

NATIONAL STEEL CO
Form 6-K
June 01, 2010

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 June, 2010

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

March 31, 2010

Accounting Practices
Adopted in Brazil

QUARTERLY INFORMATION

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)

33-300011595

01.02 HEAD OFFICE

1 - ADDRESS

RUA SÃO JOSÉ, 20 GR, 1602 PARTE

3 - ZIP CODE

20010-020

6 - AREA
CODE

21

11 - AREA
CODE

4 - CITY

RIO DE JANEIRO

7 - TELEPHONE

2141-1800

12 - FAX

2141-1809

2 - DISTRICT

CENTRO

5 - STATE

RJ

8 - TELEPHONE

-

13 - FAX

-

9 - TELEPHONE

-

14 FAX

-

10 - TELEX

21
15 - E-MAIL

invrel@csn.com.br

01.03 INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME

PAULO PENIDO PINTO MARQUES

2 - ADDRESS

3 - DISTRICT

AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR

ITAIM BIBI

4 - ZIP CODE

5 - CITY

6 - STATE

04538-132

SÃO PAULO

SP

7 - AREA
CODE

8 - TELEPHONE

9 - TELEPHONE

10 - TELEPHONE

11 - TELEX

11

3049-7100

-

-

12 - AREA
CODE

13 - FAX

14 - FAX

15 FAX

11

3049-7212

-

-

16 - E-MAIL

paulopenido@csn.com.br

01.04 REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 -	2 - END	3 -	4 -	5 - END	6 -	7 -	8 - END
BEGINNING		QUARTER	BEGINNING		QUARTER	BEGINNING	
1/1/2010	12/31/2010	1	1/1/2010	3/31/2010	4	1/10/2009	12/31/2009
09 - INDEPENDENT ACCOUNTANT					10 - CVM CODE		

KPMG AUDITORES INDEPENDENTES

11. TECHNICIAN IN CHARGE

ANSELMO NEVES MACEDO

00418-9

12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S ID)

033.169.788-28

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION**

March 31, 2010

**Accounting Practices
Adopted in Brazil****QUARTERLY INFORMATION****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 IDENTIFICATION**

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

01.05 CAPITAL STOCK

Number of Shares	1- CURRENT QUARTER	2- PREVIOUS QUARTER	3 SAME QUARTER PREVIOUS YEAR
(In thousands)	3/31/2010	12/31/2009	3/31/2009
Paid-in Capital			
1 Common	1,510,359	755,180	793,404
2 Preferred	0	0	0
3 Total	1,510,359	755,180	793,404
Treasury Shares			
4 Common	52,389	26,195	34,734
5 Preferred	0	0	0
6 Total	52,389	26,195	34,734

01.06 COMPANY PROFILE

1 - TYPE OF COMPANY

Commercial, Industry and Other Types of Company

2 - STATUS

Operational

3 - NATURE OF OWNERSHIP

Private National

4 - ACTIVITY CODE

1060 Metallurgy and Steel Industry

5 - MAIN ACTIVITY

MANUFACTURING, TRANSFORMATION 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

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
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FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

March 31, 2010

Accounting Practices
Adopted in Brazil

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 - IDENTIFICATION

1 - CVM CODE

2 - COMPANY NAME

3 - CNPJ (Corporate
Taxpayer s ID)

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

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

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE

2 - SIGNATURE

01.10 - INVESTOR RELATIONS OFFICER

5/6/2010

3

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

FEDERAL PUBLIC SERVICE

**CVM - BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

March 31, 2010

**Accounting
Practices
Adopted in
Brazil**

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

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00403-0	COMPANHIA SIDERÚRGICA NACIONAL	33.042.730/0001-04

02.01 BALANCE SHEET - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2010	4 -12/31/2009
1	Total Assets	34,166,011	32,454,410
1.01	Current Assets	7,133,218	7,753,387
1.01.01	Cash and Cash Equivalents	1,681,646	2,872,919
1.01.01.01	Cash	24,808	31,023
1.01.01.02	Cash Equivalents	1,656,838	2,841,896
1.01.02	Receivables	3,124,296	2,917,108
1.01.02.01	Accounts receivable	1,617,863	1,420,435
1.01.02.01.01	Accounts Receivable subsidiaries	1,155,925	1,031,593
1.01.02.01.02	Accounts Receivable third-parties	802,483	678,975
1.01.02.01.03	Allowance for Doubtful Accounts	(340,545)	(290,133)
1.01.02.02	Sundry Receivables	1,506,433	1,496,673
1.01.02.02.01	Employees	5,449	4,872
1.01.02.02.02	Corporate Income Tax and Social Contribution Recoverable	264,053	366,928
1.01.02.02.03	Deferred Income Tax	485,364	382,018
1.01.02.02.04	Deferred Social Contribution	179,069	140,373

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1.01.02.02.06	Other Taxes	164,052	172,480
1.01.02.02.07	Proposed Dividends Receivable	369,981	369,981
1.01.02.02.09	Other Receivables	38,465	60,021
1.01.03	Inventories	2,303,834	1,955,541
1.01.04	Other	23,442	7,819
1.01.04.02	Prepaid Expenses	23,442	7,819
1.02	Noncurrent Assets	27,032,793	24,701,023
1.02.01	Long-Term Assets	3,119,757	3,136,275
1.02.01.01	Sundry Receivables	528,041	557,870
1.02.01.01.01	Securities Receivables	36,422	27,139
1.02.01.01.02	Deferred Income Tax	265,506	280,947
1.02.01.01.03	Deferred Social Contribution	90,471	96,206
1.02.01.01.04	Other Taxes	135,642	153,578
1.02.01.02	Receivables from Related Parties	1,197,800	1,201,162
1.02.01.02.01	Associated and Related Companies	0	0
1.02.01.02.02	Subsidiaries	1,197,800	1,201,162
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	1,393,916	1,377,243
1.02.01.03.01	Judicial Deposits	1,213,634	1,197,136
1.02.01.03.02	Prepaid Expenses	16,650	17,390
1.02.01.03.03	Other	163,632	162,717
1.02.02	Permanent Assets	23,913,036	21,564,748
1.02.02.01	Investments	16,073,352	14,029,455
1.02.02.01.01	Interest in Associated/Related Companies	0	0
1.02.02.01.02	Interest in Associated/Related Companies - Goodwill	0	0
1.02.02.01.03	Interest in Subsidiaries	16,073,321	14,029,424

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CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

March 31, 2010

**Accounting
Practices
Adopted in
Brazil**

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

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00403-0	COMPANHIA SIDERÚRGICA NACIONAL	33.042.730/0001-04

02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2010	4 - 12/31/2009
1.02.02.01.04	Interest in Subsidiaries - Goodwill		0
1.02.02.01.05	Other Investments		31
1.02.02.02	Property, Plant and Equipment	7,724,853	7,418,185
1.02.02.02.01	In operation, Net	6,350,864	6,226,861
1.02.02.02.02	In Construction	1,288,594	1,107,449
1.02.02.02.03	Land	85,395	83,875
1.02.02.03	Intangible Assets	87,650	88,594
1.02.02.04	Deferred Charges	27,181	28,514

5

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**CVM - BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting
Practices
Adopted in
Brazil**

March 31, 2010

QUARTERLY INFORMATION

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00403-0	COMPANHIA SIDERÚRGICA NACIONAL	33.042.730/0001-04

