



São Paulo, July 30, 2019

Results for the Second Quarter of 2019

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) **announces its results for the second quarter of 2019 (2Q19)** which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting standards, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010. All comments presented herein refer to the Company's consolidated results for the **second quarter of 2019 (2Q19)** and comparisons refer to the first quarter of 2019 (1Q19) and the second quarter of 2018 (2Q18). The real/U.S. dollar exchange rate was R\$3.8322 on 06/30/2019, R\$3.8967 on 03/31/2019 and R\$3.8748 on 12/31/2018.

Operating and Financial Highlights

- **Record adjusted EBITDA of R\$2,380MM**, up by 68% and 38% over 2Q18 and 1Q19, respectively. Adjusted EBITDA Margin reached 33.5%, increasing by 5.8 p.p. versus 1Q19 due to the strong mining performance.
- Mining EBITDA reached a historical record of **R\$2,021MM**, 61% higher than in 1Q19, **with an increase of approximately 40% in EBITDA/ton** in the segment due to better realized prices and increased sales volumes.
- 14% growth in **iron ore sales volumes** over 1Q19, with highlight to exported volumes.
- **Leverage ratio reduced by 0.42x over the previous quarter**, reaching **3.65x** in 2Q19, due to higher EBITDA generation. Considering the second prepayment of \$250MM, leverage has already reached **3.52x**

Highlights	2Q18	1Q19	2Q19	Change	
				2Q19 x 2Q18	2Q19 x 1Q19
Steel Sales (thousand t)	1,321	1,175	1,161	(12%)	(1%)
- Domestic Market	798	811	771	(3%)	(5%)
- Foreign Subsidiaries	449	340	369	(18%)	8%
- Exports	74	24	21	(71%)	(11%)
Iron Ore Sales (thousand t)	8,130	8,859	10,143	25%	14%
- Domestic market	1,376	1,169	1,139	(17%)	(3%)
- Foreign Market	6,754	7,690	9,004	33%	17%
Consolidated Results (R\$ million)					
Net Revenue	5,687	6,005	6,901	21%	15%
Gross Profit	1,563	1,984	2,458	57%	24%
Adjusted EBITDA ¹	1,420	1,724	2,380	68%	38%
Adjusted Net Debt ²	27,125	25,772	26,641	(2%)	3%
Adjusted Cash and Cash Equivalents ²	4,357	3,601	3,177	(27%)	(12%)
Net Debt / Adjusted EBITDA	5.34x	4.07x	3.65x	-1.69 x	-0.42 x

¹ Adjusted EBITDA is calculated based on net profit, plus depreciation and amortization, income tax, net financial result, share of profit (loss) of investees and other operating income (expenses), and includes the proportionate share of EBITDA of the jointly owned subsidiaries MRS Logística and CBSI. It includes the Company's stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI.

² Adjusted net debt and the adjusted cash and cash equivalents position include the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI, excluding Forfaiting and drawee risk operations.

CSN's Consolidated Results

- **Net revenue** in **2Q19** totaled R\$6,901 million, 21% and 15% higher than in 2Q18 and 1Q19, respectively. The strong growth was mainly due to the improvement in mining performance.
- **Cost of goods sold** totaled R\$4,442 million in **2Q19**, 8% and 10% higher than in 2Q18 and 1Q19, respectively. Costs in the steel segment increased in comparison to 1Q19 due to the end of blast furnace number 3 campaign and costs of goods sold in the mining segment increased due to higher sales volume.
- **Gross profit** totaled R\$2,458 million in **2Q19**, 24% higher than in 1Q19. Gross margin increased 2.6 p.p. versus 1Q19, reaching 35.6% in 2Q19, mainly due to improved performance in mining, as well as logistics, energy and cement segments.
- **General and administrative expenses** totaled R\$126 million in **2Q19**, with a **dilution from 2.0% (1Q19) to 1.8% (2Q19)** of net revenue. **Selling expenses** totaled R\$426 million, or 6.2% of net revenue, **3.4 p.p. lower** than the amount recorded in 1Q19 (9.5% of net revenue) due to efficiency in hiring freight in the period's shipments.
- **Net other income (expenses)** was an expense of R\$802 million in **2Q19**, mainly to non-cash items, such as: (i) the devaluation of Usiminas shares and (ii) the recognition of hedge accounting expenses.
- **Net financial result** was an expense of R\$358 million in **2Q19**, lower than the 1Q19, mainly due to the variation in exchange rate with positive effect in results. **Financial expenses (ex-exchange variation)** remained stable when compared to the previous quarter, reaching **R\$641MM**, affected by bond repurchase expenses.

Financial Result (R\$ million)	2Q18	1Q19	2Q19
Financial Result - IFRS	(989)	(635)	(358)
Financial revenue	48	111	85
Financial expenses	(1,037)	(746)	(443)
Financial expenses (ex-exchange rate variation)	(489)	(633)	(641)
Result with exchange rate variation	(548)	(114)	198
Monetary and exchange rate variation	(1,905)	(126)	295
Hedge accounting	1,353	12	(97)
Derivative result	3	-	1

- **Equity in results of affiliated companies** was positive R\$29 million in **2Q19**, versus a positive amount of R\$26 million in 1Q19, mainly due to the improved performance of MRS and TLSA.

Equity in results of affiliated companies (R\$ million)	2Q18	1Q19	2Q19	Change				
				2Q19	x	2Q18	2Q19	x
MRS Logística	46	43	44	(4%)		2%		
CBSI	1	1	1	-		-		
TLSA	(8)	(6)	(3)	(63%)		(50%)		
Arvedi Metalfer BR	(2)	-	-	-		-		
Eliminations	(10)	(12)	(12)	20%		-		
Equity in results of affiliated companies	27	26	29	7%		12%		

- CSN recorded a net profit of **R\$1,894 million** in **2Q19**, versus a net profit of R\$87 million in 1Q19, mainly due to a reversal of provision of deferred IR/CS taxes, in line with the perspective of future profitability, of approximately R\$1,615MM.

