2Q08 Earnings Presentation

August 19, 2008



Forward-looking Statements

Certain of the statements contained herein are forward-looking statements based on based on Management's current estimates regarding future performance that may result in material differences regarding future results, performance and events. In fact, actual results, performances 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, future rescheduling or prepayment of debt denominated in foreign currencies, protectionist measures in the US, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).



CSN: 2Q08 Main Highlights

Net revenue of R$ 3.6 billion in the 2Q08, a quarterly record, 19% up year-on-year. First-half net revenue stood at R$ 6.6 billion, also a new record, 21% over the same period in 2007;

EBITDA of R$ 1.7 billion in the 2Q08, another quarterly record, 33% up on 1Q08 and 2Q07. EBITDA in the 1H08 reached R$ 3.0 billion, yet another record and a 30% year-on-year improvement;

Parent-company and consolidated EBITDA margin stood at 50% and 48% in the 2Q08, respectively, up by 5 p.p. and 6 p.p. over the 1Q08. CSN has been consistently recording EBITDA margins of above 40% for more than 7 years;

Gross profit totaled R$ 1.7 billion in the 2Q08 and R$ 2.9 billion in the 1H08, both of which also new records;

In the 2Q08 net income exceeded R$ 1.0 billion, 34% higher than the previous quarter;

In the 1H08, net income reached R$ 1.8 billion, the best six-month result in the Company's history, 5% up on the same period last year. Excluding non-recurring items from 1H07 figures, 1H08 net income would have grown 59%, or R$666 million;

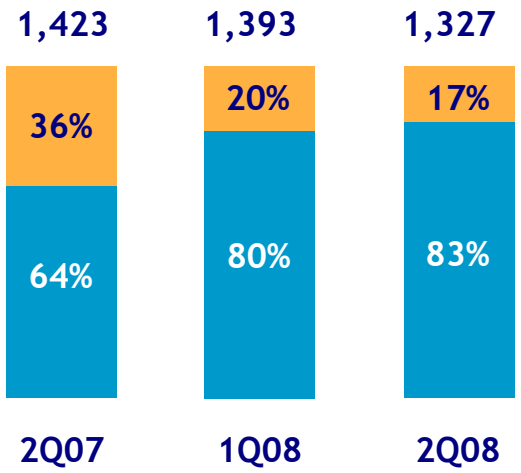
Parent-company and consolidated domestic flat-steel sales accounted for 92% and 83%, respectively, of total sales volume in the 2Q08. First-half sales in the domestic market totaled 2.2 million tonnes, 36% up year-on-year;

1H08 price hikes: 31% for hot-rolled, 20% for cold-rolled, 10% for galvanized and 12% for tin plate products. New price increases in July 2008 for hot-rolled, cold-rolled and galvanized of 15% each.

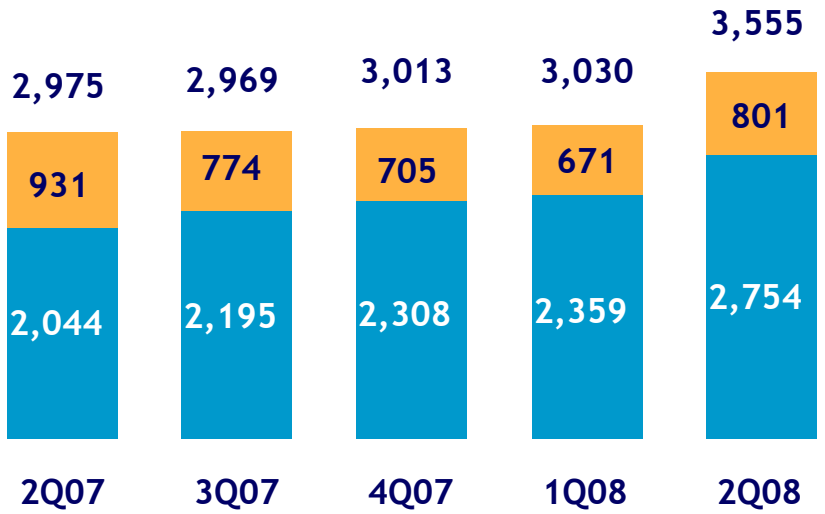


Net Revenue and Sales Volume by Market

Sales Volume (thousand tonnes)