02.02 BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2010	4 - 12/31/2009
2	Total Liabilities	34,166,011	32,454,410
2.01	Current Liabilities	5,330,886	5,108,658
2.01.01	Loans and Financing	1,644,548	1,679,464
2.01.02	Debentures	8,211	21,592
2.01.03	Suppliers	323,116	337,444
2.01.04	Taxes, Fees and Contributions	932,136	726,857
2.01.04.01	Salaries and Social Contributions	87,701	89,685
2.01.04.02	Taxes Payable	95,549	89,880
2.01.04.05	Taxes Paid by Installments	748,886	547,292
2.01.05	Dividends Payable	1,650,908	1,561,713
2.01.06	Provisions	119,855	132,581
2.01.06.01	Contingencies	183,410	172,657
2.01.06.02	Judicial Deposits	(95,867)	(97,234)
2.01.06.03	Provision for Pension Fund	32,312	57,158
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	652,112	649,007

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2.01.08.01	Accounts Payable - Subsidiaries	283,292	200,152
2.01.08.02	Other	368,820	448,855
2.02	Noncurrent Liabilities	22,784,954	21,781,119
2.02.01	Long-Term Liabilities	22,784,954	21,781,119
2.02.01.01	Loans and Financing	12,196,857	11,132,108
2.02.01.02	Debentures	600,000	600,000
2.02.01.03	Provisions	636,759	1,495,091
2.02.01.03.01	Tax Contingencies	1,808,835	2,673,693
2.02.01.03.02	Environmental Contingencies	122,277	116,309
2.02.01.03.03	Labor and Social Security Contingencies	51,533	50,880
2.02.01.03.04	Judicial Deposits	(1,345,886)	(1,345,791)
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	9,351,338	8,553,920
2.02.01.06.01	Provision for investment losses	34,091	51,246
2.02.01.06.02	Accounts Payable Subsidiaries	8,104,477	8,016,557
2.02.01.06.03	Provision for Pension Fund	0	12,788
2.02.01.06.04	Taxes Paid by Installments	962,991	277,050
2.02.01.06.05	Other	249,779	196,279
2.03	Deferred Income	0	0
2.05	Shareholders Equity	6,050,171	5,564,633
2.05.01	Paid-In Capital Stock	1,680,947	1,680,947
2.05.02	Capital Reserves	30	30
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0

6

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

**Accounting
Practices
Adopted in
Brazil**

March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

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00403-0	COMPANHIA SIDERÚRGICA NACIONAL	33.042.730/0001-04

02.02 BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2010	4 - 12/31/2009
2.05.03.02	Subsidiaries/Associated and Related Companies	0	0
2.05.04	Profit Reserves	4,265,970	4,265,970
2.05.04.01	Legal	336,190	336,190
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Income	3,779,357	3,779,357
2.05.04.05	Retention of Profits	0	0
2.05.04.06	Special For Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	150,423	150,423
2.05.04.07.01	From Investments	1,341,982	1,341,982
2.05.04.07.02	Treasury Shares	(1,191,559)	(1,191,559)
2.05.05	Equity Valuation Adjustments	(270,538)	(382,314)
2.05.05.01	Securities Adjustments	147,798	36,885
2.05.05.02	Accumulated Translation Adjustments	(418,336)	(419,199)
2.05.05.03	Business Combination Adjustments	0	0
2.05.06	Retained Earnings/ Accumulated Losses	373,762	0

2.05.07	Advance for Future Capital Increase	0	0
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7

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION****March 31, 2010****Accounting
Practices
Adopted in
Brazil****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 IDENTIFICATION**

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

03.01 STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
3.01	Gross Revenue from Sales and/or Services	3,282,699	3,282,699	2,282,260	2,282,260
3.02	Gross Revenue Deductions	(733,357)	(733,357)	(476,242)	(476,242)
3.03	Net Revenue from Sales and/or Services	2,549,342	2,549,342	1,806,018	1,806,018
3.04	Cost of Goods Sold and/or Services Rendered	(1,420,716)	(1,420,716)	(1,345,095)	(1,345,095)
3.04.01	Depreciation, Depletion and Amortization	(160,659)	(160,659)	(112,444)	(112,444)
3.04.02	Other	(1,260,057)	(1,260,057)	(1,232,651)	(1,232,651)
3.05	Gross Income	1,128,626	1,128,626	460,923	460,923
3.06	Operating Income/Expenses	(708,569)	(708,569)	(179,390)	(179,390)
3.06.01	Selling Expenses	(171,787)	(171,787)	(96,433)	(96,433)
3.06.01.01	Depreciation and Amortization	(1,310)	(1,310)	(1,126)	(1,126)
3.06.01.02	Other	(170,477)	(170,477)	(95,307)	(95,307)
3.06.02	General and Administrative	(71,543)	(71,543)	(70,777)	(70,777)
3.06.02.01	Depreciation and Amortization	(2,241)	(2,241)	(1,828)	(1,828)

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3.06.02.02	Other	(69,302)	(69,302)	(68,949)	(68,949)
3.06.03	Financial	(558,824)	(558,824)	(306,406)	(306,406)
3.06.03.01	Financial Income	227,880	227,880	217,841	217,841
3.06.03.02	Financial Expenses	(786,704)	(786,704)	(524,247)	(524,247)
3.06.03.02.01	Foreign Exchange and Monetary Variation	(192,308)	(192,308)	41,728	41,728
3.06.03.02.02	Financial Expenses	(594,396)	(594,396)	(565,975)	(565,975)
3.06.04	Other Operating Income	28,048	28,048	74,820	74,820
3.06.05	Other Operating Expenses	(149,416)	(149,416)	(85,177)	(85,177)
3.06.06	Equity Pick-Up	214,953	214,953	304,583	304,583
3.07	Operating Income	420,057	420,057	281,533	281,533
3.08	Non-operating Income	0	0	0	0
3.08.01	Income	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Profit Sharing	420,057	420,057	281,533	281,533

8

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION****March 31, 2010****Accounting
Practices
Adopted in
Brazil****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 - IDENTIFICATION**

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03.01 STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
3.10	Provision for Income and Social Contribution Taxes	(9,799)	(9,799)	(84,985)	(84,985)
3.11	Deferred Income Tax	52,708	52,708	107,496	107,496
3.11.01	Deferred Income Tax	38,254	38,254	79,345	79,345
3.11.02	Deferred Social Contribution	14,454	14,454	28,151	28,151
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	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	462,966	462,966	304,044	304,044
	OUTSTANDING SHARES, EX-TREASURY (in thousands)	1,457,970	1,457,970	758,670	758,670
	EARNINGS PER SHARE (in Reais)	0.31754	0.31754	0.40076	0.40076

LOSS PER SHARE (in Reais)

9

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION****March 31, 2010****Accounting
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00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

**04.01 STATEMENT OF CASH FLOWS INDIRECT
METHOD (in thousands of Reais)**

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
4.01	Net Cash from Operating Activities	434,002	434,002	(1,231,264)	(1,231,264)
4.01.01	Cash Generated in the Operations	1,168,352	1,168,352	240,332	240,332
4.01.01.01	Net Income for the Period	462,966	462,966	304,044	304,044
4.01.01.02	Provision for Charges on Loans and Financing	456,602	456,602	428,390	428,390
4.01.01.03	Depreciation, Depletion and Amortization	164,210	164,210	115,399	115,399
4.01.01.05	Equity Pick Up	(214,953)	(214,953)	(304,583)	(304,583)
4.01.01.07	Deferred Income and Social Contribution Taxes	(52,708)	(52,708)	(107,496)	(107,496)
4.01.01.09	Provision for Actuarial Liability	0	0	(10,552)	(10,552)
4.01.01.10	Provision for Contingencies	34,881	34,881	13,559	13,559
4.01.01.11	Foreign Exchange and Monetary variation, net	242,817	242,817	(198,397)	(198,397)
4.01.01.12	Other Provisions	74,537	74,537	(32)	(32)

