trade payables	1,517,224				1,517,224
December 31, 2011					
Borrowings, financing and debentures	2,734,968	2,263,889	6,724,483	16,343,578	28,066,918
Derivative financial instruments	2,971	373,430			376,401
Trade payables	1,232,075				1,232,075

- **Foreign exchange rate risk**

The Company assesses its exchange exposure by subtracting its liabilities from its assets denominated in dollar and euro, thus arriving at its net exchange exposure, which is the foreign currency exposure risk. Therefore, besides the trade receivables arising from exports and investments overseas that in economic terms constitute natural hedges, the Company further considers and uses various financial instruments, such as derivative instruments (US$ to real and euro to dollar swaps, and forward exchange contracts, etc.) to manage its risks of fluctuations in currencies other than the Brazilian real.

- **Policies on the use of hedging derivatives**

The Company's financial policy reflects the parameters of liquidity, credit and market risks approved by the Audit Committee and Board of Directors. The use of derivative instruments in order to prevent fluctuations in interest and exchange rates from having a negative impact on the company's balance sheet and income statement should consider the same parameters. As provided for in internal rules, this financial investment policy has been approved and is being managed by the finance officers.

At the meetings of the Executive Officers and Board of Directors, the officers and directors routinely present and discuss the Company's financial positions. Under the bylaws, transactions involving material amounts require the prior approval of management bodies. The use of other derivative instruments is contingent upon the express prior approval of the Board of Directors.

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To finance its activities, the Company resorts to the capital markets, both locally and internationally, and based on the indebtedness profile it is seeking, part of the debt is pegged to foreign currency, basically to the US dollar, which causes Management to seek hedging for debt through derivative financial instruments.

To contract derivative financial instruments for hedging within the internal control structure, the following policies are adopted:

- ongoing calculation of exchange exposure that occurs by analyzing assets and liabilities exposed to foreign currency, under the following terms: (i) trade receivables and payables in foreign currency; (ii) cash and cash equivalents and debts in foreign currency considering the maturity of the assets and liabilities exposed to exchange fluctuations;

- presentation of the financial position and exchange exposure on a routine basis of meetings of the Executive Officers and Board of Directors that approve the hedging strategy;

- carrying out derivative hedging transactions only with leading banks, diluting the credit risk through diversification among these banks;

The consolidated net exposure as of June 30, 2012 is as follows:

		6/30/2012
Foreign Exchange Exposure	**(Amounts in US$ thousand)**	**(Amounts in € thousand)**
Cash and cash equivalents overseas	5,884,526	13,933
Derivative guarantee margin	191,742	
Trade receivables - foreign market	282,483	63,142
Intercompany loans	81,449	
Advances to suppliers	53,166	501
Other assets	561	

Total assets	**6,493,927**	**77,576**
Borrowings and financing	(5,229,085)	
Trade payables	(98,006)	(1,102)
Intercompany borrowings	(19,741)	
Other liabilities	(13,154)	
Total liabilities	**(5,359,986)**	**(1,102)**
Gross exposure	**1,133,941**	**76,474**
Notional amount of derivatives contracted	78,202	(90,000)
Net exposure	**1,212,143**	**(13,526)**

Gains and losses on these transactions are consistent with the policies and strategies defined by management.

- **Exchange swap transactions**

The Company carries out exchange swap transactions in order to hedge its assets and liabilities against any fluctuations in the US dollar-real parity. This hedge through exchange swaps provides the Company, through the long position of the contract, with a forward rate agreement (FRA) gain on the exchange coupon, which at the same time improves our investment rates and reduces the cost of our funding in the international market.

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As of June 30, 2012, the Company had a long position in exchange swap of US$10,000,000 (US$367,856,000 as of December 31, 2011) where we received, in the long position, exchange rate change plus 3.5% per year on average (in 2011, exchange rate change plus 3.4541% per year), and paid 100% of CDI, in the short position of the exchange swap contract.

As of December 31, 2011 the Company had a short position in a foreign exchange swap of US$100,000,000, where we paid, in the short position, exchange rate change plus interest of 2.39% per year.

As of June 30, 2012, the consolidated position of these contracts is as follows:

a) Outstanding transactions

- **US dollar-to-real exchange swap**

		6/30/2012				12/31/2011			
			Appreciation (R$)		Fair value (market)		Appreciation (R$)		Fair value (market)
Counterparties	**Transaction maturity**	**Notional amount (US$ thousand)**	**Asset position**	**Liability position**	**Amount receivable/ (payable)**	**Notional amount (US$ thousand)**	**Asset position**	**Liability position**	**Amount receivable/ (payable)**
HSBC	6/15/2012 to 12/3/2012	6,654	13,759	(11,790)	1,969	101,317	192,919	(176,554)	16,365
Société Générale	6/1/2012 to 8/1/2012	9,981	20,784	(17,783)	3,001	16,635	30,554	(29,362)	1,192
Bradesco	8/1/2012 to 10/1/2012	4,990	10,218	(9,228)	990	3,327	6,279	(5,743)	536
Banco do Brasil		9,981	20,487	(19,082)	1,405	6,654	12,605	(12,413)	192

	7/2/2012 to 2/1/2013								
Santander	10/1/2013 to 1/2/2015	14,990	31,504	(28,948)	2,556	14,990	28,900	(28,416)	484
Goldman Sachs	12/17/2012 to 2/1/2013	6,654	13,499	(12,149)	1,350	190,000	371,174	(352,514)	18,660
Banco de Tokyo	12/15/2016	24,952	49,112	(48,454)	658	24,952	46,980	(47,960)	(980)
JP Morgan						9,981	19,127	(18,556)	571
		78,202	**159,363**	**(147,434)**	**11,929**	**367,856**	**708,538**	**(671,518)**	**37,020**

- **Real-to-US dollar exchange swap**

				12/31/2011
		Appreciation (R$)		Fair value (market)
Counterparties	**Notional amount (US$'000)**	**Long position**	**Short position**	**Amount (payable)**
Goldman Sachs	(70,000)	130,266	(130,787)	(521)
Santander	(30,000)	55,704	(56,030)	(326)
	(100,000)	**185,970**	**(186,817)**	**(847)**

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- **Iene-to-US dollar exchange swap**

		6/30/2012				12/31/2011			
			Appreciation (R$)		Fair value (market)		Appreciation (R$)		Fair value (market)
Counterparty	Transaction maturity	Notional amount (Yene)	Long position	Short position	Amount receivable	Notional amount (Yene)	Long position	Short position	Amount receivable
Deutsche Bank	12/12/2013	59,090,000	357,327	(356,497)	830	59,090,000	374,455	(373,430)	1,025
		59,090,000	**357,327**	**(356,497)**	**830**	**59,090,000**	**374,455**	**(373,430)**	**1,025**

b) Settled transactions

- **US dollar-to-real exchange swap**

Counterparties	Appreciation in 2012				Appreciation in 2011				
	Notional amount (US$'000)	Long position (R$)	Short position (R$)	Received/(paid) in 2012	Notional amount (US$'000)	Long position (R$)	Short position (R$)	Fair value in 2011	Impact on P&L in 2012
Goldman Sachs	1,100,000	2,087,068	(2,058,133)	28,935	190,000	371,175	(352,515)	18,660	10,275
HSBC	97,990	184,485	(175,615)	8,870	97,990	186,520	(170,945)	15,575	(6,705)
Santander	4,990	9,352	(9,322)	30	4,990	9,571	(9,095)	476	(446)
Société Générale	6,654	5,946	(6,423)	(477)	6,654	12,780	(12,071)	709	(1,186)
JP Morgan	9,981	18,937	(18,820)	117	9,981	19,126	(18,556)	570	(453)
	1,219,615	**2,305,788**	**(2,268,313)**	**37,475**	**309,615**	**599,172**	**(563,182)**	**35,990**	**1,485**

- **Real-to-US dollar exchange swap**

Counterparties	Appreciation in 2012				Appreciation in 2011				
	Notional amount (US$'000)	**Long position (R$)**	**Short position (R$)**	**Amount received in 2012**	**Notional amount (US$'000)**	**Long position (R$)**	**Short position (R$)**	**Fair value in 2011**	**Impact on P&L in 2012**
Santander	(70,000)	131,472	(122,092)	9,380	(70,000)	130,265	(130,787)	(522)	9,902
Goldman Sachs	(130,000)	232,837	(235,058)	(2,221)	(30,000)	55,704	(56,030)	(326)	(1,895)
Itaú BBA	(100,000)	184,214	(189,329)	(5,115)					(5,115)
	(300,000)	**548,523**	**(546,479)**	**2,044**	**(100,000)**	**185,969**	**(186,817)**	**(848)**	**2,892**

The position of outstanding transactions was recorded in the Company's assets and totals R$11,929 as of June 30, 2012 (R$37,020 in assets and R$847 in liabilities as of December 31, 2011) and its effects are recognized in the Company's finance income (costs) as gain totaling R$16,306 as of June 30, 2012 (loss of R$212,129 as of June 30, 2011) (see note 25).

- **Euro-to-US dollar exchange swap**

In addition to the swaps above, the Company also contracted NDFs (non-deliverable forwards) to hedge its euro-denominated assets. Basically the Company contracted financial derivatives for its euro-denominated assets, where it will receive the difference between the US dollar exchange rate change for the period, multiplied by the notional amount (long position) and pay the difference between the exchange rate change in euro for the period on the notional euro amount on the contract date (short position). In general, these are transactions conducted in the Brazilian over-the-counter market that have as counterparties prime financial institutions, contracted under the exclusive funds.

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As of June 30, 2012, the consolidated position of these contracts is as follows:

a) Outstanding transactions

			6/30/2012						12/31/2011
			Appreciation (R$)		Fair value (market)		Appreciation (R$)		Fair value (market)
Counterparties	Transaction maturity	Notional amount (€ thousand)	Long position	Short position	Amount (payable)	Notional amount (€ thousand)	Long position	Short position	Amount receivable
Itaú BBA	8/3/2012	70,000	87,313	(88,508)	(1,195)				
Deutsche Bank	8/3/2012	20,000	24,949	(25,288)	(339)	25,000	51,521	(48,556)	2,965
Goldman Sachs						40,000	128,761	(121,389)	7,372
HSBC						25,000	51,469	(48,556)	2,913
		90,000	**112,262**	**(113,796)**	**(1,534)**	**90,000**	**231,751**	**(218,501)**	**13,250**

b) Settled transactions

	Appreciation in 2012				Appreciation in 2011				
Counterparties	Notional amount (€ thousand)	Long position (R$)	Short position (R$)	Received/(paid) in 2012	Notional amount (€ thousand)	Long position (R$)	Short position (R$)	Fair value in 2011	Impact on P&L in 2012
Deutsche Bank	120,000	253,242	(250,035)	3,207	25,000	64,345	(60,694)	3,651	(444)
Goldman Sachs	220,000	419,387	(412,266)	7,121	40,000	102,990	(97,111)	5,879	1,242
HSBC	25,000	64,416	(60,224)	4,192	25,000	64,416	(60,696)	3,720	472
Itau BBA	175,000	243,407	(237,289)	6,118					6,118
	540,000	**980,452**	**(959,814)**	**20,638**	**90,000**	**231,751**	**(218,501)**	**13,250**	**7,388**

The position of outstanding transactions was recorded in the Company's liabilities and totals R$1,534 as of June 30, 2012 (R$13,250 in assets as of December 31, 2011) and its effects are recognized in the Company's finance income (costs) as loss totaling R$5,854 as of June 30, 2012 (loss of R$15,627 as of June 30, 2011) (see note 25).

