3Q09 Earnings Presentation

November 04, 2009



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).



3Q09 Highlights

• Net income totaled R$1.15 billion in the 3Q09, 243% up on the R$335 million recorded in the previous quarter. In the first nine months, net income stood at R$1.85 billion, also an improvement over the same period last year;

• Steel product sales volume amounted to 1.32 million tonnes, 39% more than the 2Q09;

• Crude steel production in the 3Q09 came to 1.18 million tonnes, with rolled output of 1.32 million tonnes, 35% and 37% up, respectively, on the 2Q09;

• The average rolled steel unit production cost fell from R$964/t in the 2Q09 to R$784/t in the 3Q09, a hefty 19% reduction;

• 3Q09 net revenue totaled R$3.0 billion, 20% more than the R$2.5 billion reported in the 2Q09;

• 3Q09 EBITDA stood at close to R$1.0 billion, a 36% improvement over the 2Q09, with an EBITDA margin of 33%, up by 4 p.p. on the 2Q09, further underlining the Company's margin recovery process;

• In 2009 through September 30, CSN's shares appreciated by 100% on the Bovespa, the 10th largest upturn among those firms listed on the Ibovespa index, while its ADRs climbed by 155% on the NYSE, the 8th highest increase among all the Latin American ADRs listed on the New York Stock Exchange;

• CSN closed the 3Q09 with a market cap of US$22.3 billion, the highest figure of any steel manufacturer in the Americas.

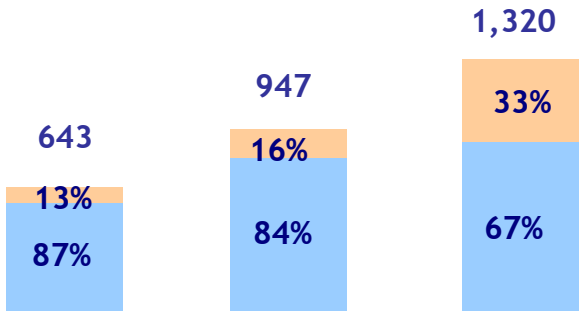
• Also at the end of the 3Q09, ROE stood at 91%, considering net income in the last 12 months, growth of 23 p.p. over the previous quarter;

• In September 2009, through its wholly-owned subsidiary CSN Islands XI Corporation, CSN effected a US$750 million bond issue at 6.875% p.a., maturing in 10 years.

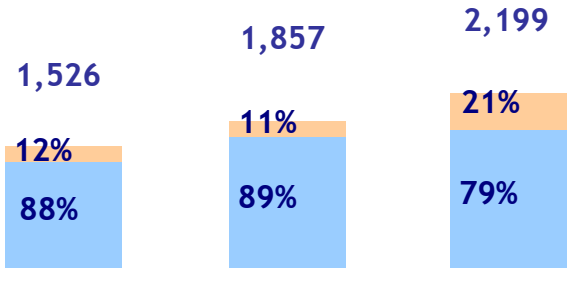


Net Revenue and Sales Volume
(Consolidated)

STEEL (Sales Volume - thousand tonnes)

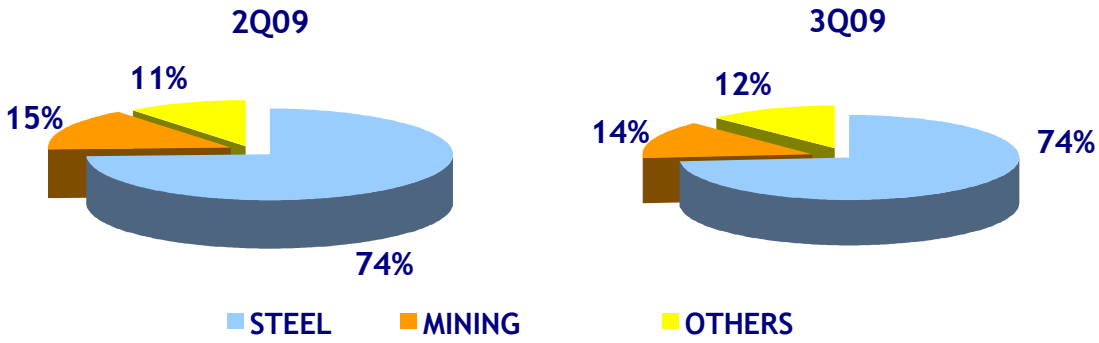


STEEL (Net Revenue - R$ MM)