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4.01.02	Changes in Assets and Liabilities	(734,350)	(734,350)	(1,471,596)	(1,471,596)
4.01.02.01	Accounts Receivable	(197,402)	(197,402)	10,646	10,646
4.01.02.02	Inventories	(263,221)	(263,221)	49,437	49,437
4.01.02.03	Receivables from Subsidiaries	20,417	20,417	(1,198,387)	(1,198,387)
4.01.02.04	Taxes to Offset	198,242	198,242	(67,274)	(67,274)
4.01.02.05	Suppliers	(17,686)	(17,686)	(108,134)	(108,134)
4.01.02.06	Salaries and Social Charges	(3,786)	(3,786)	(7,307)	(7,307)
4.01.02.07	Taxes	89,155	89,155	69,382	69,382
4.01.02.08	Accounts Payable - Subsidiaries	9,160	9,160	0	0
4.01.02.09	Contingent Liabilities	(42,398)	(42,398)	12,649	12,649
4.01.02.10	Financial Institutions Interest	(316,481)	(316,481)	(228,527)	(228,527)
4.01.02.11	Tax paid in installments - REFIS	(157,236)	(157,236)	0	0
4.01.02.12	Judicial Deposits	(6,538)	(6,538)	(52,721)	(52,721)
4.01.02.13	Other	(46,576)	(46,576)	48,640	48,640
4.01.03	Other	0	0	0	0
4.02	Net Cash from Investment Activities	(2,454,795)	(2,454,795)	1,748,124	1,748,124

10

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION****March 31, 2010****Accounting
Practices
Adopted in
Brazil****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 IDENTIFICATION**

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

04.01 STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
4.02.02	Capital reduction in subsidiary	0	0	2,141,557	2,141,557
4.02.03	Investments	(2,534,258)	(2,534,258)	(237,107)	(237,107)
4.02.04	Property, Plant and Equipment	(219,769)	(219,769)	(156,326)	(156,326)
4.02.05	Cash from merger of subsidiary	299,232	299,232	0	0
4.03	Net Cash from Financing Activities	829,499	829,499	231,772	231,772
4.03.01	Loans and Financing	1,228,350	1,228,350	462,837	462,837
4.03.04	Financial Institutions Principal	(398,851)	(398,851)	(231,063)	(231,063)
4.03.05	Dividends and Interest on Shareholders Equity	0	0	(2)	(2)
4.04	Foreign Exchange Variation on Cash and Cash Equivalents	21	21	(110)	(110)
4.05	Increase (Decrease) in Cash and Cash Equivalents	(1,191,273)	(1,191,273)	748,522	748,522
4.05.01		2,872,919	2,872,919	1,269,546	1,269,546

	Opening Balance of Cash and Cash Equivalents				
4.05.02	Closing Balance of Cash and Cash Equivalents	1,681,646	1,681,646	2,018,068	2,018,068
		11			

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION****March 31, 2010****Accounting
Practices
Adopted in
Brazil****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 - IDENTIFICATION**

1 - CVM CODE 2 - COMPANY NAME

3 - CNPJ (Corporate Taxpayer s
ID)

00403-0 COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

05.01 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2010 TO 3/31/2010 (in R\$ thousands)

1 - CODE	2 DESCRIPTION	3 CAPITAL STOCK	4 CAPITAL RESERVES	5 REVALUATION RESERVES	6 PROFIT RESERVES	7 RETAINED EARNINGS/ ACCUMULATED LOSSES	8 EQUITY VALUATION ADJUSTMEN
5.01	Opening Balance	1,680,947		30	0	4,265,970	0 (382,
5.02	Prior Year Adjustments		0	0	0	0	0
5.03	Adjusted Balance	1,680,947		30	0	4,265,970	0 (382,
5.04	Income/Loss for the Period		0	0	0	0	462,966
5.05	Allocations		0	0	0	0	(89,204)
5.05.01	Dividends		0	0	0	0	0
5.05.02	Interest on Shareholders Equity		0	0	0	0	(89,204)
5.05.03	Other Allocations		0	0	0	0	0
5.06	Profit Reserve Realization		0	0	0	0	0
5.07	Equity Valuation Adjustments		0	0	0	0	0 111
5.07.01			0	0	0	0	0

04.01 STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)

24

	Securities						
	Adjustments						
	Accumulated						
5.07.02	Translation	0	0	0	0	0	111
	Adjustments						
	Business						
5.07.03	Combination	0	0	0	0	0	
	Adjustments						
5.08	Increase/Reduction in	0	0	0	0	0	
	Capital Stock						
5.09	Recording/Realization	0	0	0	0	0	
	of Capital Reserves						
5.10	Treasury Shares	0	0	0	0	0	
5.11	Other Capital	0	0	0	0	0	
	Transactions						
5.12	Other	0	0	0	0	0	
5.13	Closing Balance	1,680,947	30	0	4,265,970	373,762	(270,

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****QUARTERLY INFORMATION**

March 31, 2010

**Accounting
Practices
Adopted in
Brazil****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 - IDENTIFICATION**

1 - CVM CODE 2 - COMPANY NAME

3 - CNPJ (Corporate Taxpayer's ID)

00403-0 COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

05.02 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2010 TO 3/31/2010 (in R\$ thousands)

1 - CODE	2 DESCRIPTION	3 CAPITAL STOCK	4 CAPITAL RESERVES	5 REVALUATION RESERVES	6 PROFIT RESERVES	7 RETAINED EARNINGS/ ACCUMULATED LOSSES	8 EQUITY VALUATION ADJUSTMENTS
5.01	Opening Balance	1,680,947		30	0	4,265,970	0
5.02	Prior Year Adjustments		0	0	0	0	0
5.03	Adjusted Balance	1,680,947		30	0	4,265,970	0
5.04	Net Income/Loss for the Period		0	0	0	0	462,966
5.05	Allocations		0	0	0	0	(89,204)
5.05.01	Dividends		0	0	0	0	0
5.05.02	Interest on Shareholders Equity		0	0	0	0	(89,204)
5.05.03	Other Allocations		0	0	0	0	0
5.06	Realization of Profit Reserves		0	0	0	0	0
5.07	Equity Valuation Adjustments		0	0	0	0	0
5.07.01			0	0	0	0	0

	Securities							
	Adjustments							
	Accumulated							
5.07.02	Translation	0	0	0	0	0	0	111
	Adjustments							
	Business							
5.07.03	Combination	0	0	0	0	0	0	
	Adjustments							
5.08	Increase/Reduction in	0	0	0	0	0	0	
	Capital Stock							
5.09	Recording/Realization	0	0	0	0	0	0	
	of Capital Reserves							
5.10	Treasury Shares	0	0	0	0	0	0	
5.11	Other Capital	0	0	0	0	0	0	
	Transactions							
5.12	Other	0	0	0	0	0	0	
5.13	Closing Balance	1,680,947	30	0	4,265,970	373,762		(270,

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

1.01 IDENTIFICATION

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

08.01 CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)

1- CODE	2 DESCRIPTION	3 - 3/31/2010	4 -12/31/2009
1	Total Assets	31,155,699	29,167,224
1.01	Current Assets	15,257,199	13,568,594
1.01.01	Cash and Cash Equivalents	9,148,907	8,086,742
1.01.01.01	Cash	132,722	142,045
1.01.01.02	Cash Equivalents	9,016,185	7,944,697
1.01.02	Receivables	2,892,859	2,877,092
1.01.02.01	Accounts receivable	1,098,885	1,186,315
1.01.02.01.01	Accounts Receivable subsidiaries	11,229	13,798
1.01.02.01.02	Accounts Receivable third-parties	1,475,023	1,519,168
1.01.02.01.03	Allowance for Doubtful Accounts	(387,367)	(346,651)
1.01.02.02	Sundry Receivables	1,793,974	1,690,777
1.01.02.02.01	Employees	19,630	18,538
1.01.02.02.02	Corporate Income Tax and Social Contribution Recoverable	312,930	438,483

