

NATIONAL STEEL CO
Form 6-K
November 29, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of November, 2007

Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

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

(Address of principal executive office)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

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

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

Accounting
Practices

QUARTERLY INFORMATION

September 30 ,
2007

Adopted in Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 IDENTIFICATION

1 - CVM CODE 00403-0	2 - COMPANY NAME COMPANHIA SIDERÚRGICA NACIONAL	3 - CNPJ (Corporate Taxpayer s ID) 33.042.730/0001-04
4 - NIRE (Corporate Registry ID) 33-3.00011595		

01.02 HEAD OFFICE

1 ADDRESS R. SÃO JOSÉ, 20/ GR. 1602 PARTE			2 DISTRICT CENTRO	
3 ZIP CODE 22010-020	4 CITY RIO DE JANEIRO			5 STATE RJ
6 AREA CODE 21	7 TELEPHONE 2141-1800	8 TELEPHONE -	9 TELEPHONE -	10 TELEX
11 AREA CODE 21	12 FAX 2141-1809	13 FAX -	14 FAX -	
15 E-MAIL invrel@csn.com.br				

01.03 INVESTOR RELATIONS OFFICER (Company Mailing Address)

1 NAME BENJAMIN STEINBRUCH				
2 ADDRESS AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR			3 DISTRICT ITAIM BIBI	
4 POSTAL CODE 04538-132	5 CITY SÃO PAULO			6 STATE SP
7 AREA CODE 11	8 TELEPHONE 3049-7100	9 TELEPHONE -	10 TELEPHONE -	11 TELEX

12 AREA CODE 11	13 FAX 3049-7150	14 FAX 3049-7519	15 FAX -	
16 E-MAIL invrel@csn.com.br				

01.04 REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2. END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2007	12/31/2007	3	7/1/2007	9/30/2007	2	4/1/2007	6/30/2007
09 - INDEPENDENT ACCOUNTANT KPMG AUDITORES INDEPENDENTES					10 - CVM CODE 00418-9		
11. TECHNICIAN IN CHARGE MANUEL FERNANDES RODRIGUES DE SOUZA					12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S REGISTER) 783.840.017-15		

01.05 CAPITAL STOCK

NUMBER OF SHARES (in thousands)	1 CURRENT QUARTER 9/30/2007	2 PREVIOUS QUARTER 6/30/2007	3 SAME QUARTER, PREVIOUS YEAR 9/30/2007
Paid-in Capital			
1 Common	272,068	272,068	272,068
2 Preferred	0	0	0
3 Total	272,068	272,068	272,068
Treasury Stock			
4 Common	15,578	15,578	14,655
5 Preferred	0	0	0
6 Total	15,578	15,578	14,655

01.06 COMPANY PROFILE

1 TYPE OF COMPANY Commercial, Industry and Others Types of Company
2 STATUS Operational
3 NATURE OF OWNERSHIP Private National
4 ACTIVITY CODE 1060 - Metallurgy and Steel Industry
5 MAIN ACTIVITY MANUFACTURING, TRANSF. AND TRADING OF STEEL PRODUCTS
6 CONSOLIDATION TYPE Total
7 TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified

01.07 COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME
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01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	AGO/E	04/30/2007	Interest on Own Capital	09/04/2007	Common	0.6800600000
02	AGO/E	04/30/2007	Dividend	09/04/2007	Common	1.9916340000

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (In thousands of reais)	4 - AMOUNT OF CHANGE (In thousands of reais)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (thousand)	8 - SHARE PRICE WHEN ISSUED (in reais)
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01.10 - INVESTOR RELATIONS OFFICER

