4Q09 Earnings Presentation

February 26, 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).



4Q09 Highlights

•The 4Q09 EBITDA margin reached 39.4%, 6.2 p.p. up on 3Q09, underlining the recovery of CSN's operating margins;

•Net income totaled R$2.60 billion in 2009 and R$745 million in 4Q09;

•CSN is a highly capitalized company, with a cash position of R$8.1 billion;

•Total steel product sales volume grew by 58% in the second half of 2009 over first six months sales;

•Domestic steel product sales volume reached 1.0 million tonnes in 4Q09, 14% up on 3Q09;

•Crude steel production stood at 1.23 million tonnes in 4Q09, 5% more than in 3Q09;

•In a scenario marked by an economic slowdown, 2009 total domestic sales of flat steel fell by 26% over 2008, while CSN recorded a decline of 22%;

•Sales of finished iron ore products (CSN+Namisa) totaled 22.4 million tonnes in 2009, 22% up on the year before and a new Company record;

•Annual exports of finished iron ore products (CSN+Namisa) reached a record of 21.8 million tonnes, a 48% improvement over 2008;

•In 2009, CSN inaugurated its cement factory, adjacent to the Presidente Vargas Steelworks in Volta Redonda, adding value to the slag generated during steel production. 2009 cement sales reached 338,000 tonnes;

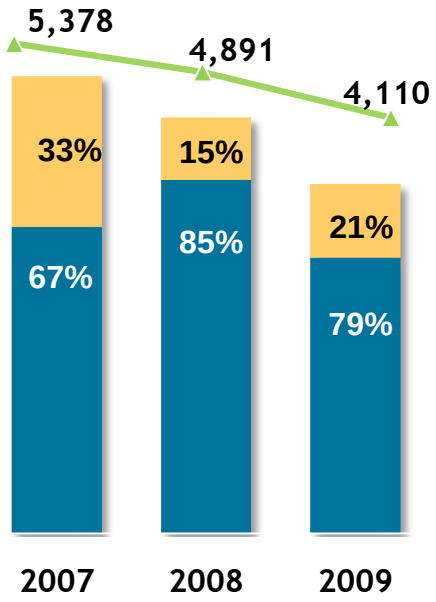
•Net revenue totaled R$3.06 billion in 4Q09, with increased domestic sales volume and an improved steel product mix;

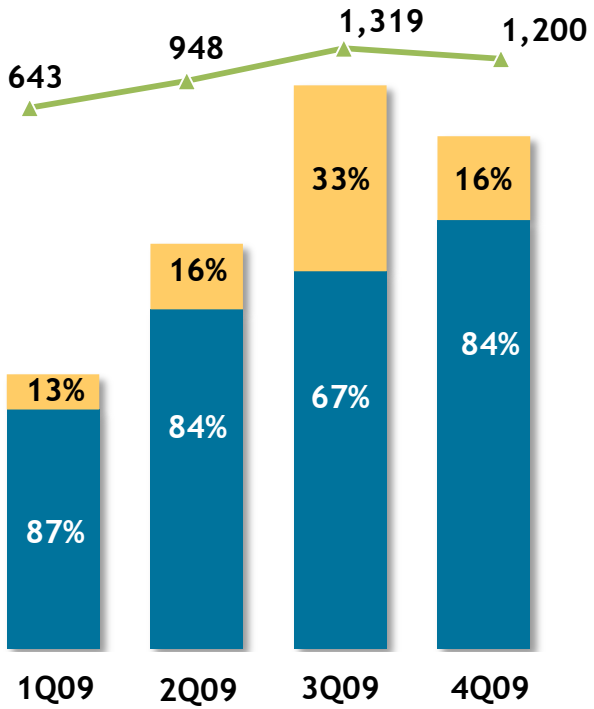
•Overcoming the effects of the economic crisis, in 2009 CSN's shares appreciated by 108% on the BM&FBovespa and 168% on the NYSE, well above the 87% recorded by the IBOVESPA and the 19% recorded by the Dow Jones.