- **Other derivatives**

The subsidiary Lusosider carries out transactions with derivatives to hedge its exposure against the euro-dollar fluctuation. As of June 30, 2012, the gross position was US$20,098 and the net position was US$29,934 (including the derivatives below).

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a) Outstanding transactions

		6/30/2012				12/31/2011			
			Appreciation (R$)		Fair value (market)		Appreciation (R$)		Fair value (market)
Counterparties	**Transaction maturity**	**Notional amount (US$ thousand)**	**Long position**	**Short position**	**Amount receivable**	**Notional amount (US$ thousand)**	**Long position**	**Short position**	**Amount receivable**
BES	10/31/2012	32,517	66,134	(62,820)	3,314	20,208	38,017	(34,049)	3,968
DB	11/30/2012	17,625	35,846	(35,818)	28				
BNP						15,000	28,219	(25,453)	2,766
		50,142	**101,980**	**(98,638)**	**3,342**	**35,208**	**66,236**	**(59,502)**	**6,734**

The position of outstanding transactions was recorded in the Company's assets and totals R$3,342 as of June 30, 2012 (R$6,734 in assets as of December 31, 2011).

Gains or losses on these transactions as of June 30, 2012 are consolidated into the Company's finance income (costs) as loss totaling R$523 (loss of R$9,629 as of June 30, 2011) (see note 25).

- **Sensitivity analysis of the US dollar-to-real exchange swap**

The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the fair values as of June 30, 2012 recognized in assets, amounting to R$11,929. The Company considered the scenarios below for the real-dollar parity volatility.

- Scenario 1: (25% real appreciation) R$-US$ parity of 1.5160;

- Scenario 2: (50% real appreciation) R$-US$ parity of 1.0107;

- Scenario 3: (25% real depreciation) R$-US$ parity of 2.5266;

- Scenario 4: (50% real depreciation) R$-US$ parity of 3.0320.

						6/30/2012
	Risk	Notional amount (US$ thousand)	Scenario 1	Scenario 2	Scenario 3	Scenario 4
		2.0213	1.5160	1.0107	2.5266	3.0320
Net currency swap	US dollar fluctuation	78,202	(39,517)	(79,035)	39,517	79,035
Exchange position functional currency BRL	US dollar fluctuation	1,133,941	(573,009)	(1,146,017)	573,009	1,146,017
(not including exchange derivatives above)						
Consolidated exchange position	US dollar fluctuation	1,212,143	(612,526)	(1,225,052)	612,526	1,225,052
(including exchange derivatives above)						

- **Sensitivity analysis of the euro-to-dollar exchange swap**

The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the fair values as of June 30, 2012 recognized in assets, amounting to R$1,534. The Company considered the scenarios below for the real-euro parity volatility.

- Scenario 1: (25% real appreciation) R$-Euro parity of 1.9205;

- Scenario 2: (50% real appreciation) R$-Euro parity of 1.2803;

- Scenario 3: (25% real depreciation) R$-Euro parity of 3.2008;

- Scenario 4: (50% real depreciation) R$-Euro parity of 3.8409.

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						6/30/2012
	Risk	**Notional amount (€ thousand)**	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 4**
		2.5606	1.9205	1.2803	3.2008	3.8409
Net currency swap	Euro fluctuation	(90,000)	57,614	115,227	(57,614)	(115,227)
Exchange position functional currency BRL (not including exchange derivatives above)	Euro fluctuation	76,474	(48,955)	(97,910)	48,955	97,910
Consolidated exchange position (including exchange derivatives above)	Euro fluctuation	(13,526)	8,659	17,317	(8,659)	(17,317)

- **Sensitivity analysis of the dollar-to-euro swap**

The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the fair values as of June 30, 2012 recognized in assets, amounting to R$3,342. The Company considered the scenarios below for the real-euro parity volatility.

- Scenario 1: (25% real appreciation) Euro-dollar parity of 0.9501;

- Scenario 2: (50% real appreciation) Euro-dollar parity of 0.6334;

- Scenario 3: (25% real depreciation) Euro-dollar parity of 1.5835;

- Scenario 4: (50% real depreciation) Euro-dollar parity of 1.9002.

6/30/2012

	Risk	Notional amount (US$ thousand)	Scenario 1	Scenario 2	Scenario 3	Scenario 4
		1.2668	0.9501	0.6334	1.5835	1.9002
Net currency swap	US dollar fluctuation	50,142	(15,880)	(31,760)	15,880	31,760
Exchange position functional currency EUR (not including exchange derivatives above)	US dollar fluctuation	(33,043)	10,465	20,929	(10,465)	(20,929)
Consolidated exchange position (including exchange derivatives above)	US dollar fluctuation	17,099	(5,415)	(10,831)	5,415	10,831

- **Interest rate risk**

Short- and long-term liabilities to indexed to floating interest rate and inflation indices. Due to this exposure, the Company undertakes derivative transactions to better manage these risks.

- **Interest rate swap transactions (LIBOR to CDI)**

The objective of these transactions is to hedge transactions indexed to US dollar LIBOR against fluctuations in Brazilian interest rates. Basically, the Company carried out *swap*s of its obligations indexed to the LIBOR, in which it receives interest of 1.25% p.a. on the notional value of the dollar (long position) and pays 96% of the CDI on the notional amount in reais of the contract date (short position). The notional amount of this swap as of June 30, 2012 is US$86,000,000, hedging an export prepayment transaction in the same amount. The gains and losses on these contracts are directly related to fluctuations in exchange rates (US$) and interest rates (LIBOR and CDI). In general, these are transactions conducted in the Brazilian over-the-counter market that have as counterparty a prime financial institution.

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As of June 30, 2012, the position of these contracts is as follows:

a) Outstanding transactions

					6/30/2012					12/31/2011
		Notional amount (US$ thousand)	Appreciation (R$)		Fair value (market) (R$)		Notional amount (US$ thousand)	Appreciation (R$)		Fair value (market) (R$)
Counterparties	Transaction maturity	2011	Long position	Short position	Amount payable	Transaction maturity	2011	Long position	Short position	Amount payable
CSFB	14/8/2012	86,000	145,975	(147,242)	(1,267)	13/2/2012	107,500	182,432	(184,556)	(2,124)

b) Settled transactions

		Appreciation in 2012				Appreciation in 2011				
Counterparties	Transaction maturity	Notional amount (US$ thousand)	Long position (R$)	Short position (R$)	Paid in 2012	Notional amount (US$ thousand)	Long position (R$)	Short position (R$)	Fair value in 2011	Impact on P&L in 2012
CSFB	02/13/2012	107,500	183,000	(186,817)	(3,817)	107,500	182,432	(184,556)	(2,124)	(1,693)
CSFB	05/14/2012	107,500	183,135	(186,082)	(2,947)					(2,947)
			366,135	**(372,899)**	**(6,764)**		**182,432**	**(184,556)**	**(2,124)**	**(4,640)**

The position of outstanding transactions was recorded in the Company’s liabilities and totals R$1,267 as of June 30, 2012 (R$2,124 in liabilities as of December 31, 2011) and its effects are recognized in the Company’s finance income (costs) as loss totaling R$5,907 (loss of R$10,871 as of June 30, 2011).

- **Sensitivity analysis of interest rate swaps (LIBOR to CDI)**

The sensitivity analysis is based on the assumption of maintaining, as a probable scenario, the fair values as of June 30, 2012 recognized in liabilities, amounting to R$1,267. The Company considered the scenarios below for the LIBOR (US$) and CDI interest rates volatility.

						6/30/2012
	Notional amount (US$ thousand)	Risk	25%	50%	25%	50%
LIBOR-to-CDI interest rate swap	86,000	(Libor) US$	(13,513)	(15,916)	13,513	15,916

- **Sensitivity analysis of changes in interest rates**

The Company considers the effects of a 5% increase or decrease in interest rates on its outstanding borrowings, financing and debentures as of June 30, 2012 in the consolidated interim financial statements.

		Impact on profit or loss	
Changes in interest rates	**% p.a.**	**6/30/2012**	**6/30/2011**
TJLP	6.00	10,517	9,335
Libor	0.73	10,307	5,129
CDI	8.38	57,345	61,772

- **Share market price risks**

The Company is exposed to the risk of changes in equity prices due to the investments made and classified as available-for-sale. Equity investments refer to blue chips traded on BOVESPA.

The following table shows the impact of the net changes in the market value of financial instruments classified as available for sale on equity, in other comprehensive income.

	Consolidated	
	Other comprehensive income	
	6/30/2012	**12/31/2011**
Net change in the fair value of financial instruments classified as available for sale	424	(767,015)

The Company considers as probable scenario the amounts recognized at market prices as of June 30, 2012. Sensitivity analysis is based on the assumption of maintaining as probable scenario the market values as of June 30, 2012. Therefore, there is no impact on the financial instruments classified as available for sale already presented above. The Company considered the scenarios below for volatility of the shares.

- Scenario 1: (25% appreciation of shares);

- Scenario 2: (50% appreciation of shares);

- Scenario 3: (25% devaluation of shares);

- Scenario 4: (50% devaluation of shares);

	Impact on equity				
Companies	**Probable**	**25%**	**50%**	**25%**	**50%**
Panatlântica	424	2,737	5,475	(2,737)	(5,475)
	424	**2,737**	**5,475**	**(2,737)**	**(5,475)**

- **Credit risks**

The exposure to credit risks of financial institutions is in line with the parameters established in the financial policy. The Company adopts the practice of analyzing in detail the financial position of its customers and suppliers, establishing a credit limit and conducting ongoing monitoring of the outstanding balance.

As regards short-term investments, the Company only makes investments in institutions with low credit risk as rated by credit rating agencies. As part of the funds is invested in repos (repurchase agreements) backed by Brazilian government bonds, there is also exposure to Brazil’s sovereign risk.

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- **Capital management**

The Company manages its capital structure to ensure that it will be capable of providing return to its shareholders and benefits to other stakeholders, and maintain an optimal capital structure to reduce this cost.

V – Margin deposits

The Company holds margin deposits totaling R$387,567 (R$407,467 as of December 31, 2011); this amount is invested at Deutsche Bank as guarantee of the derivative financial instrument contracts, specifically swaps between CSN Islands VIII and CSN.

16. OTHER PAYABLES

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

				Current				Non-current
	Consolidated		Parent Company		Consolidated		Parent Company	
	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012	12/31/2011
Payables to related parties (Note 4 b and c)	243,313	185,176	989,777	458,094	3,084,095	3,094,453	7,710,238	7,736,132
Unrealized losses on derivatives (Note 15 I)	2,801	2,971	1,267	2,124	356,497	373,430		
Dividends and interest on capital payable to Company owners (Note 4 a)	123,384	622,164	123,384	622,164				
Dividends and interest on capital payable to	113,997	306,760	116,271	305,717				

non-controlling shareholders								
Advances from customers	28,116	23,868	18,389	17,862				
Taxes in installments	207,062	311,114	182,573	292,699	1,929,199	1,922,283	1,755,477	1,774,533
Profit sharing - employees	64,524	131,755	52,800	117,806				
Other payables	174,869	144,637	49,500	45,781	220,093	203,354	107,145	122,529
	958,066	**1,728,445**	**1,533,961**	**1,862,247**	**5,589,884**	**5,593,520**	**9,572,860**	**9,633,194**

(*) The nature of transactions with related parties is described in note 4.

