2Q10 Earnings Presentation

August 11, 2010



Forward-looking Statements

Certain of the statements contained herein are forward-looking statements 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).



2Q10 Highlights

•The 2Q10 EBITDA margin reached 46%, 5 p.p. up on 1Q10, further underlining the recovery of CSN's operating margins;

•EBITDA totaled R$1.8 billion in 2Q10, 38% more than in the previous quarter, and R$3.1 billion in the first half of the year, a 120% improvement over the first six months of 2009;

•Net income stood at R$894 million in the second quarter, 86% up on 1Q10, and R$1.4 billion in 1H10, 96% higher than the same period last year;

•Gross profit in 2Q10 amounted to R$1.9 billion, growth of 34% over the quarter before, and R$3.3 billion in the first half of 2010, 113% up year-on-year;

•The 2Q10 gross margin stood at 48%, 4.4 p.p. more than in 1Q10;

•Net revenue totaled R$3.9 billion in 2Q10, 22% higher than the previous three months, chiefly due to the upturn in mining revenue, which jumped by 86% in the 1Q10 impacted in 2Q10 by: higher prices and the 16% increase in iron ore exports;

•2Q10 net revenue from the sale of steel products moved up by 8% over 1Q10, fueled by higher prices and the 5% upturn in domestic market sales volume;

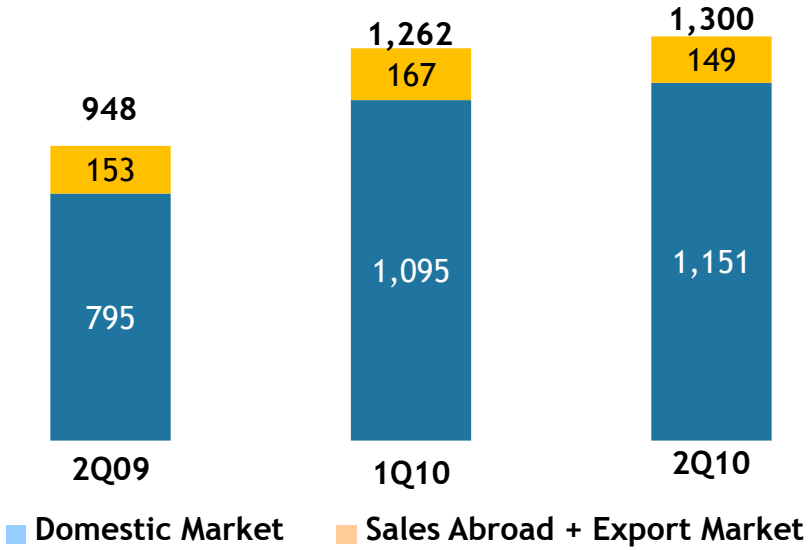
•Consolidated steel product sales volume on the domestic market, where margins are historically higher, accounted for 89% of total sales volume in 2Q10;

•First-half investments came to R$1.5 billion.