Net Revenue (R$ million)



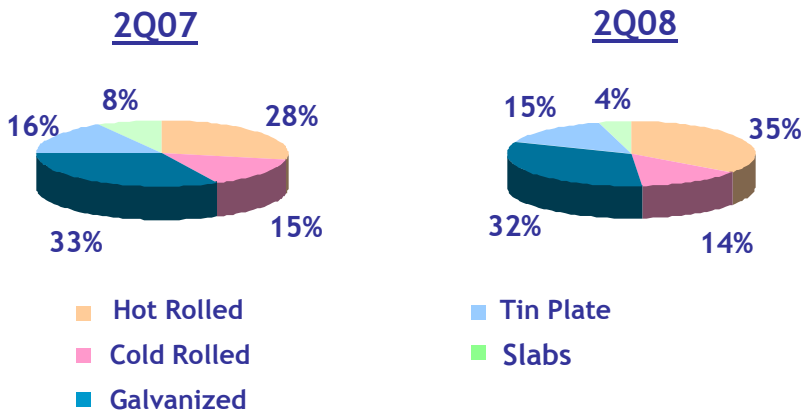
Export Market

Domestic Market

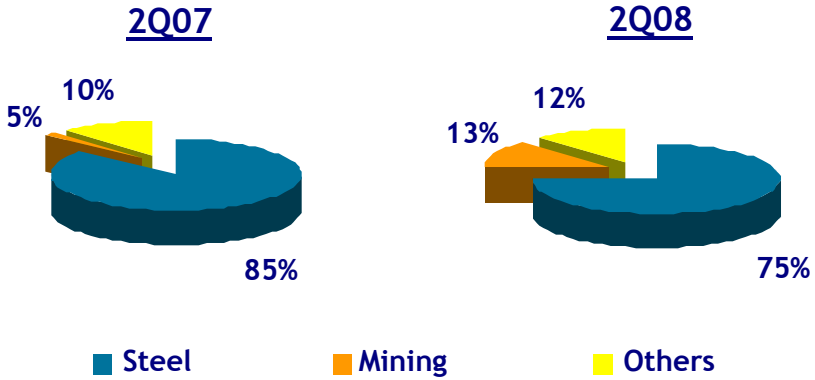


Sales Volume by Product and Market Segment

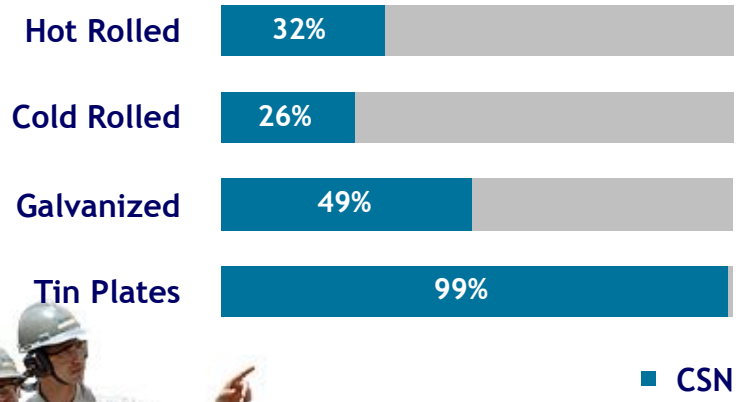
Sales by Product



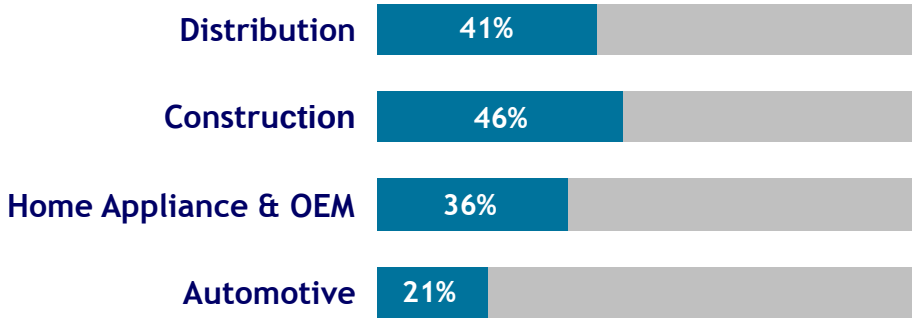