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1.01.02.02.03	Deferred Income Tax	637,174	549,016
1.01.02.02.04	Deferred Social Contribution	233,482	200,256
1.01.02.02.05	Other Taxes	264,677	361,122
1.01.02.02.06	Marketable Securities Available for Sale	188,491	0
1.01.02.02.07	Other Receivables	137,590	123,362
1.01.03	Inventories	3,023,241	2,588,946
1.01.04	Other	192,192	15,814
1.01.04.01	Financial Instruments Guarantee Margin	155,686	0
1.01.04.02	Prepaid Expenses	36,506	15,814
1.02	Noncurrent Assets	15,898,500	15,598,630
1.02.01	Long-Term Assets	3,547,541	3,640,162
1.02.01.01	Sundry Receivables	1,451,553	1,561,637
1.02.01.01.01	Securities Receivables	219,732	212,486
1.02.01.01.02	Deferred Income Tax	732,198	824,841
1.02.01.01.03	Deferred Social Contribution	258,767	287,458
1.02.01.01.04	Other Taxes	240,856	236,852
1.02.01.02	Receivables from Related Parties	479,120	479,120
1.02.01.02.01	Associated and Related Companies	0	0
1.02.01.02.02	Subsidiaries	479,120	479,120
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	1,616,868	1,599,405
1.02.01.03.01	Judicial Deposits	1,230,194	1,214,670
1.02.01.03.02	Prepaid Expenses	104,491	105,921
1.02.01.03.03	Securities	0	0
1.02.01.03.04	Other	282,183	278,814
1.02.02	Permanent Assets	12,350,959	11,958,468
1.02.02.01	Investments	463,920	321,889
1.02.02.01.01	Interest in Associated/Related Companies	0	0

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

1.01 IDENTIFICATION

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

08.01 - CONSOLIDATED BALANCE SHEET - ASSETS (in thousands of reais)

1- CODE	2- DESCRIPTION	3 - 3/31/2010	4 -12/31/2009
1.02.02.01.02	Interest in Subsidiaries		0
1.02.02.01.03	Other Investments	463,920	321,889
1.02.02.02	Property, Plant and Equipment	11,384,015	11,145,530
1.02.02.02.01	In Operation, Net	8,807,606	8,929,558
1.02.02.02.02	Under Construction	2,449,430	2,089,253
1.02.02.02.03	Land	126,979	126,719
1.02.02.03	Intangible Assets	471,636	457,580
1.02.02.04	Deferred Charges	31,388	33,469

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)**FEDERAL PUBLIC SERVICE****CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION****Accounting Practices
Adopted in Brazil****March 31, 2010****QUARTERLY INFORMATION****COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY****01.01 IDENTIFICATION**

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

08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2010	4 - 12/31/2009
2	Total Liabilities	31,155,699	29,167,224
2.01	Current Liabilities	5,170,031	5,128,196
2.01.01	Loans and Financing	1,055,846	1,160,407
2.01.02	Debentures	18,983	30,659
2.01.03	Suppliers	549,910	504,223
2.01.04	Taxes, Fees and Contributions	1,097,732	1,053,184
2.01.04.01	Salaries and Social Contributions	133,366	134,190
2.01.04.02	Taxes Payable	184,173	336,804
2.01.04.03	Taxes Paid by Installments	780,193	582,190
2.01.05	Dividends Payable	1,651,110	1,562,085
2.01.06	Provisions	139,661	140,620
2.01.06.01	Contingencies	212,461	189,517
2.01.06.02	Judicial Deposits	(105,112)	(106,055)
2.01.06.03	Pension Fund Provision	32,312	57,158
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	656,789	677,018
2.01.08.01	Accounts payable Subsidiaries	76,964	74,691
2.01.08.02	Other	579,825	602,327
2.02	Noncurrent Liabilities	19,802,587	18,445,535

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2.02.01	Long-Term Liabilities	19,802,587	18,445,535
2.02.01.01	Loans and Financing	13,723,254	12,547,840
2.02.01.02	Debentures	961,217	624,570
2.02.01.03	Provisions	704,257	1,597,291
2.02.01.03.01	Labor and Social Security Contingencies	89,480	124,772
2.02.01.03.02	Civil Contingencies	18,673	17,718
2.02.01.03.03	Tax Contingencies	1,825,338	2,696,180
2.02.01.03.04	Environmental Contingencies	122,521	116,544
2.02.01.03.05	Judicial Deposits	(1,387,161)	(1,386,248)
2.02.01.03.06	Deferred Income Tax	26,034	20,827
2.02.01.03.07	Deferred Social Contribution	9,372	7,498
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	4,413,859	3,675,834
2.02.01.06.01	Provision for investment loss	0	(72)
2.02.01.06.02	Accounts Payable Subsidiaries	3,011,178	2,980,772
2.02.01.06.03	Pension Fund Provision	0	12,788
2.02.01.06.04	Taxes Paid by Installments	1,147,820	437,231
2.02.01.06.05	Other	254,861	245,115
2.03	Income of Future Periods	0	0
2.04	Minority Interests	168,450	83,060
2.05	Shareholders Equity	6,014,631	5,510,433

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

**Accounting Practices
Adopted in Brazil**

March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 IDENTIFICATION

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

08.02 CONSOLIDATED BALANCE SHEET - LIABILITIES (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 03/31/2010	4 - 12/31/2009
2.05.01	Paid-In Capital	1,680,947	1,680,947
2.05.02	Capital Reserves	30	30
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0
2.05.03.02	Subsidiaries/Associated and Related Companies	0	0
2.05.04	Profit Reserves	4,230,430	4,211,770
2.05.04.01	Legal	336,190	336,190
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Income	3,779,357	3,779,357
2.05.04.05	Profit Retention	0	0
2.05.04.06	Special For Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	114,883	96,223
2.05.05	Equity Valuation Adjustments	(270,538)	(382,314)
2.05.05.01	Securities Adjustments	147,798	36,885
2.05.05.02	Accumulated Translation Adjustments	(418,336)	(419,199)
2.05.05.03	Business Combination Adjustments	0	0

2.05.06	Retained Earnings/Accumulated Losses	373,762	0
2.05.07	Advance for Future Capital Increase	0	0

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 IDENTIFICATION

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

09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 03/31/2009	6 - 1/1/2009 to 3/31/2009
3.01	Gross Revenue from Sales and/or Services	4,006,238	4,006,238	3,192,388	3,192,388
3.02	Deductions from Gross Revenue	(821,605)	(821,605)	(748,405)	(748,405)
3.03	Net Revenue from Sales and/or Services	3,184,633	3,184,633	2,443,983	2,443,983
3.04	Cost of Goods Sold and/or Services Rendered	(1,787,537)	(1,787,537)	(1,689,913)	(1,689,913)
3.04.01	Depreciation, Depletion and amortization	(210,056)	(210,056)	(156,482)	(156,482)
3.04.02	Other	(1,577,481)	(1,577,481)	(1,533,431)	(1,533,431)
3.05	Gross Profit	1,397,096	1,397,096	754,070	754,070
3.06	Operating Income/Expenses	(888,644)	(888,644)	(300,336)	(300,336)
3.06.01	Selling expenses	(201,956)	(201,956)	(127,691)	(127,691)
3.06.01.01	Depreciation and amortization	(1,675)	(1,675)	(1,415)	(1,415)
3.06.01.02	Other	(200,281)	(200,281)	(126,276)	(126,276)
3.06.02	General and Administrative	(112,376)	(112,376)	(108,717)	(108,717)
3.06.02.01	Depreciation and amortization	(7,673)	(7,673)	(7,034)	(7,034)