1 DATE	2 SIGNATURE
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02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 9/30/2007	4 - 6/30/2007
1	Total Assets	26,042,326	25,779,056
1.01	Current Assets	4,823,940	5,250,680
1.01.01	Cash and Cash Equivalents	11,081	37,184
1.01.02	Receivable	1,682,365	2,510,359
1.01.02.01	Accounts Receivable	1,057,628	1,402,591
1.01.02.01.01	Domestic Market	575,781	608,656
1.01.02.01.02	Foreign Market	553,984	864,434
1.01.02.01.03	Allowance for Doubtful Accounts	(72,137)	(70,499)
1.01.02.02	Sundry Receivable	624,737	1,107,768
1.01.02.02.01	Employees	3,912	3,760
1.01.02.02.02	Suppliers	131,072	127,463
1.01.02.02.03	Recoverable Income and Social Contribution Taxes	2,816	10,659
1.01.02.02.04	Deferred Income Tax	181,796	232,299
1.01.02.02.05	Deferred Social Contribution	63,798	81,979
1.01.02.02.06	Other Taxes	70,091	105,100
1.01.02.02.07	Proposed Dividends Receivable	150,813	151,829
1.01.02.02.08	Other Receivable	20,439	394,679
1.01.03	Inventories	1,854,194	1,718,993
1.01.04	Other	1,276,300	984,144
1.01.04.01	Marketable Securities	884,077	148,994
1.01.04.02	Prepaid Expenses	56,717	62,680
1.01.04.03	Insurance Claimed	335,506	408,421
1.01.04.04	Restricted Amounts	0	364,049
1.02	Non-Current Assets	21,218,386	20,528,376
1.02.01	Long-Term Assets	1,996,654	1,640,673
1.02.01.01	Sundry Receivable	692,162	764,367
1.02.01.01.01	Loans Eletrobrás	25,929	26,084
1.02.01.01.02	Securities Receivable	137,392	138,032
1.02.01.01.03	Deferred Income Tax	300,921	356,080
1.02.01.01.04	Deferred Social Contribution	97,106	117,466
1.02.01.01.05	Other Taxes	130,814	126,705
1.02.01.02	Receivable from Related Parties	635,520	207,871
1.02.01.02.01	Associated and Related Companies	0	0
1.02.01.02.02	Subsidiaries	635,520	207,871
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	668,972	668,435
1.02.01.03.01	Judicial Deposits	542,259	540,115
1.02.01.03.02	Marketable Securities	89,673	89,673
1.02.01.03.03	Prepaid Expenses	35,724	37,352
1.02.01.03.04	Other	1,316	1,295
1.02.02	Permanent Assets	19,221,732	18,887,703

02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 9/30/2007	4 - 6/30/2007
1.02.02.01	Investments	6,533,964	6,252,607
1.02.02.01.01	In Associated/ Related Companies	0	0
1.02.02.01.02	In Direct and Indirect Associated/ Related Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	6,483,699	6,189,987
1.02.02.01.04	In Subsidiaries -Goodwill	50,234	62,589
1.02.02.01.05	Other Investments	31	31
1.02.02.02	Property, Plant and Equipment	12,526,806	12,484,375
1.02.02.02.01	In Operation, Net	10,977,247	11,156,103
1.02.02.02.02	In Construction	1,137,891	919,553
1.02.02.02.03	Land	411,668	408,719
1.02.02.03	Intangible Assets	0	0
1.02.02.04	Deferred	160,962	150,721