Net Revenue by Segment



Market Share by Product



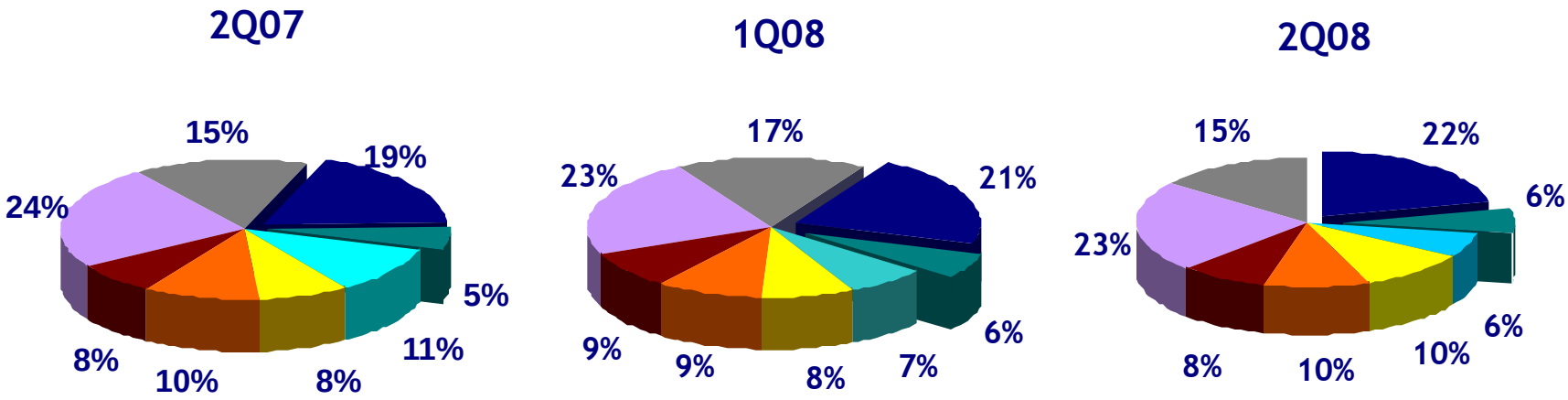
Market Share by Segment





Steel - Production Costs

PARENT COMPANY

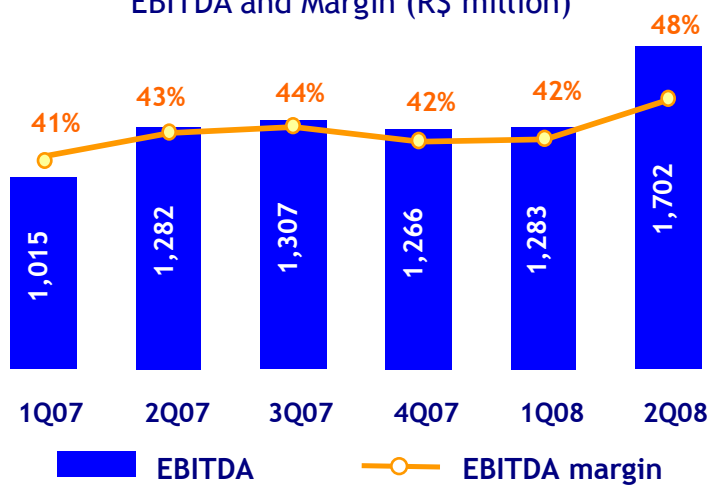


- ✓ COAL: 2Q08 cost ~ R$ 250/t (average)
- ✓ COKE: 2Q08 cost ~ R$ 480/t (average)