17. TAXES IN INSTALLMENTS

a) Tax Recovery Program (REFIS)

On November 26, 2009, the Company, its subsidiaries and jointly controlled entities joined the Tax Recovery Programs established by Law 11,941/09 and Provisional Measure 470/2009, aimed at settling tax liabilities through a special payment system and installment plan for the settlement of tax and social security obligations. Joining the special tax programs reduced the amount of fines, interest and legal charges previously due.

Management’s decision took into consideration matters already judged by higher courts, as well as the assessment of outside legal counsel regarding the possibility of favorable outcomes in the contingencies in progress.

The tax debts enrolled under Provisional Measure 470/09 were payable in 12 installments, starting November 2009. In July 2010, the Company elected to offset income tax and social contribution carryforwards against the last four installments of the installment plan, as allowed by relevant legislation.

In November 2009 and February 2010, the debts payable enrolled in the installment plan under Law 11,941/09, already recognized through provisions, were reviewed based on the reductions in debits set forth in special programs, according to the waiver date of administrative appeals or legal proceedings.

In June 2011, the Group companies consolidated the debts enrolled in the tax program set forth by Law 11,941/09, payable in 180 SELIC-adjusted installments. As a result of the consolidation, there was an adjustment to the provision in the second quarter of 2011, recognized in Company in line item “Finance income (costs)” and other expenses, before income tax and social contribution.

With respect to judicial deposits linked to REFIS proceedings, the Company obtained a favorable opinion from the National Treasury Attorney General's Office (PGFN) and the Federal Revenue Service (RFB) on the treatment given to the excess deposit generated after application of the reductions obtained for tax payment in cash. The balance of this excess deposit, which as of 30 June 30, 2012 was R$820,023 (R$806,103 as of December 31, 2011), is recognized in line item Credits with the PGFN, in other non-current assets.

Accordingly, the Company filed a request for offset the credits resulting from the offset against the debts backed by the related judicial deposits against the tax debts payable in installments under the REFIS program, Law 11,941/09, approved by the PGFN. (The Company awaits a reply to this request.)

The position of REFIS debts recorded in taxes in installments in current and non-current liabilities as of June 30, 2012 was R$1,987,848 (R$2,094,741 as of December 31, 2011) in consolidated and R$1,809,840 (R$1,928,872 as of December 31, 2011) in Company.

b) Other tax installments (regular and other)

The Company and its subsidiaries also joined the Regular social security tax (INSS) installment plan and other plans.

The position of the debts arising from these tax installment plans, recorded in taxes in installments in current and non-current liabilities as of June 30, 2012, is R$148,413 (R$138,656 as of December 31, 2011) in consolidated and R$128,210 (R$138,360 as of December 31, 2011) in Company.

18. PROVISIONS FOR TAX, SOCIAL SECURITY, LABOR, CIVIL AND ENVIRONMENTAL RISKS AND JUDICIAL DEPOSITS

Claims of different nature are being challenged at the appropriate courts. Details of the accrued amounts and related judicial deposits are as follows:

				Consolidated
	6/30/2012		12/31/2011	
	Accrued liabilities	Judicial deposits	Accrued liabilities	Judicial deposits
Social security and labor	281,989	144,315	284,556	131,443
Civil	113,311	58,659	102,486	50,909
Environmental	6,906		6,906	
Tax	210,563	372,485	86,014	353,778
Judicial deposits		29,504		26,928
	612,769	**604,963**	**479,962**	**563,058**
Legal obligations challenged in courts:				
Tax				
Salary premium for education	33,121	36,189	33,121	36,189
Income tax on "Plano Verão"	20,892	337,765	20,892	345,676
Other provisions	97,590	9,788	104,488	9,788
	151,603	**383,742**	**158,501**	**391,653**
	764,372	**988,705**	**638,463**	**954,711**
Total current	**296,159**		**292,178**	
Total non-current	**468,213**	**988,705**	**346,285**	**954,711**

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				Parent Company
	6/30/2012		12/31/2011	
	Accrued liabilities	Judicial deposits	Accrued liabilities	Judicial deposits
Social security and labor	197,794	115,184	200,401	105,292
Civil	73,510	40,485	65,076	39,308
Environmental	6,906		6,906	
Tax	185,615	332,214	59,068	314,756
Judicial deposits		26,625		26,663
	463,825	**514,508**	**331,451**	**486,019**
Legal obligations challenged in courts:				
Tax				
Salary premium for education	33,121	36,189	33,121	36,189
Income tax on ”Plano Verão”	20,892	337,765	20,892	345,676
Other provisions	96,039	9,788	102,965	9,788
	150,052	**383,742**	**156,978**	**391,653**
	613,877	**898,250**	**488,429**	**877,672**
Total current	**228,730**		**225,997**	
Total non-current	**385,147**	**898,250**	**262,432**	**877,672**

The changes in the provisions for tax, social security, labor, civil and environmental risks in the period ended June 30, 2012 were as follows:

							Consolidated
					Current + non-current		Current
Nature	12/31/2011	Additions	Inflation adjustment	Utilization	6/30/2012	6/30/2012	12/31/2011
Tax	244,515	124,257	2,191	(8,797)	362,166		220
Social security	61,536	937	2,189	(28)	64,634		
Labor	223,020	4,871	2,563	(13,099)	217,355	198,894	204,615

Civil	102,486	11,873	1,255	(2,303)	113,311	97,265	87,343
Environmental	6,906				6,906		
	638,463	**141,938**	**8,198**	**(24,227)**	**764,372**	**296,159**	**292,178**

							Parent Company
					Current + non-current		**Current**
Nature	**12/31/2011**	**Additions**	**Inflation adjustment**	**Utilization**	**6/30/2012**	**6/30/2012**	**12/31/2011**
Tax	216,046	124,257	1,997	(6,633)	335,667		
Social security	39,477	937	2,188	(28)	42,574		
Labor	160,924	4,301	2,103	(12,108)	155,220	155,220	160,921
Civil	65,076	9,892	823	(2,281)	73,510	73,510	65,076
Environmental	6,906				6,906		
	488,429	**139,387**	**7,111**	**(21,050)**	**613,877**	**228,730**	**225,997**

The provisions for tax, social security, labor, civil and environmental liabilities were estimated by management and are mainly based on the legal counsel’s assessment. Only proceedings for which the risk is classified as probable loss are accrued. Moreover, these provisions include tax liabilities resulting from contingencies filed by the Company, subject to SELIC (Central Bank’s policy rate).

The Company and its subsidiaries are defendants in other administrative and judicial proceedings (tax, social security, labor, civil, and environmental), in the approximate amount of R$7,840,161, of which R$457,387 related to civil lawsuits, R$45,789 related to environmental lawsuits, and R$1,134,809 to labor and social security lawsuits. The assessments made by legal counsel define these administrative and judicial proceedings as entailing risk of possible loss and, therefore, no provision was recorded in conformity with Management's judgment and accounting practices adopted in Brazil.

As for the tax lawsuits these represent R$6,202,176, and R$1,757,520 from this total refers to the assessment notice issued against the Company for an alleged nonpayment of income tax (IRPJ) and social contribution on net income (CSLL) on profits recognized in the balance sheets of its foreign subsidiaries. In view of the recent changes in administrative and judicial decisions, our outside legal counsel classified the possibility of an unfavorable outcome as possible.

a) Labor lawsuits

As of June 30, 2012, the Company and its subsidiaries are defendants in 12,452 labor lawsuits, for which a provision has been recorded in the amount of R$217,356 (R$223,020 as of December 31, 2011). Most of the claims relate to subsidiary and/or joint liability, salary equalization, health hazard premiums and hazardous duty premiums, overtime pay, difference in the 40% fine for the severance pay fund (FGTS) as a result of federal government economic plans, health care plan, indemnity contingencies resulting from alleged occupational diseases or on-the-job accidents, and differences in profit sharing from 1997 to 1999 and from 2001 to 2003.

b) Civil lawsuits

Among the civil lawsuits in which the Company is a defendant are claims for compensation. Generally these lawsuits result from on-the-job accidents, occupational diseases and contractual litigation related to the industrial activities of the Company and its subsidiaries, real estate actions, healthcare plan, and reimbursement of costs incurred in labor courts. For lawsuits involving civil matters, a provision has been recognized in the amount of R$113,311 as of June 30, 2012 (R$102,486 as of December 31, 2011)

c) Tax lawsuits

§ Income tax and social contribution

(i) “Verão” Plan - The Company is claiming the recognition of financial and tax effects on the calculation of income tax and social contribution, related to removal by the government of inflation measured according to the Consumer Price Index (IPC) in January and February 1989, involving a total percentage figure of 51.87% (‘Summer Plan”).

In 2004 the lawsuit was terminated with a final and unappealable decision that granted the right to apply the index of 42.72% (January 1989), with the 12.15% already applied to be deducted from this index. The final decision also granted application of the index of 10.14% (February 1989). The proceeding is currently at expert discovery stage.

As of June 30, 2012, there is an amount of R$337,765 (R$345,676 as of December 31, 2011) deposited in court, classified in a specific account of judicial deposits in long-term receivables, and a provision of R$20,892 (R$20,892 as of December 31, 2011), which represents the portion not recognized by the courts.

§ <u>Salary premium for education - "Salário Educação"</u>

The Company has filed a lawsuit challenging the constitutionality of the salary premium for education and for discussing the possibility of recovering the amounts paid in the period from January 5, 1989 to October 16, 1996. The lawsuit was unsuccessful, and the TRF upheld the decision unfavorable to CSN, a decision that is final and unappealable.

In view of the final and unappealable decision, CSN tried to make payment of the amount due, though the FNDE and INSS did not reach an agreement as to which agency should receive it. They also required that the amount should be paid along with a fine, with which the Company did not agree.

Lawsuits were then filed challenging the above events, with judicial deposit of the amounts involved in the lawsuits. In the first lawsuit, the lower court partly accepted the Company's request, with the judge deducting the fine, but upholding the SELIC rate, with counterarguments against the defendant's appeal against the SELIC rate.

As of June 30, 2012 the accrued totals R$33,121 (R$33,121 as of December 31, 2011) and the judicial deposit amounts to R$36,189 (R$36,189 as of December 31, 2011).

§ <u>Other</u>

The Company has also recognized provisions for lawsuits relating to INSS, FGTS Complementary Law 110, PIS Law 10,637/02 and PIS/COFINS - Manaus Free Trade Zone, totaling R$96,039 as of June 30, 2012 (R$102,965 as of December 31, 2011), which includes legal charges.

