

NATIONAL STEEL CO
Form 6-K
June 25, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of June, 2008

Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL

(Exact name of registrant as specified in its charter)

National Steel Company

(Translation of Registrant's name into English)

**Av. Brigadeiro Faria Lima 3400, 20º andar
São Paulo, SP, Brazil
04538-132**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE
CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION

QUARTERLY FINANCIAL INFORMATION
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

March 31,
2008

Accounting Practices
Adopted in Brazil

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 IDENTIFICATION

1 - CVM CODE 00403-0	2 - COMPANY NAME COMPANHIA SIDERÚRGICA NACIONAL	3 - CNPJ (Corporate Taxpayer s ID) 33.042.730/0001-04
4 - NIRE (Corporate Registry ID) 33-3.00011595		

01.02 HEAD OFFICE

1 - ADDRESS R. SÃO JOSÉ, 20 GR. PARTE 1602 PARTE		2 - DISTRICT CENTRO		
3 - ZIP CODE 22010-020	4 - CITY RIO DE JANEIRO		5 - STATE RJ	
6 - AREA CODE 21	7 - TELEPHONE 2141-1800	8 - TELEPHONE -	9 - TELEPHONE -	10 - TELEX
11 - AREA CODE 21	12 - FAX 2141-1809	13 - FAX -	14 - FAX -	
15 - E-MAIL invrel@csn.com.br				

01.03 INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME OTÁVIO DE GARCIA LAZCANO				
2 - ADDRESS AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR			3 - DISTRICT ITAIM BIBI	
4 - ZIP CODE 04538-132	5 - CITY SÃO PAULO		6 - STATE SP	
7 - AREA CODE 11	8 - TELEPHONE 3049-7100	9 - TELEPHONE -	10 - TELEPHONE -	11 - TELEX

Edgar Filing: NATIONAL STEEL CO - Form 6-K

12 - AREA CODE 11	13 - FAX 3049-7150	14 - FAX -	15 - FAX -	
16 - E-MAIL invrel@csn.com.br				

01.04 REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2008	12/31/2008	1	1/1/2008	3/31/2008	4	10/1/2007	12/31/2007
09 - INDEPENDENT ACCOUNTANT KPMG AUDITORES INDEPENDENTES					10 - CVM CODE 00418-9		
11. TECHNICIAN IN CHARGE ANSELMO NEVES MACEDO					12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S REGISTER) 033.169.788-28		

01.05 CAPITAL STOCK

Number of Shares (In thousands)	1- CURRENT QUARTER 3/31/2008	2- PREVIOUS QUARTER 12/31/2007	3 SAME QUARTER PREVIOUS YEAR 3/31/2007
Paid-in Capital			
1 Common	804,204	272,068	272,068
2 Preferred	0	0	0
3 Total	804,204	272,068	272,068
Treasury Shares			
4 Common	34,734	15,578	15,578
5 Preferred	0	0	0
6 Total	34,734	15,578	15,578

01.06 COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industry and Other Types of Company
2 - STATUS Operational
3 - NATURE OF OWNERSHIP Private National
4 - ACTIVITY CODE 1060 Metallurgy and Steel Industry
5 - MAIN ACTIVITY MANUFACTURING, TRANSFORMATION AND TRADING OF STEEL PRODUCTS
6 - CONSOLIDATION TYPE Total
7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Qualified

01.07 COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer s ID)	3 - COMPANY NAME

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	RCA	12/21/2007	Dividend	01/08/2008	Common	2.5930110000
02	RCA	12/21/2007	Interest on Own Capital	01/08/2008	Common	0.4471180000

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (In thousands of reais)	4 - AMOUNT OF CHANGE (In thousands of reais)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Thousand)	8 - SHARE PRICE WHEN ISSUED (In reais)
----------	--------------------	--	---	----------------------	---	---

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE	2 - SIGNATURE
05/06/2008	

02.01 BALANCE SHEET - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2008	4 -12/31/2007
1	Total Assets	26,242,986	26,608,601
1.01	Current Assets	3,934,089	4,783,329
1.01.01	Cash and Cash Equivalents	39,515	26,223
1.01.02	Receivable	1,770,505	2,021,141
1.01.02.01	Accounts Receivable	993,303	997,443
1.01.02.01.01	Domestic Market	665,462	562,428
1.01.02.01.02	Foreign Market	416,423	506,670
1.01.02.01.03	Allowance for Doubtful Accounts	(88,582)	(71,655)
1.01.02.02	Sundry Receivable	777,202	1,023,698
1.01.02.02.01	Employees	4,742	3,987
1.01.02.02.02	Suppliers	142,758	283,582
1.01.02.02.03	Recoverable Income and Social Contribution Taxes	3,446	804
1.01.02.02.04	Deferred Income Tax	228,314	300,628
1.01.02.02.05	Deferred Social Contribution	80,544	106,577
1.01.02.02.06	Other Taxes	65,004	79,310
1.01.02.02.07	Proposed Dividends Receivable	238,203	238,203
1.01.02.02.08	Other Receivable	14,191	10,607
1.01.03	Inventories	1,548,787	1,780,473
1.01.04	Other	575,282	955,492
1.01.04.01	Marketable Securities	352,174	718,892
1.01.04.02	Prepaid Expenses	36,861	50,353
1.01.04.03	Insurance Claimed	186,247	186,247
1.02	Non-Current Assets	22,308,897	21,825,272
1.02.01	Long-Term Assets	2,525,358	2,472,203
1.02.01.01	Sundry Receivable	820,303	815,445
1.02.01.01.02	Securities Receivable	131,759	132,816
1.02.01.01.03	Deferred Income Tax	411,983	405,706
1.02.01.01.04	Deferred Social Contribution	136,178	134,553
1.02.01.01.05	Other Taxes	140,383	142,370
1.02.01.02	Receivable from Related Parties	888,222	819,988
1.02.01.02.01	Associated and Related Companies	0	0
1.02.01.02.02	Subsidiaries	888,222	819,988
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	816,833	836,770
1.02.01.03.01	Judicial Deposits	665,717	684,338
1.02.01.03.02	Marketable Securities	90,834	90,834
1.02.01.03.03	Prepaid Expenses	33,068	34,371
1.02.01.03.04	Other	27,214	27,227
1.02.02	Permanent Assets	19,783,539	19,353,069
1.02.02.01	Investments	7,022,302	6,573,043
1.02.02.01.01	In Associated/ Related Companies	0	0