02.02 BALANCE SHEETS - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 9/30/2007	4 - 6/30/2007
2	Total Liabilities	26,042,326	25,779,056
2.01	Current Liabilities	3,850,144	4,388,496
2.01.01	Loans and Financing	1,497,230	1,094,776
2.01.02	Debentures	36,214	46,912
2.01.03	Suppliers	941,871	976,461
2.01.04	Taxes and Contributions	418,506	722,368
2.01.04.01	Salaries and Social Contributions	138,683	133,284
2.01.04.02	Taxes Payable	153,248	462,530
2.01.04.03	Deferred Income Tax	93,070	93,054
2.01.04.04	Deferred Social Contribution	33,505	33,500
2.01.05	Dividends Payable	135,809	738,576
2.01.06	Provisions	40,229	30,770
2.01.06.01	Contingencies	91,264	74,069
2.01.06.02	Judicial Deposits	(51,035)	(43,299)
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	780,285	778,633
2.01.08.01	Accounts Payable - Subsidiaries	561,949	589,522
2.01.08.02	Other	218,336	189,111
2.02	Non-Current Liabilities	13,054,859	12,898,019
2.02.01	Long-Term Liabilities	13,054,859	12,898,019
2.02.01.01	Loans and Financing	6,737,436	6,658,018
2.02.01.02	Debentures	909,233	901,493
2.02.01.03	Provisions	4,951,883	4,876,543
2.02.01.03.01	Contingencies	3,869,432	3,650,369
2.02.01.03.02	Judicial Deposits	(903,603)	(799,550)
2.02.01.03.03	Deferred Income Tax	1,460,334	1,489,503
2.02.01.03.04	Deferred Social Contribution	525,720	536,221
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	456,307	461,965
2.02.01.06.01	Allowance for Loss on Investments	109,423	89,411
2.02.01.06.02	Accounts Payable Subsidiaries	47,802	48,494
2.02.01.06.03	Provision for Pension Fund	195,898	210,114
2.02.01.06.04	Other	103,184	113,946
2.02.02	Deferred Income	0	0
2.04	Shareholders Equity	9,137,323	8,492,541
2.04.01	Paid-In Capital Stock	1,680,947	1,680,947
2.04.02	Capital Reserves	30	30
2.04.03	Revaluation Reserves	4,671,116	4,751,113
2.04.03.01	Own Assets	4,436,700	4,513,706
2.04.03.02	Subsidiaries/ Direct and Indirect Associated Companies	234,416	237,407

02.02 BALANCE SHEETS - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 9/30/2007	4 - 6/30/2007
2.04.04	Profit Reserves	270,370	270,370
2.04.04.01	Legal	336,189	336,189
2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Income	0	0
2.04.04.05	Retention of Profits	0	0
2.04.04.06	Special For Non-Distributed Dividends	0	0
2.04.04.07	Other Profit Reserves	(65,819)	(65,819)
2.04.04.07.01	From Investments	677,611	677,611
2.04.04.07.02	Treasury Stock	(743,430)	(743,430)
2.04.05	Retained Earnings/ Accumulated Losses	2,514,860	1,790,081
2.04.06	Advance for Future Capital Increase	0	0

03.01 STATEMENTS OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 7/1/2007 to 9/30/2007	4 - 1/1/2007 to 9/30/2007	5 - 7/1/2006 to 9/30/2006	6 - 1/1/2006 to 9/30/2006
3.01	Gross Revenue from Sales and/or Services	2,868,839	8,171,000	2,598,645	6,272,365
3.02	Gross Revenue Deductions	(684,108)	(1,761,316)	(503,733)	(1,276,836)
3.03	Net Revenue from Sales and/or Services	2,184,731	6,409,684	2,094,912	4,995,529
3.04	Cost of Goods and/or Services Sold	(1,146,722)	(3,571,280)	(1,356,242)	(3,516,488)
3.04.01	Depreciation, Depletion and Amortization	(229,074)	(651,759)	(195,786)	(587,069)
3.04.02	Other	(917,648)	(2,919,521)	(1,160,456)	(2,929,419)
3.05	Gross Income	1,038,009	2,838,404	738,670	1,479,041
3.06	Operating Income/Expenses	(121,838)	362,544	(262,901)	(116,748)
3.06.01	Selling Expenses	(77,837)	(227,350)	(80,719)	(208,731)
3.06.01.01	Depreciation and Amortization	(1,615)	(4,678)	(2,434)	(7,102)
3.06.01.02	Other	(76,222)	(222,672)	(78,285)	(201,629)
3.06.02	General and Administrative	(65,901)	(203,597)	(70,942)	(188,215)
3.06.02.01	Depreciation and Amortization	(4,780)	(13,830)	(3,627)	(10,819)
3.06.02.02	Other	(61,121)	(189,767)	(67,315)	(177,396)
3.06.03	Financial	(197,184)	110,370	(312,035)	(593,288)
3.06.03.01	Financial Income	15,222	(307,321)	(61,719)	(413,787)
3.06.03.02	Financial Expenses	(212,406)	417,691	(250,316)	(179,501)
3.06.03.02.01	Foreign Exchange and Monetary Variation, net	172,103	990,222	60,652	543,402
3.06.03.02.02	Financial Expenses	(384,509)	(572,531)	(310,968)	(722,903)
3.06.04	Other Operating Income	5,745	13,910	257,811	943,623
3.06.05	Other Operating Expenses	(46,077)	(156,914)	(92,233)	(213,675)
3.06.06	Equity pick-up	259,416	826,125	35,217	143,538
3.07	Operating Income	916,171	3,200,948	475,769	1,362,293
3.08	Non-Operating Income	(4,116)	(5,138)	1,253	1,227
3.08.01	Income	5,101	5,104	1,253	8,532