<u>d) Other</u>

§ Competition

On June 14, 2010, the Regional Federal Court of Brasília rejected the annulment action filed by CSN against CADE, which aimed at annulling its fine for the alleged infringements laid down in Articles 20 and 21, I, of Law 8,884/1984. The Company filed appropriate appeals against this decision, which were dismissed, resulting in the filing of a Motion for clarification, which is pending judgment. The collection of the R$65,292 fine is suspended by a Court decision, which stays the collection as from the date CSN issued a guarantee letter. This action is classified as risk of possible loss.

§ Environmental

The environmental administrative/judicial proceedings filed against the Company include mainly administrative proceedings for alleged environmental irregularities and the regularization of environmental permits; at the judicial level, the Company is a party to actions collecting the fines imposed for such alleged environmental irregularities, and public civil actions claim regularization coupled with compensation, in most cases claiming environmental recovery. In general these proceedings arise from alleged damages to the environment related to the Company's industrial activities. The environmental proceedings total R$6,906 (R$6,906 as of December 31, 2011).

19. PROVISIONS FOR ENVIRONMENTAL LIABILITIES AND ASSET DECOMMISSIONING

a) Environmental liabilities

As of June 30, 2012, a provision is recognized in the amount of R$346,293 in consolidated and R$339,577 in Company (R$312,612 and R$306,079 as of December 31, 2011, respectively) for expenditures relating to environmental investigation and recovery services for potentially contaminated areas surrounding establishments in the States of Rio de Janeiro, Minas Gerais and Santa Catarina. Estimated expenditures will be reviewed periodically and the amounts already recognized will be adjusted whenever needed. These are management's best estimates considering recovery studies in areas that have been degraded and are in the process of being used for activities. These provisions are recognized in operating expenses.

The provisions are measured at the present value of the expenditures required to settle the obligation, using a pretax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the obligation due to passage of time is recognized as other operating expenses.

The long-term interest rate used to discount to present value and update the provision through June 30, 2012 was 11.00%. The liability recognized is periodically updated based on these discount rates plus the general market price index (IGPM) for the period.

b) Decommissioning of Assets

Obligations on decommissioning of assets consist of estimated costs for decommissioning, retirement or restoration of areas upon the termination of activities related to mining resources. The initial measurement is recognized as a liability discounted to present value and subsequently through increase in expenses over time. The asset decommissioning cost equivalent to the initial liability is capitalized as part of the carrying amount of the asset, being depreciated over the useful life of the asset. The liability recognized as of June 30, 2012 is R$25,815 in consolidated and R$15,783 in Company (R$24,327 and R$15,148 as of December 31, 2011).

20. EQUITY

i. Paid-in capital

Fully subscribed and paid-in capital as of June 30, 2012 is R$4,540,000 (R$1,680,947 as of December 31, 2011) represented by 1,457,970,108 (1,457,970,108 as of December 31, 2010) book-entry common shares without par value. Each common share entitles its holder to one vote in Shareholders' Meetings.

ii. Authorized capital

The Company's bylaws in effect as of June 30, 2012 determine that the capital can be raised to up to 2,400,000,000 shares by decision of the Board of Directors.

iii. Legal reserve

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

iv. Treasury shares

As of June 30, 2012, the Company did not have any treasury shares. On August 2, 2011, the Company approved the cancelation of 25,063,577 existing treasury shares without decreasing capital.

v. Ownership structure

As of June 30, 2012, the Company's ownership structure was as follows:

		6/30/2012		12/31/2011
	Number of common shares	% of total shares	Number of common shares	% of total shares
Vicunha Siderurgia S.A.	697,719,990	47.86%	697,719,990	47.86%
Rio Iaco Participações S.A. (*)	58,193,503	3.99%	58,193,503	3.99%
Caixa Beneficente dos Empregados da CSN - CBS	12,788,231	0.88%	12,788,231	0.88%
BNDES Participações S.A. - BNDESPAR	27,509,316	1.89%	31,773,516	2.18%
JP Morgan Chase Bank - ADRs	372,942,803	25.58%	373,772,695	25.64%
BOVESPA	288,816,265	19.80%	283,722,173	19.45%
	1,457,970,108	**100.00%**	**1,457,970,108**	**100.00%**
Treasury shares				
Total shares	**1,457,970,108**	**100.00%**	**1,457,970,108**	**100.00%**

(*) Rio Iaco Participação S. A. is a company part of the control group.

21. INTEREST ON CAPITAL

The Company recorded interest on capital amounting to R$237,978 as of June 30, 2012.

The calculation of interest on capital is based on the Long-Term Interest Rate (TJLP) fluctuation on equity, limited to 50% of pretax profit for the period or, according to prevailing legislation, the higher of 50% of retained earnings and profit reserves.

In compliance with CVM Resolution 207 of December 31, 1996 and tax regulations, the company elected to account for proposed interest on capital as a contra entry to finance costs and reverse it from the same line item. Therefore, interest on capital is not stated in the income statement and does not affect profit, except for the tax effects recognized in income tax and social contribution line items. Management will propose that the amount of interest on capital be attributed to the mandatory minimum dividends.

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22. NET SALES REVENUE

Net sales revenue is comprised as follows:

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Gross revenue				
Domestic market	6,405,447	6,738,530	3,031,469	3,561,761
Foreign market	3,175,912	2,996,432	1,840,478	1,639,112
	9,581,359	**9,734,962**	**4,871,947**	**5,200,873**
Deductions				
Canceled sales and discounts	(172,140)	(106,001)	(81,703)	(78,767)
Taxes levied on sales	(1,376,653)	(1,516,761)	(653,417)	(798,914)
	(1,548,793)	**(1,622,762)**	**(735,120)**	**(877,681)**
Net revenue	**8,032,566**	**8,112,200**	**4,136,827**	**4,323,192**

				Parent Company
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Gross revenue				
Domestic market	5,840,180	6,149,258	2,919,153	3,255,169
Foreign market	522,826	704,670	300,621	359,712
	6,363,006	**6,853,928**	**3,219,774**	**3,614,881**
Deductions				
Canceled sales and discounts	(167,329)	(93,046)	(76,442)	(68,208)
Taxes levied on sales	(1,229,773)	(1,370,279)	(586,884)	(726,235)
	(1,397,102)	**(1,463,325)**	**(663,326)**	**(794,443)**
Net revenue	**4,965,904**	**5,390,603**	**2,556,448**	**2,820,438**

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23. EXPENSES BY NATURE

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Raw materials and inputs	(2,395,368)	(1,626,792)	(1,235,629)	(934,960)
Labor cost	(821,739)	(702,390)	(436,508)	(374,355)
Supplies	(559,931)	(527,840)	(276,346)	(284,392)
Maintenance cost (services and materials)	(574,981)	(660,898)	(293,561)	(337,766)
Outsourced services	(1,119,816)	(901,847)	(566,212)	(448,804)
Depreciation, amortization and depletion	(576,032)	(456,242)	(290,861)	(241,629)
Other (*)	(327,133)	(390,038)	(208,470)	(170,002)
	(6,375,000)	**(5,266,047)**	**(3,307,587)**	**(2,791,908)**
Classified as:				
Cost of sales	(5,733,653)	(4,720,300)	(2,981,047)	(2,487,472)
Selling expenses	(359,499)	(265,769)	(178,504)	(145,767)
General and administrative expenses	(281,848)	(279,978)	(148,036)	(158,669)
	(6,375,000)	**(5,266,047)**	**(3,307,587)**	**(2,791,908)**

				Parent Company
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Raw materials and inputs	(1,623,473)	(1,432,183)	(781,934)	(791,956)
Labor cost	(514,728)	(502,156)	(268,898)	(270,673)
Supplies	(445,821)	(428,219)	(218,124)	(233,244)
Maintenance cost (services and materials)	(473,771)	(572,615)	(242,783)	(287,604)
Outsourced services	(427,945)	(408,148)	(225,236)	(201,723)
Depreciation, amortization and depletion	(443,490)	(365,079)	(224,887)	(194,931)
Other (*)	(217,127)	(244,417)	(151,784)	(91,030)
	(4,146,355)	**(3,952,817)**	**(2,113,646)**	**(2,071,161)**
Classified as:				
Cost of sales	(3,831,525)	(3,588,938)	(1,944,371)	(1,862,257)

Selling expenses	(147,297)	(178,132)	(79,093)	(97,030)
General and administrative expenses	(167,533)	(185,747)	(90,182)	(111,874)
	(4,146,355)	**(3,952,817)**	**(2,113,646)**	**(2,071,161)**

(*) Included increase/decrease in finished products and work in process.

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24. OTHER OPERATING INCOME (EXPENSES)

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Other operating income				
Sale of Riversdale shares (Note 11)		698,164		698,164
PIS/COFINS/ICMS untimely credits	15,689		15,689	
Discount to present value - taxes		8,323		5,683
Lawsuit indemnities/wins	18,477	1,332	18,041	652
Rentals and leases	3,866	3,240	3,010	677
Reversal of provisions	1,171	3,808		
Other income	18,051	21,703	7,830	15,809
	57,254	**736,570**	**44,570**	**720,985**
Other operating expenses				
Taxes and fees	(55,672)	(25,775)	(44,909)	(14,505)
Effect of REFIS - Law 11,941/09 and MP 470/09		(16,119)		(16,119)
Provisions for tax, social security, labor and civil for contingencies, net of reversals	(191,119)	(50,388)	(166,637)	(12,760)
Contractual, nondeductible fines	(57,734)	(25,717)	(49,762)	7,177
Fixed cost of equipment stoppages	(18,768)	(15,998)	(10,447)	(6,697)
Write-off of obsolete assets	(37,189)	(20,426)	(23,599)	(5,289)
Expenses on studies and project engineering	(25,241)	(17,133)	(12,976)	(10,754)
Pension plan (Note 28 c)	(5,256)	(33,192)	12,133	(16,764)
Healthcare plan (Note 28 d)	(17,054)	(17,671)	(9,268)	(8,396)
Impairment of available-for-sale security (Note 15 II)	(2,022,793)		(2,022,793)	
Other expenses	(21,205)	(34,947)	988	(32,231)
	(2,452,031)	**(257,366)**	**(2,327,270)**	**(116,338)**
Other operating income (expenses)	**(2,394,777)**	**479,204**	**(2,282,700)**	**604,647**

Parent Company

	Six-month period ended		Three-month period ended	
	6/30/2012	**6/30/2011**	**6/30/2012**	**6/30/2011**
Other operating income				
Sale of securities		116,336		116,336
PIS/COFINS/ICMS untimely credits	8,652		8,652	
Lawsuit indemnities/wins	18,469	956	18,009	461
Rentals and leases	1,712	1,660	856	835
Reversal of provisions	38,761		13,750	
Discount to present value - taxes		8,323		5,683
Other income	3,580	4,105	1,978	3,256
	71,174	**131,380**	**43,245**	**126,571**
Other operating expenses				
Taxes and fees	(5,835)	(3,905)	(5,835)	(3,050)
Effect of REFIS - Law 11,941/09 and MP 470/09		(16,119)		(16,119)
Provisions for tax, social security, labor and civil for contingencies, net of reversals	(171,772)	(56,676)	(155,069)	(6,087)
Contractual, nondeductible fines	(59,189)	(33,619)	(50,390)	5,786
Fixed cost of equipment stoppages	(13,792)	(14,744)	(7,085)	(5,947)
Write-off of obsolete assets	(16,737)	(9,250)	(10,221)	(210)
Expenses on studies and project engineering	(23,101)	(17,133)	(11,475)	(10,754)
Pension plan	(5,218)	(31,005)	11,025	(15,660)
Healthcare plan	(17,043)	(17,665)	(9,267)	(8,387)
Impairment of available-for-sale security	(1,245,024)		(1,245,024)	
Other expenses	(15,769)	(25,157)	5,461	(21,262)
	(1,573,480)	**(225,273)**	**(1,477,880)**	**(81,690)**
Other operating income (expenses)	**(1,502,306)**	**(93,893)**	**(1,434,635)**	**44,881**