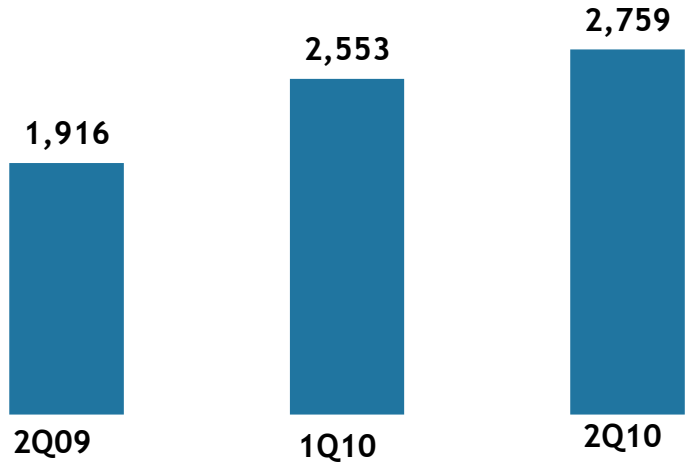


Steel Figures

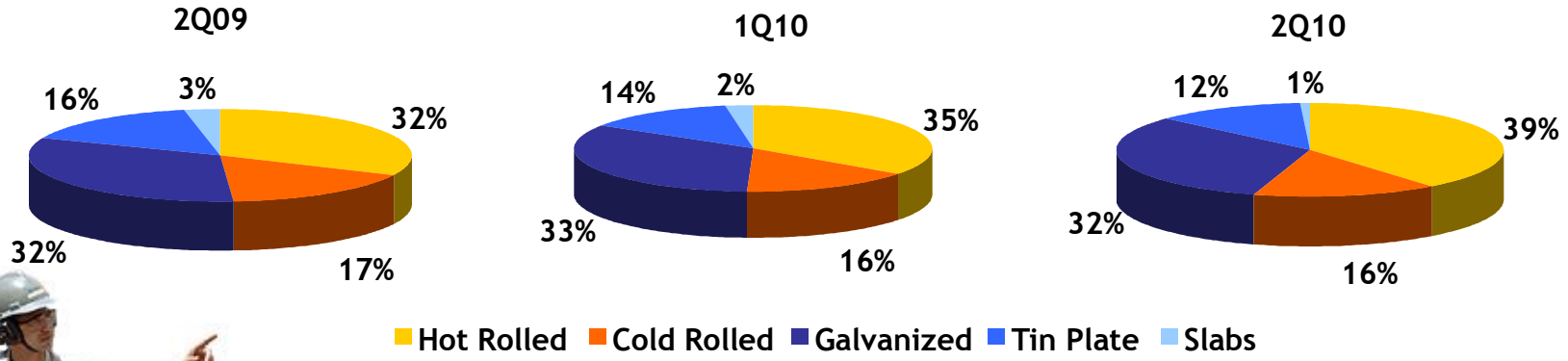
Sales Volume (Thousand tonnes)



Net Revenue (R$ Million)