03.01 STATEMENTS OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 7/1/2007 to 9/30/2007	4 - 1/1/2007 to 9/30/2007	5 - 7/1/2006 to 9/30/2006	6 - 1/1/2006 to 9/30/2006
3.08.02	Expenses	(9,217)	(10,242)	0	(7,305)
3.09	Income before Taxes/Participations	912,055	3,195,810	477,022	1,363,520
3.10	Provision for Income and Social Contribution Taxes	(102,541)	(665,701)	(192,932)	(241,961)
3.11	Deferred Income Tax	(104,556)	(95,235)	124,549	(44,603)
3.11.01	Deferred Income Tax	(76,510)	(89,899)	85,281	(71,241)
3.11.02	Deferred Social Contribution	(28,046)	(5,336)	39,268	26,638
3.12	Statutory Participations/Contributions	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Shareholders' Equity	0	0	0	0
3.15	Income/Loss for the Period	704,958	2,434,874	408,639	1,076,956
	OUTSTANDING SHARES, EX-TREASURY (in thousands)	256,490	256,490	257,413	257,413
	EARNINGS PER SHARE (in Reais)	2.74848	9.49306	1.58748	4.18377
	LOSS PER SHARE (in Reais)				

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

04.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

1. OPERATIONS

Companhia Siderúrgica Nacional (CSN or Company) is engaged in the production of flat steel products and its main industrial complex is the Presidente Vargas Steelworks (UPV) located in the City of Volta Redonda, State of Rio de Janeiro.

CSN is engaged in the mining of iron ore, limestone and dolomite, in the State of Minas Gerais and tin in the State of Rondônia to meet the needs of UPV and it has maintains strategic investments in mining companies, railroad, electricity and ports, to optimize its activities and it is also implementing a cement plant inside UPV, in Volta Redonda.

To be closer to clients and win markets on a global level, CSN has a steel distributor, two metal package plants in addition to a galvanized steel plant in the South and another in the Southeast of Brazil supplying mainly the home appliances and automotive industry. Abroad, the Company has a rolling mill in Portugal and another mill in the United States.

2. PRESENTATION OF THE QUARTERLY FINANCIAL STATEMENTS

The individual (Company) and consolidated financial statements were prepared based on the accounting practices derived from the Brazilian Corporation Law and rules of the Brazilian Securities and Exchange Commission (CVM).

With the objective of improving the information disclosed to the market, the Company is presenting the following additional information covering the Parent Company and the consolidated quarterly financial information:

(a) Segment reporting

A segment is a distinguishable component of the Company, intended for manufacturing products or rendering services a business segment -, or in providing products and services within a particular economic environment geographical segment -, which are subject to risks and rewards that are different from other segments.

(b) Statements of cash flow

The purpose of the additional statements of cash flow is to show how the Company generates and uses cash resources and cash equivalents.

(c) Statements of added value

It aims to present the value of the wealth generated by the Company and its distribution among the elements that contributed to its generation.

All the Information presented has been obtained from the Company's accounting records and reclassifications were made to certain information contained in the traditional statement of income, considering that they are recorded in the statement of added value as distribution of the added value generated.