02.01 BALANCE SHEETS - ASSETS (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2008	4 -12/31/2007
1.02.02.01.02	In Associated/ Related Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	6,988,451	6,535,133
1.02.02.01.04	In Subsidiaries - Goodwill	33,820	37,879
1.02.02.01.05	Other Investments	31	31
1.02.02.02	Property, Plant and Equipment	12,598,577	12,618,843
1.02.02.02.01	In Operation, Net	10,834,557	11,011,930
1.02.02.02.02	In Construction	1,351,931	1,194,921
1.02.02.02.03	Land	412,089	411,992
1.02.02.03	Intangible Assets	0	0
1.02.02.04	Deferred Charges	162,660	161,183

02.02 BALANCE SHEET - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2008	4 -12/31/2007
2	Total Liabilities	26,242,986	26,608,601
2.01	Current Liabilities	5,185,902	6,523,450
2.01.01	Loans and Financing	1,058,779	1,386,359
2.01.02	Debentures	347,929	350,147
2.01 .03	Suppliers	875,483	1,046,600
2.01.04	Taxes and Contributions	652,416	764,223
2.01.04.01	Salaries and Social Contributions	68,743	72,897
2.01.04.02	Taxes Payable	221,677	358,740
2.01.04.03	Deferred Income Tax	110,798	93,000
2.01 .04.04	Deferred Social Contribution	39,887	33,480
2.01.04.05	Taxes paid in installments	211,311	206,106
2.01.05	Dividends Payable	1,364,596	2,115,881
2.01.06	Provisions	112,676	117,702
2.01.06.01	Contingencies	149,525	123,897
2.01.06.02	Judicial Deposits	(89,086)	(57,315)
2.01 .06.03	Provision for Pension Fund	52,237	51,120
2.01 .07	Debts with Related Parties	0	0
2.01 .08	Other	774,023	742,538
2.01.08.01	Accounts Payable - Subsidiaries	554,270	560,474
2.01 .08.02	Other	219,753	182,064
2.02	Non-Current Liabilities	12,706,943	12,457,541
2.02.01	Long-Term Liabilities	12,706,943	12,457,541
2.02.01.01	Loans and Financing	6,658,292	6,344,740
2.02.01.02	Debentures	600,000	600,000
2.02.01.03	Provisions	4,324,046	4,324,095
2.02.01.03.01	Contingencies	3,461,703	3,389,164
2.02.01.03.02	Judicial Deposits	(1,036,308)	(1,011,875)
2.02.01.03.03	Deferred Income Tax	1,396,067	1,431,475
2.02.01.03.04	Deferred Social Contribution	502,584	515,331
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	1,124,605	1,188,706
2.02.01.06.01	Allowance for Investment Loss	90,356	85,016
2.02.01.06.02	Accounts Payable Subsidiaries	83,756	83,941
2.02.01.06.03	Provision for Pension Fund	143,980	180,760
2.02.01.06.04	Taxes paid in installments	740,295	773,585
2.02.01.06.05	Other	66,218	65,404
2.02.02	Deferred Income	0	0
2.04	Shareholders Equity	8,350,141	7,627,610
2.04.01	Paid-In Capital Stock	1,680,947	1,680,947
2.04.02	Capital Reserves	30	30

02.02 BALANCE SHEETS - LIABILITIES (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 3/31/2008	4 - 12/31/2007
2.04.03	Revaluation Reserves	4,512,692	4,585,553
2.04.03.01	Own Assets	4,290,796	4,360,515
2.04.03.02	Subsidiaries/ Associated and Related Companies	221,896	225,038
2.04.04	Profit Reserves	1,533,159	1,361,080
2.04.04.01	Legal	336,189	336,189
2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Income	0	0
2.04.04.05	Retention of Profits	0	0
2.04.04.06	Special For Non-distributed Dividends	0	0
2.04.04.07	Other Profit Reserves	1,196,970	1,024,891
2.04.04.07.01	From Investments	1,768,321	1,768,321
2.04.04.07.02	Treasury Shares	(571,351)	(743,430)
2.04.05	Retained Earnings/ Accumulated Losses	623,313	0
2.04.06	Advance for Future Capital Increase	0	0

03.01 STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2008 to 3/31/2008	4 - 1/1/2008 to 3/31/2008	5 - 1/1/2007 to 3/31/2007	6 - 1/1/2007 to 3/31/2007
3.01	Gross Revenue from Sales and/or Services	3,104,282	3,104,282	2,431,278	2,431,278
3.02	Gross Revenue Deductions	(778,609)	(778,609)	(482,279)	(482,279)
3.03	Net Revenue from Sales and/or Services	2,325,673	2,325,673	1,948,999	1,948,999
3.04	Cost of Goods and/or Services Sold	(1,381,399)	(1,381,399)	(1,180,380)	(1,180,380)
3.04.01	Depreciation, Depletion and Amortization	(272,454)	(272,454)	(192,541)	(192,541)
3.04.02	Other	(1,108,945)	(1,108,945)	(987,839)	(987,839)
3.05	Gross Income	944,274	944,274	768,619	768,619
3.06	Operating Income/Expenses	(29,217)	(29,217)	227,514	227,514
3.06.01	Selling Expenses	(101,029)	(101,029)	(68,532)	(68,532)
3.06.01.01	Depreciation and Amortization	(1,869)	(1,869)	(1,606)	(1,606)
3.06.01.02	Other	(99,160)	(99,160)	(66,926)	(66,926)
3.06.02	General and Administrative	(68,952)	(68,952)	(58,283)	(58,283)
3.06.02.01	Depreciation and Amortization	(4,126)	(4,126)	(4,268)	(4,268)
3.06.02.02	Other	(64,826)	(64,826)	(54,015)	(54,015)
3.06.03	Financial	(256,152)	(256,152)	(94,744)	(94,744)
3.06.03.01	Financial Income	137,189	137,189	(105,257)	(105,257)
3.06.03.02	Financial Expenses	(393,341)	(393,341)	10,513	10,513
3.06.03.02.01	Foreign Exchange and Monetary Variation, net	(158,326)	(158,326)	285,275	285,275
3.06.03.02.02	Financial Expenses	(235,015)	(235,015)	(274,762)	(274,762)
3.06.04	Other Operating Income	4,903	4,903	2,298	2,298
3.06.05	Other Operating Expenses	(51,905)	(51,905)	(40,920)	(40,920)
3.06.06	Equity pick-up	443,918	443,918	487,695	487,695
3.07	Operating Income	915,057	915,057	996,133	996,133
3.08	Non-Operating Income	(1,160)	(1,160)	(1,023)	(1,023)
3.08.01	Income	196	196	1	1
3.08.02	Expenses	(1,356)	(1,356)	(1,024)	(1,024)