Steel Sales Volume

In thousand tonnes



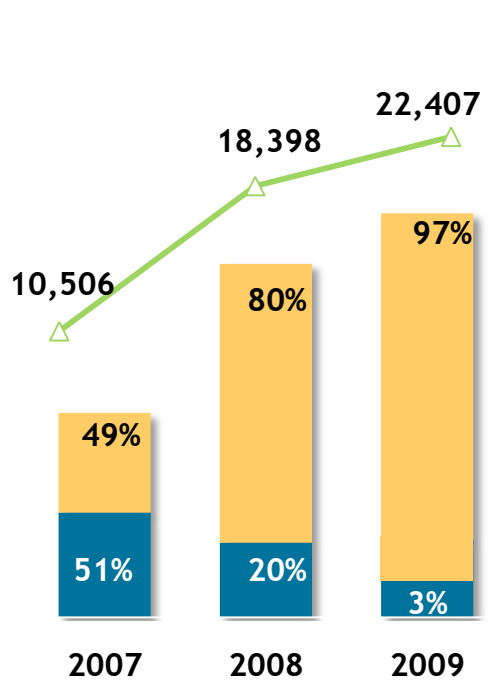


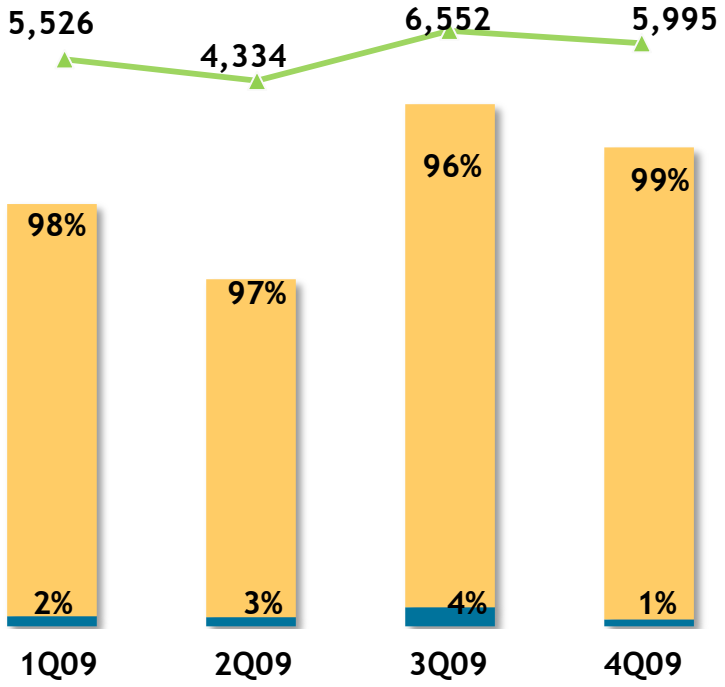
Domestic Market Export Market Total



Mining Sales Volume

In thousand tonnes





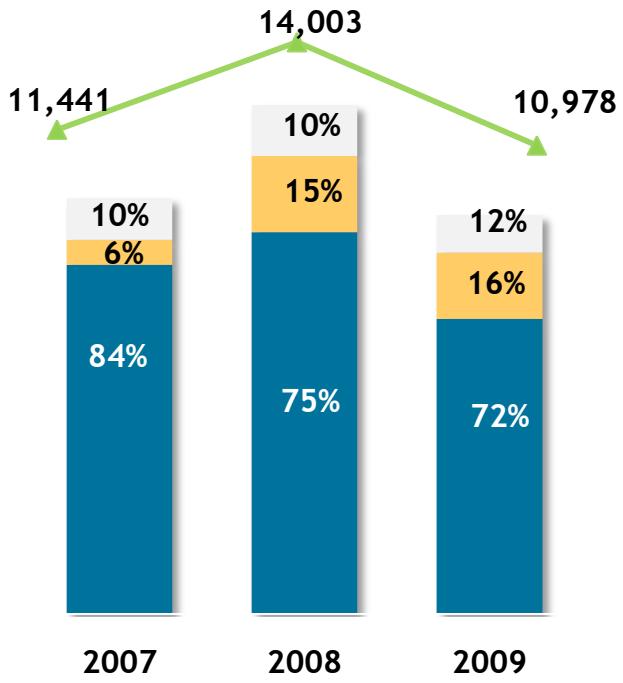
CSN Consolidated including 100% of NAMISA´s sales.