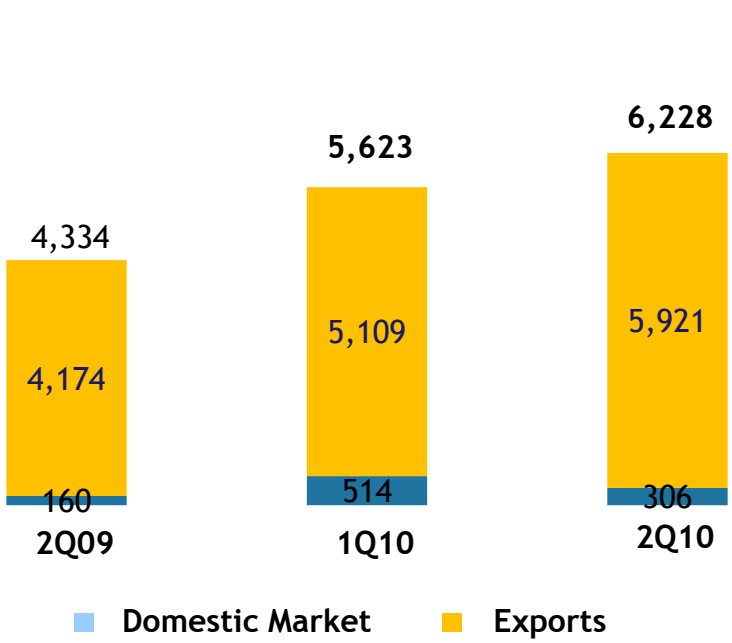
Sales by Products



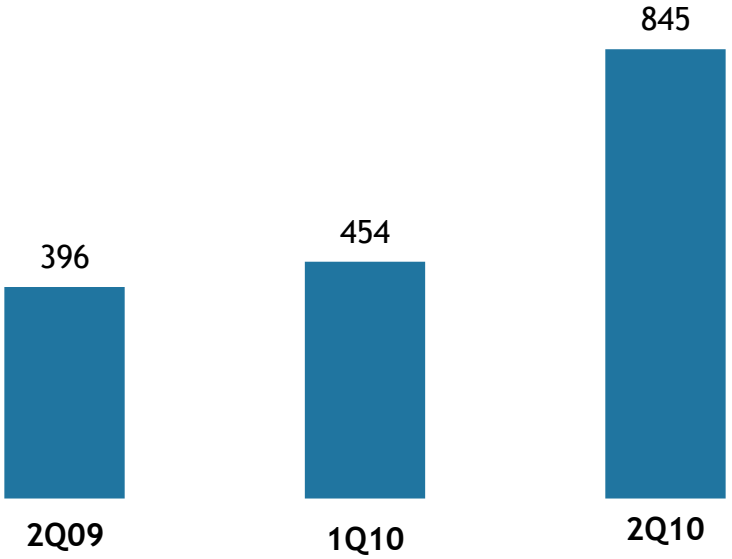


Mining Figures

Sales Volume (Thousand tonnes)*



Net Revenue (R$ Million)

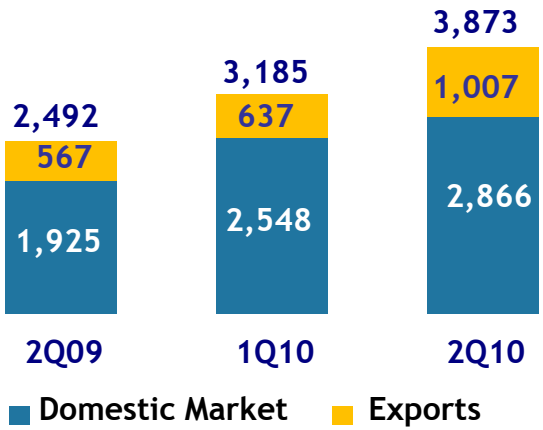




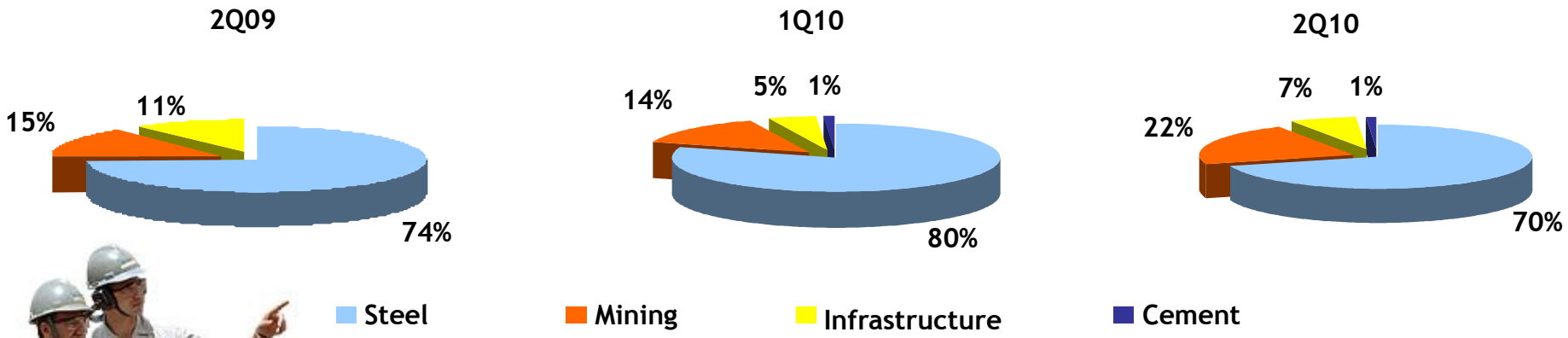
* including 100% of NAMISA´s sales

Consolidated Net Revenue

Net Revenue (R$ Million)