03.01 STATEMENT OF INCOME (in thousands of Reais)

1 - CODE	2 - DESCRIPTION	3 - 1/1/2008 to 3/31/2008	4 - 1/1/2008 to 3/31/2008	5 - 1/1/2007 to 3/31/2007	6 - 1/1/2007 to 3/31/2007
3.09	Income before Taxes/Profit Sharing	913,897	913,897	995,110	995,110
3.10	Provision for Income and Social Contribution Taxes	(76,304)	(76,304)	(215,983)	(215,983)
3.11	Deferred Income Tax	(66,495)	(66,495)	(25,639)	(25,639)
3.11.01	Deferred Income Tax	(48,426)	(48,426)	(18,130)	(18,130)
3.11.02	Deferred Social Contribution	(18,069)	(18,069)	(7,509)	(7,509)
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Shareholders Equity	0	0	0	0
3.15	Income/Loss for the Period	771,098	771,098	753,488	753,488
	OUTSTANDING SHARES, EX-TREASURY (in thousands)	769,470	769,470	256,490	256,490
	EARNINGS PER SHARE (in Reais)	1.00212	1.00212	2.93769	2.93769
	LOSS PER SHARE (in Reais)				

(CONVENIENCE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

FEDERAL PUBLIC SERVICE
CVM BRAZILIAN SECURITIES AND EXCHANGE
COMMISSION

QUARTERLY INFORMATION
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

March 31,
2008

Accounting Practices
Adopted in Brazil

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

04.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of reais, unless otherwise stated)

1. OPERATIONS

Companhia Siderúrgica Nacional (CSN or Company) is engaged in the production of flat steel products and its main industrial complex is the Presidente Vargas Steelworks (UPV) located in the City of Volta Redonda, State of Rio de Janeiro.

CSN is engaged in the mining of iron ore, limestone and dolomite in the State of Minas Gerais and tin in the State of Rondônia, by means of the subsidiary ERSA, in order to meet the needs of UPV. It also maintains strategic investments in mining companies, railroad, electricity and ports, to optimize its activities. In addition, it is implementing a cement plant inside UPV, in Volta Redonda.

To be closer to clients and win markets on a global level, CSN has a steel distributor, two metal package plants in addition to a galvanized steel plant in the South and another in the Southeast of Brazil supplying mainly the home appliances and automotive industry. Abroad, the Company has a rolling mill in Portugal and another mill in the United States.

2. PRESENTATION OF THE QUARTERLY FINANCIAL INFORMATION

The individual (Company) and consolidated quarterly financial information was prepared in accordance with the accounting practices adopted in Brazil, based on the Brazilian Corporation Law (Law 6404/76 and its amendments) and rules issued by the Brazilian Securities and Exchange Commission - CVM.

With the objective of improving the information disclosed to the market, the Company is presenting the following additional information covering the Parent Company and the consolidated financial information:

(a) Segment reporting

A segment is a distinguishable component of the Company, intended for manufacturing products or rendering services a business segment -, or in providing products and services within a particular economic environment geographical segment -, which are subject to risks and rewards that are different from other segments.

(b) Statements of cash flows

The additional statements of cash flows are prepared in accordance with the guidance contained in the CVM Circular Letter 01/07, with the purpose of showing how the Company generates and uses cash resources and cash equivalents.

(c) Statements of added value

The Management discloses, in accordance with the guidance contained in the CVM Circular Letter 01/07 and CFC Resolution no. 1010/05, the Statement of Added Value which has as purpose to present the value of the wealth generated by the Company and its distribution among the elements that contributed to its generation.

All the information presented has been extracted from the Company's accounting records including certain reclassifications in the regular statement of income, given that they are recorded in the statement of added value as distribution of the added value generated.

3. DESCRIPTION OF SIGNIFICANT ACCOUNTING PRACTICES

(a) Statement of income

The results of operations are recognized on the accrual basis.

Revenue from the sales of products is recognized when all risks and rewards have been transferred to the buyer. Revenue from services rendered is recognized in proportion to the stage of completion of the service. Revenue is not recognized in the statement of income if there are significant uncertainties as to its realization.

(b) Current and non-current assets

Marketable securities

The investment funds have daily liquidity and the assets are valued at fair value, according to instructions of the Central Bank of Brazil and CVM, since the Company considers these investments as trading securities available for sale held to maturity.

Fixed income securities and financial investments abroad are recorded at cost plus income accrued up to the date of the quarterly financial information, and do not exceed market value.

Trade accounts receivable

Trade accounts receivable are recorded at the invoiced amount, including the respective taxes and ancillary expenses. The allowance for doubtful accounts was recorded in an amount considered adequate by Management to support any losses arising on collection of accounts receivable.

Inventories

Inventories are stated at their average cost of acquisition or production and imports in transit are recorded at their cost of acquisition, not exceeding their market or realization values. Provisions for losses or obsolescence are recorded whenever Management considers it appropriate.

Investments

Investments in subsidiaries and jointly-owned subsidiary companies are recorded by the equity accounting method, and the goodwill ascertained in the acquisition of investments is presented by the net amount in a sub-account of this group. Other permanent investments are recorded at cost of acquisition.

Property, plant and equipment

The property, plant and equipment is presented at market or replacement values, based on appraisal reports issued by independent expert appraisal firms, as permitted by Resolutions 183/95 and 288/98 issued by the Brazilian Securities and Exchange Commission. Depreciation is calculated by the straight-line method, according to the remaining economic useful lives of the assets after revaluation. Depletion of the Casa de Pedra iron mine is calculated based on the quantity of iron ore extracted. Interest charges related to loans and financing specific for construction in progress are capitalized until the constructions are concluded.

The jointly-owned subsidiaries MRS Logística and Itá Energética S.A. maintain the registration of property, plant and equipment by the cost of acquisition, formation or construction.

Deferred charges

The deferred charges are recorded at the cost of acquisition, formation, development and implementation of projects that will generate an economic return to the Company within the next years, and their amortization is calculated on a straight-line basis based on the period foreseen for economic benefits arising from these projects, for a term no longer than ten years.

Other current and non-current assets

Stated at their realization value, including, when applicable, the yields earned up to the date of the quarterly financial information or, in the case of prepaid expenses, at cost.

(c) Current and non-current liabilities

These are stated at their known or estimated values, including, when applicable, accrued charges and monetary and foreign exchange variations incurred up to the date of the quarterly financial information.

Employees benefits

In accordance with Resolution 371/00, issued by the Brazilian Securities and Exchange Commission, the Company has been recording the respective actuarial liabilities as from January 1, 2002, in accordance with the aforementioned reported resolution and based on studies prepared by external actuaries.

Income and social contribution taxes

Current and deferred income and social contribution taxes are calculated with the tax rates of 15% plus an additional of 10% on taxable basis for income tax and with a 9% rate on taxable basis for social contribution on net income. In the calculation of taxes, the tax loss carryforward and negative basis of social contribution is also considered, limited to 30% of taxable income.