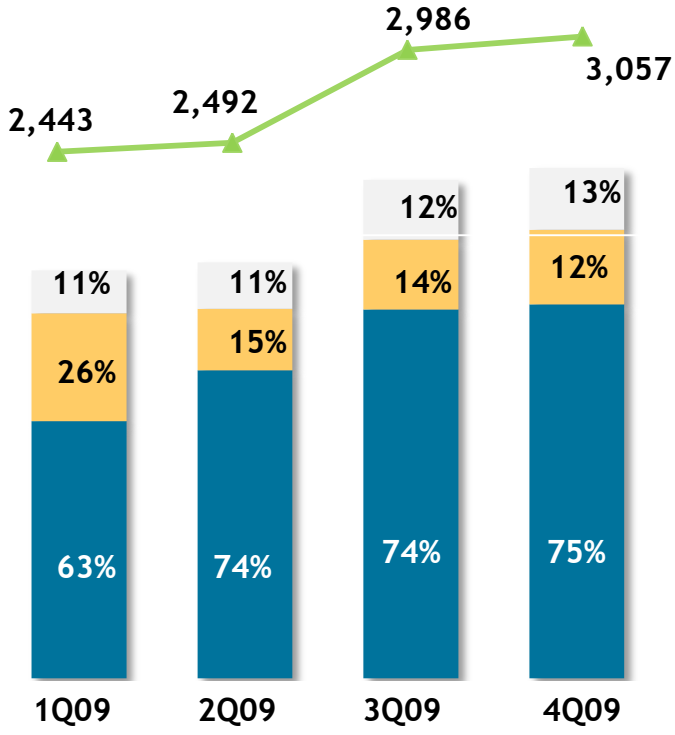
Domestic Market Export Market Total



Net Revenue by Segment

In R$ million



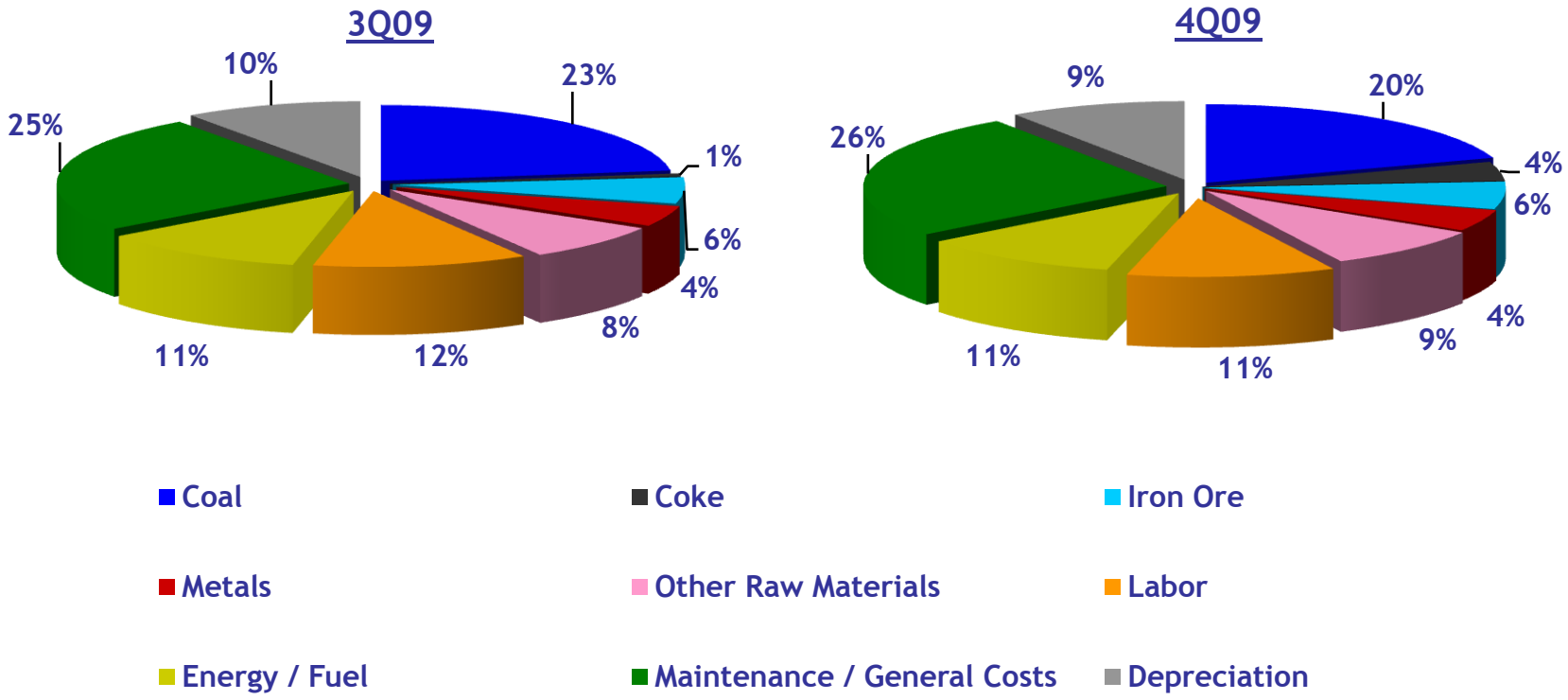


Steel Mining Others Total



Steel Production Costs

(Parent Company)