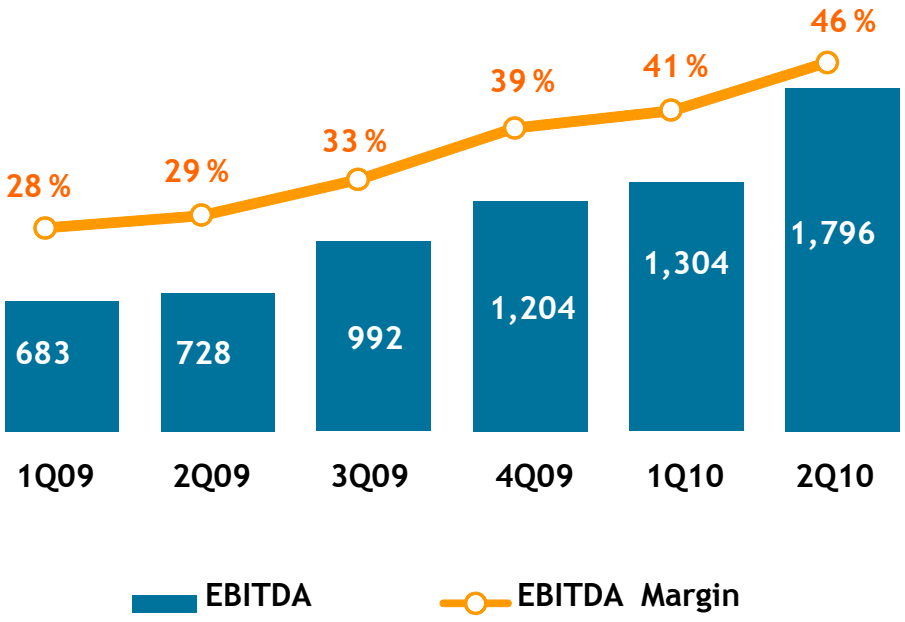
Net Revenue by Segment (R$ Million)



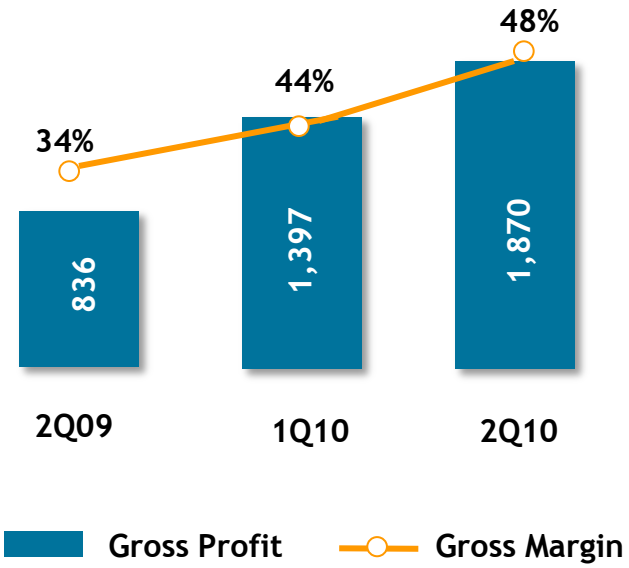


Resilient Performance

EBITDA (R$ MM) and EBITDA Margin (%)