Adjusted EBITDA (R\$ million)	2Q18	1Q19	2Q19	Change	
				2Q19 x 2Q18	2Q19 x 1Q19
Net profit for the period	1,190	87	1,894	59%	2083%
(-) Depreciation	312	306	332	6%	8%
(+) Income tax and social contribution	(635)	459	(1,119)	76%	-
(+) Net financial result	989	635	358	-64%	-44%
EBITDA (CVM Instruction 527)	1,855	1,487	1,465	-21%	-1%
(+) Other operating income (expenses)	(542)	135	802	-	493%
(+) Equity in results of affiliated companies	(27)	(26)	(29)	6%	13%
(-) Proportional EBITDA of jointly owned subsidiaries	134	127	142	6%	12%
Adjusted EBITDA¹	1,420	1,724	2,380	68%	38%

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

- Adjusted EBITDA reached R\$2,380 million in **2Q19**, versus R\$1,724 million in 1Q19, 38% increase due to better contribution from mining segment, while adjusted EBITDA margin reached 33.5%, or 5.8 p.p. higher during the same period.

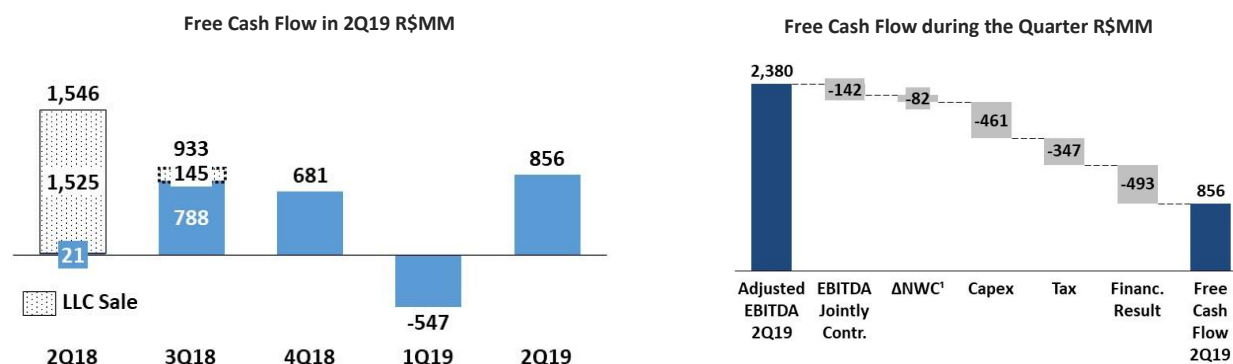
Adjusted EBITDA (R\$ MM) and Adjusted EBITDA Margin¹ (%)



¹ Adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA and adjusted net revenue, considering the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI.

Free Cash Flow¹

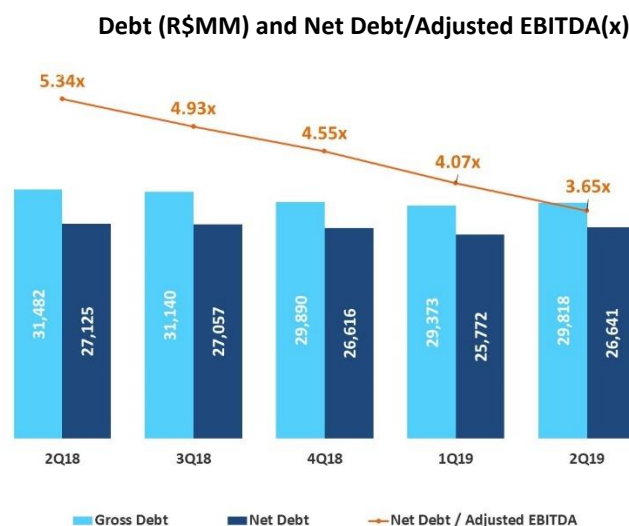
Operating cash flow, as measured by free cash flow was positive by R\$856MM in **2Q19**, influenced by stability in working capital and the excellent EBITDA performance in the quarter.



¹ The free cash flow is calculated from adjusted Ebitda less Ebitda of joint ventures, Capex, Income tax, financial result and variation of working capital, excluding the effect of Glencore's advance.

Debt

On 06/30/2019, consolidated net debt reached R\$26,641 million, while net debt/EBITDA, calculated based on LTM adjusted EBITDA, reached 3.65x, or 0.42x lower than in 1Q19. Considering the second prepayment with Glencore, the leverage reached 3,52x. The evolution of leverage in the quarter was affected by the distribution of dividends in the amount of R\$1,151 million.



Foreign Exchange Exposure

The net FX exposure (excluding the Perpetual Bond) of the consolidated balance sheet on 06/30/2019 was US\$958 million, as shown in the table below. It should be noted that the net foreign exchange exposure includes a liability of US\$1.0 billion in line item "Loans and Financing" related to the Perpetual Bond, which, due to its nature, will not require disbursement to settle the principal amount in the foreseeable future.