3. DESCRIPTION OF SIGNIFICANT ACCOUNTING PRACTICES

(a) Statement of Income

The results of operations are recognized on the accrual basis.

Revenue from the sales of products is recognized in the statements of income when all risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognized in the statement of income in proportion to the stage of completion of the service. Revenue is not recognized if there are significant uncertainties as to its realization.

(b) Current and non-current assets

Marketable securities

The investment funds have daily liquidity and the assets are valued at fair value, according to instructions of the Central Bank of Brazil and CVM, since the Company considers these investments as securities held for trading.

Fixed income securities and financial investments abroad are recorded at cost plus income accrued up to the balance sheet date, and do not exceed market value.

Accounts receivable

Trade accounts receivable are recorded at the invoiced amount, including the respective taxes. The allowance for doubtful accounts was recorded in an amount considered adequate by Management, to cover any losses arising on collection of accounts receivable.

(c) Inventories

Inventories are stated at their average cost of acquisition or production and imports in transit are recorded at their cost of acquisition, not exceeding their market or realization values. Provisions for losses or obsolescence are recorded whenever Management considers it necessary.

(d) Other current and non-current assets

Stated at their realization value, including, when applicable, income earned to the balance sheet date or, in the case of prepaid expenses, at cost.

(e) Investments

Investments in subsidiaries and jointly-owned subsidiary companies are recorded by the equity accounting method, plus positive goodwill, when applicable. Other permanent investments are recorded at cost of acquisition.

(f) Property, plant and equipment

The property, plant and equipment of the parent company is presented at market or replacement values, based on appraisal reports issued by independent expert appraisal firms, as permitted by Deliberation 288 issued by the Brazilian Securities and Exchange Commission on December 3, 1998. Depreciation is calculated by the straight-line method, according to the remaining economic useful lives of the assets after revaluation. Depletion of the Casa de Pedra iron mine is calculated based on the quantity of iron ore extracted. Interest charges related to loans and financing specific for construction in progress are capitalized until the constructions are concluded.

(g) Deferred charges

The deferred charges are due to expenses incurred in developing and implementing projects that will generate an economic return to the Company in the next few years, and they are amortized on a straight-line basis based on the period foreseen for economic benefits of such projects.

(h) Current and non-current liabilities

These are stated at their known or estimated values, including, when applicable, accrued charges, and monetary and foreign exchange variation incurred up to the balance sheet date.

(i) Employees benefit

In accordance with Deliberation 371, issued by the Brazilian Securities and Exchange Commission, on December 13, 2000, the Company has been recording the respective actuarial liabilities as from January 1, 2002, in accordance with the above-mentioned reported deliberation and based on studies prepared by external actuaries.

(j) Income and social contribution taxes

Current and deferred income and social contribution taxes are calculated based on the tax rates of 15% plus an additional of 10% on taxable income for income tax and 9% on taxable income for social contribution on net income and consider the tax loss carryforward and negative basis of social contribution limited to 30% of taxable income.

Tax credits are recorded for deferred taxes on tax losses carryforwards, negative basis of social contribution on net income and on temporary differences, pursuant to CVM Instruction 371 as of June 27, 2002 and take into consideration the history of profitability and the expectation of generating future taxable income, based on a technical viability study.

(k) Derivatives

The derivatives operations are recorded in accordance with the characteristics of the financial instruments. Swap operations are recorded based on the net results of the operations, which are booked monthly in line with the contractual conditions, and swaps traded through the exclusive funds are adjusted to fair value.

Exchange options are adjusted monthly to fair value whenever the position shows a loss. These losses are recognized as the Company's liability with the corresponding entry in the financial results. Options traded through exclusive funds are adjusted to fair value and futures contracts have their positions adjusted to fair value on a daily basis by the Futures and Commodities Exchange (BM&F) with recognition of gains and losses directly in the statement of income.

(l) Treasury Shares

As established by CVM Instruction 10/80, treasury shares are recorded at cost of acquisition, and the market value of these shares, calculated based on the stock exchange quotation on the last day of the period, is presented in the Notes to the financial statements.