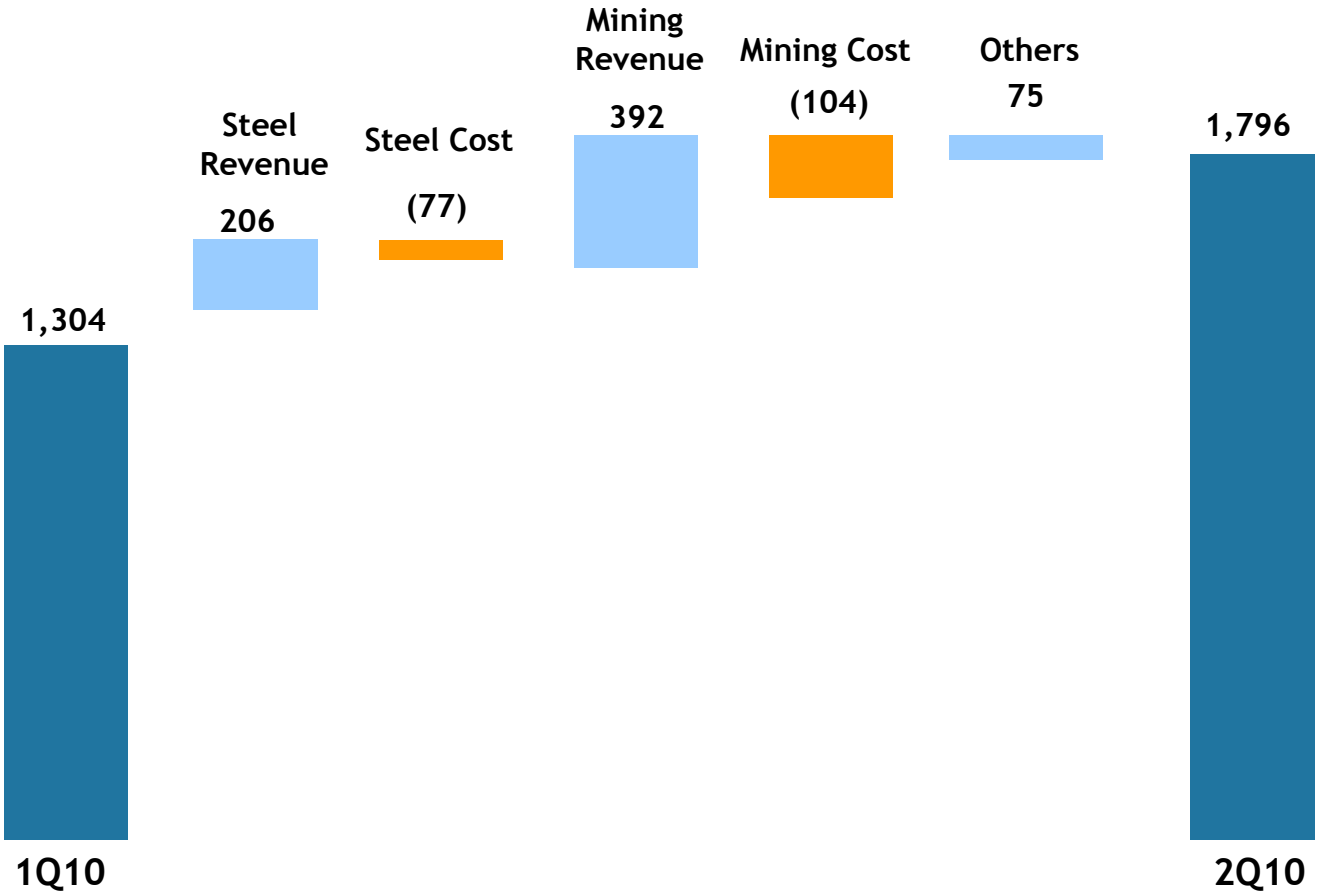


Gross Profit (R$ MM) and Gross Margin (%)