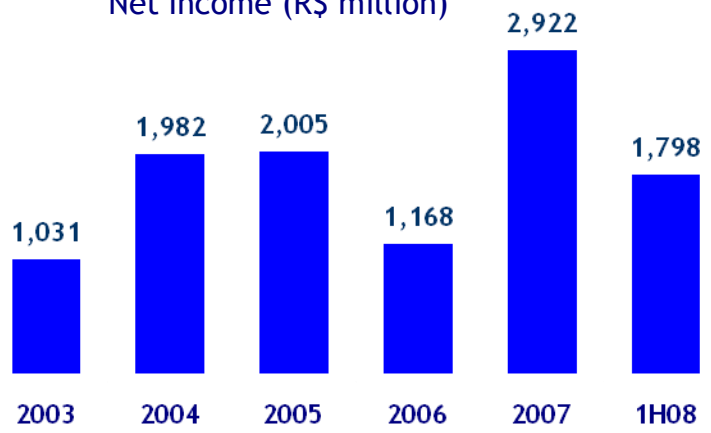


Consolidated Results

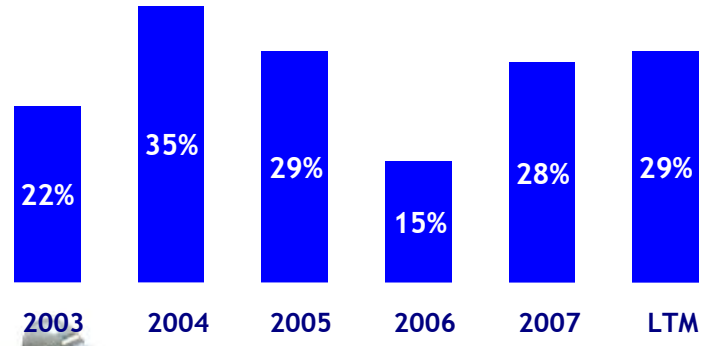
EBITDA and Margin (R$ million)



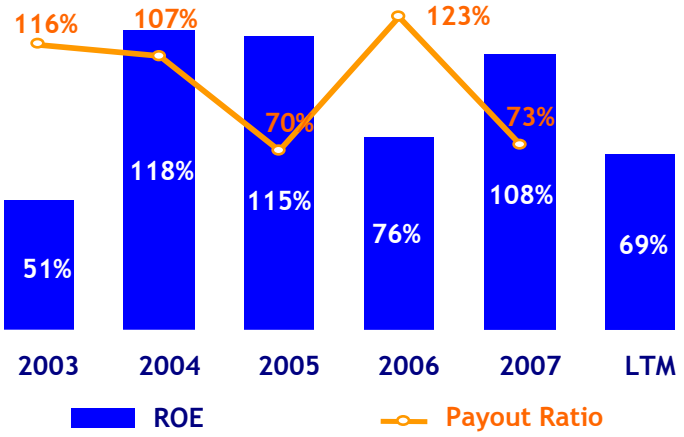
Net Income (R$ million)