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3.06.02.02	Other	(104,703)	(104,703)	(101,683)	(101,683)
3.06.03	Financial	(477,907)	(477,907)	(39,204)	(39,204)
3.06.03.01	Financial Income	127,699	127,699	374,238	374,238
3.06.03.02	Financial Expenses	(605,606)	(605,606)	(413,442)	(413,442)
3.06.03.02.01	Foreign Exchange and Monetary Variation, Net	(73,434)	(73,434)	51,586	51,586
3.06.03.02.02	Financial Expenses	(532,172)	(532,172)	(465,028)	(465,028)
3.06.04	Other Operating Income	46,468	46,468	90,437	90,437
3.06.05	Other Operating Expenses	(142,873)	(142,873)	(115,173)	(115,173)
3.06.06	Equity Accounting Income	0	0	12	12
3.07	Operating Income	508,452	508,452	453,734	453,734

18

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 IDENTIFICATION

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

09.01 CONSOLIDATED STATEMENT OF INCOME (in thousands of reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 03/31/2009	6 - 1/1/2009 to 3/31/2009
3.08	Non-Operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Profit Sharing	508,452	508,452	453,734	453,734
3.10	Provision for Income and Social Contribution Taxes	(37,635)	(37,635)	(114,652)	(114,652)
3.11	Deferred Income Tax	9,087	9,087	29,742	29,742
3.11.01	Deferred Income Tax	6,359	6,359	21,858	21,858
3.11.02	Deferred Social Contribution	2,728	2,728	7,884	7,884
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Shareholders Equity	0	0	0	0
3.14	Minority Interest	1,668	1,668	0	0
3.15	Income/Loss for the Period	481,572	481,572	368,824	368,824

OUTSTANDING SHARES, EX-TREASURY (in thousands)	1,457,970	1,457,970	758,670	758,670
EARNINGS PER SHARE (in reais)	0.33030	0.33030	0.48615	0.48615
LOSS PER SHARE (in reais)				

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 IDENTIFICATION

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

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
4.01	Net Cash from Operating Activities	448,261	448,261	(9,733)	(9,733)
4.01.01	Cash Generated in the Operations	1,172,086	1,172,086	519,998	519,998
4.01.01.01	Net Income for the Period	481,572	481,572	368,824	368,824
4.01.01.02	Provision for Charges on Loans and Financing	351,320	351,320	292,272	292,272
4.01.01.03	Depreciation, Depletion and Amortization	219,405	219,405	164,932	164,932
4.01.01.04	Income from Write-Off and Disposal of Assets	0	0	0	0
4.01.01.05	Minority Interest	(1,668)	(1,668)	0	0
4.01.01.06	Deferred Income and Social Contribution Taxes	(9,087)	(9,087)	(29,742)	(29,742)
4.01.01.07	Provision for Swap Operations	(143,040)	(143,040)	(197,713)	(197,713)
4.01.01.09	Provision for Contingencies	404	404	28,105	28,105
4.01.01.10		214,025	214,025	(138,897)	(138,897)

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais) 39

	Monetary and Exchange Variation, net				
4.01.01.11	Other Provisions	59,155	59,155	32,217	32,217
4.01.02	Variation in Assets and Liabilities	(723,825)	(723,825)	(529,731)	(529,731)
4.01.02.01	Accounts Receivable	48,583	48,583	(159,722)	(159,722)
4.01.02.02	Inventories	(431,918)	(431,918)	(60,049)	(60,049)
4.01.02.03	Taxes to Offset	232,487	232,487	59,118	59,118
4.01.02.04	Suppliers	41,850	41,850	(133,342)	(133,342)
4.01.02.05	Salaries and Social Charges	(1,631)	(1,631)	(12,486)	(12,486)
4.01.02.06	Taxes	(27,917)	(27,917)	14,361	14,361
4.01.02.07	Contingent Liabilities	(18,005)	(18,005)	12,731	12,731
4.01.02.08	Financial Institutions Interest	(360,457)	(360,457)	(225,226)	(225,226)
4.01.02.10	Taxes paid in installments - REFIS	(157,532)	(157,532)	0	0
4.01.02.11	Judicial Deposits	(7,568)	(7,568)	(52,811)	(52,811)
4.01.02.13	Other	(41,717)	(41,717)	27,695	27,695
4.01.03	Other	0	0	0	0
4.02	Net Cash from Investment Activities	(696,290)	(696,290)	(219,130)	(219,130)
4.02.01	Swap Contracts (Derivatives)	(22,737)	(22,737)	169,382	169,382
		20			

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

Accounting
Practices
Adopted in
Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 IDENTIFICATION

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

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2010 to 3/31/2010	4 - 1/1/2010 to 3/31/2010	5 - 1/1/2009 to 3/31/2009	6 - 1/1/2009 to 3/31/2009
4.02.02	Advance for Future Capital Increase	(34,198)	(34,198)	0	0
4.02.03	Property, Plant and Equipment	(433,980)	(433,980)	(387,349)	(387,349)
4.02.04	Investment in trading securities	(188,491)	(188,491)	0	0
4.02.05	Intangible Assets	(16,884)	(16,884)	(1,163)	(1,163)
4.03	Net Cash from Financing Activities	1,269,090	1,269,090	235,089	235,089
4.03.01	Loans and Financing	1,651,374	1,651,374	501,954	501,954
4.03.02	Financial Institutions Principal	(382,284)	(382,284)	(266,863)	(266,863)
4.03.03	Dividends and Interest on Shareholders Equity	0	0	(2)	(2)
4.04	Foreign Exchange Variation on Cash and Cash Equivalents	41,104	41,104	(73,616)	(73,616)
4.05	Increase (Decrease) in Cash and Cash Equivalents	1,062,165	1,062,165	(67,390)	(67,390)

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Reais)

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4.05.01	Opening Balance of Cash and Cash Equivalents	8,086,742	8,086,742	9,224,112	9,224,112
4.05.02	Closing Balance of Cash and Cash Equivalents	9,148,907	9,148,907	9,156,722	9,156,722

21

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

**Accounting
Practices
Adopted in
Brazil**

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 - IDENTIFICATION

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

11.01 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2010 TO 3/31/2010 (in R\$ thousands)

1 - CODE	2 DESCRIPTION	3 CAPITAL STOCK	4 CAPITAL RESERVES	5 REVALUATION RESERVES	6 PROFIT RESERVES	7 RETAINED EARNINGS/ ACCUMULATED LOSSES	8 EQUITY VALUATION ADJUSTMEN
5.01	Opening Balance	1,680,947		30	0	4,211,770	0
5.02	Prior Year Adjustments		0	0	0	0	(382,000)
5.03	Adjusted Balance	1,680,947		30	0	4,211,770	0
5.04	Net Income/Loss for the Period		0	0	0	0	481,572
5.05	Allocations		0	0	0	0	(89,204)
5.05.01	Dividends		0	0	0	0	0
5.05.02	Interest on Shareholders Equity		0	0	0	0	(89,204)
5.05.03	Other Allocations		0	0	0	0	0
5.06	Realization of Profit Reserves		0	0	0	0	0
5.07	Equity Valuation Adjustments		0	0	0	0	0
5.07.01	Securities Adjustments		0	0	0	0	0

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Real)

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5.07.02	Accumulated Translation Adjustments Business	0	0	0	0	0	111
5.07.03	Combination Adjustments	0	0	0	0	0	
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	
5.10	Treasury Shares	0	0	0	0	0	
5.11	Other Capital Transactions	0	0	0	0	0	
5.12	Other	0	0	0	18,660	(18,606)	
5.12.01	Unrealized Profit	0	0	0	18,660	(18,606)	
5.12.02	Other	0	0	0	0	0	
5.13	Closing Balance	1,680,947	30	0	4,230,430	373,762	(270,