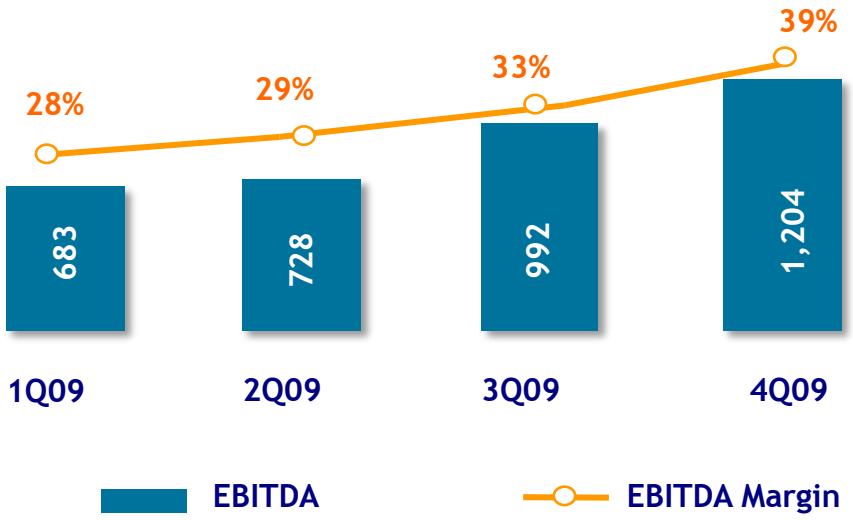


Coal: 4Q09 average cost ~ R$296/ton
Coke: 4Q09 average cost ~ R$498/ton

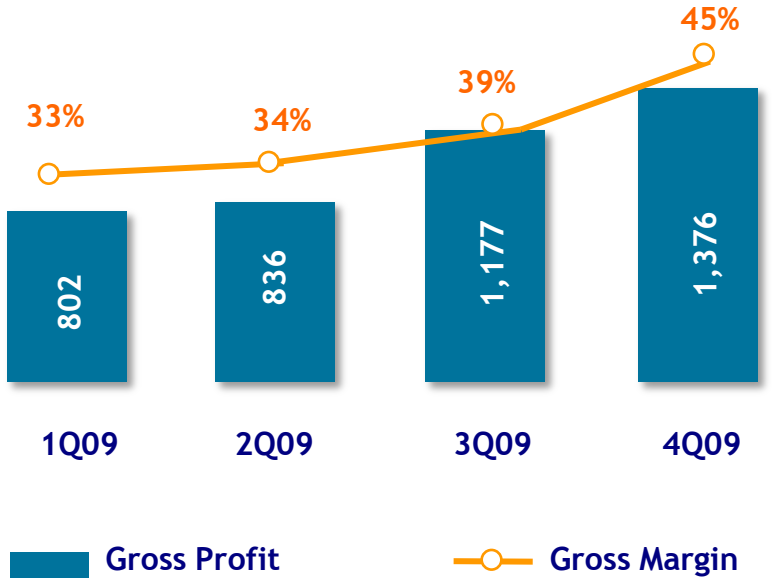


Resilient Performance

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



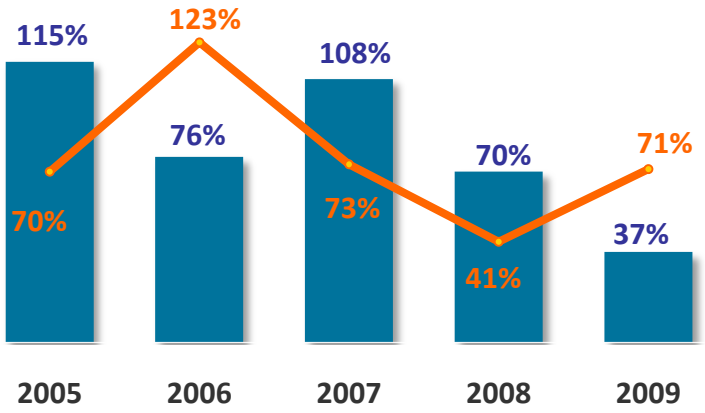
Gross Profit (R$ MM) and Gross Margin (%)



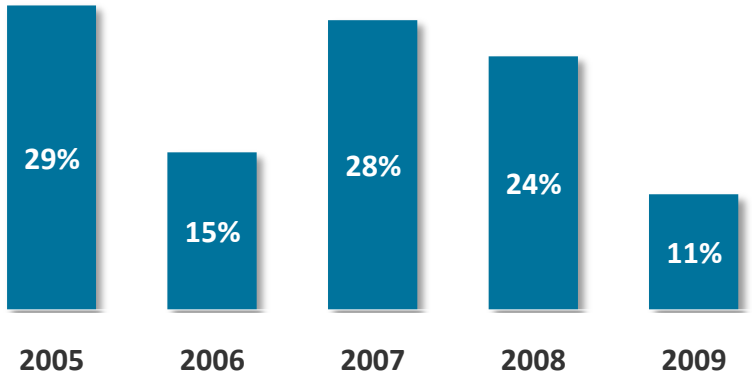


Profitability Indicators

Return on Equity and Payout (%)

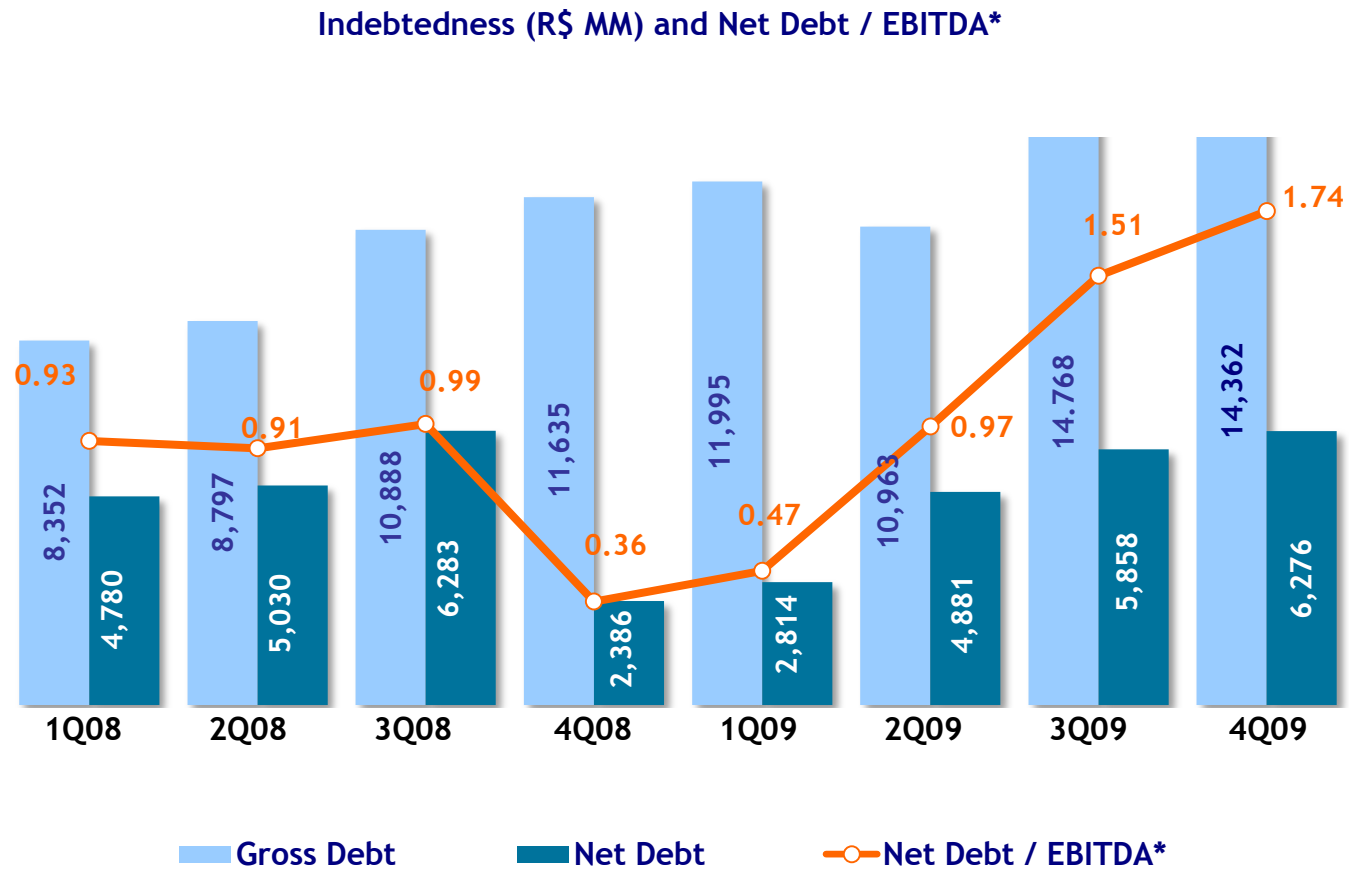


Return on Capital Employed





Consolidated Net Debt / EBITDA

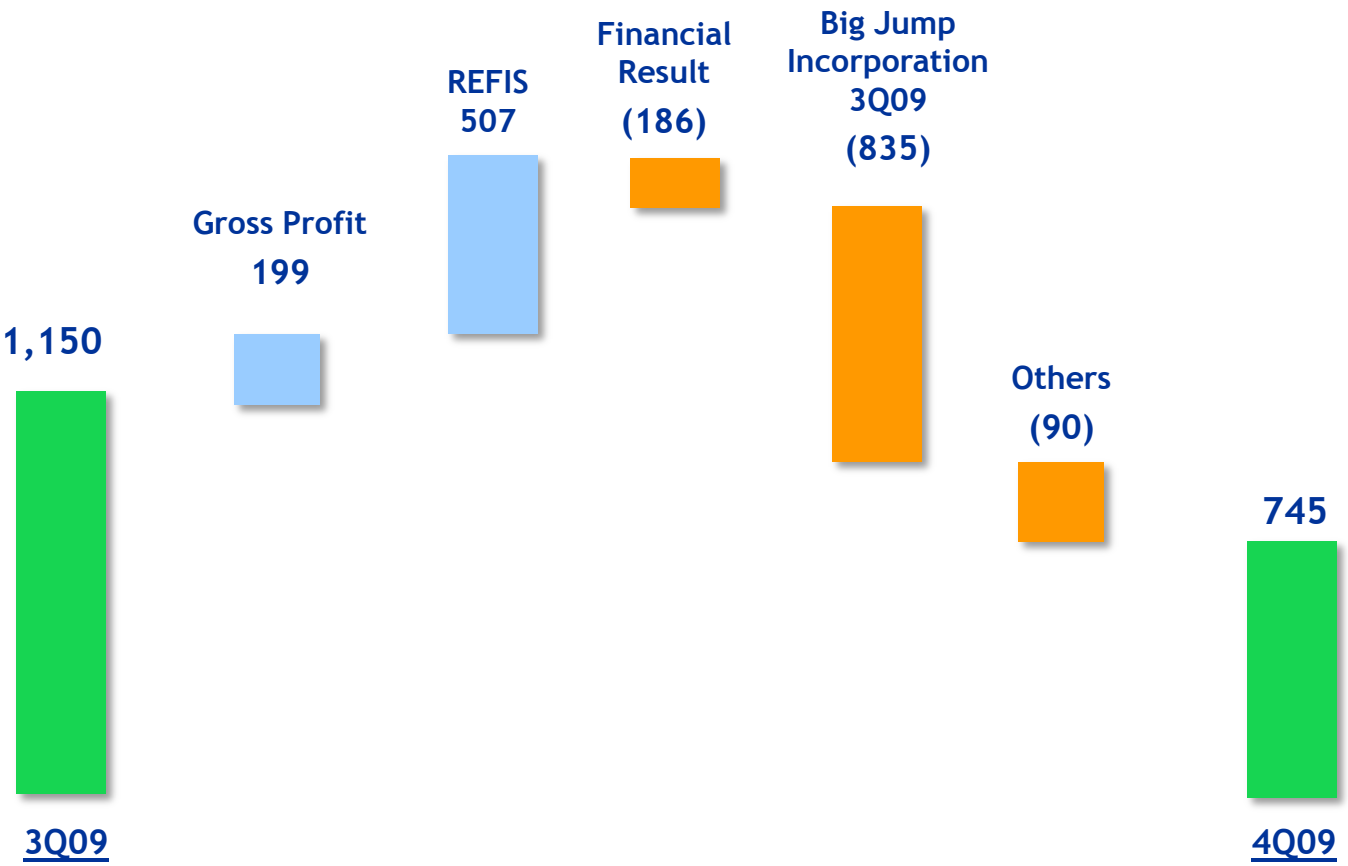




* Last 12 months

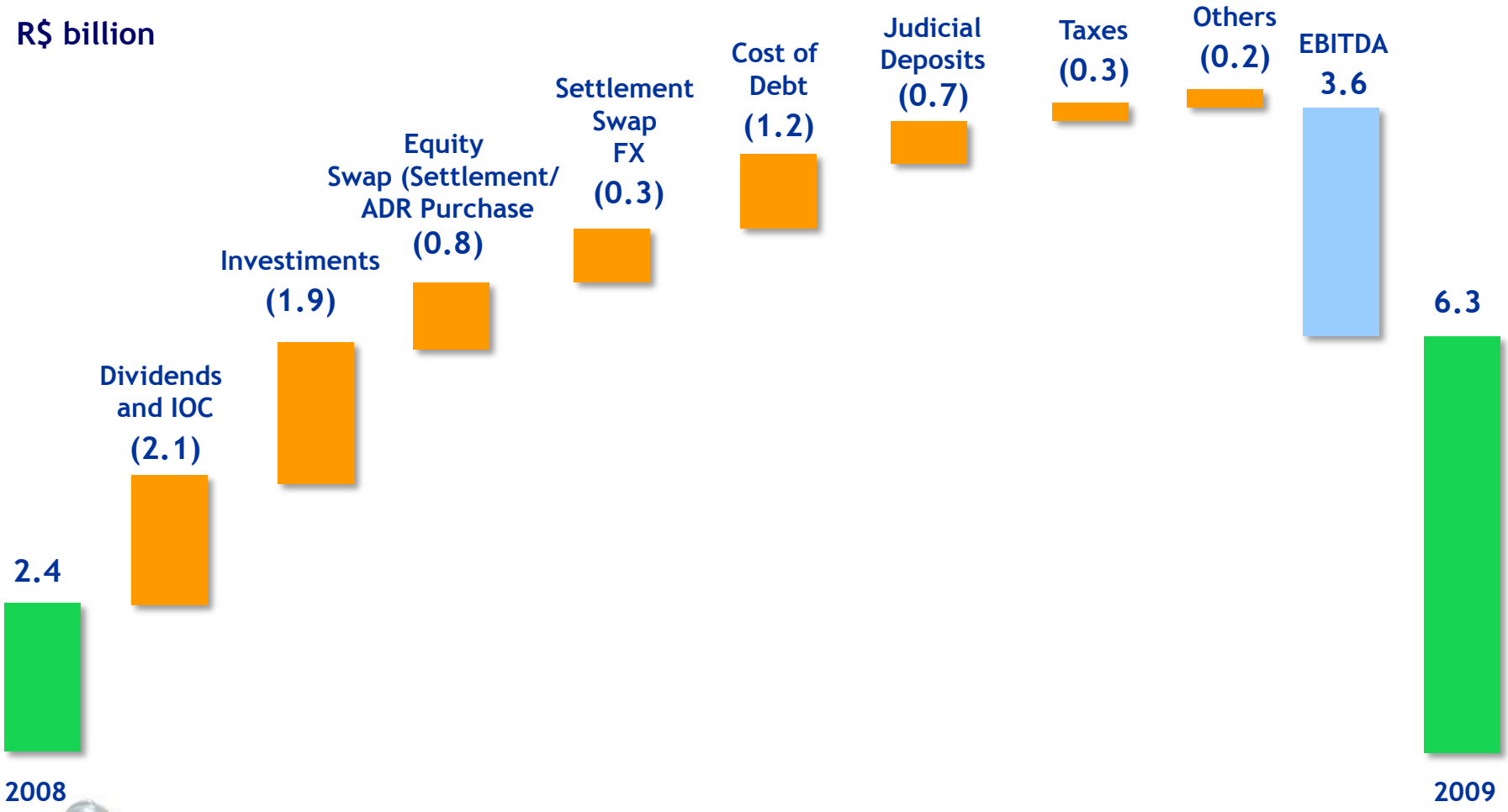
Consolidated Net Result 4Q09 x 3Q09

R$ million





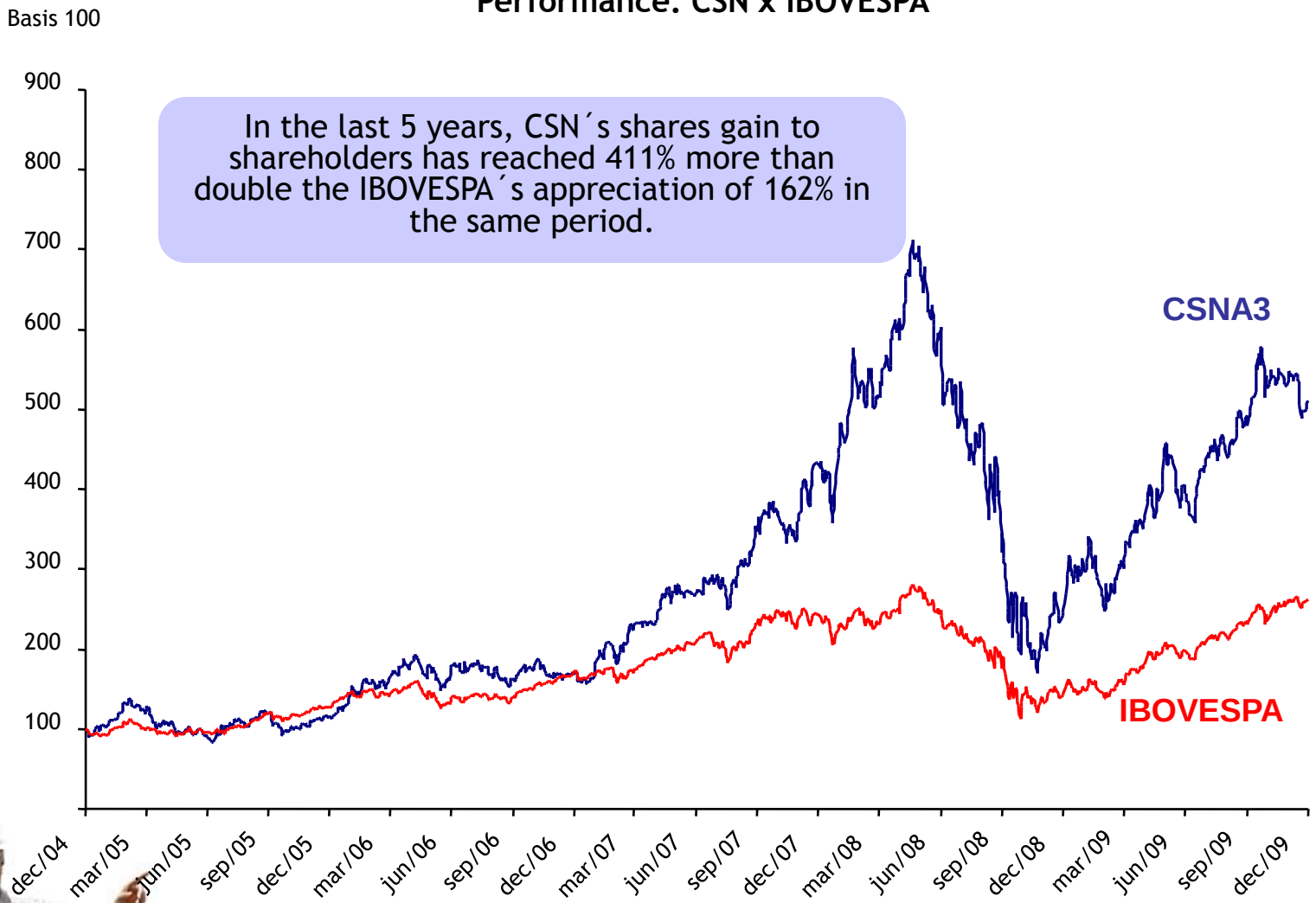
Net Debt Evolution - 2008 x 2009





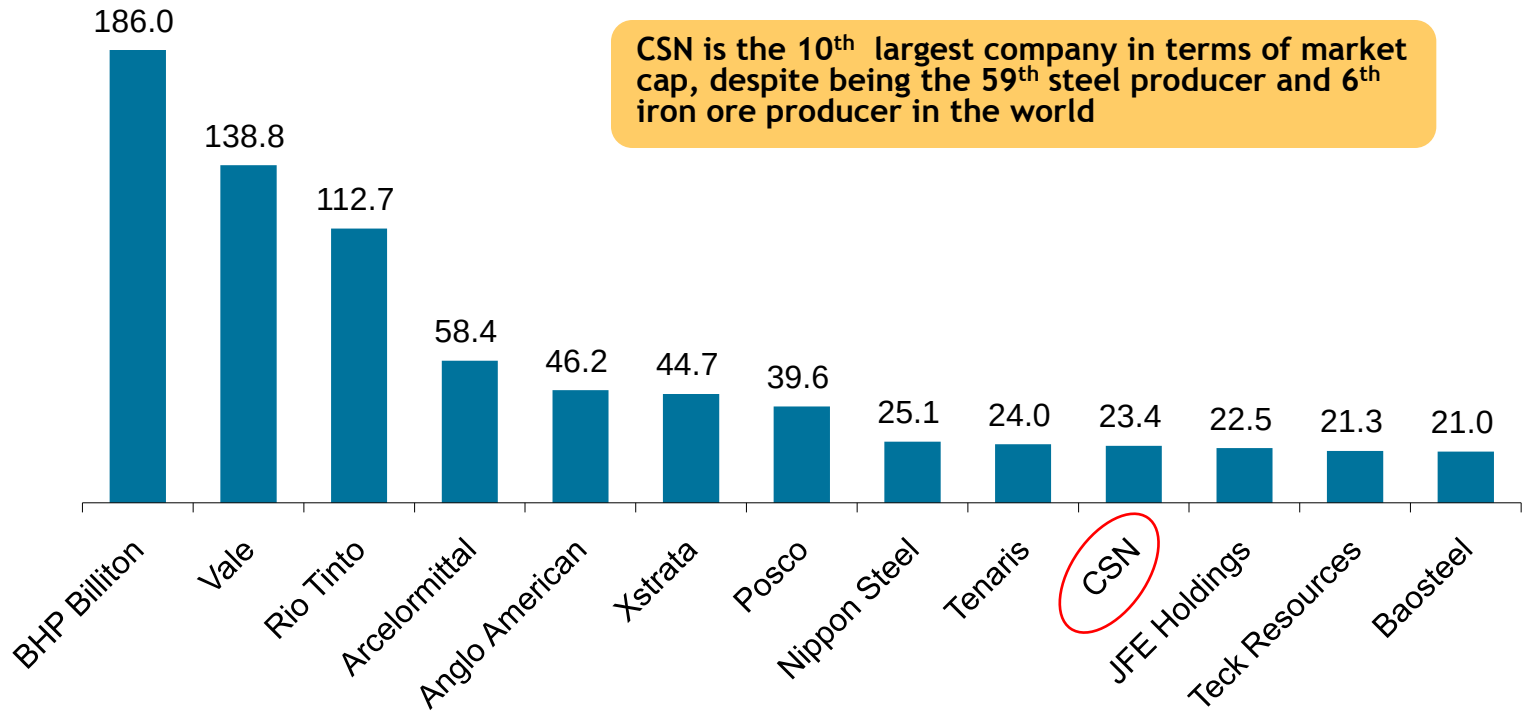
CSN´s shares performance

Performance: CSN x IBOVESPA





Ranking - Steel and Mining Companies