Return on Capital Employed



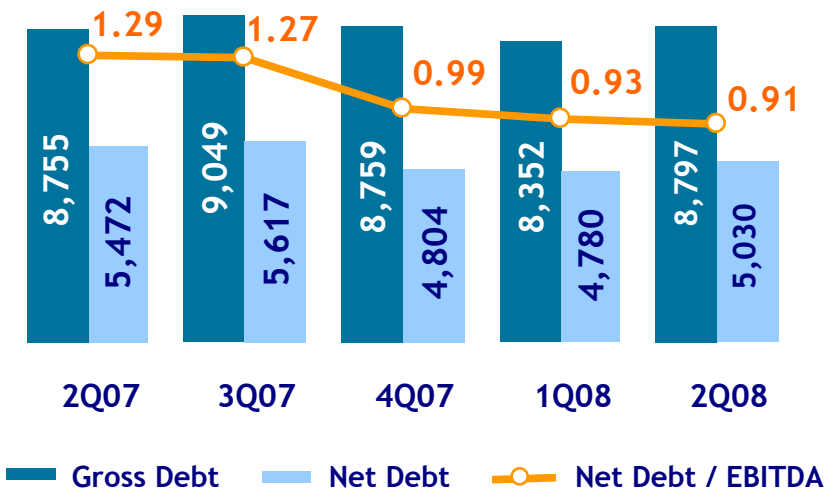
Return on Equity & *Payout Ratio* %





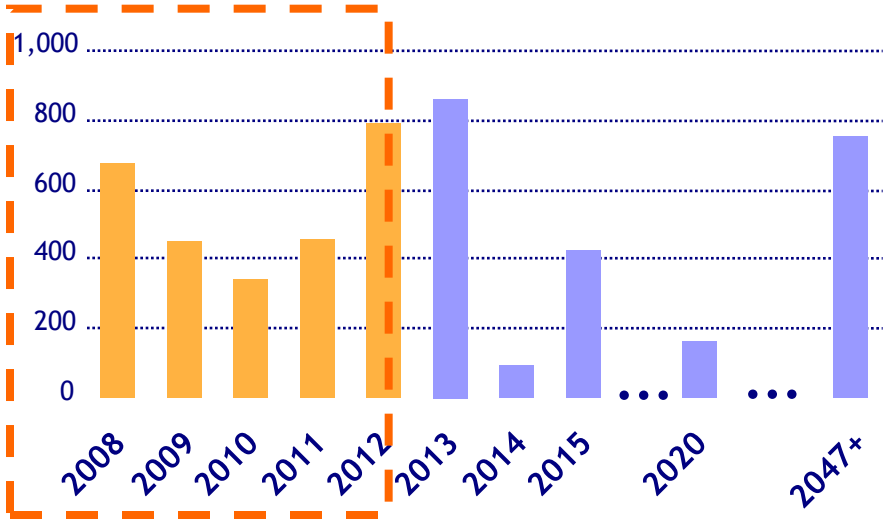
Debt Trends and Amortization Schedule

Debt Trends (R$ million) and Net Debt/EBITDA (x)



Average Maturity of CSN's Gross Debt ~ 10 years.