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

Foreign Exchange Exposure (in thousands of U.S. dollars)	06/30/2018		03/31/2019		06/30/2019	
	IFRS		IFRS		IFRS	
Cash		593		99		295
Accounts Receivable		329		486		549
Other		9		7		5
Total Assets		931		593		849
Loans and Financing		(4,237)		(4,053)		(4,295)
Trade Payables		(202)		(125)		(109)
Other Payables		(4)		(3)		(3)
Total Liabilities		(4,443)		(4,181)		(4,407)
Natural Foreign Exchange Exposure (Assets - Liabilities)		(3,512)		(3,589)		(3,558)
Cash Flow Hedge Accounting		2,477		1,862		1,600
Net Foreign Exchange Exposure		(1,035)		(1,726)		(1,958)
Perpetual Bond		1,000		1,000		1,000
Net Foreign Exchange Exposure, excluding Perpetual Bond		(35)		(726)		(958)

Investments

A total of R\$461 million was invested in **2Q19**, 47% higher than in 1Q19, due to investments related to the scheduled shutdown of blast furnace number 3 in the steel segment and the tailings filtering plants in the mining segment, that we enable efficiency gains in steel production and processing 100% of the production without the need to use dams at the end of 2019, respectively.

Investments (R\$ million)	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19
Steel	65	134	168	271	637	160	212
Mining	116	99	116	174	505	118	205
Cement	23	13	13	30	79	14	15
Logistics	18	15	25	26	84	17	25
Other	2	2	3	5	12	4	3
Total Investments - IFRS	223	263	325	507	1,319	313	461

Working Capital

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

- Accounts receivable: excludes dividends receivable, advances to employees and other receivables;
- Inventories: includes estimated losses and excludes spare parts;
- Prepaid taxes: composed only of the portion of income tax and social contribution included in recoverable taxes;
- Taxes payable: includes taxes in installments;
- Advances from customers: sub-account of other liabilities recorded under current liabilities; excludes the advance from Glencore and
- Suppliers: Includes Drawee Risk

Accordingly, working capital invested in the business **totaled R\$3,425 million in 2Q19, increasing by R\$81MM** compared to **1Q19**, due to temporary increases in inventories and accounts receivable. Specifically, Blast Furnace #3 shutdown increased the slab inventory in anticipation of the period of lower production, while the growth in accounts receivable was mainly due to the concentration of iron ore shipments sold at the end of the period.

Working Capital (R\$ million)	2Q18	1Q19	2Q19	Change		
				2Q19 x 2Q18	2Q19 X 1Q19	
Assets	6,924	7,797	8,599	1,675	802	
Accounts receivable	2,269	2,835	3,336	1,067	500	
Inventories	4,458	4,952	5,254	796	301	
Prepaid taxes	197	9	9	(188)	0	
Liabilities	3,965	4,452	5,173	1,208	721	
Trade payables	3,226	3,529	3,999	773	469	
Payroll and related taxes	265	262	292	27	30	
Taxes payable	337	555	802	465	246	
Advances from customers	137	106	81	(56)	(25)	
Working Capital	2,959	3,344	3,425	466	81	

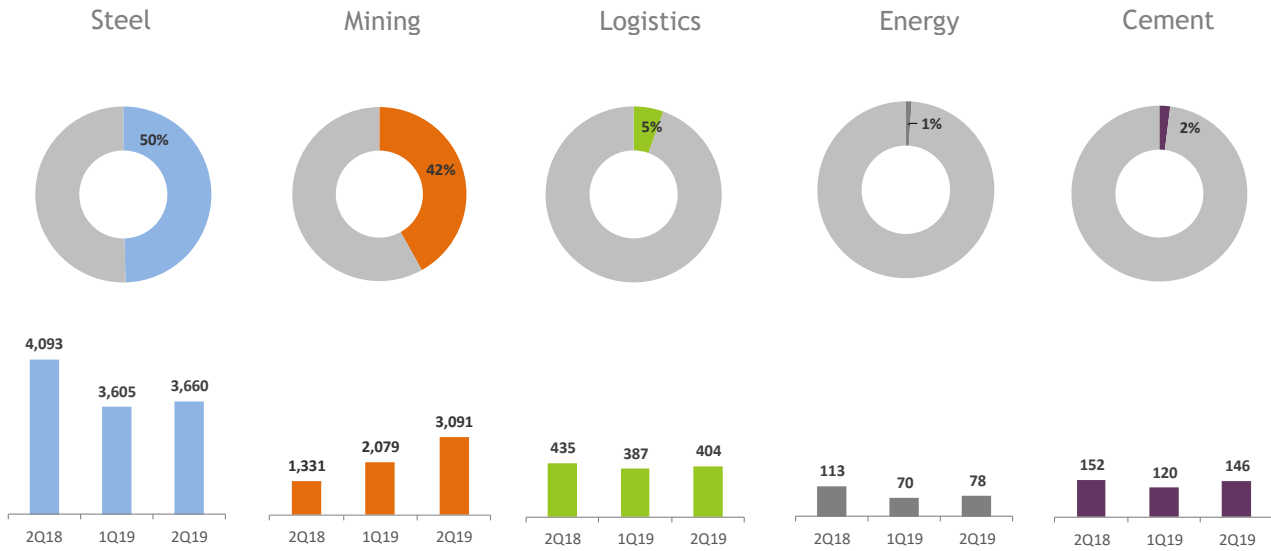
Average Term (days)	2Q18	1Q19	2Q19	Change		
				2Q19 x 2Q18	2Q19 x 1Q19	
Amounts received	31	37	39	8	2	
Amounts paid	70	79	81	11	2	
Inventories	97	111	106	9	(5)	
Financial Cycle	58	69	64	6	(5)	