CSN is the 10th largest company in terms of market cap, despite being the 59th steel producer and 6th iron ore producer in the world



Source: Bloomberg, February 25

Increase of the Steel Capacity

Long Steel

- Production of 500,000 tons/year of long steel, such as CA50 rod bar (400Kt) wire rod (100Kt);
- CSN will benefit from the existing infrastructure and utilities in Volta Redonda steel mill;
- Operations expected to start by the 1st half 2011;
- The total investment in long steel production will be of approximately US$340 million, including expansion and acquisition of an eletric furnace;
- The company plans to build two new long steel plants with annual capacity of 500,000 tons besides a long steel cold rolling unit aiming the expansion of its product portfolio (CA60 rod bar, lattice and wire) in order to better meet construction segment demand.







Cement Production

• CSN started the production and sale of cement in May/09, operating with current capacity of 1 million tonnes;

• 2009 sales totaled 338,000 tonnes;

• Capex (cement/ clinker): US$ 410 million (US$ 279 million already invested);

• Annual production at full capacity in 2012 could reach 2.4 million tonnes;

•Takes advantage of the slag generated by CNS´s blast furnaces, own production of clinker and CNS´s limestone reserves;



• CSN will use its own infrastructure:

- MRS Logística S/A
- Distribution centers

• Current cement milling capacity of 2.8 million tonnes;

-Capacity expansion of cement milling may reach 4 million tonnes



• Current clinker capacity of 800,000 tonnes(Dec/2010) :

-Capacity expansion of clinker may reach 2.4 million tonnes



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