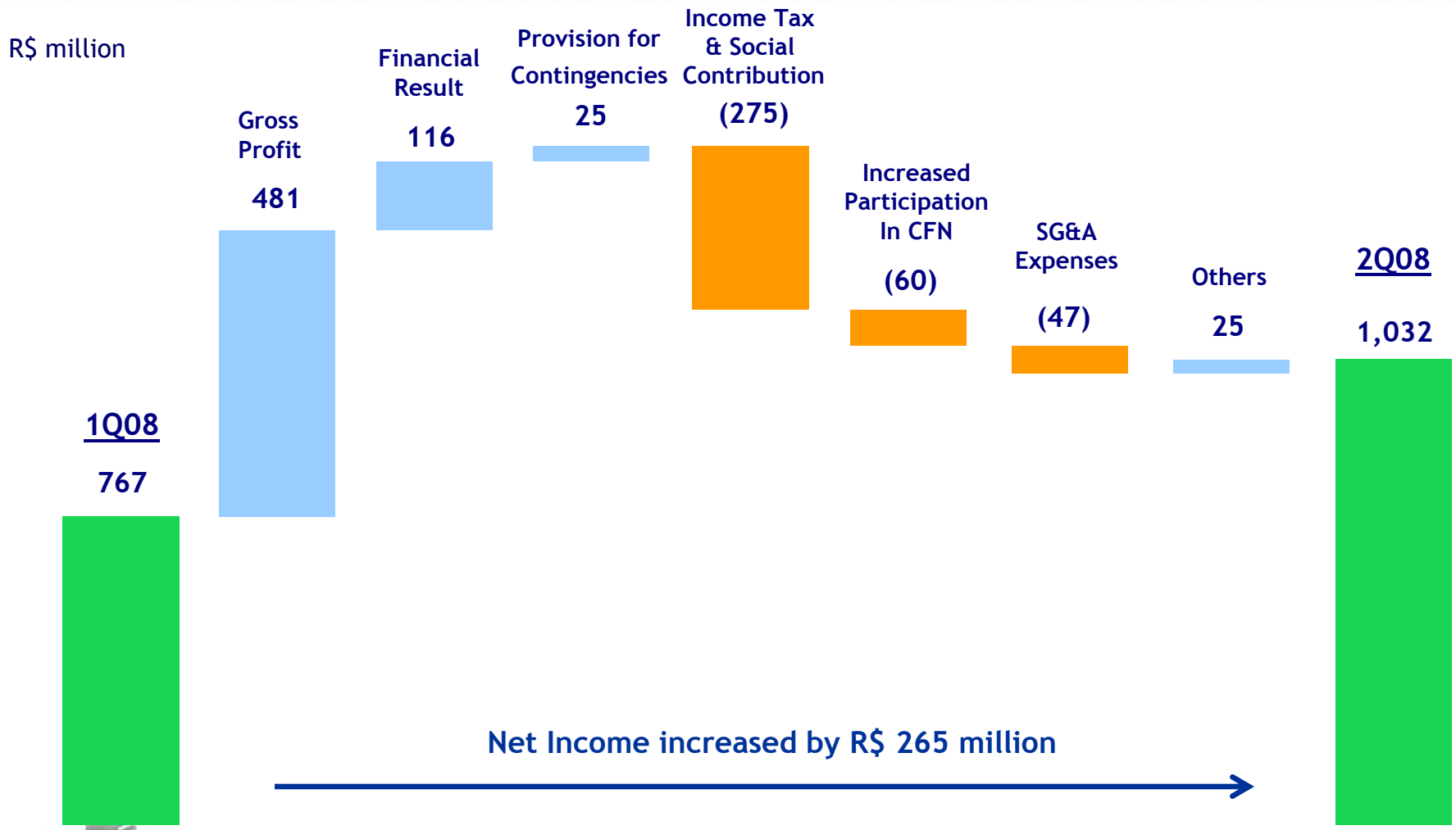
Amortization Schedule (US$ million)



Cash balance and cash equivalents are sufficient to pay most part of principal debt amounts by 2012.