Results by Business Segment

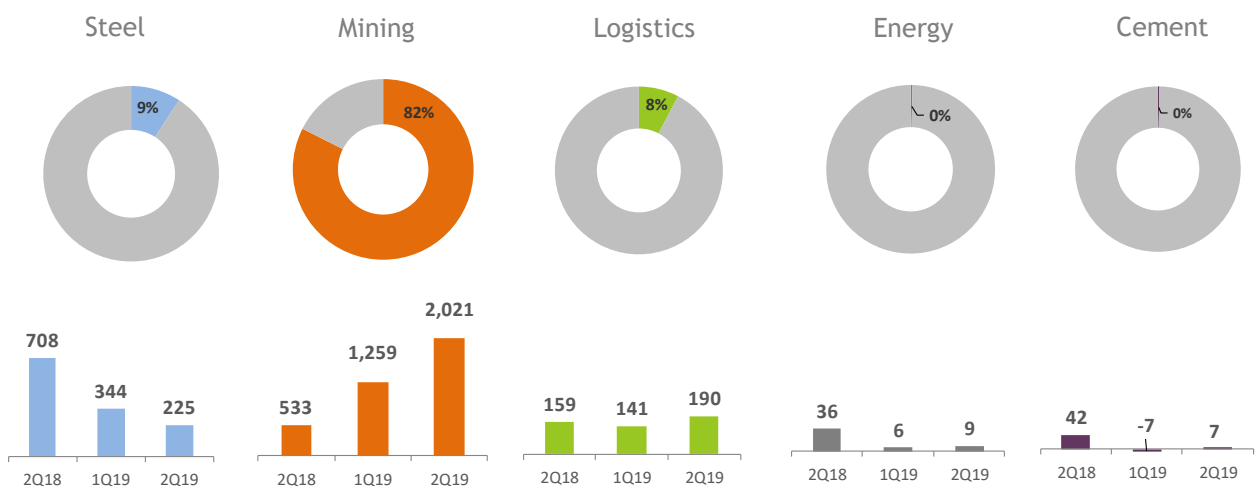
The Company maintains integrated operations in five business segments: Steel, Mining, Logistics, Energy and Cement. The main assets and/or companies comprising each segment are presented below:

STEEL	MINING	LOGISTICS	ENERGY	CEMENT
				
Usina Presidente Vargas Porto Real Paraná Lusosider Prada (Distribution and Packaging) Long Steel (UPV) SWT	Casa de Pedra Tecar Engenho Pires Fernandinho ERSA	Railways: MRS and FTL Port: Sepetiba Tecon	CSN Energia Itasa	Volta Redonda Arcos

Net Revenue by Segment – 2Q19 (R\$ million)



Adjusted EBITDA by Segment – 2Q19 (R\$ million)



2Q19 Results	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
(R\$ million)								
Net Revenue	3,660	3,091	64	340	78	146	(479)	6,901
Domestic Market	2,515	298	64	340	78	146	(687)	2,753
Foreign Market	1,146	2,793	-	-	-	-	209	4,147
COGS	(3,380)	(1,133)	(44)	(250)	(66)	(149)	580	(4,442)
Gross Profit	280	1,959	20	90	11	(3)	101	2,458
SG&A	(210)	(50)	(8)	(24)	(7)	(22)	(231)	(552)
Depreciation	155	112	14	98	4	32	(84)	332
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	142	142
Adjusted EBITDA	225	2,021	26	164	9	7	(71)	2,380

1Q19 Results	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
(R\$ million)								
Net Revenue	3,605	2,079	52	335	70	120	(255)	6,005
Domestic Market	2,567	245	52	335	70	120	(629)	2,760
Foreign Market	1,038	1,834	-	-	-	-	374	3,245
COGS	(3,222)	(870)	(47)	(261)	(61)	(138)	577	(4,021)
Gross Profit	383	1,209	5	74	9	(18)	322	1,984
SG&A	(197)	(42)	(9)	(27)	(7)	(21)	(390)	(694)
Depreciation	157	92	7	92	4	32	(79)	306
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	127	127
Adjusted EBITDA	344	1,259	3	138	6	(7)	(19)	1,724

2Q18 Results	Steel	Mining	Port Logistics	Railway Logistics	Energy	Cement	Corporate Expenses/ Eliminations	Consolidated
(R\$ million)								
Net Revenue	4,093	1,331	64	370	113	152	(437)	5,687
Domestic Market	2,421	225	64	370	113	152	(661)	2,684
Foreign Market	1,672	1,106	-	-	-	-	225	3,003
COGS	(3,276)	(855)	(49)	(262)	(74)	(122)	513	(4,124)
Gross Profit	817	477	15	108	39	30	77	1,563
SG&A	(264)	(45)	(9)	(25)	(7)	(21)	(218)	(589)
Depreciation	155	102	5	64	4	34	(52)	312
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	134	134
Adjusted EBITDA	708	533	12	147	36	42	(59)	1,420

CSN's Steel Results

According to the World Steel Association (WSA), global crude steel production totaled 478 million tons (Mton) from April to June 2019, or 9.0% higher than the same period in 2018. Asia produced 345 Mton during the same period in 2019, 12% higher when compared to the first quarter of 2019, while European Union grown up 1.3% and North America decreased 0.3%, both referring to the same comparison period.

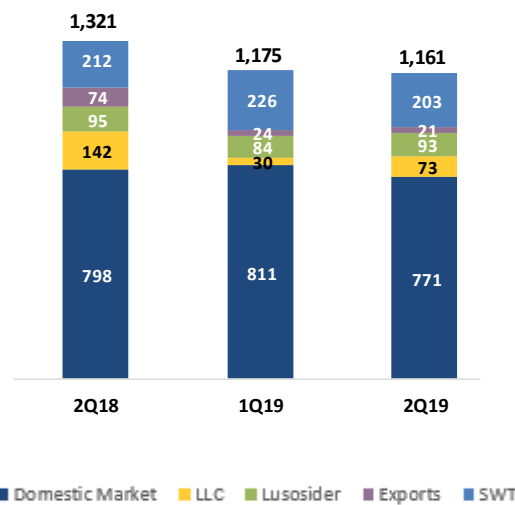
According to the Brazilian Steel Institute (IABr), domestic sales totaled 4.6 million tons during the second quarter of 2019, increasing by 3.28% in the comparison with the same period in 2018. Apparent consumption reached 5.2 million tons in 2Q19, increasing by 4.62% versus the same period of the previous year. Brazilian crude steel production reached 8.6 million tons, increasing 2.73% compared to the previous quarter.