(m) Accounting estimates

The preparation of the financial statements in accordance with the accounting practices adopted in Brazil, requires that Management uses its judgment in determining and recording the accounting estimates. The settlement of the transactions involving these estimates may result in significantly different amounts from those estimated, due to lack of precision inherent to the process of their determination. The Company periodically reviews the estimates and assumptions.

4. CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

The consolidated Quarterly Financial Information for the quarters ended September 30, 2007 and June 30, 2007 included the following direct and indirect subsidiaries and jointly-owned:

Companies	Functional currency	Ownership interest (%)		Main activities
		9/30/2007	6/30/2007	
Direct investment: full consolidation				
CSN Energy	US\$	100.00	100.00	Equity interest
CSN Export	US\$	100.00	100.00	Financial operations, trading of products and equity interest
CSN Islands VII	US\$	100.00	100.00	Financial operations
CSN Islands VIII	US\$	100.00	100.00	Financial operations
CSN Islands IX	US\$	100.00	100.00	Financial operations
CSN Islands X	US\$	100.00	100.00	Financial operations
CSN Islands XI	US\$	100.00		Financial operations
CSN Overseas	US\$	100.00	100.00	Financial operations and equity interest
CSN Panama	US\$	100.00	100.00	Financial operations and equity interest
CSN Steel	US\$	100.00	100.00	Financial operations and equity interest
Sepetiba Tecon	R\$	100.00	100.00	Maritime port services
Nacional Ferrosos	R\$		100.00	Mining and equity interest
Pelotização Nacional S.A.	R\$	100.00		Mining and equity interest
Minas Pelotização S.A.	R\$	100.00		Mining and equity interest
CSN I	R\$	99.99	99.99	Equity interest
Estanho de Rondônia - ERSA	R\$	99.99	99.99	Mining
Cia Metalic Nordeste	R\$	99.99	99.99	Packaging
Indústria Nacional de Aços				
Laminados - INAL	R\$	99.99	99.99	Steel products service center
CSN Cimentos	R\$	99.99	99.99	Cement production
Inal Nordeste	R\$	99.99	99.99	Steel products service center
CSN Energia	R\$	99.90	99.90	Trading of electricity
Nacional Minérios	R\$	99.99	99.99	Mining and equity interest
CSN Gestão de Recursos				Financial operations and equity interest
Financeiros	R\$	99.99		equity interest
Congonhas Minérios	R\$	99.99	99.99	Mining and equity interest
GalvaSud	R\$	15.29	15.29	Steel industry
Direct investment: proportional consolidation				
Itá Energética	R\$	48.75	48.75	Electricity generation
Companhia Ferroviária do				
Nordeste (CFN)	R\$	45.78	45.78	Railroad transport
MRS Logística	R\$	32.93	32.93	Railroad transport

Indirect investment: full consolidation

CSN Aceros	US\$	100.00	100.00	Equity interest Financial operations, trading of products and equity interest
CSN Cayman	US\$	100.00	100.00	Financial operations
CSN Iron	US\$	100.00	100.00	
Companhia Siderurgica Nacional LLC	US\$	100.00	100.00	Steel industry
CSN Holdings Corp	US\$	100.00	100.00	Equity interest
Companhia Siderurgica Nacional Partner LLC	US\$	100.00	100.00	Equity interest
Energy I	US\$	100.00	100.00	Equity interest
Tangua	US\$	100.00	100.00	Equity interest Financial operations and equity interest
CSN Madeira	EUR	100.00	100.00	Financial operations and equity interest
Cinnabar	EUR	100.00	100.00	Financial operations and equity interest
Hickory	EUR	100.00	100.00	Financial operations and trading of
Lusosider Projectos Siderúrgicos	EUR	100.00	100.00	Equity interest Financial operations and equity interest
CSN Acquisitions	GBP	100.00	100.00	Financial operations and equity interest
CSN Finance (UK)	GBP	100.00	100.00	Financial operations and equity interest
CSN Holdings (UK)	GBP	100.00	100.00	Financial operations and equity interest
Itamambuca Participações	R\$	100.00	100.00	Mining and equity interest
CFM	R\$	100.00		Mining and equity interest
MG Minérios S.A.	R\$	100.00		Mining and equity interest
Inversiones CSN Espanha S.L.	EUR	100.00	100.00	Financial operations and equity interest