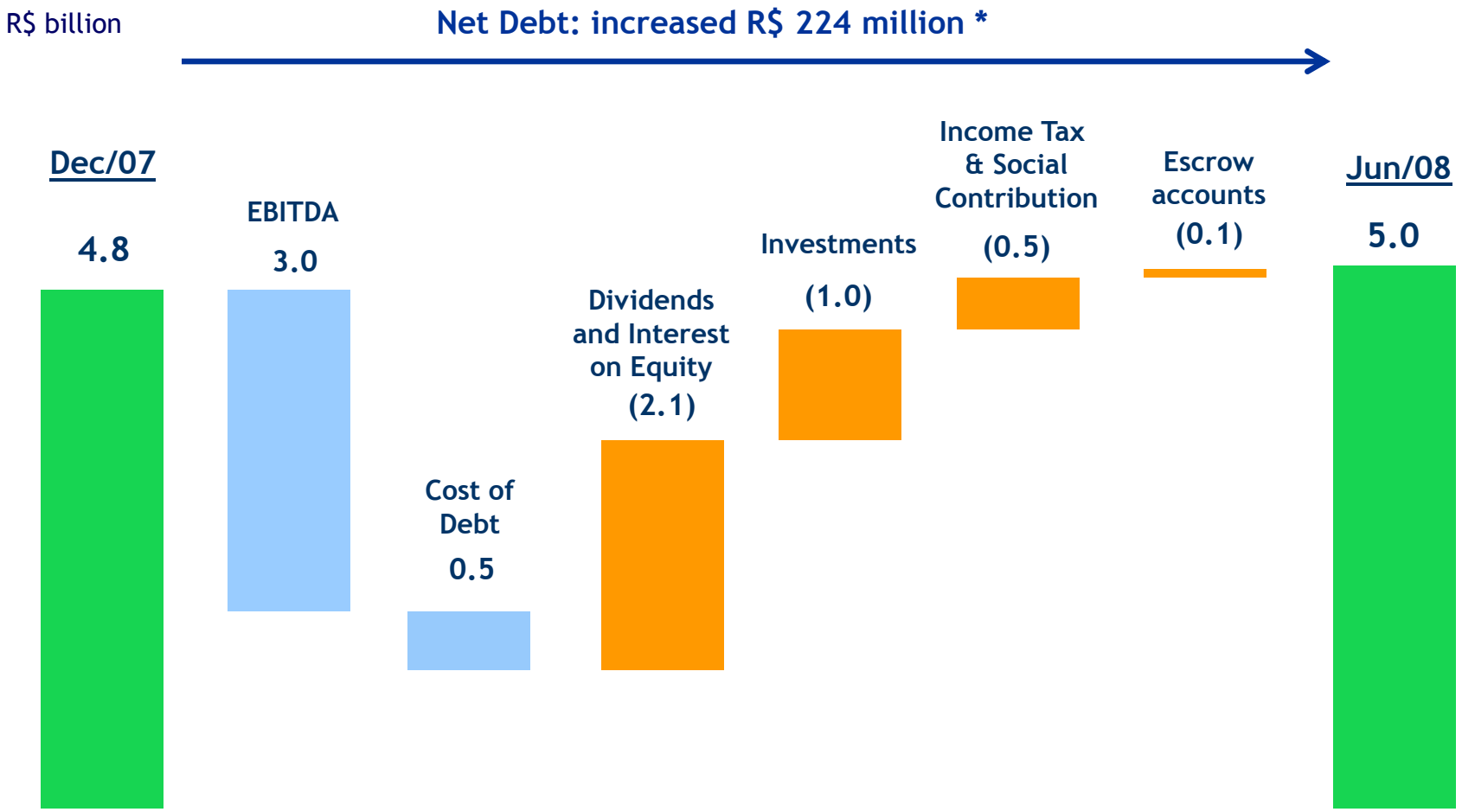


Consolidated Net Result 2Q08 x 1Q08





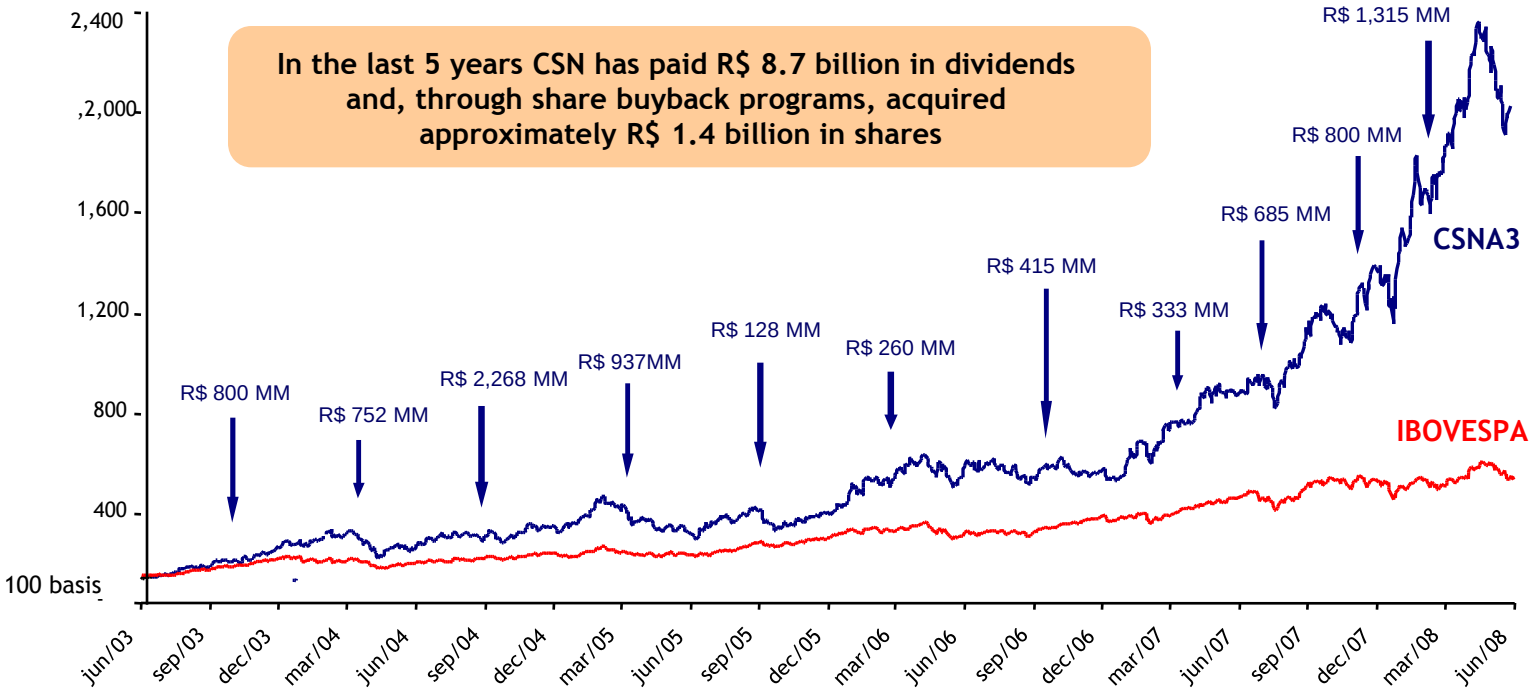
Net Debt Evolution - Dec/07 to Jun/08



(*) despite dividend payment of R$ 2.1 billion



CSN's shares performance



Shares Appreciation in % (US$)			
Ranking	Company	LTM	YTD
1st	**CSN**	**96.6%**	**8.2%**
2nd	Gerdau	65.5%	18.1%
3rd	US Steel Corp.	61.7%	8.2%
4th	Usiminas	47.8%	7.6%
5th	Novolipetsk	45.6%	3.6%
6th	Arcelor	35.9%	-2.8%
7th	Severstal	22.5%	-18.5%
8th	China Steel Corp.	8.0%	-4.9%
9th	Posco	-10.8%	-24.6%
10th	Thyssenkrupp	-11.1%	-13.5%

Source: Bloomberg- 08/18/2008

Ranking	Company	Mkt Cap (US$ bi)
1st	Arcelor Mittal	107.6
2nd	Posco	40.3
3rd	Nippon Steel	32.2
4th	Evraz	27.4
5th	Novolipetsk	26.7
6th	**CSN**	**25.6**
7th	JFE Holdings	25.3
8th	Gerdau	23.4
9th	Severstal	19.5
10th	Sumito	19.5

Source: Bloomberg- 08/18/2008



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