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25. FINANCE INCOME (COSTS)

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Finance income:				
Related parties	6,439	22,661	4,662	3,480
Income from short-term investments	130,890	251,713	64,880	152,296
Other income	59,977	54,536	20,179	34,052
	197,306	**328,910**	**89,721**	**189,828**
Finance costs:				
Borrowings and financing - foreign currency	(344,664)	(354,522)	(186,446)	(173,947)
Borrowings and financing - local currency	(837,427)	(616,455)	(397,163)	(348,037)
Related parties	(197,134)	(192,181)	(98,038)	(96,468)
Capitalized interest	202,807	143,069	100,281	72,201
PIS/COFINS on other income	(507)	(603)	(233)	(311)
Losses on derivatives (*)	(5,907)	(10,871)	(2,388)	(5,617)
Effect of REFIS - Law 11,941/09 and MP 470/09		(77,335)		(77,335)
Interest, fines and late payment charges	(90,515)	(129,439)	(43,247)	(87,419)
Other finance costs	(86,796)	(85,307)	(49,984)	(42,532)
	(1,360,143)	**(1,323,644)**	**(677,218)**	**(759,465)**
Inflation adjustments:				
- Gains	6,010	908	4,172	169
- Losses	(92,200)	(3,804)	(72,580)	(762)
	(86,190)	**(2,896)**	**(68,408)**	**(593)**
Exchange gains (losses):				
- On assets	881,844	(669,551)	1,101,973	(405,259)
- On liabilities	(600,553)	736,466	(809,211)	450,289
- Exchange gains (losses) on derivatives (*)	21,637	(237,385)	45,205	(124,464)
	302,928	**(170,470)**	**337,967**	**(79,434)**
Inflation adjustment and exchange	**216,738**	**(173,366)**	**269,559**	**(80,027)**

gains (losses), net				
Finance costs, net	**(946,099)**	**(1,168,100)**	**(317,938)**	**(649,664)**
(*) Statement of gains and losses on derivative transactions				
CDI to USD swap	16,306	(212,129)	33,158	(115,338)
EUR to USD swap	5,854	(15,627)	11,277	(4,079)
Other	(523)	(9,629)	770	(5,047)
	21,637	**(237,385)**	**45,205**	**(124,464)**
Libor to CDI swap	(5,907)	(10,871)	(2,388)	(5,617)
	(5,907)	**(10,871)**	**(2,388)**	**(5,617)**
	15,730	**(248,256)**	**42,817**	**(130,081)**

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				Parent Company
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Finance income:				
Related parties	63,484	50,777	57,964	15,450
Income from short-term investments	12,367	28,309	6,279	17,076
Other income	47,345	31,910	12,166	17,044
	123,196	**110,996**	**76,409**	**49,570**
Finance costs:				
Borrowings and financing - foreign currency	(38,185)	(45,515)	(16,456)	(22,147)
Borrowings and financing - local currency	(644,037)	(481,624)	(304,186)	(279,410)
Related parties	(723,160)	(864,136)	(368,915)	(428,625)
Capitalized interest	135,711	95,025	68,700	48,502
PIS/COFINS on other income	(507)	(603)	(233)	(311)
Losses on derivatives (*)	(5,907)	(10,871)	(2,388)	(5,617)
Effect of REFIS - Law 11,941/09 and MP 470/09		(77,335)		(77,335)
Interest, fines and late payment charges	(86,522)	(122,728)	(41,469)	(83,595)
Other finance costs	(80,214)	(69,075)	(53,212)	(36,337)
	(1,442,821)	**(1,576,862)**	**(718,159)**	**(884,875)**
Inflation adjustments:				
- Gains	2,405	870	2,055	148
- Losses	(8,053)	(6,399)	(10,424)	(3,876)
	(5,648)	**(5,529)**	**(8,369)**	**(3,728)**
Exchange gains (losses):				
- On assets	280,958	(55,747)	330,316	(36,810)
- On liabilities	(631,379)	523,738	(854,662)	343,368
	(350,421)	**467,991**	**(524,346)**	**306,558**
Inflation adjustment and exchange gains (losses), net	**(356,069)**	**462,462**	**(532,715)**	**302,830**
Finance costs, net	**(1,675,694)**	**(1,003,404)**	**(1,174,465)**	**(532,475)**

(*) Statement of gains and losses on derivative transactions				
Libor to CDI swap	(5,907)	(10,871)	(2,388)	(5,617)
	(5,907)	**(10,871)**	**(2,388)**	**(5,617)**
	(5,907)	**(10,871)**	**(2,388)**	**(5,617)**

26. SEGMENT INFORMATION

According to the Company's structure, its businesses are distributed into five (5) operating segments. Accordingly, we analyzed our information by segment as follows:

- **Steel**

The Steel Segment consolidates all the operations related to the production, distribution and sale of flat steel, long steel, metallic packaging and galvanized steel, with operations in Brazil, the United States, Portugal and Germany. This segment supplies the following markets: construction, steel packaging for the Brazilian chemical and food industries, home appliances, automobile and OEM (motors and compressors). The Company's steel units produce hot and cold rolled steel, galvanized and pre-painted steel of great durability. They also produce tinplate, a raw material used to produce metallic packaging.

Overseas, Lusosider, which is based in Portugal, also produces metal sheets, as well as galvanized steel. CSN LLC in the U.S.A. meets local market needs by supplying cold rolled and galvanized steel. In January 2012, CSN acquired Stahlwerk Thüringen, a manufacturer of long steel located in Unterwellenborn, Germany. SWT is specialized in the production of shapes used for construction and has an installed production capacity of 1.1 million metric tons of steel/year.

For 2013, it is slated to begin production of long steel products. The initial production slated, of 500,000 metric tons per year, will consolidate the company as a source of complete construction solutions, complementing its portfolio of products with high added value in the steel chain.

- **Mining**

This segment encompasses the activities of iron ore and tin mining. The high–quality iron ore operations are located in the Iron Quadrilateral in MG, the Casa de Pedra mine in Congonhas, MG, that produces high quality iron ore, as well as the Company's subsidiary Nacional Minérios S.A. (Namisa), which has its own mines, also of excellent quality, and also sells third party iron ore. Furthermore, CSN also owns Estanho de Rondônia S.A. (ERSA), a company that has both tin mining and casting units.

CSN holds the concession to operate TECAR, a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, in Rio de Janeiro. Coal and coke imports are carried out through this terminal.

- **Logistics**

i. Railroad

CSN has equity interests in two railroad companies: MRS Logística S.A., which manages the former Southeast Network of Rede Ferroviária Federal S.A. (RFFSA), and Transnordestina Logística S.A., which operates the former Northeast Network of RFFSA in the States of Maranhão, Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas.

a) MRS

The railroad transportation services provided by MRS are based on the supply of raw materials and the shipment of final products. The total amount of iron ore, coal and coke consumed by the Presidente Vargas Mill is carried by MRS, as is part of the steel produced by CSN for the domestic market and for export.

The Southeast Brazilian railroad system, encompassing 1,674 kilometers of tracks, serves the tri-state industrial area of São Paulo-Rio de Janeiro-Minas Gerais, linking the mines located in Minas Gerais to the ports located in São Paulo and Rio de Janeiro, and the steel mills of CSN, Companhia Siderúrgica Paulista (or Cosipa) and Gerdau Açominas. Besides serving other customers, the railroad system carries iron ore from the Company’s mines in Casa de Pedra, Minas Gerais, and coke and coal from the Itaguaí Port, in Rio de Janeiro, to Volta Redonda, and carries CSN’s export products to theports of Itaguaí and Rio de Janeiro. Its volumes of cargo carried account for approximately 28% of the total volume carried by the Southeast railroad system.

b) Transnordestina Logística

Together, CSN and the federal government will be making investments for implementation of the Transnordestina Project for construction of around 1,728 km of new lines. The work on this project, slated for conclusion in 2013, further includes complementing and renewing part of the infrastructure (or lines) of the concession held by Transnordestina Logística, which will be expanded from the nearly 2,600 kilometers of track presently operating to around 4,300 kilometers.

Transnordestina Logística S.A. has a 30-year concession granted in 1998 to operate the Northeastern Brazil railroad system. This railway system covers 4,238 kilometers of railroads in the states of Maranhão, Piauí, Ceará, Paraíba, Pernambuco, Alagoas and Rio Grande do Norte. Moreover, it links up the main ports in the region, thus providing an important competitive advantage by means of opportunities for combined transportation solutions and logistics projects tailored to customer needs.

The project underway will increase the transportation capacity of Transnordestina Logística 20-fold, bringing it up the level of the most modern railroads in the entire world.

With its new configuration, Transnordestina will become the best logistics option for export of grains through the Pecém and Suape ports, as well as other solid bulk cargos such as iron ore from the Northeast Region, playing an important role in the region’s development.

ii. Ports

The Port logistics segment consolidates the operation of the terminal built during the post-privatization period of the ports, Sepetiba Tecon. The Sepetiba terminal features complete infrastructure to meet all the needs of exporters, importers and ship-owners. Its installed capacity exceeds that of most other Brazilian terminals. It has excellent depths of 14.5 meters in the mooring berths and a huge storage area, as well as the most modern and appropriate equipment, systems and intermodal connections.

The Company’s constant investment in projects in the terminals consolidates the Itaguaí Port Complex as one of the most modern in Brazil, at present with capacity for handling 480 thousand containers and 30 million metric tons per year of bulk cargo.

- **Energy**

CSN is one of the largest industrial consumers of electric power in Brazil. As energy is fundamental to its production process, the Company invests in assets for generation of electric power to guarantee its self-sufficiency. These assets are as follows: Itá hydroelectric power plant, in the State of Santa Catarina, with rated capacity of 1,450 MW, where CSN has a share of 29.5%; Igarapava hydroelectric power plant, Minas Gerais, with rated capacity of 210 MW, in which CSN holds of 17.9% of the capital; and a thermoelectric co-generation Central Unit with rated capacity of 238 MW, which has been operating at the UPV since 1999. For fuel the Central Unit uses the residual gases produced by the steel mill itself. Through these three power generation assets, CSN obtains total rated capacity of 430 MW.

- **Cement**

The cement division consolidates the Company’s cement production, distribution and sales operations, which use the slag produced by the Volta Redonda plant’s blast furnaces. In 2011, the clinker used in cement production was acquired from third parties; however, at the end of 2011, with the completion of the first stage of the Arcos Clinker plant, MG, this plant already supplied the milling needs of CSN Cimentos in Volta Redonda.

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The information presented to Management regarding the performance of each business segment is generally derived directly from the accounting records, combined with some intercompany allocations.