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Companies	Functional currency	Ownership interest (%)		Main activities
		9/30/2007	6/30/2007	
CSN Finance B.V. (Netherlands)	EUR	100.00	100.00	Financial operations and equity interest
Cayman Mineração do Brasil Ltda.	R\$	100.00		Mining
Companhia Metalúrgica Prada	R\$	99.99	99.99	Package production
Lusosider Aços Planos	EUR	99.93	99.93	Steel industry
GalvaSud	R\$	84.71	84.71	Steel industry
CSN Energia	R\$	0.10	0.10	Trading of electricity

Description of the main consolidation procedures

The accounting policies have been consistently applied in all consolidated companies and consistent with those used in the year ended financial statements

The Quarterly Information of subsidiaries prepared in US dollars, in Euros and in Pounds Sterling were translated to Brazilian Real at the exchange rate as of September 30, 2007 R\$/US\$1.8389(R\$ /US\$1.9262 on June 30, 2007), R\$/EUR2.62367 (R\$/EUR2.60730 on June 30, 2007) and R\$/GBP3.76276 (R\$/GBP3.86762 on June 30, 2007).

The gains and losses from these translations were recorded in the income statements of the related periods, as equity accounting in the parent company and exchange variation in the consolidated statements.

The following criteria were followed in the preparation of the consolidated Financial Statements.

Elimination of intercompany asset and liability account balances between the subsidiaries;

Elimination of investment in the capital, reserves and retained earnings of the subsidiaries;

Elimination of intercompany income and expense balances and unrealized income arising from intercompany transactions; and

Elimination of taxes and charges on unearned income, which are presented as deferred tax in the consolidated balance sheet.

Pursuant to the CVM Instruction 408/04 the Company consolidates the financial statements of exclusive investment funds.

The date for the subsidiaries and jointly-owned subsidiaries quarterly financial statements coincides with that of the parent company.

The conciliation between shareholders equity and net income for the year of the parent company and consolidated is as follows:

Shareholders	Equity	Net income in the period
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	9/30/2007	6/30/2007	9/30/2007	9/30/2006
Parent Company	9,137,323	8,492,541	2,434,874	1,076,956
Elimination of unrealized income on inventories	(123,076)	(117,292)	(20,622)	7,154
Consolidated	9,014,247	8,375,249	2,414,252	1,084,110

5. RELATED PARTY TRANSACTIONS

The purchase and sale of products and inputs and the contracting of services with subsidiaries are performed under normal conditions that would be applicable to unrelated parties, such as prices, terms, charges, quality etc. The main operations of borrowings, financing and loans are as follows:

a) Assets

Companies	Accounts receivable	Financial Investments	Loans ⁽¹⁾ current accounts	Dividends receivable	Advance for future capital increase	Advance to suppliers	Total
Exclusive Funds		846,498					846,498
CSN Export	685,833						685,833
Nacional Minérios	20,538				383,990		404,528
CFN			126,834		79,942		206,776
INAL	41,245		2,574	82,302			126,121
CSN Cimentos					44,754		44,754
CSN Madeira	42,689						42,689
MRS Logística	106			41,428		34	41,568
PRADA	36,548		47				36,595
CSN Energia				26,973			26,973
GalvaSud	11,674						11,674
Inal Nordeste	3,398						3,398
Other (*)	315		3,072	110		395	3,892
Total on 09/30/2007	842,346	846,498	132,527	150,813	508,686	429	2,481,299
Total on 06/30/2007	1,108,752	1,143	514,777	151,828	69,352	9,531	1,855,383

(1) Loans Receivable from related parties are price level restated by 101% of the Interbank Deposit Certificate (CDI).