- CSN's **slab production** reached 856 thousand tons in **2Q19**, 3% higher than 1Q19, but still low due to the scheduled maintenance shutdowns and reforms. In this period, CSN acquired 68 thousand tons of slab from third parties to maintain production of rolled products.

Steel Production (in thousand tons)	2Q18	1Q19	2Q19	2Q19	x	Change	2Q18	2Q19	x	1Q19
Total Slabs (UPV + Third Parties)	997	1,030	924			(7%)				(10%)
Slab Production	996	830	856			(14%)				3%
Third-Party Slabs	0	200	68			-				(66%)
Total Flat Rolled Products	981	927	839			(14%)				(9%)
Total Long Rolled Products	53	51	56			6%				10%

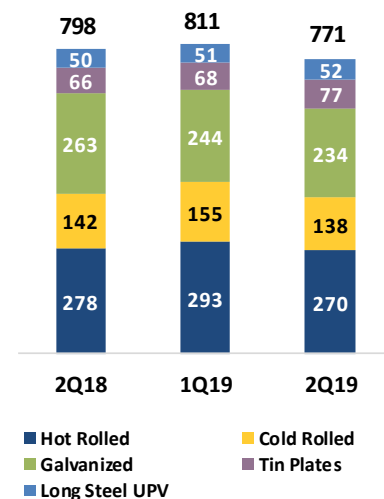
- Total sales reached **1,161** thousand tons in **2Q19**, in line with 1Q19, mainly due to delayed economic recovery expected for the first half of the year.

Sales Volume - Steel



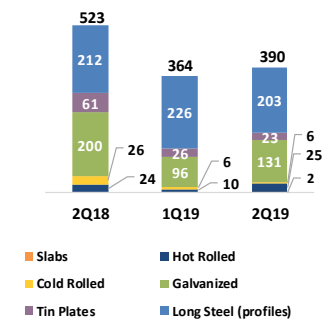
- In **2Q19**, **domestic** steel sales volume totaled 771 thousand tons, 5% less than in 1Q19. According to the National Institute of Steel Distributors (INDA), from January to May 2019, distribution purchases increased 0.3% over the previous year. Imports closed the accumulated period at 523.8 thousand tons, up by 2.5% over the same period of 2018.

Sales Volume by Product Domestic Market



- **Foreign** steel sales reached 390 thousand tons in **2Q19**, 7% higher than in 1Q19, and the comparison with 2Q18 is impacted by the sale of the plant in Terra Haute. In this period, 21 thousand tons were exported directly, and 369 thousand tons were sold by foreign subsidiaries, of which 73 thousand tons by SWT and 93,000 tons by Lusosider.

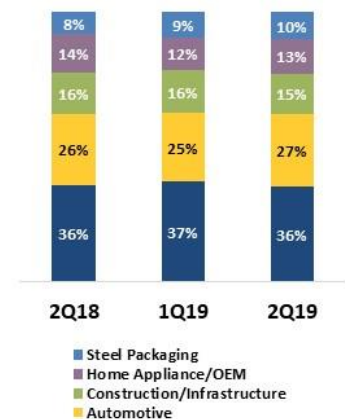
Sales Volume by Product
Foreign Market



- In **2Q19**, CSN maintained a **high share of coated products** as a percentage of total sales volume, following the strategy of adding more value to its product mix. Sales of coated products, such as galvanized items and tin plates, accounted for 51% of flat steel sales, considering all the markets in which the Company operates. In the **domestic market**, the share of coated products in flat steel sales increased, from 41% in 1Q19 to 43% in 2Q19.

According to ANFAVEA, the production of automobiles, light commercial vehicles, trucks and buses reached 776 thousand units in 2Q19, increase of 5.67% versus the same period in 2018, and up by 11.26% in comparison to 1Q19. Exports showed a weaker performance, with sales of 117 thousand vehicles, 41% lower than the same period in 2018. Anfaveja expects vehicle production to grow by 9.0% in 2019, to 3.14 million units.

Sales by Market Segment
2Q18/1Q19/2Q19

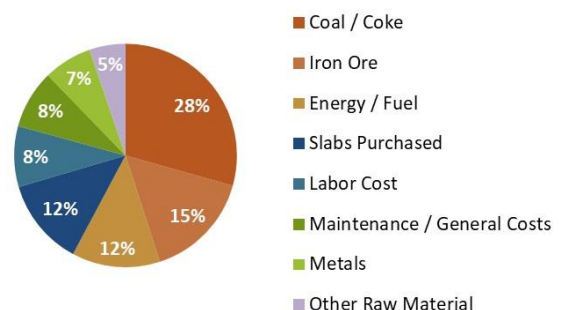


According to ABRAMAT, revenues of the building materials industry increased by 11.5% in May 2019 in comparison with the same month in 2018, but fell by 1% over the previous month.

According to IBGE (Brazilian Institute of Geography and Statistics), home appliance production increased by 3.3% in the twelve months ended May 2019 compared to the same period of the previous year.

- **Net revenue** from steel operations reached R\$3,660 million in **2Q19**, 2% higher than in **1Q19**. This was due to higher prices and a slight improvement in sales mix, even amidst a challenging scenario. Average flat steel prices increased by 3.5% in the domestic market when compared to the previous quarter.