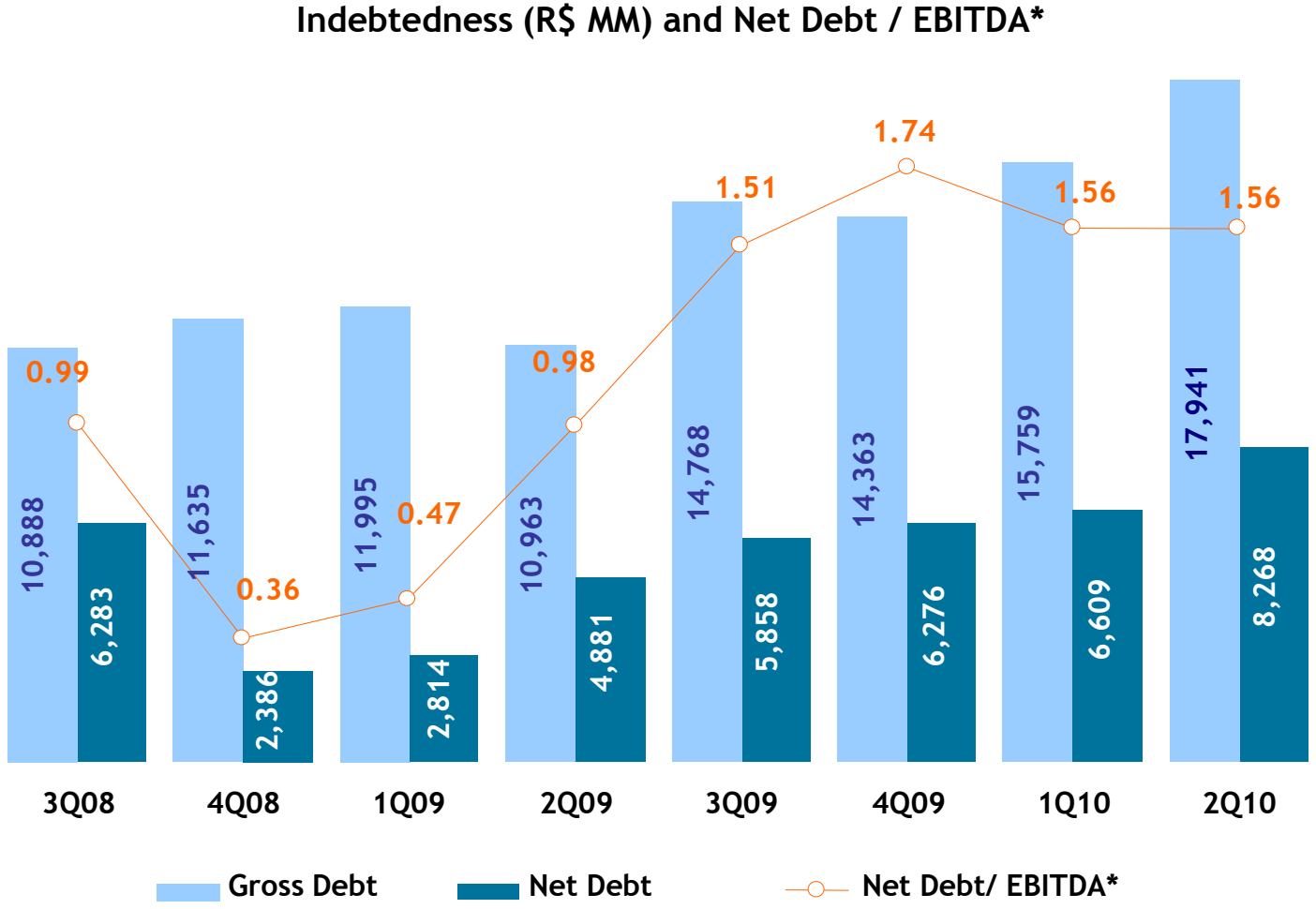


EBITDA


1,304
Steel Revenue
206
Steel Cost
(77)
Mining Revenue
392
Mining Cost
(104)
Others
75
1,796
1Q10
2Q10



Consolidated Net Debt / EBITDA

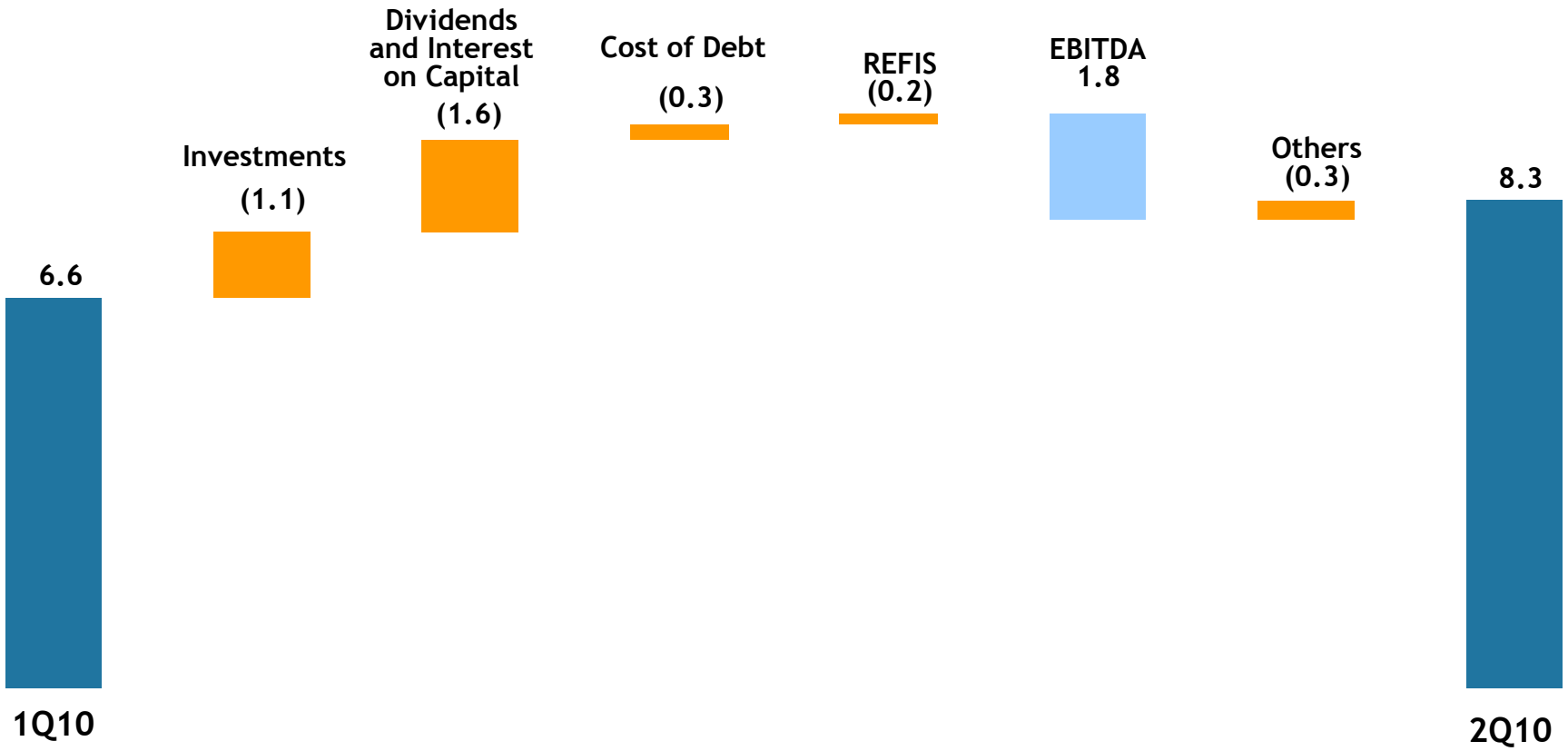




* Last 12 months

Net Debt Evolution - 2Q10 X 1Q10

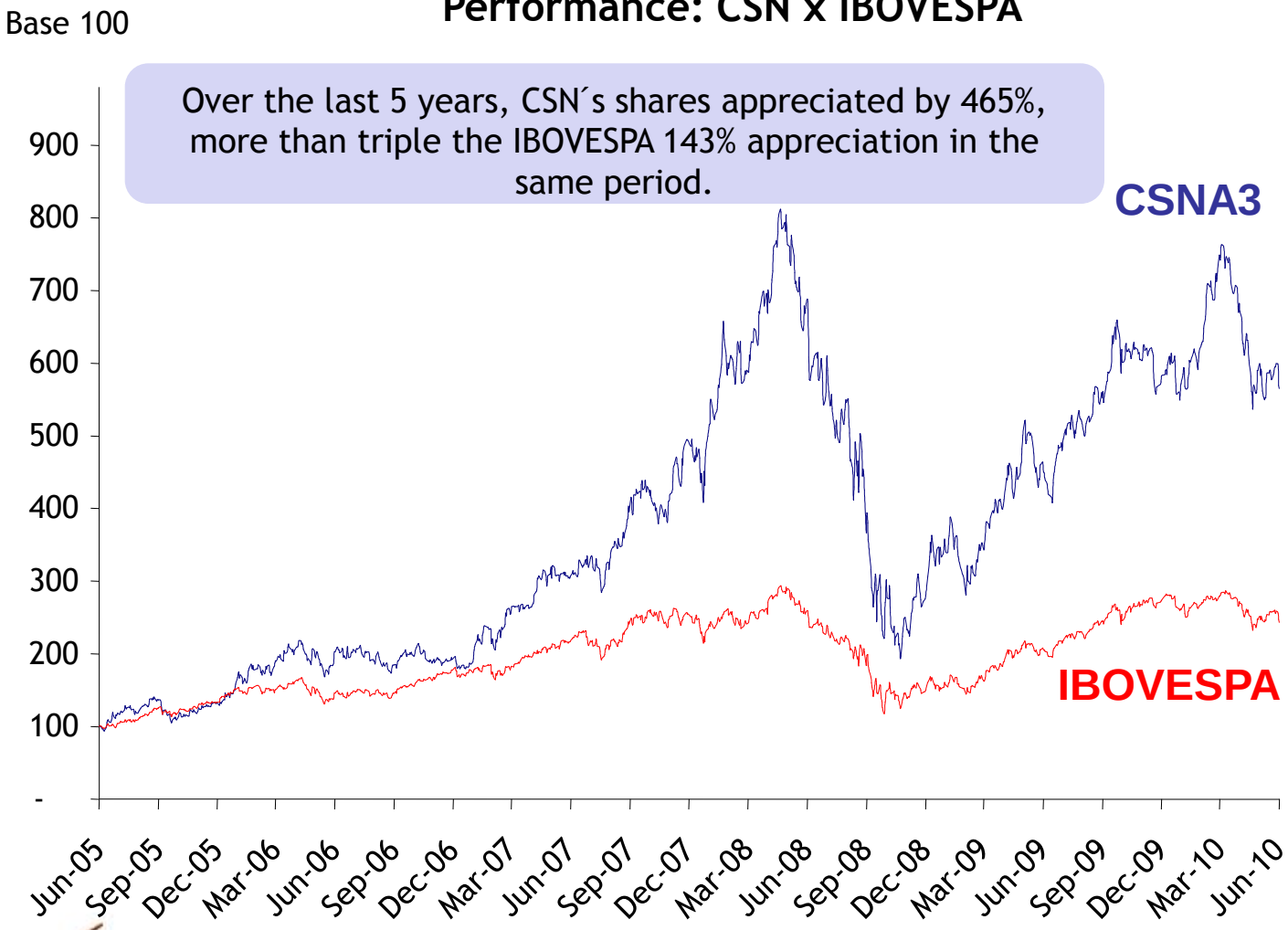
R$ Billion





CSN´s shares performance

Performance: CSN x IBOVESPA





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