(*) Other: CSN LLC, Sepetiba Tecon, Cia Metalic, Ersas, Fundação CSN.

b) Liabilities

Companies	Loans and financing				Derivatives	Accounts payable	Suppliers	Total
	Prepayment (1)	Fixed Rate Notes(2)	Loans from Investees	Intercompany Bonds(2)	Swap	Loans(3)/ current accounts	Other	
CSN Steel	1,151,827	578,570				241,454		1,971,851
CSN Iron				1,136,620				1,136,620
CSN Islands VIII		962,816			77,889	1,689		1,042,394
CSN Export	882,890					11,075		893,965
CSN Madeira	358,098		20,121			280,736		658,955
CSN Islands VII		510,277			(1,559)			508,718
CBS Previdência							246,533	246,533
Cinnabar	56,300		78,448			38,285		173,033
INAL							27,804	27,804
CSN Energia						23,611		23,611
Aceros						18,486		18,486
Ersa							17,097	17,097
MRS						9,558		9,558
GalvaSud							4,420	4,420
Other (*)							136	136
Total on 09/30/2007	2,449,115	2,051,663	98,569	1,136,620	76,330	624,894	295,990	6,733,181
Total on 06/30/2007	2,344,664	2,001,716	96,226	1,164,215	175,306	654,578	289,388	6,726,093

- (1) Contracts in US\$ - CSN Export: interest from 6.15% to 7.43% p.a. with maturity in May 2015.
 Contracts in US\$ - CSN Cinnabar: Annual Libor + 3% p.a. with maturity in June 2008.
 Contracts in US\$ - CSN Steel: interest from 5.75% to 10.0% p.a. with maturity in January 2018.
 Contracts in US\$ - CSN Madeira: interest of 7.25% p.a. with maturity in June 2016.
- (2) Contracts in US\$ - CSN Iron: interest of 9.125% p.a. with maturity in June 2047.
 Contracts in YEN - CSN Islands VII: interest of 7.3% and 7.75% p.a. with maturity in September 2008.
 Contracts in YEN - CSN Islands VIII: interest of 5.65% p.a. with maturity in December 2013.
 Contracts in YEN - CSN Steel: interest of 1.5% p.a. with maturity in July 2010.
- (3) Information referring to loan agreements with related parties.
 CSN Madeira (part): semiannual Libor + 3% p.a. with indefinite maturity.
 CSN Madeira (part): semiannual Libor + 2.5% p.a. with maturity in September 2011.
 Cinnabar (part): semiannual Libor + 3% p.a. with indefinite maturity and IGPM + 6% p.a. with indefinite maturity.

CSN Export: semiannual Euribor + 0.5% p.a. with indefinite maturity.

(*) Other: Prada, Metalic

c) Results

Companies	Income			Expenses			
	Products and services	Interest and monetary and exchange variations	Total	Products and services	Interest and monetary and exchange variations	Other	Total
CSN Export	1,217,362	(116,812)	1,100,550	999,692	(100,803)		898,889
INAL	682,592		682,592	321,272			321,272
Companhia Metalúrgica Prada	160,394		160,394	55,578			55,578
GalvaSud	142,508		142,508	219,331			219,331
Cia Metalic Nordeste	38,866	172	39,038	22,923			22,923
INAL Nordeste	31,005		31,005	15,420			15,420
Nacional Minérios	20,761		20,761	8,596			8,596
CFN		10,657	10,657				
Sepetiba Tecon	247		247	329			329
MRS Logística	106		106	211,665			211,665
Itá Energética				83,480			83,480
CBS Previdência						13,601	13,601
Fundação CSN				11,365			11,365
ERSA				22,425			22,425
Cinnabar					1,722		1,722
CSN Iron					(102,261)		(102,261)
CSN Steel					(220,564)		(220,564)
CSN Madeira	34,982	(2,797)	32,185	8,767	(50,950)		(42,183)
CSN Islands VII		8,262	8,262		(30,501)		(30,501)
CSN Islands VIII		14,620	14,620		(74,215)		