Tax credits are recorded for deferred taxes on tax losses carryforwards, negative basis of social contribution on net income and on temporary differences, pursuant to the CVM Instruction 37/02 and take into consideration the history of profitability and the expectation of generating future taxable income, based on a technical study.

(d) Derivatives

The derivatives operations are recorded in accordance with the characteristics of the financial instruments. Swap operations are recorded based on the net results of the operations, which are recorded monthly in line with the contractual conditions, and swaps traded through the exclusive funds are adjusted to fair value.

Exchange options are adjusted monthly to fair value whenever the position shows a loss. These losses are recognized as the Company's liability with the corresponding entry in the financial results. Options traded through exclusive funds are adjusted to fair value and futures contracts have their positions adjusted to fair value on a daily basis by the Futures and Commodities Exchange - BM&F with recognition of gains and losses directly in the statement of income.

(e) Treasury Shares

As established by the CVM Instruction 10/80, treasury shares are recorded at cost of acquisition, and the market value of these shares is calculated based on the stock exchange quotation on the last day of the period.

(f) Accounting estimates

The preparation of the quarterly financial information in accordance with the accounting practices adopted in Brazil requires that Management uses its judgment in determining and recording the accounting estimates. The settlement of the transactions involving these estimates may result in significantly different amounts from those estimated, due to lack of precision inherent to the process of their determination. The Company periodically reviews the estimates and assumptions.

(g) Foreign Currency

The monetary assets and liabilities denominated in foreign currencies were converted into reais by the exchange rate of the closing date of the quarterly financial information and the differences resulting from the conversion of currencies were recognized in the results for the period. For the subsidiaries abroad, the assets, liabilities and result accounts were converted into reais by the exchange rate on the closing date of the quarterly financial information.

(h) Change in the Corporation Law Law no. 11638/07

On December 28, 2007, Law no. 11638 was enacted, with effectiveness as from January 1, 2008. The purpose of the new law was to update the Brazilian corporate legislation to enable the convergence process of accounting practices adopted in Brazil with those in the international financial reporting standards (IFRS) and allow that new accounting rules and procedures are issued by the Brazilian Securities and Exchange Commission - CVM based on international accounting rules.

Pursuant to the CVM Instruction no. 469 of May 2, 2008, the Management of the Company and of its subsidiaries point out the following issues that in its evaluation may affect the preparation of the financial statements for the year ending December 31, 2008:

In the shareholders' equity a new subgroup will be created called "Equity Valuation Adjustment" with the purpose of recording the increases and decreases resulting from valuations at market value, mainly of certain financial instruments, and translation adjustments of investments in subsidiaries abroad, whose functional currency of the investee is different from the parent company;

The assets and liabilities arising from non-current operations and from material current operations will be adjusted at present value;

In property, plant and equipment there is the possibility of reversal of revaluation reserve. The new Law gave companies the option of maintaining the existing balances and realize these balances within the current rules or cancel these balances until the end of 2008;

In deferred assets only pre-operating and restructuring expenses which will effectively contribute to the increase of the future result will be recorded.

Although the referred Law has already taken effect, the main changes introduced by it depend on the regulation by the Brazilian regulatory bodies. The Company's Management, due to the complexity in the calculation and the need to change the control processes and systems of the Company and of its subsidiaries, to comply with the referred Law, did not conclude until the present date the quantification and evaluation of the possible impacts on the result for the year and the shareholders' equity of the Company.

4. CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

The accounting policies are consistent with those used in the prior quarter and are uniform in all the consolidated companies.

The consolidated quarterly financial information for the period ended March 31, 2008 and December 31, 2007 includes the following direct and indirect subsidiaries and jointly-owned subsidiaries:

Companies	Functional currency	Ownership interest (%)		Main activities
		03/31/2008	12/31/2007	
Direct investment: full consolidation				
CSN Energy	US\$	100.00	100.00	Equity interest Financial operations, trading of products and equity interest
CSN Export	US\$	100.00	100.00	Financial operations
CSN Islands VII	US\$	100.00	100.00	Financial operations
CSN Islands VIII	US\$	100.00	100.00	Financial operations
CSN Islands IX	US\$	100.00	100.00	Financial operations
CSN Islands X	US\$	100.00	100.00	Financial operations
CSN Islands XI	US\$	100.00	100.00	Financial operations
CSN Overseas	US\$	100.00	100.00	Financial operations and equity interest
CSN Panama	US\$	100.00	100.00	Financial operations and equity interest
CSN Steel	US\$	100.00	100.00	Financial operations and equity interest
Sepetiba Tecon	R\$	99.99	99.99	Maritime port services
Pelotização Nacional	R\$	99.99	99.99	Mining and equity interest
Minas Pelotização	R\$	99.99	99.99	Mining and equity interest
CSN Aços Longos	R\$	99.99	99.99	Steel and Metal products industry and trade
Nacional Siderurgia	R\$	99.99	99.99	Steel industry
CSN I	R\$	99.99	99.99	Equity interest
Estanho de Rondônia - ERSA	R\$	99.99	99.99	Mining
Cia Metalic Nordeste	R\$	99.99	99.99	Package production
Indústria Nacional de Aços Laminados - INAL	R\$	99.99	99.99	Steel products service center
CSN Cimentos	R\$	99.99	99.99	Cement production
Inal Nordeste	R\$	99.99	99.99	Steel products service center
CSN Energia	R\$	99.90	99.90	Trading of electricity
Nacional Minérios	R\$	99.99	99.99	Mining and equity interest
CSN Gestão de Recursos Financeiros	R\$	99.99	99.99	Financial operations and equity interest
Congonhas Minérios	R\$	99.99	99.99	Mining and equity interest
GalvaSud	R\$	15.29	15.29	Steel industry
Direct investment: proportional consolidation				
Itá Energética	R\$	48.75	48.75	Electricity generation