2Q19 Production Costs



- **Cost of goods sold** increased by 5% in **2Q19**, versus 1Q19, totaling R\$3,380 million, mainly due to lower productivity of blast furnace number 3.
- **Slab production cost** reached R\$2,201/t in 2Q19, 6.8% higher than in 1Q19 fueled by higher spending on iron ore driven by a sharp price increase in the period, as well as by the scheduled stoppage of blast furnace number 3, which reduced slab production and increased the consumption of reducers.
- **Adjusted EBITDA** reached R\$225 million in **2Q19**, 34% lower than in 1Q19, driving the EBITDA Margin to 6.2% in 2Q19. The efficiency gains expected after the scheduled shutdown of blast furnace number 3 should be felt partially as of 3Q19 and fully as of 4Q19, taking the profitability of the business unit to its historical standard.

CSN's Mining Results

In 2Q19, the perception of a tight balance between supply and demand was confirmed. While the Chinese steel production continued accelerating, with a 14% growth in the quarter, the supply already compromised after the accident in Brumadinho was heavily impacted by rainfall in northern Brazil and a cyclone in Australia. In this context, steel ended 2Q19 with an average of US\$100.1/dmt (Platts, Fe62%, N. China), 21% higher than in 1Q19.

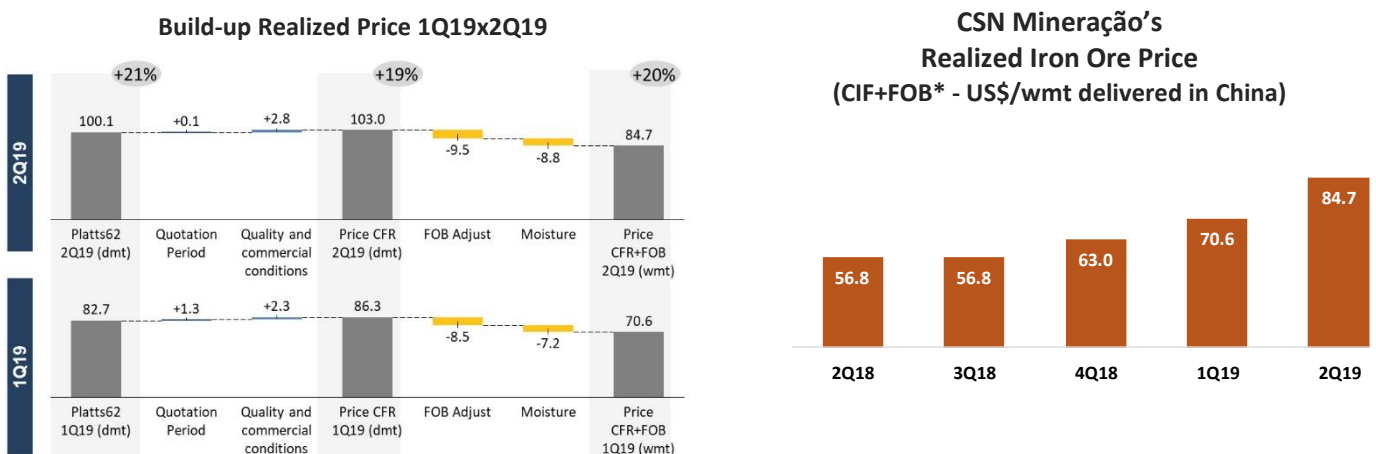
As for maritime freight, the BCI-C3 (Tubarão-Qingdao) route had an average of US\$15.55/wmt in 2Q19, up by 11.6% compared to the previous quarter, influenced by the gradual increase in shipments.

- In **2Q19**, CSN's **iron ore production** reached 8.3 million tons, 23% higher than in 1Q19, driven by filtration operations and productivity gains. **Iron ore purchases** reached 1.8 thousand tons in **2Q19**, increasing by 17% versus 1Q19.
- Iron Ore **sales** reached 10.1 million tons in **2Q19**, 25% higher than the volume recorded in 2Q18, of which 1.1 million tons were sold to the Presidente Vargas Steelworks and the remaining was sold in Asian and European markets.

Mining Production Volume and Sales (in thousand tons)	2Q18	1Q19	2Q19	Change	
				2Q19 x 2Q18	2Q19 x 1Q19
Iron Ore production	6,744	8,190	8,323	23%	2%
Iron Ore purchased from third parties	1,878	1,530	1,786	(5%)	17%
Total Production + Purchases	8,621	9,719	10,110	17%	4%
Sales to UPV	1,376	1,169	1,139	(17%)	(3%)
Volume sold to third parties	6,754	7,690	9,004	33%	17%
Total Sales	8,130	8,859	10,143	25%	14%

Production and sales volumes include our 100% stake in CSN Mineração.

- **Net revenue** from mining operations reached R\$3,091 million in **2Q19**, 49% higher than the previous quarter due to higher prices (+20%) and sales volumes (+14%). The Platts 62 index reached **US\$100.1/dmt**, 21% higher in the quarter. CIF+FOB prices were **US\$84.7/wmt**, 20% higher than the same period in 2018.



- **Cost of goods sold** in the mining segment reached **R\$1,133 million** in **2Q19**, 30% higher than in 1Q19, due to an increase in iron ore production and purchases of ore from third parties.
- The **EBITDA margin** reached **65.4% in 2Q19**, or **4.8 p.p. higher than 1Q19**, while **EBITDA** reached **R\$2,021 million in 2Q19**, 61% higher than in 1Q19 due to the higher prices and sales volumes, with a considerable increase in EBITDA/ton from R\$142/ton (1Q19) to R\$199/ton (2Q19).

CSN's Logistics Results

Railway Logistics: Net revenue reached R\$340 million in **2Q19**, with an **EBITDA** of R\$164 million and an **EBITDA Margin** of 48.2%.

Port Logistics: Sepetiba Tecon shipped 130 thousand tons of steel products in **2Q19**, in addition to 2 thousand tons of general cargo, approximately 38 thousand containers and 374 thousand tons of bulk cargo. **Net revenue** reached R\$64 million, with an **EBITDA** of R\$26 million and an **EBITDA Margin** of 40.4%.