- **Sales by geographic area**

Sales by geographic area are determined based on the customers' location. On a consolidated basis, domestic sales are represented by revenues from customers located in Brazil and export sales are represented by revenues from customers located abroad.

								Six-month period ended 6/30/2012
			Logistics					
	Steel	**Mining**	**Ports**	**Railroads**	**Energy**	**Cement**	**Corporate expenses/ elimination**	**Consolidated**
Revenues and expenses								
Metric tons (thou.) - (not reviewed) (*)	2,734,484	9,729,429				930,696		
Revenues								
Domestic market	3,902,972	330,419	67,879	511,149	112,244	180,737	(227,190)	4,878,210
Foreign market	1,147,675	2,006,681						3,154,356
	5,050,647	**2,337,100**	**67,879**	**511,149**	**112,244**	**180,737**	**(227,190)**	**8,032,566**
Cost of sales and services	(4,239,659)	(1,109,549)	(40,380)	(358,158)	(65,641)	(144,130)	223,864	(5,733,653)
Gross profit	**810,988**	**1,227,551**	**27,499**	**152,991**	**46,603**	**36,607**	**(3,326)**	**2,298,913**
Selling and administrative expenses	(251,814)	(124,456)	(10,025)	(45,741)	(10,990)	(36,414)	(161,907)	(641,347)
Depreciation	377,659	93,178	3,205	68,919	8,721	13,324	11,026	576,032
Adjusted EBITDA	**936,833**	**1,196,273**	**20,679**	**176,169**	**44,334**	**13,517**	**(154,207)**	**2,233,598**

								6/30/2012
	Steel	Mining	Logistics		Energy	Cement	Corporate expenses/ elimination	Consolidated
			Ports	Railroads				
Sales by geographical area								
Asia	5,283	1,469,897						1,475,180
North America	302,780							302,780
Latin America	96,833							96,833
Europe	733,963	536,783						1,270,746
Other	8,817							8,817
Foreign market	**1,147,676**	**2,006,680**						**3,154,356**
Domestic market	**3,902,972**	**330,419**	**67,879**	**511,149**	**112,244**	**180,737**	**(227,190)**	**4,878,210**
TOTAL	**5,050,648**	**2,337,099**	**67,879**	**511,149**	**112,244**	**180,737**	**(227,190)**	**8,032,566**

								Three-month period ended 6/30/2012
	Steel	Mining	Logistics		Energy	Cement	Corporate expenses/ elimination	Consolidated
			Ports	Railroads				
Revenues and expenses								
Metric tons (thou.) - (not reviewed) (*)	1,412,311	4,513,599				464,954		
Revenues								
Domestic market	1,967,516	186,887	35,264	262,881	57,496	93,987	(107,416)	2,496,615
Foreign market	683,997	956,215						1,640,212
	2,651,513	**1,143,102**	**35,264**	**262,881**	**57,496**	**93,987**	**(107,416)**	**4,136,827**
Cost of sales and services	(2,233,947)	(535,370)	(20,288)	(183,108)	(33,297)	(78,741)	103,704	(2,981,047)
Gross profit	**417,566**	**607,732**	**14,976**	**79,773**	**24,199**	**15,246**	**(3,712)**	**1,155,780**
Selling and administrative expenses	(136,177)	(47,962)	(5,012)	(24,095)	(5,415)	(17,564)	(90,315)	(326,540)
Depreciation	189,618	46,856	1,662	32,785	4,343	7,972	7,625	290,861
Adjusted EBITDA	**471,007**	**606,626**	**11,626**	**88,463**	**23,127**	**5,654**	**(86,402)**	**1,120,101**

								6/30/2012
	Steel	Mining	Logistics		Energy	Cement	Corporate expenses/ elimination	Consolidated
			Ports	Railroads				
Sales by geographical area								

Asia	5,283	673,618						678,901
North America	172,070							172,070
Latin America	62,301							62,301
Europe	440,510	282,597						723,107
Other	3,833							3,833
Domestic market	**683,997**	**956,215**						**1,640,212**
Foreign market	**1,967,516**	**186,887**	**35,264**	**262,881**	**57,496**	**93,987**	**(107,416)**	**2,496,615**
TOTAL	**2,651,513**	**1,143,102**	**35,264**	**262,881**	**57,496**	**93,987**	**(107,416)**	**4,136,827**

(*) The ore sales volumes presented in this note take into consideration Company sales and the interest in its subsidiaries and jointly controlled entities (Namisa 60%).

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								Six-month period ended 6/30/2011
			Logistics					
	Steel	Mining	Ports	Railroads	Energy	Cement	Corporate expenses/ elimination	Consolidated
Revenues and expenses								
Metric tons (thou.) - (not reviewed) (*)	2,519,530	10,953,278				763,737		
Revenues								
Domestic market	4,117,348	444,905	68,520	488,205	65,658	145,225	(198,899)	5,130,962
Foreign market	699,866	2,288,452					(7,080)	2,981,238
	4,817,214	**2,733,357**	**68,520**	**488,205**	**65,658**	**145,225**	**(205,979)**	**8,112,200**
Cost of sales and services	(3,461,784)	(941,618)	(41,240)	(306,846)	(29,367)	(109,171)	169,726	(4,720,300)
Gross profit	**1,355,430**	**1,791,739**	**27,280**	**181,359**	**36,291**	**36,054**	**(36,253)**	**3,391,900**
Selling and administrative expenses	(231,056)	(37,653)	(8,656)	(39,827)	(12,215)	(30,995)	(185,345)	(545,747)
Depreciation	301,598	78,046	2,805	51,849	11,250	9,536	1,158	456,242
Adjusted EBITDA	**1,425,972**	**1,832,132**	**21,429**	**193,381**	**35,326**	**14,595**	**(220,440)**	**3,302,395**

								6/30/2011
			Logistics					
	Steel	Mining	Ports	Railroads	Energy	Cement	Corporate expenses/ elimination	Consolidated
Sales by geographic area								
Asia	6,707	2,019,421						2,026,128
North America	247,121							247,121
Latin America	66,242							66,242
Europe	365,491	269,031						634,522
Other	14,305						(7,080)	7,225
Foreign market	**699,866**	**2,288,452**					**(7,080)**	**2,981,238**
Domestic market	**4,117,348**	**444,905**	**68,520**	**488,205**	**65,658**	**145,225**	**(198,899)**	**5,130,962**
TOTAL	**4,817,214**	**2,733,357**	**68,520**	**488,205**	**65,658**	**145,225**	**(205,979)**	**8,112,200**

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	Steel	Mining	Logistics		Energy	Cement	Corporate expenses/ elimination	Consolidated
			Ports	Railroads				
Revenues and expenses								
Metric tons (thou.) - (not reviewed) (*)	1,299,539	5,829,002				434,885		
Revenues								
Domestic market	2,151,979	250,320	31,795	256,115	36,761	82,656	(119,471)	2,690,155
Foreign market	360,570	1,273,521					(1,054)	1,633,037
	2,512,549	**1,523,841**	**31,795**	**256,115**	**36,761**	**82,656**	**(120,525)**	**4,323,192**
Cost of sales and services	(1,826,628)	(505,792)	(20,556)	(161,403)	(19,461)	(59,890)	106,258	(2,487,472)
Gross profit	**685,921**	**1,018,049**	**11,239**	**94,712**	**17,300**	**22,766**	**(14,267)**	**1,835,720**
General and administrative expenses	(113,464)	(19,632)	(4,464)	(19,597)	(6,147)	(19,391)	(121,741)	(304,436)
Depreciation	160,745	41,893	1,399	26,055	5,624	5,716	197	241,629
Adjusted EBITDA	**733,202**	**1,040,310**	**8,174**	**101,170**	**16,777**	**9,091**	**(135,811)**	**1,772,913**

6/30/2011

	Steel	Mining	Logistics		Energy	Cement	Corporate expenses/ elimination	Consolidated
			Ports	Railroads				
Sales by geographic area								
Asia	5,623	1,084,166						1,089,789
North America	127,039							127,039
Latin America	38,151							38,151
Europe	180,153	189,355						369,508
Other	9,604						(1,054)	8,550
Foreign market	**360,570**	**1,273,521**					**(1,054)**	**1,633,037**
Domestic market	**2,151,979**	**250,320**	**31,795**	**256,115**	**36,761**	**82,656**	**(119,471)**	**2,690,155**
TOTAL	**2,512,549**	**1,523,841**	**31,795**	**256,115**	**36,761**	**82,656**	**(120,525)**	**4,323,192**

(*) The ore sales volumes presented in this note take into consideration Company sales and the interest in its subsidiaries and jointly controlled entities (Namisa 60%).

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The adjusted EBITDA consists of profit for the year plus net finance income (costs), income tax and social contribution, depreciation and amortization, and other operating income (expenses), which are deducted because they mainly refer to non-recurring items of the operation.

The Company's executive officers use Adjusted EBITDA as a tool to measure the recurring operating cash generation capacity, as well as a means for allowing it to make comparisons with other companies.

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Adjusted EBITDA	2,233,598	3,302,395	1,120,101	1,772,913
Depreciation	(576,032)	(456,242)	(290,861)	(241,629)
Other operating income (expenses)(Note 24)	(2,394,777)	479,204	(2,282,700)	604,647
Finance costs (Note 25)	(946,099)	(1,168,100)	(317,938)	(649,664)
Profit before taxes	(1,683,310)	2,157,257	(1,771,398)	1,486,267
Income tax and social contribution (Note 9)	727,504	(404,400)	722,957	(349,105)
Profit for the period	**(955,806)**	**1,752,857**	**(1,048,441)**	**1,137,162**

27. EARNINGS PER SHARE (EPS)

Basic earnings per share:

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

				Consolidated
	Six-month period ended		Three-month period ended	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011
	Common shares		Common shares	

Profit for the period				
Attributed to owners of the Company	(921,666)	1,756,003	(1,032,360)	1,138,484
Attributed to non-controlling interests	(34,140)	(3,146)	(16,081)	(1,322)
Weighted average number of shares	1,457,970	1,457,970	1,457,970	1,457,970
Basic and diluted earnings per share	(0.63216)	1.20442	(0.70808)	0.78087

				Parent Company
	Six-month period ended		**Three-month period ended**	
	6/30/2012	**6/30/2011**	**6/30/2012**	**6/30/2011**
	Common shares		**Common shares**	
Profit for the period				
Attributed to owners of the Company	(921,666)	1,756,003	(1,032,360)	1,138,484
Weighted average number of shares	1,457,970	1,457,970	1,457,970	1,457,970
Basic and diluted earnings per share	(0.63216)	1.20442	(0.70808)	0.78087

28. EMPLOYEE BENEFITS

The pension plans granted by the Company cover substantially all employees. The plans are administered by Caixa Beneficente dos Empregados da CSN (‘CBS”), which is a private non-profit pension fund established in July 1960. The members of CBS are employees—and former employees—of the Company and some subsidiaries that joined the fund through an agreement, and the employees of CBS itself. The Executive Officers of CBS is comprised of a CEO and two other executive officers, all appointed by CSN, which is the main sponsor of CBS. The Decision-Making Board is the higher decision-making and guideline-setting body of CBS, presided over by the president of the pension fund and made up of ten members, six chosen by CSN in its capacity as main sponsor of CBS and four elected by the fund’s participants.