Companhia Ferroviária do Nordeste - CFN	R\$	46.88	46.88	Railroad transport
MRS Logística	R\$	32.93	32.93	Railroad transport
Indirect investment: full consolidation				
CSN Aceros	US\$	100.00	100.00	Equity interest
				Financial operations, trading of products and equity interest
CSN Cayman	US\$	100.00	100.00	Financial operations
CSN Iron	US\$	100.00	100.00	Equity interest
Companhia Siderurgica Nacional LLC	US\$	100.00	100.00	Steel industry
CSN Holdings Corp	US\$	100.00	100.00	Equity interest
Companhia Siderurgica Nacional Partner LLC	US\$	100.00	100.00	Equity interest
Energy I	US\$	100.00	100.00	Equity interest
Tangua	US\$	100.00	100.00	Equity interest
				Financial operations, trading of products and equity interest
CSN Madeira	EUR	100.00	100.00	Financial operations and equity interest
Cinnabar	EUR	100.00	100.00	Financial operations and trading of products
Hickory	EUR	100.00	100.00	Equity interest
Lusosider Projectos Siderúrgicos	EUR	100.00	100.00	Financial operations and equity interest
CSN Acquisitions	GBP	100.00	100.00	Financial operations and equity interest
CSN Finance (UK)	GBP	100.00	100.00	Financial operations and equity interest
Inversiones CSN Espanha S.L.	EUR	100.00	100.00	Financial operations and equity interest
CSN Finance B.V. (Netherlands)	EUR	100.00	100.00	Financial operations and equity interest
CSN Holdings (UK)	GBP	100.00	100.00	Financial operations and equity interest
Companhia de Fomento Mineral	R\$		100.00	Mining and equity interest
MG Minérios	R\$	99.99	99.99	Mining and equity interest
Companhia Metalúrgica Prada	R\$	99.99	99.99	Package production
Itamambuca Participações	R\$	99.93	99.93	Mining and equity interest
Lusosider Aços Planos	EUR	99.93	99.93	Steel industry
GalvaSud	R\$	84.71	84.71	Steel industry
CSN Energia	R\$	0.10	0.10	Trading of electricity

Edgar Filing: NATIONAL STEEL CO - Form 6-K

The quarterly financial information prepared in US dollars, in Euros and in Pounds Sterling were translated into Brazilian Reais at the exchange rate as of March 31, 2008 R\$/US\$1.7491 (R\$/US\$1.7713 as of December 31, 2007), R\$/EUR2.76060 (R\$/EUR2.60859 as of December 31, 2007) and R\$/GBP3.46864 (R\$/GBP3.56102 as of December 31, 2007).

The gains and losses from these translations were recorded in the income statements of the related periods, as equity accounting in the parent company and exchange variation in the consolidated statements.

The following consolidation procedures were adopted in the preparation of the following consolidated quarterly financial information.

- Elimination of balances of asset and liability accounts between consolidated companies;
- Elimination of balances of investments and shareholders equity between consolidated companies;
- Elimination of balances of income and expenses and unrealized income arising from consolidated intercompany transactions;
- Presentation of income and social contribution taxes on the unearned income as deferred taxes in the consolidated quarterly financial information.

Pursuant to CVM Instruction 408/04 the Company consolidates the quarterly financial information of exclusive investment funds Diplic and Mugen.

The base date for the subsidiaries and jointly-owned subsidiaries quarterly financial information coincides with that of the parent company.

The reconciliation between shareholders equity and net income for the period of the parent company and consolidated is as follows:

	Shareholders Equity		Net income for the period / year	
	03/31/2008	12/31/2007	03/31/2008	03/31/2007
Parent Company	8,350,141	7,627,610	771,098	753,488
Elimination of income on inventories	(89,143)	(85,349)	(3,794)	9,415
Consolidated	8,260,998	7,542,261	767,304	762,903

5. RELATED-PARTY TRANSACTIONS

The purchase and sale of products and inputs and the contracting of services with subsidiaries are performed under normal market conditions, such as prices, terms, charges, quality etc. The main operations of borrowings, financing and loans are as follows:

a) Assets

Companies	Accounts receivable	Financial Investments	Loans ⁽¹⁾ / current accounts	Dividends receivable	Advance for future capital increase	Advance to suppliers	Total
CSN Export Nacional	559,211						559,211
Minérios	45,812			9,675	383,990		439,477
Exclusive Funds		317,356					317,356
CFN			134,908		136,153		271,061
CSN Madeira	172,313						172,313
CSN Cimentos	195				129,589		129,784
Prada	33,168		71,177				104,345
INAL	43,250		2,471	41,194			86,915
MRS Logística	26			85,781		162	85,969
CSN I				56,469			56,469
CSN Aços Longos					32,406		32,406
GalvaSud	11,034			10,193			21,227
Ersa				16,477			16,477
CSN Energia				14,985			14,985
Other ^(*)	5,023		447	3,429		198	9,097
Total at 03/31/2008	870,032	317,356	209,003	238,203	682,138	360	2,317,092
Total at 12/31/2007	889,791	683,690	202,382	238,203	620,512	1,249	2,635,827

(1) Loans Receivable from related parties are price level restated by 101% of the Interbank Deposit Certificate (CDI) for CFN and 100% of CDI for Prada.

(*) Other: Tecon, Metalic, Inal Nordeste and ITASA.

b) Liabilities

Companies	Loans and financing		Derivatives	Accounts payable	Suppliers	Total
	Prepayment ⁽¹⁾	Fixed Rate Notes ⁽²⁾	Loans and Intercompany Bonds ⁽²⁾	Loans ⁽³⁾ / current accounts	Other	
			Swap			

Edgar Filing: NATIONAL STEEL CO - Form 6-K

Cinnabar	1,312,162	633,518	85,476		266,603		2,297,759
CSN Iron	66,637		1,049,985				1,116,622
CSN Islands VIII		1,054,169		(64,286)	1,607		991,490
CSN Export	788,035				10,773		798,808
CSN Madeira	340,679		18,313		267,949		626,941
CSN Islands VII		558,807		(74,932)			483,875
CBS Previdência						196,217	196,217
CSN Energia					23,979		23,979
INAL					22,033	1,092	23,125
CSN Aceros					17,583		17,583
Ita Energética						9,215	9,215
Ersa						8,732	8,732
Other (*)					4,363	2,589	6,952
Total at 03/31/2008	2,507,513	2,246,494	1,153,774	(139,218)	614,890	217,845	6,601,298
Total at 12/31/2007	2,162,209	2,023,536	1,172,430	30,027	621,277	248,796	6,258,275

(1) Contracts in US\$ - CSN Export: interest from 6.15% to 7.46% p.a. with maturity on 05/06/2015.
 Contracts in US\$ - Cinnabar: interest from 5.75% to 10.0% p.a. with maturity on 01/13/2017.
 Contracts in US\$ - CSN Madeira: interest of 7.25% p.a. with maturity on 09/26/2016.
 Contracts in US\$ - CSN Iron: interest of 7.00% p.a. with maturity on 01/17/2012.