22

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

FEDERAL PUBLIC SERVICE

CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

QUARTERLY INFORMATION

March 31, 2010

**Accounting
Practices
Adopted in
Brazil**

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

01.01 - IDENTIFICATION

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

11.02 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FROM 1/1/2010 TO 3/31/2010 (in R\$ thousands)

1 - CODE	2 DESCRIPTION	3 CAPITAL STOCK	4 CAPITAL RESERVES	5 REVALUATION RESERVES	6 PROFIT RESERVES	7 RETAINED EARNINGS/ ACCUMULATED LOSSES	8 EQUITY VALUATION ADJUSTMEN
5.01	Opening Balance	1,680,947		30	0	4,211,770	0
5.02	Prior Year Adjustments		0	0	0	0	0
5.03	Adjusted Balance	1,680,947		30	0	4,211,770	0
5.04	Net Income/Loss for the Period		0	0	0	0	481,572
5.05	Allocations		0	0	0	0	(89,204)
5.05.01	Dividends		0	0	0	0	0
5.05.02	Interest on Shareholders Equity		0	0	0	0	(89,204)
5.05.03	Other Allocations		0	0	0	0	0
5.06	Realization of Profit Reserves		0	0	0	0	0
5.07	Equity Valuation Adjustments		0	0	0	0	0
5.07.01	Securities Adjustments		0	0	0	0	0

10.01 CONSOLIDATED STATEMENT OF CASH FLOWS INDIRECT METHOD (in thousands of Real) 15

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5.07.02	Accumulated Translation Adjustments Business	0	0	0	0	0	111
5.07.03	Combination Adjustments	0	0	0	0	0	
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	
5.10	Treasury Shares	0	0	0	0	0	
5.11	Other Capital Transactions	0	0	0	0	0	
5.12	Other	0	0	0	18,660	(18,606)	
5.12.01	Unrealized Profit	0	0	0	18,660	(18,606)	
5.12.02	Other	0	0	0	0	0	
5.13	Closing Balance	1,680,947	30	0	4,230,430	373,762	(270,

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

06.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of Reais, unless otherwise stated)

1. OPERATIONS

The main activities of Companhia Siderúrgica Nacional (CSN) or Company are 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 and iron ore production, whose operation is developed in the city of Congonhas, in the State of Minas Gerais.

CSN also explores limestone and dolomite in the branches in the State of Minas Gerais and tin in the State of Rondônia, in order to meet the needs of UPV and the surplus raw materials are traded with subsidiaries and third parties. In order to provide greater synergy to the processes, the Company also maintains strategic investments in mining companies, railroad, electricity, and cement. In addition, the Company is establishing a long steel plant in Volta Redonda.

The Company, aiming to get closer to clients and exploit markets on a global level, has a steel distributor, metal packaging plants, in addition to a galvanized steel plant in the southern region of Brazil and another in the southeast of Brazil to meet the demand of the home appliance, civil construction and automotive industries. Abroad, the Company has a steel rolling mill in Portugal and another mill in the United States.

The Company's shares are listed on the Stock Exchanges in Brazil under ticker CSNA3 (BOVESPA) and in the United States - SID (NYSE).

2. PRESENTATION OF THE QUARTERLY INFORMATION

The individual (Parent Company) and consolidated quarterly information was prepared in accordance with the accounting practices adopted in Brazil, which include the Brazilian Corporate Law, Pronouncements, Guidelines and Interpretations issued by the Committee for Accounting Pronouncements and rules issued by the Brazilian Securities and Exchange Commission (CVM), in effect as of December 31, 2009, which will be different than those that will be used in the preparation of financial statements of December 31, 2010.

In 2009, the Committee for Accounting Pronouncements (CPC) issued several pronouncements, interpretations and guidelines approved by the Brazilian Securities and Exchange Commission (CVM) and by the Federal Accounting Council, also in 2009, mandatory as of 2010, including for the March 31, 2010 quarterly information, which will be reissued comparatively.

CVM, through its Resolution 603 of November 10, 2009, authorized publicly-held companies to present their quarterly information throughout 2010, pursuant to the accounting practices in effect on December 31, 2009.

The Company's Management is starting the process to assess the possible impacts caused by these new rules and, therefore, is disclosing its quarterly information related to March 31, 2010 based on the accounting practices effective as of December 31, 2009. This process involves revising internal controls, systems and other material aspects. The analyses are not advanced yet to allow a safe disclosure of possible effects of the adoption of the new accounting rules. In the Management's preliminary evaluation, the main Pronouncements, Guidelines and Interpretations issued by the Committee for Accounting Pronouncements that may impact the financial statements as of the year ended December 31, 2010, are:

- **CPC 16 - Inventory**

Due to possible changes on property, plant and equipment's depreciation related to the revision of their useful lives, the cost of inventory and of products sold shall be impacted. Since there is not an estimate of the impacts of the change on the useful lives of property, plant and equipment, purpose of CPC 27, we cannot measure the impacts on the result for the year or shareholders' equity. The Company is assessing other possible impacts from the adoption of this pronouncement.

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0 COMPANHIA SIDERÚRGICA NACIONAL
33.042.730/0001-04**

06.01 NOTES TO THE FINANCIAL STATEMENTS

- **CPC 27 Property, plant and equipment and ICPC 10 Clarifications on Technical Pronouncements CPC 27 Property, plant and equipment and CPC 28 Investment Property**

The adoption of this pronouncement might change depreciation amounts recorded due to the revision of property, plant and equipment useful lives. The expected accounting effects will occur in depreciation cost and expenses in the year and, consequently, on property, plant and equipment residual amounts. The analysis of changes on property, plant and equipment useful lives is in progress and the effects of the possible changes have not been measured so far. The Company's Management is also evaluating the possible effects from the eventual utilization of property, plant and equipment costs.

- **CPC 32 Income Taxes**

The adoption of this pronouncement is being evaluated regarding its impact on the calculation of deferred taxes, especially regarding the treatment of some temporary differences mentioned in paragraph 39 of this pronouncement. The Company's Management has not concluded the analysis of this pronouncement and understands that it is not possible to safely measure the eventual impacts on the financial statements yet.

In addition to the topics mentioned above, the following accounting pronouncements can impact the Company's financial statements. The Company's Management, however, has not concluded the possible impacts caused by the adoption of these pronouncements:

- CPC 22 Segment information
- CPC 26 Disclosure of financial statements
- CPC 36 Consolidated financial statements
- CPC 38 Financial instruments: Recognition and measurement
- CPC 39 Financial instruments: Presentation
- CPC 40 Financial instruments: Disclosure
- ICPC 04 Scope of CPC 10 Share-based payment
- ICPC 05 Pronouncement CPC 10 Share-based payment Transaction with the group's shares and treasury shares
- ICPC 08 Accounting of proposed dividend payment
- ICPC 09 Individual financial statements, separate financial statements, consolidated financial statements and application of the equity accounting method
- OCPC 03 Financial instruments: Recognition, measurement and disclosure

The Company shall restate the quarterly information taking into consideration the application of the new rules until the issuance of annual financial statements.

Foreign currency translation

Foreign currency transactions are translated into reais using exchange rates in effect on the transaction dates. The result from balance sheet accounts are translated at the exchange rate on the balance sheet date, and US\$1 was equivalent to R\$1.7810 on March 31, 2009 (R\$1.7412 on December 31, 2009).

Foreign currency-denominated revenues, costs and expenses are translated at the average exchange rate of the month when they occur. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recorded in the statement of income.

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0 COMPANHIA SIDERÚRGICA NACIONAL
33.042.730/0001-04**

06.01 NOTES TO THE FINANCIAL STATEMENTS

3. MAIN ACCOUNTING PRACTICES

(a) Determination of results of operations

The results of operations are recognized on an accrual basis. Revenues from the sale of products are recognized when all risks and rewards related to the goods ownership have been transferred to the buyer. Revenues from services rendered are recognized as services are provided.