Domestic Market Export Market

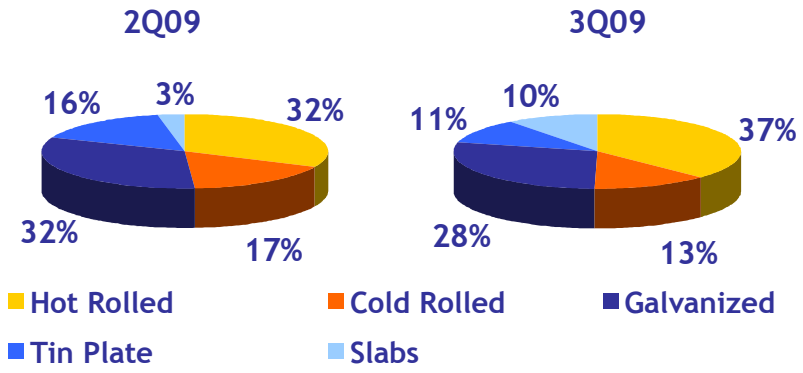
Net Revenue by Segment (R$ MM)



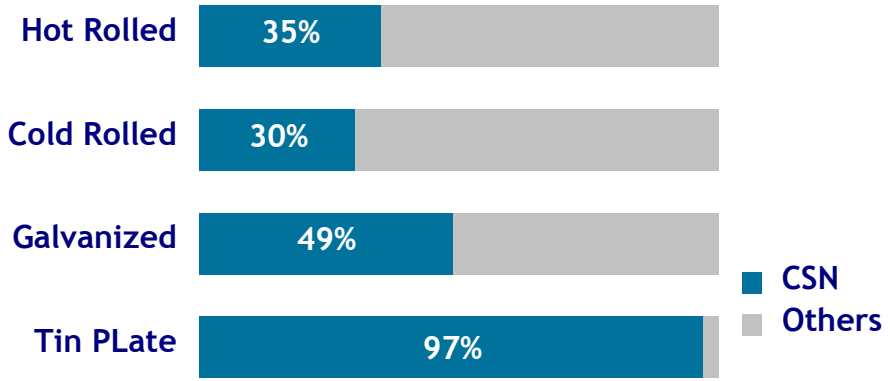


Market Share and Sales Volume by Product

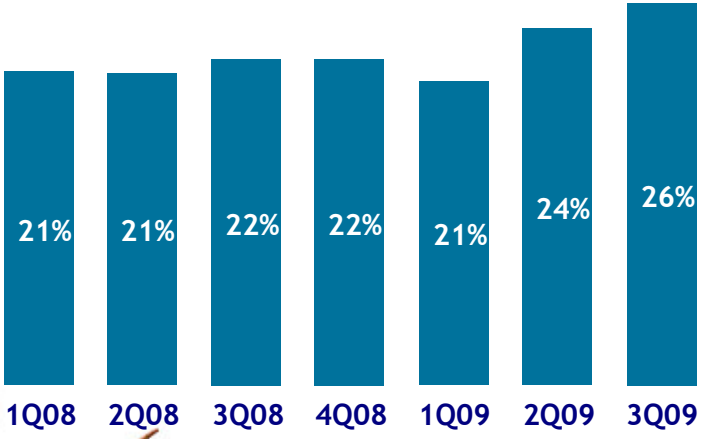
Sales by Product



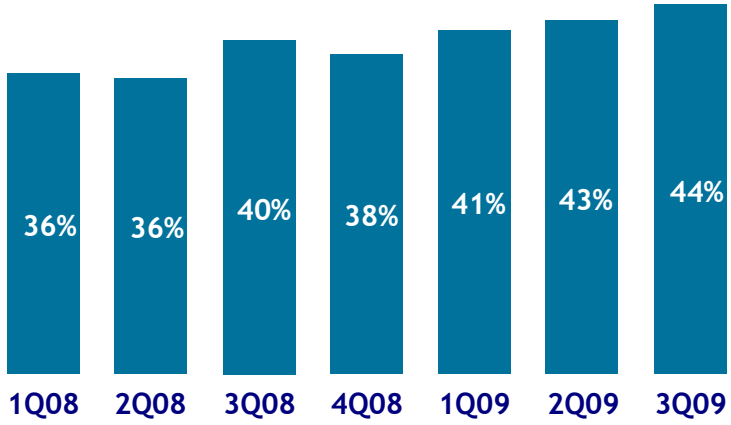
Market Share by Product - 3Q09



Market Share - Automotive



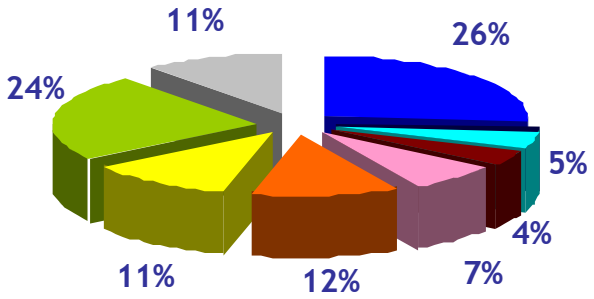
Market Share - Home Appliance / OEM



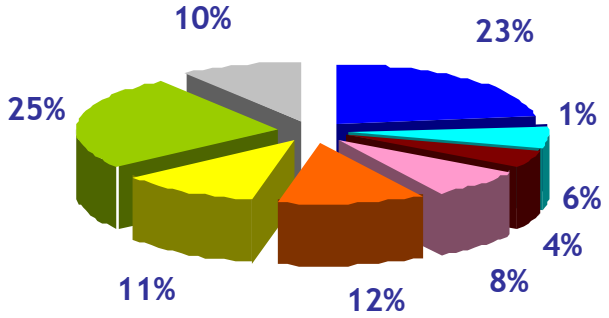


Steel Production Costs
(Parent Company)

2Q09



3Q09



Coal | Coke | Iron Ore
Metals | Other Raw Materials | Labor
Energy / Fuel | Maintenance / General Costs | Depreciation

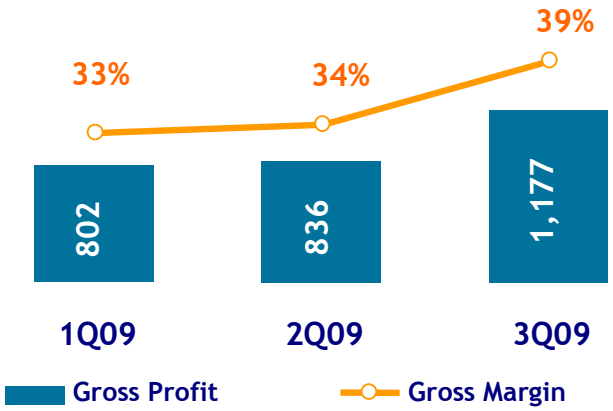
COAL: 3Q09 average cost ~ R$300/ton

COKE: No consumption in the 3Q09

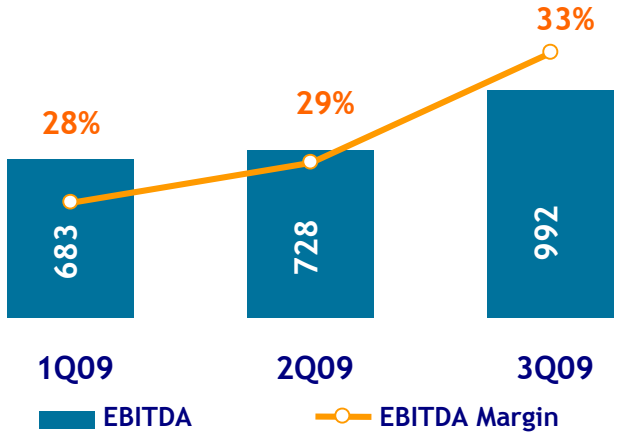


Resilient Performance

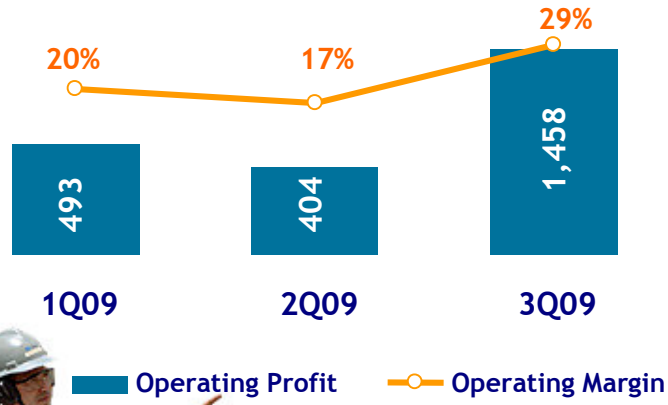
Gross Profit (R$ MM) and Gross Margin (%)



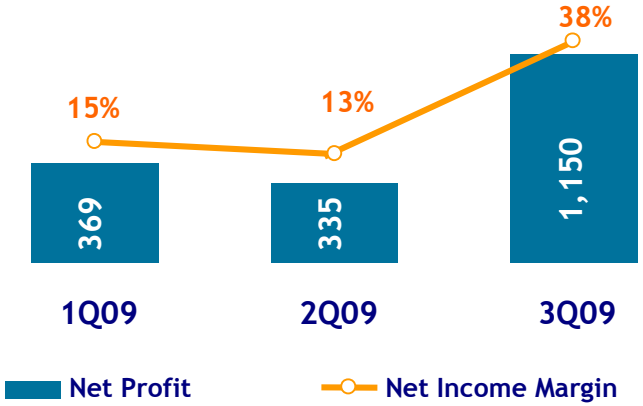
EBITDA (R$ MM) and EBITDA Margin (%)



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



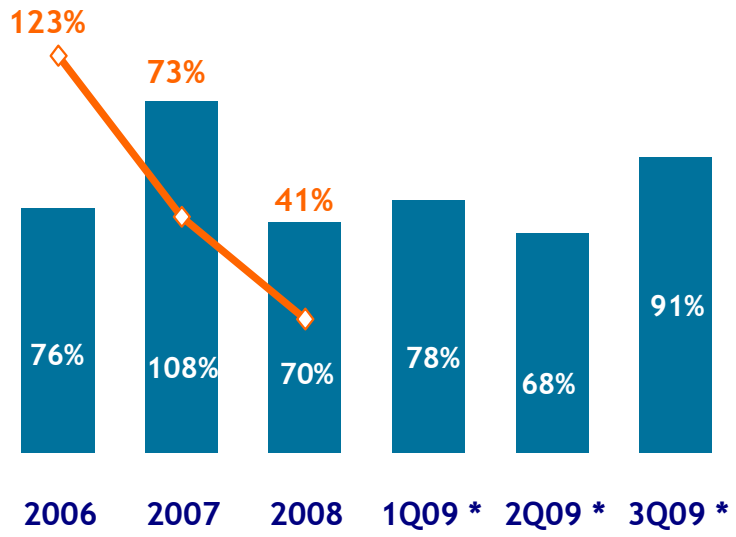
Net Profit (R$ MM) and Net Income Margin (%)



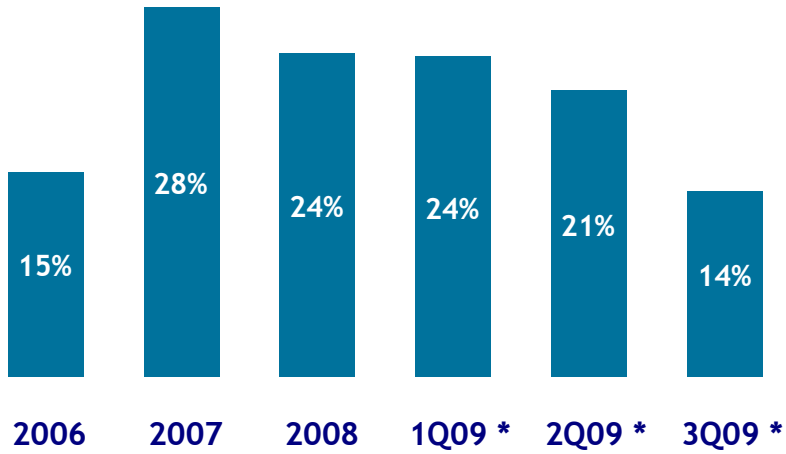


Profitability Indicators

Return on Equity and Payout



Return on Capital Employed



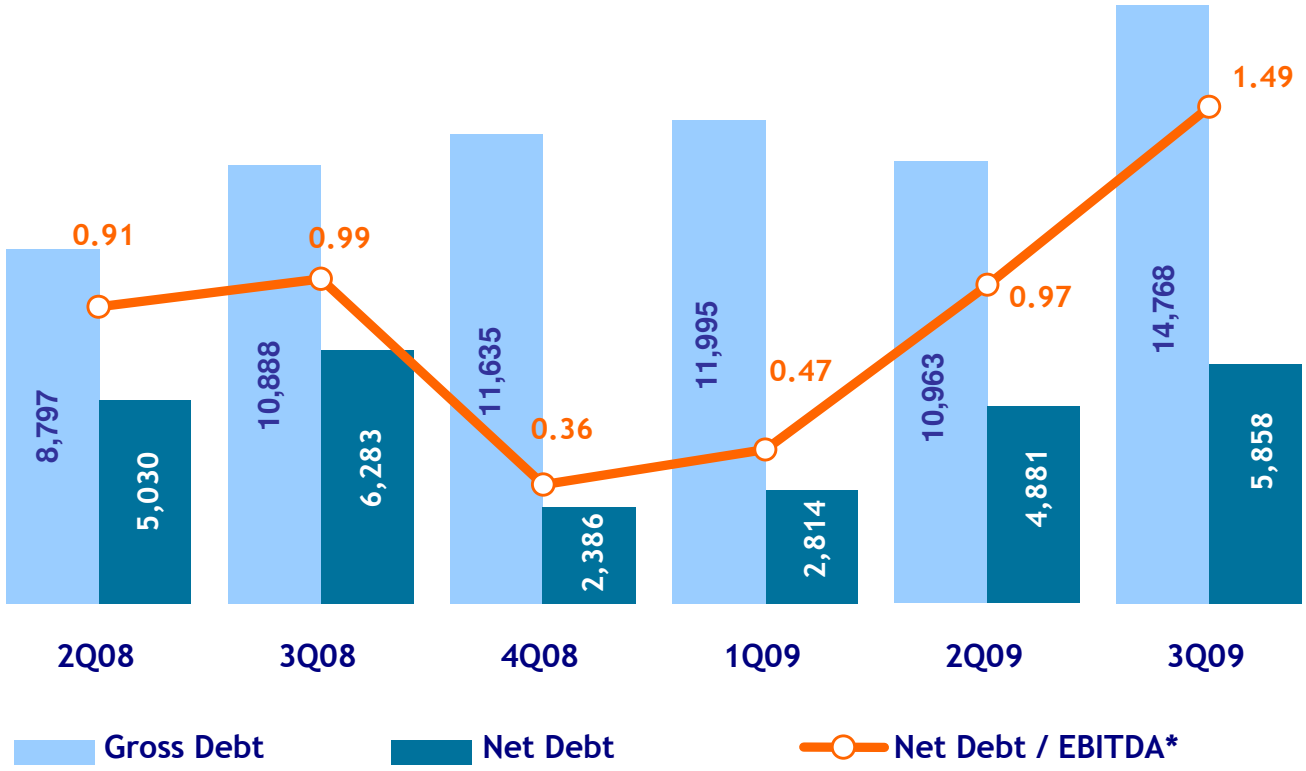


ROE *Payout Ratio*

* Last 12 months

Consolidated Net Debt/EBITDA

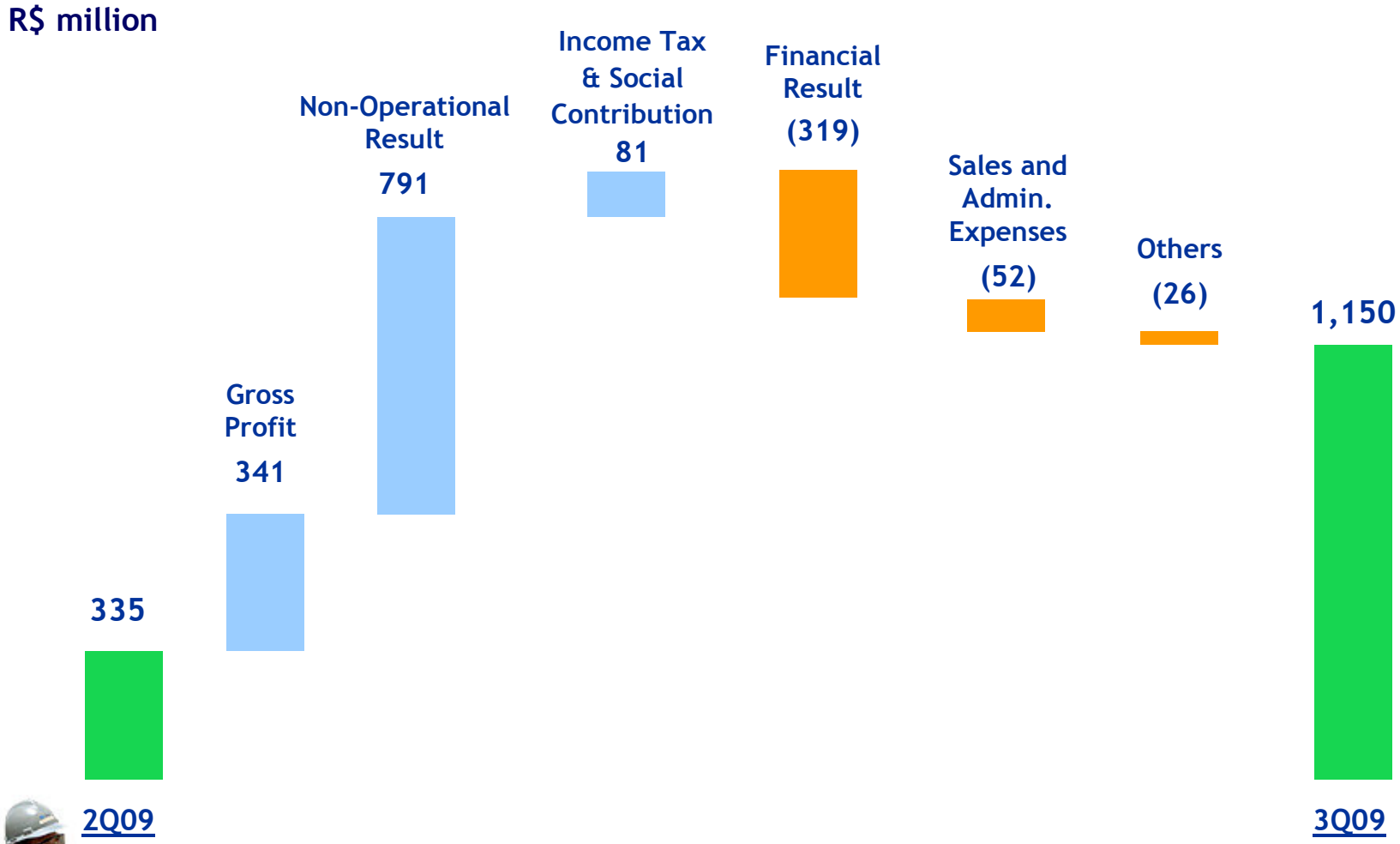
Indebtedness (R$ MM) and Net Debt / EBITDA*





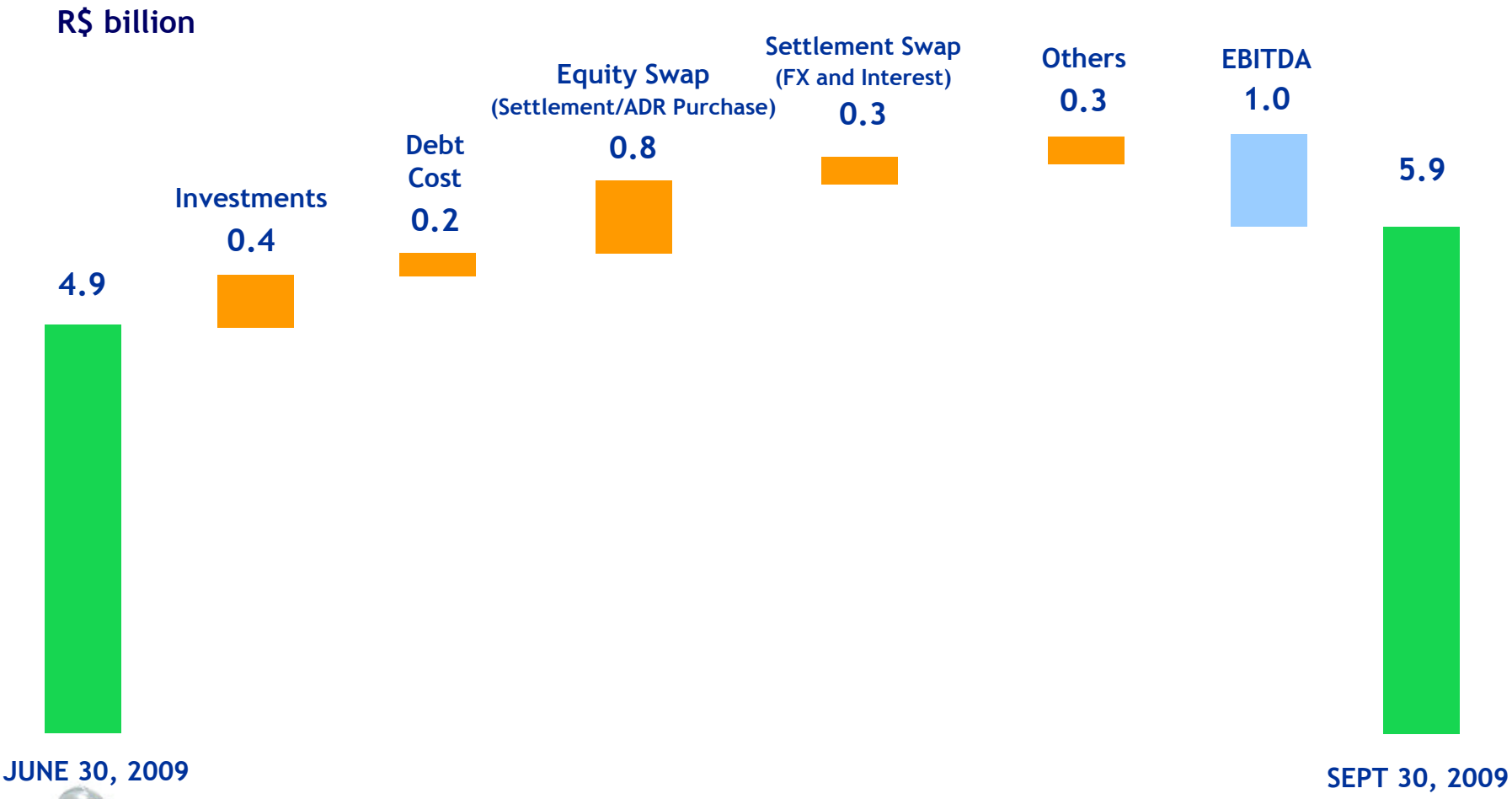
* Last 12 months

Consolidated Net Result 3Q09 x 2Q09



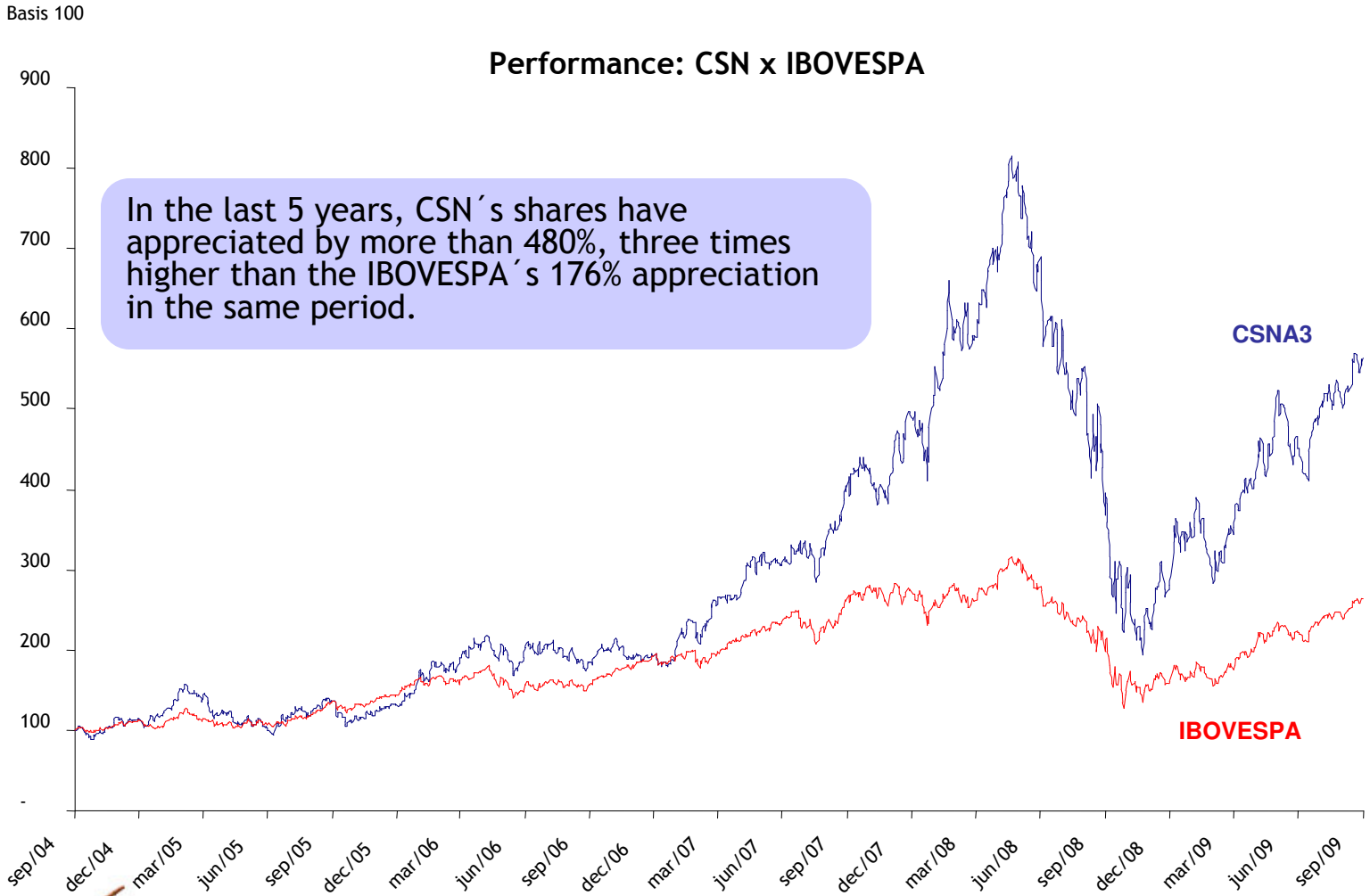


Net Debt Evolution - Jun/09 x Sep/09



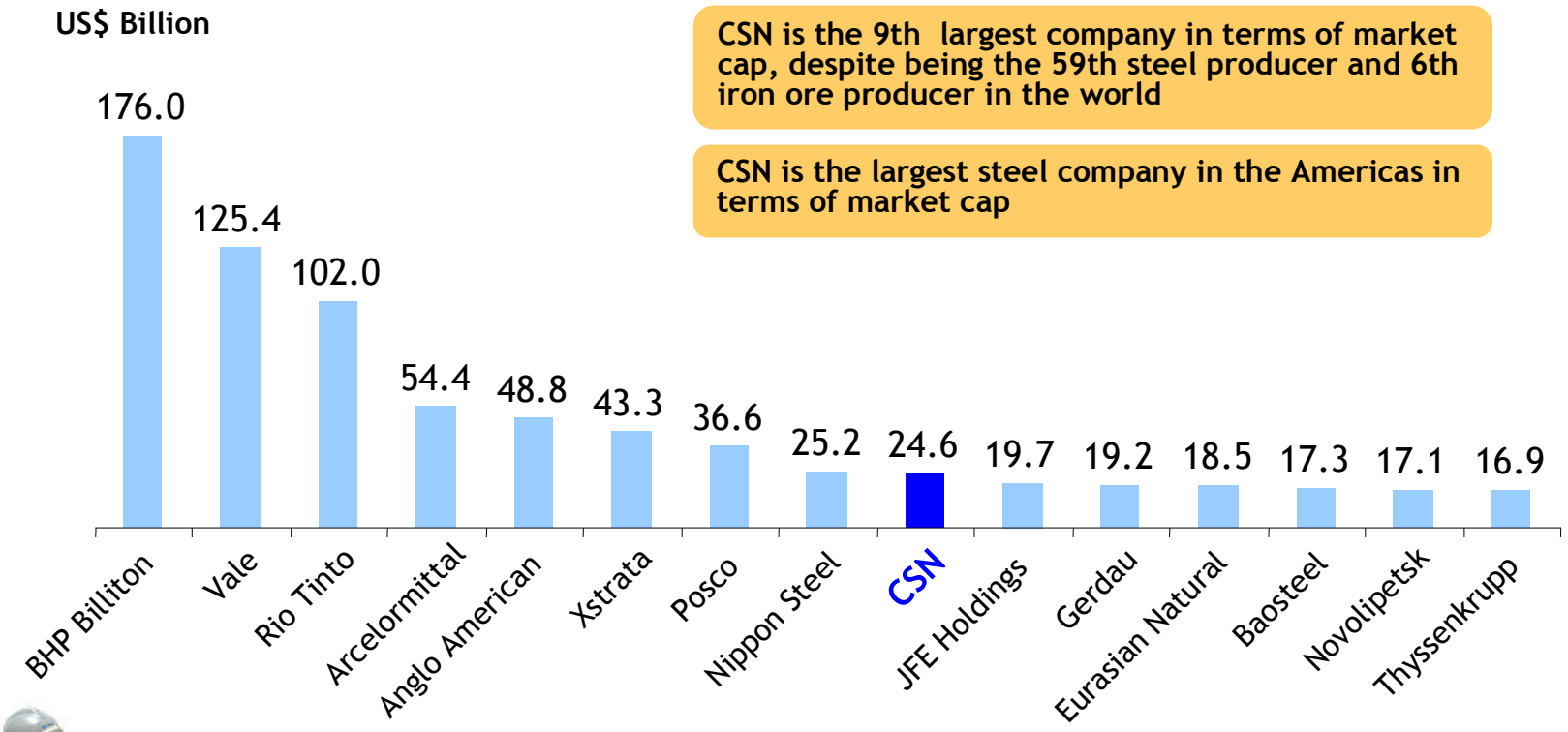


CSN's shares performance





Ranking - Steel and Mining Companies



CSN is the 9th largest company in terms of market cap, despite being the 59th steel producer and 6th iron ore producer in the world

CSN is the largest steel company in the Americas in terms of market cap



Source: Bloomberg, October 29th

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