(2) Contracts in US\$ - CSN Iron Intercompany Bonds: interest of 9.125% p.a. with maturity on 06/01/2047.
 Contracts in YEN - CSN Islands VII: interest of 7.3% and 7.75% p.a. with maturity on 09/12/2008.
 Contracts in YEN - CSN Islands VIII: interest of 5.65% p.a. with maturity on 12/15/2013.
 Contracts in YEN - Cinnabar: interest of 1.5% p.a. with maturity on 07/13/2010.
 Contracts in R\$ - Cinnabar (part): IGPM + 6% p.a. with indefinite maturity.
 Contracts in US\$ - CSN Madeira (part): semiannual Libor + 2.5% p.a. with maturity on 09/15/2011.

Edgar Filing: NATIONAL STEEL CO - Form 6-K

(3) Contracts in US\$ - CSN Madeira (part): semiannual Libor + 3% p.a. with indefinite maturity.
 Contracts in US\$ - CSN Export: semiannual Euribor + 0.5% p.a. with indefinite maturity.
 Contracts in US\$ - Cinnabar (part): semiannual Libor + 3% p.a. with indefinite maturity.

(*) OTHER: Prada, Metalic, Galvasud, Nacional Minérios and Fundação CSN.

c) Results

Companies	Income			Expenses			
	Products and services	Interest and monetary and exchange variations	Total	Products and services	Interest and monetary and exchange variations	Other	Total
CSN Export	187,694	(1,675)	186,019	158,219	3,008		161,227
INAL	222,810		222,810	97,227			97,227
Companhia Metalúrgica							
Prada	48,295	1,838	50,133	17,104			17,104
GalvaSud	95,491		95,491	56,809			56,809
Cia Metalic Nordeste	12,398		12,398	7,669			7,669
INAL Nordeste	12,706		12,706	5,907			5,907
Nacional Minérios	19,953		19,953	10,269			10,269
CFN		3,761	3,761				
MRS Logística				82,534			82,534
Cinnabar		(759)	(759)		75,993		75,993
CSN Iron					11,047		11,047
CSN Madeira	74,014	2,497	76,511	32,427	(2,360)		30,067
CSN Islands VII		58,864	58,864		64,239		64,239
CSN Islands VIII		104,949	104,949		116,112		116,112
Exclusive Funds		(101,606)	(101,606)				
Ersa				8,731			8,731
Itá Energética				29,870			29,870
Other (*)	195		195	899	(224)	(3,969)	(3,294)
Total at 03/31/2008	673,556	67,869	741,425	507,665	267,815	(3,969)	771,511
Total at 03/31/2007	857,418	(167,085)	690,333	700,506	(148,437)	966	553,035

(*) OTHER: CSN Cimentos, Fundação CSN, CSN Aceros, Tecon and CBS Previdência

6. CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

	Consolidated		Parent Company	
	03/31/2008	12/31/2007	03/31/2008	12/31/2007
Current				
Cash and Cash Equivalents				
Cash and Banks	176,144	225,344	39,515	26,223
Marketable Securities				
In Brazil:				
Exclusive investment funds			317,356	683,690
Brazilian government securities	726,655	1,026,849		
Fixed income and debentures	255,061	244,478	96	94
Derivatives	32,724	6,787		
	1,014,440	1,278,114	317,452	683,784
Abroad:				
Time Deposits	532,702	870,682	34,722	35,108
Derivatives	1,740,451	1,472,134		
	2,273,153	2,342,816	34,722	35,108
Total Marketable Securities	3,287,593	3,620,930	352,174	718,892
Non-current				
Investments abroad	17,491	17,713		
Debentures and other securities (net of provision)	90,834	90,834	90,834	90,834
	108,325	108,547	90,834	90,834

The available financial resources, in the parent company and in subsidiaries headquartered in Brazil, are basically invested in exclusive investment funds, whose cash is mostly invested in repurchase operations pegged to Brazilian government securities, with immediate liquidity. Additionally, a significant portion of the financial resources of the Company and its subsidiaries abroad is invested in Time Deposits in first-tier banks.

The exclusive funds are audited or reviewed by independent auditors and its assets account for possible losses in investments and operations carried out by those funds. The Company may be called to account for the operation fees of the fund (management, custody and audit fees) as well as to ensure the shareholders' equity in the event of losses resulting from interest, exchange rate or other financial asset changes.

The Company holds 77% of the debentures issued by Companhia Brasileira de Latas (CBL) in 2002, in the amount of R\$212,870 and provision for losses in the amount of R\$123,197, recorded in the non-current assets as of March 31, 2008. The Management believes that the provision is adequate to support possible losses in the realization of assets. CSN is CBL's main supplier of raw material.

7. ACCOUNTS RECEIVABLE

	Consolidated		Parent Company	
	03/31/2008	12/31/2007	03/31/2008	12/31/2007
Domestic market				
Subsidiaries			138,508	95,650
Other customers	837,144	764,943	526,954	466,778
	837,144	764,943	665,462	562,428
Foreign market				
Subsidiaries			731,524	794,141
Other customers	363,534	387,808	8,482	4,794
Advance on Export Contracts (ACE)	(323,583)	(292,265)	(323,583)	(292,265)
	39,951	95,543	416,423	506,670
Allowance for doubtful accounts	(133,802)	(116,085)	(88,582)	(71,655)
	743,293	744,401	993,303	997,443

8. INVENTORIES

	Consolidated		Parent Company	
	03/31/2008	12/31/2007	03/31/2008	12/31/2007
Finished products	421,933	673,821	298,085	398,358
Work in process	295,147	376,200	250,132	307,552
Raw materials	822,862	743,143	505,217	577,173
Supplies	596,085	573,441	502,831	486,171
Provision for losses	(18,249)	(17,154)	(16,222)	(14,883)
Materials in transit	54,972	70,294	8,744	26,102
	2,172,750	2,419,745	1,548,787	1,780,473

9. DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES**(a) Deferred Income and Social Contribution Taxes**

Deferred Income and Social Contribution taxes are recognized in order to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their respective carrying value.

Pursuant to the CVM Instruction 371/02, a few Company's subsidiaries, based on the expectation of future taxable income, as determined by technical valuation approved by Management, recognized tax credits on tax losses carryforward and negative bases of social contribution of previous years. These credits have no statutory limitation and their compensation is limited to 30% of annual taxable income. The book value of deferred tax assets is reviewed monthly and projections are reviewed annually. If there are any material aspects that may change the projections, these projections will be revised during the year.