Until December 1995, CBS Previdência administered two defined benefit plans based on years of service, salary and Social Security benefits. On December 27, 1995 the then Private Pension Secretariat (“SPC”) approved the implementation of a new benefit plan, effective beginning that date, called Mixed Supplementary Benefit Plan (‘Mixed Plan”), structured in the form of a variable contribution plan. Employees hired after that date were only entitled to join the new Mixed Plan. In addition, all active employees who were participants of the old defined benefits plans had the opportunity to switch to the new Mixed Plan.

As of June 30, 2012 CBS had 33,061 participants (31,482 as of December 31, 2011), of whom 18,256 were active contributors (16,603 as of December 31, 2011), 9,634 were retired employees (9,705 as of December 31, 2011), and 5,171 were related beneficiaries (5,174 as of December 31, 2011). Out of the total participants as of June 30, 2012, 13,561 belonged to the defined benefit plan and 19,500 to the mixed plan.

The plan assets of CBS are primarily invested in repurchase agreements (backed by federal government bonds), federal securities indexed to inflation, shares, loans and real estate. As of June 30, 2012 CBS held 12,788,231 common shares of CSN (12,788,231 common shares as of December 31, 2011). The total plan assets of the entity amounted to R$3.9 billion as of June 30, 2012 (R$3.8 billion as of December 31, 2011). The administrators of the CBS funds seek to match plan assets with benefit obligations payable on a long-term basis. Pension funds in Brazil are subject to certain restrictions regarding their capacity for investment in foreign assets and, therefore, these funds invest mainly in Brazilian securities.

Plan Assets are all available assets and the benefit plans’ investments, not including the amounts of debts to sponsors.

a. Description of the pension plans

Plan covering 35% of average salary

This plan began on February 1, 1966 and is a defined benefit plan aimed at paying pensions (for length of service, special situations, disability or old age) on a lifetime basis, equivalent to 35% of the adjusted average of the participant's salary for the last 12 months. The plan also guarantees sick pay to participants on Official Social Security leaves of absence and further ensures payments of savings fund, funeral allowance and pecuniary aid. This plan was discontinued on October 31, 1977 when the new supplementary plan based on average salary took effect.

Supplementary average salary plan

This plan began on November 1, 1977 and is a defined benefit plan, aimed at complementing the difference between the adjusted average of the participant's salary for the last 12 months and the Official Social Security benefit for retirement, also on a lifetime basis. As in the 35% plan, there is coverage for the benefits of sick pay, death and pension. This plan was discontinued on December 26, 1995 with the creation of the mixed supplementary benefit plan.

Mixed supplementary benefit plan

This plan began on December 27, 1995 and is a variable contribution plan. Besides the scheduled retirement benefit, it also covers the payment of risk benefits (pension paid while the participant is still working, disability compensation and sick/accident pay). Under this plan, the retirement benefit is calculated based on the amount accumulated by the monthly contributions of the participants and sponsors, as well as on each participant's option for the manner in which they receive them, which can be lifetime (with or without continuity of pension for death) or through a percentage applied to the balance of the fund generating the benefit (loss for indefinite period). After retirement is granted, the plan takes on the characteristics of a defined benefit plan.

CBSPrev Namisa plan

This plan began on January 6, 2012 and is a defined contribution plan, with a small portion of defined benefit. Besides the scheduled retirement benefit, it also covers the payment of risk benefits (pension paid while the participant is still working, disability compensation and sick/accident pay). Under this plan, the retirement benefit is determined based on the accumulated amount by monthly contributions of participants and sponsors. To receive the benefit, each participant can opt for: (a) a percentage of up to 25% in a bullet payment and the remaining balance through a monthly income through a percentage applied to the fund generating the benefit, or (b) receive only a monthly income through a percentage applied to the fund generating the benefit.

b. Investment policy

The investment policy establishes the principles and guidelines that will govern the investments of funds entrusted to the entity, in order to foster the security, liquidity and profitability required to ensure equilibrium between the plan's assets and liabilities, based on an ALM (Asset Liability Management) study that takes into consideration the benefits of participants and beneficiaries for each plan.

The investment plan is reviewed annually and approved by the Decision-Making Board considering a 5-year horizon, as established by resolution CGPC 7 of December 4, 2003. The investment limits and criteria established in the policy are based on Resolution 3,792/09 published by the National Monetary Council ("CMN").

c. Employee benefits

The actuarial calculations are updated at the end of each annual reporting period by outside actuaries and presented in the financial statements pursuant to CPC 33 and IAS 19 *Employee Benefits*.

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		Consolidated
	6/30/2012	12/31/2011
Obligations recognized in the balance sheet		
Pension plan benefits	11,673	11,673
Post-employment healthcare benefits	457,377	457,377
	469,050	**469,050**

The reconciliation of employee benefits' assets and liabilities is as follows:

	12/31/2011
Present value of defined benefit obligations	(2,153,649)
Fair value of plan assets	2,384,450
(Deficit)/surplus	**230,801**
Restriction to actuarial assets due to recovery limitation	(174,926)
(Liabilities)/assets, net	**55,875**
Liabilities	(11,673)
Assets (*)	67,548
Net (liabilities)/assets recognized in balance sheet	**(11,673)**

Changes in the present value of defined benefit obligation during 2011 are as follows:

	12/31/2011
Present value of obligations at the beginning of the year	**1,982,556**
Cost of services	5,579
Interest cost	202,242
Benefits paid	(178,403)
Actuarial loss/(gain)	141,675
Other	
Present value of obligations at the end of the year	**2,153,649**

Changes in the fair values of plan assets during 2011
are as follows:

	12/31/2011
Fair value of assets at the beginning of the year	**2,316,018**
Expected return on plan assets	260,163
Sponsors' contributions	67,709
Participants' contributions	
Benefits paid	(178,402)
Actuarial (gains) losses	(81,038)
Fair value of assets at the end of the year	**2,384,450**

The amounts recognized in the income statement for the year ended December 31, 2011 are comprised as follows:

	12/31/2011
Cost of current services	(5,579)
Interest cost	(202,242)
Expected return on plan assets	260,163
Sponsors' contributions transferred in prior year	67,710
	120,052
Total unrecognized revenue (*)	103,678
Total (cost)/revenue recognized in the income statement	16,374
Total (costs)/revenues, net	**120,052**

(*) The Company did not recognize in its balance sheet the asset and the balancing items thereto resulting from the actuarial valuation of surplus plans because there is no clear evidence of its realization, in accordance with paragraph 59 (c) of CPC 33 and IAS 19 *Employee Benefits.*

The (cost)/income is recognized in the income statement in other operating expenses.

Changes in actuarial gains and losses in 2011 are as follows:

	12/31/2011
Actuarial gains and (losses)	(222,712)
Restriction due to recovery limitation	105,655
	(117,057)
Actuarial gains and (losses) recognized in other comprehensive income	(28,048)
Unrecognized actuarial gains/(losses) (*)	(89,009)
Total cost of actuarial (gains) and losses	**(117,057)**

(*) The actuarial loss results from the fluctuation in the investments that form CBS's asset portfolio.

The history of actuarial gains and losses is as follows:

	12/31/2011	12/31/2010	12/31/2009	01/01/2009 (**)
Present value of defined benefit obligations	(2,153,649)	(1,982,556)	(1,731,767)	(1,415,029)
Fair value of plan assets	2,384,450	2,316,018	2,160,158	1,396,350
Surplus	**230,801**	**333,462**	**428,391**	**(18,679)**
Experience adjustments to plan obligations	141,675	225,341	287,146	
Experience adjustments to plan assets	(81,038)	40,669	664,341	

The main actuarial assumptions used were as follows:

	12/31/2011
Actuarial financing method	Projected unit credit
Functional currency	Real (R$)
Recognition of plan assets	Fair value
Amount used as estimate of equity at the end of the year	Best estimate for equity at the end of the fiscal year, obtained based on a projection of October amounts recorded
Discount rate	10.46%
Inflation rate	4.6%
Nominal salary increase rate	5.65%
Nominal benefit increase rate	4.6%
Rate of return on investments	11.52% - 12.24%
General mortality table	AT 2000 segregated by gender
Disability table	Mercer Disability with probabilities multiplied by 2
Disability mortality table	Winklevoss - 1%
Turnover table	Millennium plan 2% p.a., nil for DB plans
Retirement age	100% on first date he/she becomes eligible for programmed retirement benefit under plan
Household of active participants	95% will be married at the time of retirement, with the wife being 4 years younger than the husband

The assumptions related to the mortality table are based on published statistics and mortality tables. These tables represent an average life expectancy in years of employees retiring at the age of 65, as shown below:

	12/31/2011
Longevity at age of 65 for current participants	
Male	19.55
Female	22.17

Allocation of plan assets:

		12/31/2011
Variable income	360,958	15.14%
Fixed income	1,756,831	73.68%
Real estate	190,756	8.00%
Other	75,905	3.18%
Total	**2,384,450**	**100.00%**

Expected long-term return on plan assets:

	12/31/2011
Variable income	18.05%
Fixed income	10.53%
Real estate	10.34%
Other	10.34%
Total	**11.78%**

The actual return on plan assets was R$179,126 as of December 31, 2011.

Variable-income assets comprise mainly CSN shares.

Fixed-income assets comprise mostly debentures, Certificates of Interbank Deposit (“CDI”) and National Treasury Notes (“NTN-B”).

Real estate refers to buildings appraised by a specialized asset appraisal firm. There are no assets in use by CSN and its subsidiaries.

For the defined benefit plans, the expense as of June 30, 2012 was R$5,256 (R$33,192 as of June 30, 2011).

For the mixed plan, which has defined contribution components, the expense as of June 30, 2012 was R$16,387 (R$12,171 as of June 30, 2011).

d. Expected contributions

Expected contributions of R$69,244 will be paid to defined benefits plans in 2012.

For the mixed supplementary benefit plan, which includes defined contribution components, expected contributions of R$27,500 will be paid in 2012.

POST-EMPLOYMENT HEALTH CARE PLAN

Refer to a healthcare plan created on December 1, 1996 exclusively for retired former employees, pensioners, those who received an amnesty, war veterans, widows of employees who died as a result of on-the-job accidents and former employees who retired on or before March 20, 1997 and their related dependents. Since then, the health care plan has not permitted the inclusion of new beneficiaries. The plan is sponsored by CSN and administered by Caixa Beneficente dos Empregados da Cia. Siderúrgica Nacional – CBS.

The amounts recognized in the balance sheet were determined as follows:

	6/30/2012	12/31/2011
Present value of obligations	457,377	457,377
Liabilities	**457,377**	**457,377**

The reconciliation of liabilities for healthcare benefits is as follows:

	12/31/2011
Actuarial liabilities at the beginning of the year	367,839
Interest on actuarial obligation	39,616
Sponsors' contributions transferred in prior year	(34,653)
Recognition of (gain)/loss for the year	84,575
Actuarial liabilities at the end of the year	**457,377**

For the post-employment healthcare benefit plan, the expense as of June 30, 2012 was R$17,054 (R$17,671 as of June 30, 2011).