Sepetiba TECON Highlights	2Q18	1Q19	2Q19	Change				
				2Q19	x	2Q18	2Q19	x
Container volume (thousand units)	56	43	38		(31%)			(11%)
Steel volume (thousand tons)	114	162	130		15%			(20%)
General cargo volume (thousand tons)	98	1	2		(98%)			125%
Bulk volume (thousand tons)	-	56	374		-			568%

CSN's Energy Results

According to EPE (Energy Research Company), electricity consumption in Brazil increased by 3.2% in May 2019 versus the same month of the previous year. The industrial, residential and commercial segments increased by 2.5%, 4.4% and 4.9%, respectively during the same period.

In 2Q19, even facing the falling prices, the increase in traded energy volume led to an increase in net revenue, totaling R\$78million, 11% higher than 1Q19, generating EBITDA of R\$9 million and EBITDA margin of R\$11.1%, increase of 2.4 p.p. when compared to the previous quarter.

CSN's Cement Results

In the second quarter of 2019, domestic cement sales totaled 13.2 million tons, according to preliminary date of SNIC (National Cement Industry Association). This amount represents a 1.8% increase over the same period in 2018 and a 3.9% increase compared to the previous quarter. According to SNIC, a 3% growth is expected for 2019.

In 2Q19, net revenue reached R\$ 146 million, an increase of 22% over the previous quarter, due to higher sales volume with COGS dilution, generating EBITDA of R\$7million and EBITDA margin of 4.7%

Capital Market

CSN's shares appreciated 3.25% in the **second quarter of 2019**, while the IBOVESPA moved up 5.11%. Daily traded volume (CSNA3) on B3 averaged R\$205 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) appreciated 3.64%, while the Dow Jones climbed 1.91%. On the NYSE, daily traded volume of CSN's ADRs (SID) averaged US\$3.6 million.

	1Q19	2Q19
Number of shares (in thousands)	1,387,524	1,387,524
Market Cap		
Closing price (R\$/share)	16.25	16.71
Closing price (US\$/ADR)	4.11	4.31
Market cap (R\$ million)	20,841	23,186
Market cap (US\$ million)	5,314	5,980
Total return including dividends and interest on equity		
CSNA3	76.44%	3.25%
SID	69.14%	3.64%
Ibovespa	4.84%	5.11%
Dow Jones	11.06%	1.91%
Volume		
Daily average (thousand shares)	15,184	12,772
Daily average (R\$ thousand)	191,925	204,935
Daily average (thousand ADRs)	4,473	3,560
Daily average (US\$ thousand)	15,417	14,268

Source: Bloomberg

Webcast - 2Q19 Earnings Presentation	Investor Relations Team
Conference Call in Portuguese with Simultaneous Translation into English July 31, 2019 11:00 a.m. (Brasilia time) 10:00 a.m. (New York time) Phone: +55 11 3127-4971/ +55 11 3728-5971 Code: CSN Replay Phone: +55 11 3127-4999 Replay Code: 68887559 Webcast: clique aqui	CFO and IRO – Marcelo Cunha Ribeiro Leo Shinohara (leonardo.shinohara@csn.com.br) José Henrique Triques (jose.triques@csn.com.br) Sandra Saad (sandra.saad@csn.com.br) Aleph Scalioni (aleph.scalioni@csn.com.br) Eduardo Ito (eduardo.ito@csn.com.br)

Some of the statements contained herein are forward-looking statements that express or imply expected results, performance or events. These include future results that may be implied by historical results and the statements under 'Outlook'. Actual results, performance or events may differ materially from those expressed or implied by the forward-looking statements as a result of several factors, such as the general and economic conditions in Brazil and other countries, interest rate and exchange rate levels, protectionist measures in the USA, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

CONSOLIDATED SALES VOLUME (in thousands of tons)

	2Q18	1Q19	2Q19	Change	
				2Q19 x 2Q18	2Q19 x 1Q19
Flat Steel	748	760	719	(29)	(41)
Slab	-	-	-	-	-
Hot Rolled	278	293	270	(8)	(23)
Cold Rolled	142	155	138	(4)	(17)
Galvanized	263	244	234	(29)	(10)
Tin Plates	66	68	77	11	9
UPV Long Steel	50	51	52	2	1
DOMESTIC MARKET	798	811	771	(27)	(40)
	2Q18	1Q19	2Q19	2Q19 x 2Q18	2Q19 x 1Q19
Flat Steel	310	137	187	(123)	50
Hot Rolled	24	10	25	1	15
Cold Rolled	26	6	6	(20)	-
Galvanized	200	96	131	(69)	35
Tin Plates	61	26	23	(38)	(3)
Long Steel Profiles	212	226	203	(9)	(23)
FOREIGN MARKET	523	364	390	(133)	26
	2Q18	1Q19	2Q19	2Q19 x 2Q18	2Q19 x 1Q19
Flat Steel	1,059	897	906	(153)	9
Slab	-	-	2	2	2
Hot Rolled	301	303	295	(6)	(8)
Cold Rolled	168	161	144	(24)	(17)
Galvanized	463	340	365	(98)	25
Tin Plates	126	94	100	(26)	6
UPV Long Steel	50	51	52	2	1
Long Steel Profiles	212	226	203	(9)	(23)
TOTAL MARKET	1,321	1,175	1,161	(160)	(14)

INCOME STATEMENT
CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)