	Consolidated		Parent Company	
	03/31/2008	12/31/2007	03/31/2008	12/31/2007
Current assets				
Income tax	307,585	377,669	228,314	300,628
Social contribution	109,204	134,407	80,544	106,577
	416,789	512,076	308,858	407,205
Non-current assets				
Income tax	472,719	466,006	411,983	405,706
Social contribution	158,286	156,428	136,178	134,553
	631,005	622,434	548,161	540,259
Current liabilities				
Income tax	129,459	104,115	110,798	93,000

Edgar Filing: NATIONAL STEEL CO - Form 6-K

Social contribution	46,605	37,481	39,887	33,480
	176,064	141,596	150,685	126,480
Non-current liabilities				
Income tax	1,484,714	1,521,040	1,396,067	1,431,475
Social contribution	534,497	547,574	502,584	515,331
	2,019,211	2,068,614	1,898,651	1,946,806
	03/31/2008	03/31/2007	03/31/2008	03/31/2007
Income				
Income tax	(51,847)	18,297	(48,426)	(18,130)
Social contribution	(19,566)	5,910	(18,069)	(7,509)
	(71,413)	24,207	(66,495)	(25,639)

Edgar Filing: NATIONAL STEEL CO - Form 6-K

(b) The deferred income and social contribution taxes of the parent company are shown as follows:

	03/31/2008				03/31/2007			
	Income tax		Social contribution		Income tax		Social contribution	
	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term
Assets								
Provisions for contingencies	37,381	265,505	13,457	95,582	30,974	253,117	11,151	91,122
Provision for interest on shareholders equity	29,823		10,736		17,681		6,365	
Provision for payment of private pension plans		35,995		12,958		45,190		16,268
Taxes under litigation		33,711				31,947		
Tax losses	4,580				4,580			
Other provisions	156,530	76,772	56,351	27,638	247,393	75,452	89,061	27,163
	228,314	411,983	80,544	136,178	300,628	405,706	106,577	134,553
Liabilities								
Income and social contribution taxes on revaluation reserve	102,000	1,396,067	36,720	502,584	93,000	1,431,475	33,480	515,331
Other	8,798		3,167					
	110,798	1,396,067	39,887	502,584	93,000	1,431,475	33,480	515,331

(c) The reconciliation between the income and social contribution taxes expenses and revenues of the parent company and consolidated and the application of the effective rate on net income before Corporate Income tax (IR) and Social Contribution (CSL) are shown as follows:

	Consolidated		Parent Company	
	03/31/2008	03/31/2007	03/31/2008	03/31/2007
Income before income and social contribution taxes	965,715	1,053,467	913,897	995,110
Combined statutory rates	34%	34%	34%	34%
Income Tax / Social Contribution at the combined statutory tax rate	(328,343)	(358,179)	(310,725)	(338,337)

Adjustments to reflect the effective tax rate:

Benefit of Interest on shareholders equity JCP	16,513	10,877	16,513	10,877
Equity income of subsidiaries at different rates or which are not taxable	130,672	61,816	154,088	91,759
Goodwill amortization	(19,372)	(3,089)	(1,015)	(3,089)
Tax incentives	3,186	3,416	2,136	3,416
Other permanent (additions) deductions	(1,067)	(5,405)	(3,796)	(6,248)
Income and social contribution taxes on net income for the period	(198,411)	(290,564)	(142,799)	(241,622)
Effective rate	21%	28%	16%	24%

10. INVESTMENTS**a) Direct investments in subsidiaries and jointly-owned subsidiaries**

Companies	Number of shares (in units)		03/31/2008				12/31/2007	
			Direct Investment %	Net Income (loss) for the quarter	Shareholders Equity (unsecured liabilities)	Direct Investment %	Net Income (loss) for the year	Shareholders Equity (unsecured liabilities)
Steel								
GalvaSud	11,801,406,867		15.29	25,569	716,190	99.99	(63,694)	690,620
CSN I	3,332,250,934	6,664,501,866	99.99	14,701	642,980	100.00	27,709	628,280
CSN Steel	480,726,588		100.00	64,154	1,469,587	99.99	426,448	1,423,270
INAL	421,408,393		99.99	(574)	626,592	99.99	60,775	627,165
Cia. Metalic Nordeste	87,868,185	4,424,971	99.99	857	154,847	99.99	(8,312)	154,007
INAL Nordeste	37,800,000		99.99	(923)	53,354	100.00	594	54,030
CSN Overseas	7,173,411		100.00	43,310	943,531	99.99	50,610	911,648
CSN Aços Longos	5,024,366		99.99		1	100.00		1
CSN Panama	4,240,032		100.00	78,462	739,781	100.00	348,175	669,714
CSN Energy	3,675,319		100.00	247,052	1,062,836	99.99	506,319	817,231
Nacional Siderurgia	1,000,000		99.99		1,000	100.00		1,000
CSN Export	31,954		100.00	9,794	116,033	100.00	27,696	107,587
CSN Islands VII	1,000		100.00	80	650	100.00	34	578
CSN Islands VIII	1,000		100.00	19	4,201	100.00	488	4,235
CSN Islands IX	1,000		100.00	(873)	4,585	100.00	(3,366)	5,528
CSN Islands X	1,000		100.00	(992)	(26,230)	100.00	(4,020)	(25,558)
CSN Islands XI	1,000		100.00			100.00		
Logistics								
Sepetiba Tecon	254,015,053		99.99	2,545	165,796	99.99	8,301	163,250
MRS Logistica	188,332,667	151,667,333	32.93	121,445	1,322,556	32.93	548,383	1,201,111
CFN	160,695,617		46.88	(5,664)	(92,357)	46.88	(34,450)	(86,693)

Energy							
Itá							
Energética	520,219,172	48.75	9,281	592,704	48.75	29,617	583,423
CSN							
Energia	1,000	99.99	7,176	29,128	99.90	9,208	85,249
Mining							
ERSA	34,236,307	99.99	997	29,753	99.99	18,741	28,756
Nacional							
Minérios	30,000,000	99.99	(12,818)	48,243	99.99	40,737	61,061
Congonhas							
Minérios	5,010,000	99.99	129	5,211	99.99	72	5,082
Pelotização							
Nacional	1,000,000	99.99		1,000	99.99		1,000
Minas							
Pelotização	1,000,000	99.99		1,000	99.99		1,000
Cement					99.99		
CSN							
Cimentos	32,779,940	99.99	(2,013)	(20,831)	99.99	(12,120)	(18,818)

b) Movement of investments

Companies	12/31/2007			03/31/2008		
	Opening Balance of investment	Balance of Provision for losses	Equity pick-up and provision for losses	Goodwill amortization (1)	Closing Balance of investment	Balance Provision for losses
Steel						
GalvaSud	105,597		3,910		109,507	
CSN I	628,280		14,700		642,980	
CSN Steel	1,423,270		46,316		1,469,586	
INAL	627,165		(574)		626,591	
Cia. Metalic Nordeste	153,992		857		154,849	
INAL Nordeste	54,030		(676)		53,354	
CSN Aços Longos	1				1	
Nacional Siderurgia	1,000				1,000	
CSN Overseas	911,648		31,884		943,532	
CSN Panama	669,714		70,069		739,783	
CSN Energy	817,231		236,720		1,053,951	
CSN Export	107,587		8,445		116,032	
CSN Islands VII	578		73		651	
CSN Islands VIII	4,235		(34)		4,201	
CSN Islands IX	5,528		(942)		4,586	
CSN Islands X		(25,558)	(672)			(26,230)
	5,509,856	(25,558)	410,075		5,920,604	(26,230)
Logistics						
Sepetiba Tecon	163,250		2,545		165,795	
MRS Logistica	395,547		39,994		435,541	
CFN		(40,640)	(2,655)			(43,295)
	558,797	(40,640)	39,883		601,336	(43,295)
Energy						
Itá Energética	284,419		4,524		288,943	
CSN Energia	85,164		7,198		92,362	
	369,583		11,722		381,305	
Mining						
ERSA	66,633		997	(4,059)	63,571	
Nacional Minérios	61,061		(12,817)		48,244	
Congonhas Minérios	5,082		129		5,211	
Pelotização Nacional	1,000				1,000	
Minas Pelotização	1,000				1,000	
	134,776		(11,691)	(4,059)	119,026	
Cement						
CSN Cimentos		(18,818)	(2,012)			(20,830)
Total	6,573,012	(85,016)	447,977	(4,059)	7,022,271	(90,356)

(1) It composes the parent company's equity pick-up, and the consolidated balance of goodwill to amortize is shown in item (e) of this note.

c) Additional Information on the main operating subsidiaries

GALVASUD

Located in Porto Real, in the State of Rio de Janeiro, the Company has as corporate purpose all industrial, commercial and sales promotion activities related to: i) installation and operation of a steel products services center, ii) installation and operation of a hot-immersion galvanization line, iii) installation and operation of laser welding lines for the production of welded blanks destined for the automobile production, iv) just in time supply to the automotive industry and, v) promotion and sales of the products of the Company and of third parties, shareholders inclusively, to the automobile industry.

CSN holds 15.29% of Galvasud's capital stock directly and 84.71% indirectly through wholly-owned subsidiary CSN I.

INDÚSTRIA NACIONAL DE AÇOS LAMINADOS - INAL

Located in Araucária, State of Paraná, with establishments in the States of São Paulo, Rio de Janeiro, Paraná, Rio Grande do Sul, Pernambuco and Minas Gerais. Its objective is to reprocess and act as distributor of CSN's steel products, acting as a service and distribution center. Inal serves the industrial, automotive, home appliance, home building, and machinery and equipment segments, among others.

INAL NORDESTE

Based in Camaçari, State of Bahia, the Company has as its main purpose to reprocess and distribute CSN's steel products, operating as a service and distribution center in the Northeast region of the country.

COMPANHIA METALÚRGICA PRADA

Based in the city of São Paulo, Prada has branches in the States of São Paulo, Minas Gerais, Santa Catarina and Rio Grande do Sul and has as main activities the manufacturing and trading of metallic products, manufacturing and trading of metallic packaging, as well as the import and export of these products.

For the manufacturing of its products, Prada uses as raw material tinplates supplied by CSN, which is its indirect parent company by means of INAL.

CIA. METALIC NORDESTE

Based in Maracanaú, State of Ceará, the company has as corporate purpose the manufacturing of metallic packaging destined basically to the beverage industry.

Its operations unit is reckoned as one of the world's most modern ones and counts on two different production lines: the can production line, whose raw material is tin-coated steel whose supplier is the parent company CSN, and the lid production line, which uses aluminum as raw material.

Its production is mainly focused on the North and Northeast markets of Brazil, with the surplus production of lids sold abroad.

The subsidiary received an incentive from PROVIN - Incentive Program to the Operation of Companies, established by the Government of the State of Ceará, which has as main purpose the promotion of the industrial development and job generation in the State.

SEPETIBA TECON

Company whose objective is to exploit the No.1 Containers Terminal of the Itaguaí Port, located in Itaguaí, State of Rio de Janeiro. This terminal is linked to Presidente Vargas Steelworks by the Southeast railroad network, which is granted to MRS Logística.

SePETiba Tecon was the winner of the Auction occurred on September 3, 1998, which allows the exploitation of the containers terminal for the term of 25 years, extendable for another 25 years.

CSN ENERGIA

Its main objective is distributing and trading the surplus electric power generated by CSN and by companies, consortiums or other entities in which CSN holds an interest.

CSN Energia holds a balance receivable related to the electric power sales under the scope of the Electric Power Trade Chamber (Câmara de Comercialização de Energia Elétrica) - CCEE, in the amount of R\$59,129 (R\$59,129 as of December 31, 2007), which are due by concessionaires that present injunctions suspending the corresponding payments. Management understands that an allowance for doubtful accounts is not necessary in view of the judicial measures taken by the official entities of the sector.

CSN CIMENTOS

Based in Volta Redonda, State of Rio de Janeiro, CSN Cimentos is a business in the process of implementation, which will have the production and trading of cement as main purpose. CSN Cimentos will use as raw material the blast furnace slag from the pig iron production of Presidente Vargas Steelworks. The results verified in this company refer to expenses related to residual expenditures resulting from activities of projects, constructions and assemblies, stopped in 2002, when the company was called FEM Projetos, Construções e Montagens.

ESTANHO DE RONDÔNIA ERSA

Ersa is a subsidiary based in the State of Rondônia, where it operates two units, one in the city of Itapuã do Oeste and the other in the city of Ariquemes.

The subsidiary's mining operation for cassiterite (tin ore) is located in Itapuã do Oeste and the casting operations from which metallic tin is obtained, which is one of the main raw materials used in UPV for the production of tin plates, is located in Ariquemes.

NACIONAL MINÉRIOS - NAMISA

The company is headquartered in the city of Congonhas, State of Minas Gerais, and its main purpose is the trading of iron ore obtained from mining companies or other companies that trade this raw material, with special focus on exports.

The main operations are developed in the city of Congonhas, State of Minas Gerais, and in Itaguaí, State of Rio de Janeiro.

In July 2007, NAMISA acquired all the shares of the mining company Companhia de Fomento Mineral CFM, a mining company which has a production capacity of 6 million tonnes of iron ore per year. On March 30, 2008 NAMISA incorporated at book value the net assets of CFM in the amount of R\$30,838, and according to note 29 CSN analyzes the potential sale, partial or total, of this company.

d) Additional information on the main jointly-owned subsidiaries

The balances of the balance sheet and of the statement of income of the companies whose control is shared are shown as follows. These amounts were consolidated in the quarterly financial information of the Company, in accordance with the interest described in item (a) of this Note.