The actuarial gains and losses recognized in equity are as follows:

	12/31/2011
Actuarial loss on obligation	84,575
Loss recognized in equity	**84,575**

The history of actuarial gains and losses is as follows:

	12/31/2011	12/31/2010	12/31/2009	01/01/2009 (**)
Present value of defined benefit obligation	(457,377)	(367,839)	(317,145)	(296,608)
(Deficit)/surplus	**(457,377)**	**(367,839)**	**(317,145)**	**(296,608)**
Experience adjustments to plan obligations	84,575	48,301	17,232	9,023

(**) IAS 19/CPC33 requires disclosure of the history for five (5) years, although this does not have to be retrospectively applied for a first-time adopter of IFRS/CPC.

The impact on a one-percent change in the assumed trend rate of the healthcare cost is as follows:

	12/31/2011	
	Increase	Decrease
Effect on total cost of current service and finance cost		
Effect on defined benefit obligation	42,032	(35,916)

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The actuarial assumptions used for calculating postemployment healthcare benefits were:

	12/31/2011
Biometrics	
General mortality table	AT 2000 segregated by gender
Turnover	N/A
Household	Actual household

Financial	**12/31/2011**
Actuarial nominal discount rate	10.46%
Inflation	4.6%
Increase in medical cost based on age	4.6%
Nominal medical costs growth rate	2.31%
Average medical cost	299.69

29. GUARANTEES

The Company is liable for guarantees for its subsidiaries and jointly controlled entities, as follows:

	Currency	Maturities	Borrowings		Tax foreclosure		Oth
			6/30/2012	12/31/2011	6/30/2012	12/31/2011	6/30/2012
Transnordestina	R$	Up to 5/8/2028 and undefined	1,486,308	1,358,657	1,800	1,800	4,866
CSN Cimentos	R$	Up to 11/18/2014 and undefined			24,813	30,213	41,497

Prada	R$	Up to 2/7/2014 and undefined			10,133	9,958	20,275
Sepetiba Tecon	R$			700			
Itá Energética	R$	09/15/2013	7,326	7,326			
CSN Energia	R$	Up to 12/30/2012 and undefined			2,392	2,392	
Congonhas Minérios	R$	05/21/2018	2,000,000	2,000,000			
Fundação CSN	R$	undefined	1,003				
Total in R$			**3,494,637**	**3,366,683**	**39,138**	**44,363**	**66,638**
CSN Islands VIII	US$	12/16/2013	550,000	550,000			
CSN Islands IX	US$	01/15/2015	400,000	400,000			
CSN Islands XI	US$	09/21/2019	750,000	750,000			
CSN Islands XII	US$	Perpetual	1,000,000	1,000,000			
CSN Resources	US$	07/21/2020	1,200,000	1,000,000			
Total in US$			**3,900,000**	**3,700,000**			
CSN Steel S.L.	EUR	01/31/2020	120,000				
Total in EUR			**120,000**				
Total in R$			**8,190,342**	**6,940,460**			
			11,684,979	**10,307,143**	**39,138**	**44,363**	**66,638**

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30. COMMITMENTS

a. Take-or-pay contracts

As of June 30, 2012, the Company was a party to take-or-pay contracts as shown in the following table:

			Payments in the period		Commitments				
Concessionaire	**Type of service**	**Agreement terms and conditions**	**2011**	**2012**	**2012**	**2013**	**2014**	**2015**	**A 2**
MRS Logística	Iron ore transportation.	Contractual clause providing for guaranteed revenue on railway freight. In the case of CSN, this means a minimum payment of 80% of freight estimate.	73,073	65,430	88,029	176,058	176,058	176,058	8
MRS Logística	Steel products transportation.	Transportation of at least 80% of annual volume agreed with MRS.		34,196	29,381	58,762	58,762	58,762	2
MRS Logística	Iron ore, coke and coal transportation.	Transportation of 8,280,000 metric tons per	18,610	269	33,353				

		year of iron ore and 3,600,000 metric tons per year of coal, coke and other reducing agents.							
FCA	Mining products transportation.	Transportation of at least 1,900,000 metric tons per year.	252	412	31,542	63,085			
FCA	FCA railway transportation of clinker to CSN Cimentos.	Transportation of at least 675,000 metric tons per year of clinker in 2011 and 738,000 metric tons per year of clinker starting 2012.		2,568	13,469	26,937	26,937	26,937	11
ALL	Railway transportation of steel products.	Rail transportation of at least, 20,000 metric tons of steel products monthly, which can vary 10% up or down, originated at the Água Branca Terminal in São Paulo for CSN PR in Araucária, State of Paraná.	5,789	6,084	1,180				
White Martins	Supply of gas (oxygen, nitrogen and	CSN undertakers to buy at least	38,395	49,908	48,639	97,279	97,279	97,279	9

	argon).	90% of the annual volume of gas contracted with White Martins.							
CEG Rio	Supply of natural gas.	CSN undertakes to buy at least 70% of the monthly natural gas volume.	209,773	236,130	139,864				
Vale S.A	Supply of iron ore pellets.	CSN undertakes to buy at least 90% of the volume of iron ore pellets secured by contract. The take-or-pay volume is determined every 18 months.	171,720	211,151	73,075	146,150	97,433		
Compagás	Supply of natural gas.	CSN undertakes to buy at least 80% of the monthly natural gas volume contracted with Compagás.	7,200	9,430	7,019	14,038	14,038	14,038	12
COPEL	Power supply.	CSN undertakers to buy at least 80% of the annual energy volume contracted with COPEL.	5,953		3,744	7,487	7,487	7,487	3

K&K Tecnologia	Processing of blast furnace sludge generated during pig iron production.	CSN undertakes to supply at least 3,000 metric tons per month of blast furnace sludge for processing at K&K sludge concentration plant.	3,054	3,940	3,537	7,074	7,074	7,074	5
Harsco Metals	Processing of slag generated during pig iron and steel production.	Harsco Metals undertakes to process metal products and slag crushing byproducts resulting from CSN's pig iron and steel manufacturing process, receiving for this processing the amount corresponding to the product of the multiplication of unit price (R$/t) by total production of liquid steel from CSN steel mill, ensuring a minimum production of liquid steel of 400,000 metric tons.	20,135	20,185	15,000	30,000	15,000		
Siemens	Manufacturing, repair, recovery and production of ingot casting machine units.	Siemens undertakes to manufacture, repair, recover and produce,	18,944	23,432	16,162	18,856			

		in whole or in part, ingot casting machine units to provide the necessary off-line and on-line maintenance of continuous ingot casting machine assemblies of the Presidente Vargas plant (UPV). Payment is set at R$/t of produced steel plates.							
			572,898	**663,135**	**503,994**	**645,726**	**500,068**	**387,635**	**54**

b. Concession agreements

Minimum future payments related to government concessions as of June 30, 2012 fall due according to the schedule set out in the following table:

Company Concession	Type of service	2012	2013	2014	2015	After 2015	Total
MRS	30-year concession, renewable for another 30 years, to provide iron ore railway transportation services from the Casa de Pedra mines, in Minas Gerais, coke and coal from the	40,086	80,171	80,171	80,171	821,757	**1,102,356**

	Itaguaí Port, in Rio de Janeiro, to Volta Redonda, transportation of export goods to the Itaguaí and Rio de Janeiro Ports, and shipping of finished goods to the domestic market.						
Transnordestina	30-year concession granted on December 31, 1997, renewable for another 30 years for the development of public utility to operate the Northeastern railway system. The railway system covers 4,238 kilometers of railroads in the states of Maranhão, Piauí, Ceará, Paraíba, Pernambuco, Alagoas and Rio Grande do Norte.	3,238	6,476	6,476	6,476	73,931	**96,597**
Tecar	Concession to operate TECAR, a solid bulk terminal, one of the four terminals that comprise the Itaguaí Port, in Rio de Janeiro, for a period ending 2022 and renewable for another 25 years.	80,613	117,913	125,922	125,922	881,455	**1,331,825**
Tecon	25-year concession granted in July 2001, renewable for another 25 years, to operate the	11,065	22,129	22,129	22,129	221,293	**298,745**

	container terminal at the Itaguaí Port.						
		135,002	**226,689**	**234,698**	**234,698**	**1,998,436**	**2,829,523**

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31. INSURANCE

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

In 2012, after negotiation with insurers and reinsurers in Brazil and abroad, an Insurance Issue Certificate was issued for the contracting of a policy of Operational Risk of Property Damages and Loss of Profits, with effect from June 30, 2012 to June 30, 2013. Under the insurance policy, the LMI (Maximum Limit of Indemnity) is US$200,000,000 and covers the following units and subsidiaries of the Company: Usina Presidente Vargas, Mineração Casa de Pedra, Mineração Arcos, CSN Paraná, CSN Porto Real, Terminal de Cargas TECAR, Terminal TECON, NAMISA and CSN Cimentos. CSN takes responsibility for a range of retention of US$300,000,000 in excess of the deductibles for property damages and loss of profits.

In view of their nature, the risk assumptions adopted are not part of the scope of a review of interim financial statements and, accordingly, were not reviewed by our independent auditors.

32. ADDITIONAL INFORMATION TO CASH FLOWS

	Consolidated		Parent Company	
	6/30/2012	**6/30/2011**	**6/30/2012**	**6/30/2011**
Income tax and social contribution paid	94,301	128,952		99,598
Addition to PP&E with interest capitalization	202,807	143,069	135,711	95,025
Purchase of PP&E without increasing cash			373,673	
	297,108	**272,021**	**509,384**	**194,623**

33. EVENTS AFTER THE REPORTING PERIOD

- The subsidiary Namisa will file an objection to the tax assessment of R$236 million, issued in July 2012, for allegedly not having paid income tax (IRPJ) and social contribution on net income (CSLL) on the profits disclosed in the balance sheets of its foreign subsidiaries. In light of the recent changes in administrative and court jurisprudence, our outside legal counsel classified the likelihood of an unfavorable outcome in similar cases as possible. The potential effect on the Parent Company and consolidated is approximately R$141.6 million.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of

Companhia Siderúrgica Nacional

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Companhia Siderúrgica Nacional (the "Company"), included in the Interim Financial Information Form (ITR), for the quarter ended June 30, 2012, which comprises the balance sheet as of June 30, 2012 and the related income statement and statement of comprehensive income for the three and six-months period then ended and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA"), for the six-month period ended June 30, 2012, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and considered as supplemental information for IFRS that does not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Review of individual and consolidated interim financial information for the three months ended June 30, 2011 and audit of individual and consolidated financial statements for the year ended December 31, 2011

The information and amounts for the three and six period months ended June 30, 2011, presented for comparison purposes, were previously reviewed by other independent auditors, whose report, without qualification, was issued and dated on August 2, 2011. The information and amounts for the year ended December 31, 2011, presented for comparison purposes, were previously audited by other independent auditors, whose report, without qualification, was issued and dated on March 26, 2012.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, August 14, 2012

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Roberto Wagner Promenzio
Engagement Partner

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
Date: August 29, 2012

COMPANHIA SIDERÚRGICA NACIONAL

By: /s/ Benjamin Steinbruch

Benjamin Steinbruch
Chief Executive Officer

By: /s/ David Moise Salama

David Moise Salama
Investor Relations Executive Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.