	2Q18	1Q19	2Q19
Net Sales Revenue	5,687,014	6,005,466	6,900,742
Domestic Market	2,684,055	2,760,089	2,753,249
Foreign Market	3,002,959	3,245,377	4,147,493
Costs of Goods Sold (COGS)	(4,123,918)	(4,021,495)	(4,442,269)
COGS, excluding depreciation and depletion	(3,818,992)	(3,722,830)	(4,119,264)
Depreciation/Depletion allocated to COGS	(304,926)	(298,665)	(323,005)
Gross Profit	1,563,096	1,983,971	2,458,473
Gross Margin (%)	27%	33%	36%
Selling Expenses	(469,896)	(572,205)	(424,137)
General and Administrative Expenses	(112,603)	(113,959)	(119,197)
Depreciation and Amortization Expenses	(6,685)	(7,501)	(8,640)
Other Income (Expenses), net	542,104	(135,420)	(802,487)
Equity in Results of Affiliated Companies	27,313	25,833	29,066
Operating Income Before the Financial Result	1,543,329	1,180,719	1,133,078
Net Financial Result	(989,064)	(635,099)	(357,676)
Income before Income Tax and Social Contribution	554,265	545,620	775,402
Income Tax and Social Contribution	635,422	(458,857)	1,119,060
Profit for the Period	1,189,687	86,763	1,894,462

BALANCE SHEET
Brazilian Corporate Law (in thousands of reais)

	12/31/2018	06/30/2019
Current Assets	12,014,483	14,021,052
Cash and Cash Equivalents	2,248,004	2,154,630
Financial Investments	895,713	678,891
Accounts Receivable	2,078,182	3,335,560
Inventory	5,039,560	5,983,700
Other Current Assets	1,753,024	1,868,271
Non-current Assets	35,313,041	37,703,302
Long-term Assets	4,382,389	6,048,310
Investments	5,630,613	5,606,951
Property, plant and equipment	18,046,864	18,829,665
Intangible Assets	7,253,175	7,218,376
TOTAL ASSETS	47,327,524	51,724,354
Current Liabilities	11,438,552	11,382,608
Payroll and Related Taxes	248,185	291,714
Trade Payables	3,408,056	3,493,753
Taxes Payable	251,746	782,716
Loans and Financing	5,653,439	4,967,888
Other Payables	1,770,623	1,735,114
Dividends and JCP Payable	932,005	2,210
Customer Advances	137,418	562,575
Payables – Drawee Risk	65,766	504,819
Lease Liabilities		41,442
Other Payables	635,434	624,068
Provisions for Tax, Social Security, Labor and Civil Risks	106,503	111,423
Non-current Liabilities	25,875,532	27,972,798
Loans, Financing and Debentures	23,173,635	23,547,680
Other Payables	227,328	2,159,838
Customer Advances		1,371,357
Lease Liabilities		584,945
Other Payables	227,328	203,536
Deferred Taxes	601,731	609,525
Provisions for Tax, Social Security, Labor and Civil Risks	685,953	552,006
Other Provisions	1,186,885	1,103,749
Equity	10,013,440	12,368,948
Paid-up Capital	4,540,000	4,540,000
Capital Reserve	32,720	32,720
Profit Reserve	3,064,827	3,064,827
Accumulated Earnings		1,737,511
Other Comprehensive Income	1,065,188	1,660,867
Non-controlling Interest	1,310,705	1,333,023
TOTAL LIABILITIES AND EQUITY	47,327,524	51,724,354

CASH FLOW
CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)

	1Q19	2Q19
Net Cash generated by Operating Activities	1,185,970	738,587
Net income for the period attributable to controlling shareholders	(7,572)	1,745,083
Net income attributable to non-controlling shareholders	94,335	149,379
Charges on loans and financing raised	465,928	491,663
Charges on loans and financing granted	(13,946)	(15,087)
Charges on lease liabilities	4,957	12,456
Depreciation, depletion and amortization	328,070	356,422
Equity in Results of Affiliated Companies	(25,833)	(29,066)
Deferred taxes	89,039	(1,731,662)
Provisions for tax, social security, labor, civil and environmental risk	(69,853)	(58,036)
Monetary and exchange rate variation, net	241,297	94,201
Write-off of fixed and intangible assets	13,712	18,081
Adjusted shares - VJR	(127,653)	247,123
Provisions for decommissioning and environmental liabilities	7,592	1,653
Monetary correction of compulsory loan to Eletrobrás	(1,715)	1,715
Provisions (reversal) for consumption and services	8,853	24,816
Other provisions	10,992	47,097
Working Capital Variation	758,388	(194,274)
Accounts receivable – third parties	(713,057)	(542,861)
Accounts receivable – related parties	(92,283)	4,968
Inventories	(653,465)	(320,488)
Borrowings – related parties	447	1,667
Taxes to offset	(41,211)	(11,814)
Judicial deposits	(11,569)	37,978
Trade payables	(170,461)	267,722
Trade payables – Drawee Risk	235,181	203,872
Payroll and related taxes	14,014	30,103
Taxes/Refis	282,973	245,440
Accounts payable – related parties	(30,173)	3,355
Iron Ore customer advances	1,935,831	(87,561)
Other	2,161	(26,655)
Other Payments and Receipts	(590,621)	(422,977)
Interest paid	(590,621)	(422,977)
Cash Flow from Investing Activities	(220,750)	(407,672)
Acquisition of intangible assets	(49)	-
Acquisition of fixed assets	(313,530)	(460,572)
Receivables/(payment) of derivatives	(372)	-
Loans granted - related parties	(40,643)	(46,932)
Loans received - related parties	16,796	-
Financial application, net of redemption	117,048	99,832
Cash Flow from Financing Activities	(514,817)	(878,621)
Loans and financing raised	2,465,845	5,272,461
Loan amortizations - principal	(2,939,145)	(4,960,124)
Borrowing costs	(28,810)	(17,244)
Lease amortizations	(12,707)	(22,519)
Dividends paid	-	(1,151,195)
Exchange Rate Variation on Cash and Cash Equivalents	3,670	259
Cash Flow	454,073	(547,447)