The Company adopts as revenue recognition policy the date the product is delivered to the buyer, and when it can safely measure its value.

The income includes revenues, monetary and exchange charges and variations, restated according to official indices and rates levied on assets and liabilities and, when applicable, the effects of adjustments at market or realization value.

(b) Current and noncurrent assets

- **Cash and cash equivalents**

Cash and cash equivalents include cash, bank deposits and other short-term investments of immediate liquidity, redeemable in up to 90 days from the balance sheet dates, immediately convertible into cash and with an insignificant risk of change in their market value. Deposit certificates that may be redeemed at any time without penalties are considered cash equivalents.

- **Trade accounts receivable**

Trade accounts receivable are recorded at the invoiced amount, including the respective taxes and ancillary expenses and credits from clients in foreign currency corrected at the exchange rate as of the date of the financial statements. The allowance for doubtful accounts was recorded in an amount considered adequate to support possible losses. Management's assessment takes into account the client's history, the financial situation and the assessment of our legal advisors regarding the receipt of these credits for the recording of this provision.

- **Inventories**

These are recorded at the lowest value between the cost and the net realizable value. The cost is determined using the average weighted cost method in the acquisition of raw materials, whereas products in progress and/or finished are measured at production or acquisition cost. Imports in progress are recorded at identified purchase cost.

- **Investments**

Investments in subsidiaries, jointly-owned subsidiaries and associated companies are recorded and measured by the equity accounting method and the gains and losses are recognized in income for the

period as operating income (or expenses). In the case of exchange variation of investment abroad whose functional currency is different to the Company's currency, variations in the amount of investments deriving solely from the exchange variation are recorded in the "Equity Valuation Adjustment" account, in the Company's shareholders' equity, and are only registered in the result when the investment is sold or written-off by loss. Gains or transactions to be performed between the Company and its subsidiaries and related companies are eliminated. Other investments are recorded and held at cost.

When necessary, the accounting practices of the subsidiaries and jointly-owned subsidiaries are changed to ensure criteria, consistency and uniformity with the practices adopted by the Company.

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0 COMPANHIA SIDERÚRGICA NACIONAL
33.042.730/0001-04**

06.01 NOTES TO THE FINANCIAL STATEMENTS

- **Property, plant and equipment**

These are recorded at acquisition, formation or construction cost. Depreciation is calculated through the straight-line method, based on the remaining economic useful lives of the assets (Note 13), and depletion of the mines is calculated based on the quantity of iron ore extracted. Loans costs related to funds raised for specific construction in progress are capitalized until the constructions are concluded.

Machinery, equipment, buildings and other items of property, plant and equipment are stated at the historical acquisition cost, monetarily restated up to December 31, 1995.

Improvements in existing assets will be added to property, plant and equipment, and maintenance and repair costs to the result, when incurred.

- **Asset impairment**

Property, plant and equipment and other non-current assets, including goodwill and intangible assets are reviewed annually to identify evidences of non-recoverable losses, or also, whenever events or changes in circumstances indicate that the book value cannot be recovered. For valuation purposes, the assets are grouped in the smallest group of assets for which cash flows are identified separately.

- **Intangible assets**

Intangible assets comprise of assets acquired from third parties, including by means of business combinations, and/or those internally generated.

These assets are recorded at the acquisition or formation cost, less amortization calculated through the straight-line method based on exploration or recovery terms.

Intangible assets with indefinite useful lives, as well as goodwill for expected future profitability, are no longer amortized as from January 1, 2009, and their recoverable value are tested on a yearly basis, or whenever it is necessary.

- **Deferred charges**

In this group, just the remaining balances of deferred pre-operating expenses are maintained, which are amortized in accordance with the criteria prior to Law 11,638/07 due to the option offered by the CPC Technical Pronouncement 13 (Initial adoption of Law 11,638/07) and Provisional Measure 449/08.

- **Other current and noncurrent assets**

Stated at their realization value, including, when applicable, the yields earned up to the date of the quarterly information or, in the case of prepaid expenses, at cost.

(c) Current and noncurrent liabilities

These are stated at their known or calculable values, plus, when applicable, the corresponding charges and monetary and foreign exchange variations incurred up to the date of the financial statements.

- **Employee benefits**

- i) **Pension obligations**

The liability related to defined benefit pension plans is the present value of the defined benefit liability on the balance sheet date less the market value of the plan assets adjusted by actuarial gains or losses and cost of past

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

06.01 NOTES TO THE FINANCIAL STATEMENTS

services. The defined benefit liability is calculated annually by independent actuaries. The present value of the defined benefit liability is determined by the estimate of future cash outflow, using the interest rates of government bonds whose maturity terms are close to those of the related liability.

The actuarial gains and losses resulting from changes in the actuarial assumptions and changes to the pension plans are allocated or credited to income by the average remaining length of service of related employees.

For the defined contribution plans, the company pays contributions to government or private pension plans on a mandatory, contractual or voluntary basis. As soon as contributions are paid, the company has no other additional payments obligations. Regular contributions comprise the net costs for the period in which they are due, being included in personnel costs.

In compliance with Resolution 371/00, issued by the CVM, the Company has been recording the respective actuarial liabilities as from January 1, 2002, in accordance with the aforementioned reported resolution and

based on independent actuary studies, which are carried out annually.

ii) Profit sharing and bonuses

Profit sharing of employees is subject to achieving certain operating and financial targets, mainly allocated to the production cost when applicable and to general and administrative expenses.

• **Income and social contribution taxes**

Income tax is calculated at rates of 15% plus an additional of 10% on taxable basis and social contribution on net income at a 9% rate on the taxable basis. In the calculation of taxes, the offsetting of the tax loss carryforward and negative basis of social contribution is also considered, and it is limited to 30% of the taxable income.

The deferred tax assets deriving from tax loss carry forwards, negative basis of social contribution on net income and temporary differences between calculation basis of tax on assets and liabilities and book values of the quarterly information were recorded in compliance with the CVM Rule 371/02 and took into consideration the historic profitability and the expectations of generating future taxable income, based on a technical study.

(d) Financial instruments

i) Classification and measurement

Financial assets are classified in the following categories: measured at fair value through profit and loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. The Company's Management sets forth the classification of its financial assets at the initial recognition.

• **Financial assets measured at fair value through profit and loss**

Financial assets measured at fair value through profit and loss are financial assets held for active and frequent trading. Derivatives are also categorized as held for trading and, therefore, are classified in this category, unless they have been recorded as hedge instruments. Assets in this category are classified as current. Gains or losses from variations in fair value of financial assets measured at fair value through profit and loss are recorded in the statement of income under "Financial income" in the period they occur, unless the instrument has been taken out in connection with another operation. In this case, variations are recorded in the same line as the income impacted by said operation.

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

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION

Accounting Practices
Adopted in Brazil
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

06.01 NOTES TO THE FINANCIAL STATEMENTS

- **Loans and receivables**

This category includes loans granted and receivables that are non-derivative financial assets with fixed payment or to be established, not priced at an active market. They are included as current assets, except those with a maturity term greater than 12 months after the balance sheet date (these are classified as noncurrent assets). Loans and receivables comprise loans to associated companies, trade accounts receivable, other accounts receivable and cash and cash equivalents, excluding short-term investments. Loans and receivables are accounted for at the amortized cost, using the effective interest rate method.

- **Financial assets held to maturity**

They are basically financial assets that cannot be classified as loans and receivables and are acquired with the financial purpose and ability to be held in portfolio until maturity. They are measured at the amortized cost by the effective interest rate method.

- **Financial assets available for sale**

These are non-derivative financial assets that are not classified in any other category. They are included in noncurrent assets, unless Management intends to dispose of the investment within 12 months after the balance sheet date. Financial assets available for sale are recorded at fair value. Interest on securities available for sale, calculated through the effective interest rate method, are booked as financial revenues in the statement of income. The amount corresponding to variation in fair value is recorded against shareholders' equity, in the Equity Valuation Adjustments account and is realized against result during its settlement or impairment.

- **Fair value**

Fair value of listed investments is based on current acquisition prices. For financial assets without an active market or which are not publicly traded, the fair value is established through appraisal techniques, including the use of recent outsourced operations, the use of other materially similar instruments as reference, discounted cash flow analysis and option pricing models that make the greatest possible use of information from the market and the least possible use of information generated by the Company's Management.

On the balance sheet date, the Company assesses whether there is any objective evidence that a given financial asset or group of financial assets is recorded at a value higher than its recoverable value (impairment). In case of financial assets available for sale, should there be any such evidence, the accrued loss (calculated as the difference between the acquisition cost and the current fair value less any impairment loss of such financial asset previously recorded in the result) is taken from the shareholders' equity and recorded in the statement of income.

- ii) **Derivative instruments and hedge activities**

Initially, derivatives are recorded at their fair value on the date that derivative agreements are signed, being subsequently remeasured at their fair value. The resulting variations in fair value are booked against the result, except in the case of derivatives designated as cash flow hedge instruments.

In 2009, the Company maintained a financial instrument called total return equity swap, purpose of which is to increase the return on financial assets. This instrument was recorded at fair value and gains and losses were recognized in the statement of income.

This instrument was recorded in other accounts payable, and its margin of guarantee in other accounts receivable; the instrument was settled on August 13, 2009.

Although the Company makes use of derivatives for protection purposes, it does not apply hedge accounting.

Fair value of derivative instruments is disclosed in Note 18.

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FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0
33.042.730/0001-04**

COMPANHIA SIDERÚRGICA NACIONAL

06.01 NOTES TO THE FINANCIAL STATEMENTS

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0 COMPANHIA SIDERÚRGICA NACIONAL
33.042.730/0001-04**

06.01 NOTES TO THE FINANCIAL STATEMENTS

(e) Treasury shares

As established by the CVM Rule 10 of February 14, 1980, shares held in treasury are recorded at cost of acquisition, and the market value of these shares is calculated based on the average stock exchange quotation on the last day of the year.

(f) Accounting estimates

Accounting estimates are required when the financial statements are prepared, for recording certain assets, liabilities and other transactions. Therefore, the quarterly information includes estimates to measure allowance for doubtful accounts, provision for inventory losses, provisions for labor, civil, tax, environmental and social security liabilities, depreciation, amortization, depletion, provision for impairment, deferred taxes, financial instruments and employees' benefits. The estimates and assumptions are periodically reviewed; however, the actual results can differ from these estimates.

4. AMENDMENTS TO THE 2009 QUARTERLY INFORMATION AS REVIEWED BY CPC 2R

Quarterly information includes the changes introduced by the revision of CPC 02. Below is the Company's charts with the effects from the application of CPC 2R.

- Income

	Closing balance	Adjustments of Resolution 624/10		3/31/2009 Parent Company Balance prior to adjustments
NET REVENUE	1,806,018			1,806,018
Cost of products and services sold	(1,345,095)			(1,345,095)
GROSS OPERATING INCOME	460,923			460,923
OPERATING EXPENSES AND REVENUES				
Selling expenses	(96,433)			(96,433)
General and administrative expenses	(70,777)			(70,777)
Other operating expenses	(10,356)	48	(1)	(10,404)
OPERATING INCOME BEFORE FINANCIAL EFFECTS AND INTEREST	283,357	48		283,309
Financial expenses and revenues				
Gains and losses for equity pick-up	304,583	(1,875)	(1)	306,458
Monetary and exchange variation, net	187,028	75,753	(1) and (2)	111,275
Other financial expenses/revenues	(493,435)	(129,207)	(1)	(364,228)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	281,533	(55,281)		336,814
Income and social contribution taxes	22,511	45,787	(3)	(23,276)
NET INCOME FOR THE YEAR	304,044	(9,494)		313,538

(1) Change in the accounting treatment of the companies Islands VII, VIII, IX, X, XI; Tangua and International Investment Fund, previously accounted for as branches, and are now registered as

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subsidiaries of CSN, pursuant to CVM Resolution 624 of January 28, 2010.

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FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

**00403-0
33.042.730/0001-04**

COMPANHIA SIDERÚRGICA NACIONAL

06.01 NOTES TO THE FINANCIAL STATEMENTS

(2) Exchange rate variation of loans and financing from related party operations: Fixed rate notes, intercompany, prepayment and loan.

(3) Income tax (IR) and social contribution on net income (CSLL) related to exchange rate variation of loans and financing from intercompany operations: Fixed rate notes, intercompany, prepayment and loan.

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

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION

March 31, 2010

Accounting Practices
Adopted in Brazil

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

06.01 NOTES TO THE FINANCIAL STATEMENTS

Cash flow

	Closing balance	Adjustments of Resolution 624/10	3/31/2009 Parent Company Balance prior to adjustments
Cash flow from operating activities:			
Net income for the period	304,044	(9,494)	313,538
Adjustments to reconcile net income for the period with funds from operating activities:			
- Monetary and exchange variations, net	(198,397)	99,257	(297,654)
- Provision for charges on loans and financing	428,390	(64,505)	492,895
- Equity pick-up	(304,583)	1,875	(306,458)

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- Deferred income and social contribution taxes	(107,496)	(45,787)	(61,709)
- Sw ap provision		(4,944)	4,944
- Other provisions	(32)	20,115	(20,147)
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾	118,406		118,406
	240,332	(3,483)	243,815
(Increase) decrease in assets:			
- Credits w ith subsidiaries and associated companies	(1,198,387)	(1,092,552)	(105,835)
- Other	(8,788)	2,695	(11,483)
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾	(7,191)		(7,191)
	(1,214,366)	(1,089,857)	(124,509)
Increase (decrease) in liabilities:			
- Accounts payable - subsidiary		(47)	47
- Other	57,428	12,020	45,408
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾	(86,131)		(86,131)
	(28,703)	11,973	(40,676)
Charges on paid loans and financing			
- Interest paid	(228,527)	91,114	(319,641)
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾		4,771	(4,771)
	(228,527)	95,885	(324,412)
Net cash from operating activities	(1,231,264)	(985,482)	(245,782)
Cash flow used in investing activities:			
- Investments / advances for future capital increase	1,904,450	2,014,440	(109,990)
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾	(156,326)		(156,326)
Net cash used in investing activities	1,748,124	2,014,440	(266,316)
Cash flow from financing activities			
- Loans and financing	462,837	(23,366)	486,203
- Financial institutions - principal	(231,063)	71,480	(302,543)
- Other w ithout the effect of CVM Resolution 624 ⁽¹⁾	(2)		(2)
Net cash used in financing activities	231,772	48,114	183,658
Exchange variation on cash and cash equivalents ⁽²⁾	(110)	(110)	
Increase (decrease) of cash and cash equivalents	748,522	1,076,962	(328,440)
Cash and cash equivalents at the beginning of the year	1,269,546	(6,122,133)	7,391,679
Cash and cash equivalents at the end of the year	2,018,068	(5,045,171)	7,063,239

(1) These refer to the total cash flow operations that were not amended by CVM Resolution 624 of January 28, 2010.

(2) For a better presentation, according to the CPC Technical Pronouncement 3 Statements of cash flows, the exchange variations on cash and cash equivalents were reclassified in the parent company and consolidated.

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

FEDERAL PUBLIC SERVICE

**CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION**

**Accounting Practices
Adopted in Brazil**
March 31, 2010

QUARTERLY INFORMATION

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY