



São Paulo, March 4, 2020

## Results for the Fourth Quarter and Year of 2019

Companhia Siderúrgica Nacional (“CSN”) (B3 S.A. – Brasil, Bolsa e Balcão: CSNA3) (NYSE: SID) **announces its results for the fourth quarter of 2019 (4Q19)** in Reais, which are presented in Brazilian Reais and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with Brazilian accounting practices, which are fully convergent with international accounting standards, issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), pursuant to CVM Instruction 485 of September 1, 2010.

All comments presented herein refer to the Company’s consolidated results for the **fourth quarter of 2019 (4Q19)** and year of 2019 and comparisons refer to the third quarter of 2019 (3Q19) and the fourth quarter of 2018 (4Q18). The Real/U.S. dollar exchange rate was R\$4.0307 on 12/31/2019, R\$4.1644 on 09/30/2019 and R\$3.8748 on 12/31/2018.

### Operating and Financial Highlights in 2019

- **Record adjusted EBITDA of R\$7,251MM**, 24% higher than 2018, with EBITDA margin of 27.6%, driven by the strong performance of the mining unit.
- **Mining EBITDA reached a record of R\$5,922MM**, due to strong iron ore production volumes and excellent price realization.
- **Historical record iron ore production at 32.1Mton**, following the evolution of dry stacking and filtering operations and the efficient execution of the mining plan.
- **Strong free cash flow generation of R\$1,707MM** positively influenced by the reduction in working capital.
- **Leverage decreased 0.81x** reaching **3.74x** versus **4.55x** in 2018, due to higher cash flow generation and EBITDA.

### Operating and Financial Highlights in 4Q19

- **Generation of adjusted EBITDA of R\$1,580MM**, an increase of 1% against 3Q19, with EBITDA Mg. of 23.6%, due to good mining performance and steel recovery.
- **Recovery of steel sales volume in the domestic market**, totaling 819 thousand tons, **9.2% higher** than 3Q19.
- **Steel EBITDA**, still impacted by the BF#3 maintenance, **increased by 68%** over 3Q19, reaching R\$177MM.
- **Mining EBITDA reached R\$1,290MM**, third best in a series, even with a 13% drop in the Platts index compared to the previous quarter.
- **Record sales volume in the Mining segment**, reaching 10.4Mton in 4Q19, even with the heavy rainfall rates observed in the period.
- **Working Capital** applied to the business was **reduced by R\$771MM**, highlighting the strong reduction in inventories. **Free Cash Flow** reached **R\$1,103MM**, positively influenced by the recovery in working capital.

Highlights	4Q18	3Q19	4Q19	2018	2019	Change		
						4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
<b>Steel Sales (thousand t)</b>	<b>1,181</b>	<b>1,072</b>	<b>1,117</b>	<b>5,069</b>	<b>4,525</b>	<b>(5%)</b>	<b>4%</b>	<b>(11%)</b>
- Domestic Market	835	750	819	3,327	3,151	(2%)	9%	(5%)
- Subsidiaries Abroad	299	307	283	1,513	1,300	(5%)	(8%)	(14%)
- Exports	46	15	14	228	74	(69%)	(4%)	(68%)
<b>Iron Ore Sales (thousand t)</b>	<b>9,889</b>	<b>9,209</b>	<b>10,334</b>	<b>34,781</b>	<b>38,545</b>	<b>5%</b>	<b>12%</b>	<b>11%</b>
- Domestic Market	1,366	388	953	5,189	3,649	(30%)	146%	(30%)
- Exports	8,523	8,821	9,382	29,592	34,896	10%	6%	18%
<b>Consolidated Results (R\$ million)</b>								
Net Revenue	6,051	6,006	6,537	22,969	25,450	8%	9%	11%
Gross Profit	2,052	1,636	2,108	6,863	8,186	3%	29%	19%
Adjusted EBITDA <sup>1</sup>	1,560	1,567	1,580	5,849	7,251	1%	1%	24%
Adjusted Net Debt <sup>2</sup>	26,616	27,577	27,103	26,616	27,103	2%	(2%)	2%
Adjusted Cash and Cash Equivalents	3,274	2,981	2,114	3,274	2,114	(35%)	(29%)	(35%)
Net Debt / Adjusted EBITDA	4.55x	3.81x	3.74x	4.55x	3.74x	-0.81x	-0.07x	-0.81x

<sup>1</sup> Adjusted EBITDA is calculated based on net profit/loss, plus depreciation and amortization, income tax, net financial result, share of profit (loss) of investees and other operating income (expenses), and includes the proportionate share of EBITDA of the jointly owned subsidiaries MRS Logística and CBSI. Adjusted EBITDA includes stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI (until November/2019).

<sup>2</sup> Adjusted net debt and adjusted cash and cash equivalents includes the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI (until November/2019), excluding forfeiting and drawee risk operations.

## CSN's Consolidated Results

- **Net revenue in 2019 and 4Q19** totaled R\$25,436 million and R\$6.524 million, 11% and 9% higher than 2018 and 4Q18, respectively. The increase was mainly due to higher iron ore sales volume.
- In **2019, cost of goods sold** totaled R\$17,263 million, 7% higher than 2018, due to higher raw material prices, BF#3 stoppage impact and higher iron ore sales volume. In **4Q19**, the cost of goods sold totaled R\$4,429 million, up 1% over the previous quarter.
- In **2019, gross profit** totaled R\$8,173 million, up 19% year on year. In **4Q19**, gross profit totaled R\$2,095 million, 28% higher than in 3Q19. Gross margin increased 4.9 p.p. over 3Q19, reaching 32.1% in 4Q19, due to better utilization rate of BF#3 in steel and higher iron ore volumes.
- In **2019, selling, general and administrative expenses** totaled R\$2,854 million in **2019**, 3.5% higher than in 2018 and below net revenue growth in the same period (+11%). **Selling expenses** increased 3.5% in the year, while **general and administrative expenses** increased 3.4% in the same period, corresponding to 2.0% of net revenue, the lowest level since 2009.
- In **2019, other operating income (expenses)** reached (R\$1,903MM), mainly due to cash flow hedge results and recognition of idleness in paralyzed equipment.

Financial Result (R\$ million)	4Q18	3Q19	4Q19	2018	2019
<b>Financial Result - IFRS</b>	<b>510</b>	<b>(840)</b>	<b>(298)</b>	<b>(1,496)</b>	<b>(2,131)</b>
Financial Revenue	884	114	68	1,311	379
Financial Expenses	(374)	(954)	(366)	(2,806)	(2,510)
Financial Expenses (ex-exchange rate variation)	(589)	(672)	(624)	(2,272)	(2,570)
<b>Result with Exchange Rate Variation</b>	<b>215</b>	<b>(282)</b>	<b>258</b>	<b>(534)</b>	<b>60</b>
Monetary and Exchange Rate Variation	535	(1,329)	605	(1,972)	(555)
Hedge Accounting	(319)	1,043	(355)	1,438	602
Derivative Result	(1)	4	8	-	13

- **Equity results of affiliated companies** was positive by R\$126 million in **2019**, versus a positive amount of R\$136 million in 2018, mainly due to moderate performance of MRS.

Equity in Results of Affiliated Companies (R\$ million)	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
MRS Logística	54	85	16	194	188	(70%)	(81%)	(3%)
CBSI	1	3	2	5	7	100%	(33%)	40%
TLSA	(4)	(6)	(2)	(20)	(17)	(50%)	(67%)	(15%)
Arvedi Metalfer BR	(1)	-	(1)	(5)	(2)	-	-	(60%)
Eliminations	(10)	(17)	(8)	(38)	(50)	(20%)	(53%)	32%
<b>Equity in Results of Affiliated companies</b>	<b>40</b>	<b>64</b>	<b>7</b>	<b>136</b>	<b>126</b>	<b>(83%)</b>	<b>(89%)</b>	<b>(7%)</b>

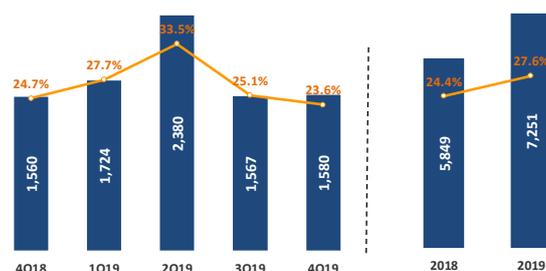
In **4Q19**, the Company recorded a **net profit of R\$1,134 million**, versus a net loss of R\$871 million in 3Q19, mainly due to the improvement of operational results, in addition to the reversal of deferred income tax provisions.

Adjusted EBITDA (R\$ million)	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
<b>Net Profit /(Loss) for the period</b>	<b>1,772</b>	<b>(871)</b>	<b>1,134</b>	<b>5,201</b>	<b>2,245</b>	<b>(36%)</b>	<b>(230%)</b>	<b>(57%)</b>
(-) Depreciation	285	352	432	1,175	1,422	52%	23%	21%
(+) Income tax and social contribution	89	301	(474)	250	(834)	(633%)	(257%)	(434%)
(+) Net financial result	(510)	840	298	1,496	2,131	(158%)	(65%)	42%
<b>EBITDA (ICVM 527)</b>	<b>1,636</b>	<b>622</b>	<b>1,390</b>	<b>8,122</b>	<b>4,964</b>	<b>(15%)</b>	<b>123%</b>	<b>(39%)</b>
(+) Other Operating Income/Expenses	(188)	863	103	(2,705)	1,903	(155%)	(88%)	(170%)
(+) Equity in Results of Affiliated Companies	(40)	(64)	(7)	(136)	(126)	(83%)	(89%)	(7%)
(-) Proportional EBITDA of Jointly Owned Subsidiaries	153	146	94	568	510	(39%)	(36%)	(10%)
<b>Adjusted EBITDA</b>	<b>1,560</b>	<b>1,567</b>	<b>1,580</b>	<b>5,849</b>	<b>7,251</b>	<b>1%</b>	<b>1%</b>	<b>24%</b>

<sup>1</sup> The Company discloses adjusted EBITDA excluding interests in investments and other operating income (expenses) in the belief that these items should not be considered when calculating recurring operating cash flow.

- Adjusted EBITDA reached R\$1,580 million in **4Q19**, versus R\$1,567 million in the third quarter, due to better results in the steel unit and maintaining the good mining performance. Adjusted EBITDA margin reached 23.6%, or 1.6 p.p., lower in the same comparison basis.

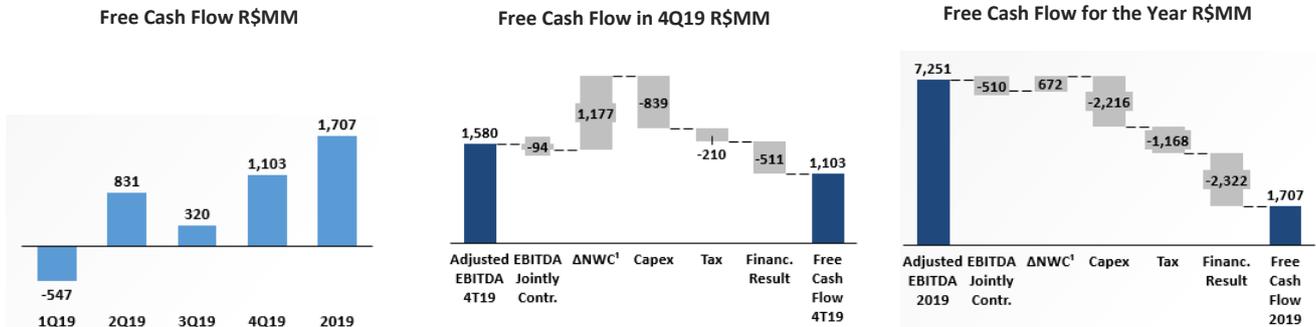
**Adjusted EBITDA (R\$ MM) and Adjusted Margin<sup>1</sup> (%)**



<sup>1</sup> Adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA and adjusted net revenue, considering the stakes of 100% in CSN Mineração and 37.27% in MRS(until November/2019)..

### Free Cash Flow<sup>1</sup>

Free Cash Flow in 4Q19 reached R\$1,103MM, positively influenced by the recovery in working capital. In 2019, free cash flow totaled R\$1,707MM, lower on a YoY basis, due to Income tax and Capex disbursements but offset by the record cash generation measured by EBITDA.



<sup>1</sup>Free cash flow is calculated from adjusted EBITDA less EBITDA of joint ventures, Capex, Income tax, financial result and variation of working capital <sup>1</sup>, excluding the effect of Glencore’s advance.

### Debt

On 12/30/2019, consolidated net debt reached R\$27,103 million, while net debt/EBITDA, calculated based on LTM adjusted EBITDA, totaled 3.74x, or 0.81x lower than in 4Q18. In 2019, leverage evolution was affected by the exchange variation and by the distribution of dividends in the amount of R\$1,920 million, of which, R\$898 million related to 2018 results, R\$413 million as anticipated dividends (related to 2019 results with a minimum dividend outlook) and R\$610 million related to non-controlling shareholders at CSN Mineração.

#### Debt (R\$MM) and Net Debt/Adjusted EBITDA(x)



## Foreign Exchange Exposure

The net FX exposure, excluding the Perpetual Bond, of the consolidated balance sheet on 12/31/2019 was US\$116 million, as shown in the table below. It should be noted that net foreign exchange exposure includes a liability of US\$1.0 billion, in line item “Loans and Financing” related to the Perpetual Bond, which, due to its nature, will not require disbursement to settle the principal amount in the foreseeable future.

The Hedge Accounting adopted by CSN correlates projected export inflows in dollars with part of the scheduled debt payments in the same currency. Therefore, the exchange variation of the dollar-denominated debt is temporarily accounted for under shareholders’ equity, being recorded in the income statement when dollar revenues from exports are received.

Foreign Exchange Exposure (in US\$ '000)	12/31/2018 IFRS	09/30/2019 IFRS	12/31/2019 IFRS
Cash	377	200	105
Accounts Receivable	358	337	346
Other	9	5	4
<b>Total Assets</b>	<b>743</b>	<b>542</b>	<b>455</b>
Loans and Financing	(4,117)	(4,219)	(4,097)
Trade Payables	(175)	(110)	(69)
Other Payables	(4)	(3)	(3)
<b>Total Liabilities</b>	<b>(4,295)</b>	<b>(4,332)</b>	<b>(4,169)</b>
<b>Natural Foreign Exchange Exposure (Assets - Liabilities)</b>	<b>(3,552)</b>	<b>(3,791)</b>	<b>(3,714)</b>
Cash Flow Hedge Accounting	2,076	2,737	2,531
Swap CDI x Dollar	-	67	67
<b>Net Foreign Exchange Exposure</b>	<b>(1,476)</b>	<b>(987)</b>	<b>(1,116)</b>
Perpetual Bond	1,000	1,000	1,000
<b>Net Foreign Exchange Exposure, excluding Perpetual Bond</b>	<b>(476)</b>	<b>13</b>	<b>(116)</b>

## Investments

A total of R\$846 million were invested in 4Q19, due to the acceleration of several sustaining projects in the steel segment in a context of BF#3 maintenance. In the mining segment, investments were allocated for the renovation of mine equipment and tailings filtering plants in order to process 100% of the production without the need to use dams.

Investments (R\$ million)	2018	1Q19	2Q19	3Q19	4Q19	2019
Steel	637	160	212	405	576	1,353
Mining	505	118	190	165	174	647
Other	175	35	44	40	96	215
<b>Total Investments - IFRS</b>	<b>1,318</b>	<b>314</b>	<b>446</b>	<b>610</b>	<b>846</b>	<b>2,216</b>

## Working Capital

To calculate working capital, CSN adjusts its assets and liabilities as shown below:

- Accounts receivable: excludes dividends receivable, advances to employees and other receivables;
- Inventories: includes estimated losses and excludes spare parts;
- Prepaid taxes: composed only of the portion of income tax and social contribution included in recoverable taxes;
- Taxes payable: includes taxes in installments;
- Advances from customers: sub-account of other liabilities recorded under current liabilities, excluding the advance from Glencore;
- Trades Payable: Includes Drawee Risk

Accordingly, working capital invested in the business totaled **R\$1,453 million in 4Q19**, reducing the financial cycle in 18 days when compared to 3Q19, due to the reduction in accounts receivable and decrease in inventory balance.

Working Capital (R\$ million)	4Q18	3Q19	4Q19	2018	2019	Change		
						4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
<b>Assets</b>	<b>6,480</b>	<b>7,510</b>	<b>6,564</b>	<b>6,480</b>	<b>6,564</b>	<b>84</b>	<b>(946)</b>	<b>84</b>
Accounts Receivable	2,078	2,410	2,048	2,078	2,048	(30)	(362)	(30)
Inventories	4,393	5,097	4,515	4,393	4,515	122	(582)	122
Prepaid Taxes	9	2	1	9	1	(8)	(1)	(8)
<b>Liabilities</b>	<b>4,103</b>	<b>5,285</b>	<b>5,111</b>	<b>4,103</b>	<b>5,111</b>	<b>1,008</b>	<b>(174)</b>	<b>1,008</b>
Trade Payables	3,445	4,197	4,134	3,445	4,134	689	(63)	689
Payroll and Related Taxes	248	350	313	248	313	65	(37)	65
Taxes Payable	272	506	560	272	560	288	54	288
Advances from Customers	137	233	104	137	104	(34)	(129)	(34)
<b>Working Capital</b>	<b>2,377</b>	<b>2,224</b>	<b>1,453</b>	<b>2,377</b>	<b>1,453</b>	<b>(924)</b>	<b>(771)</b>	<b>(924)</b>

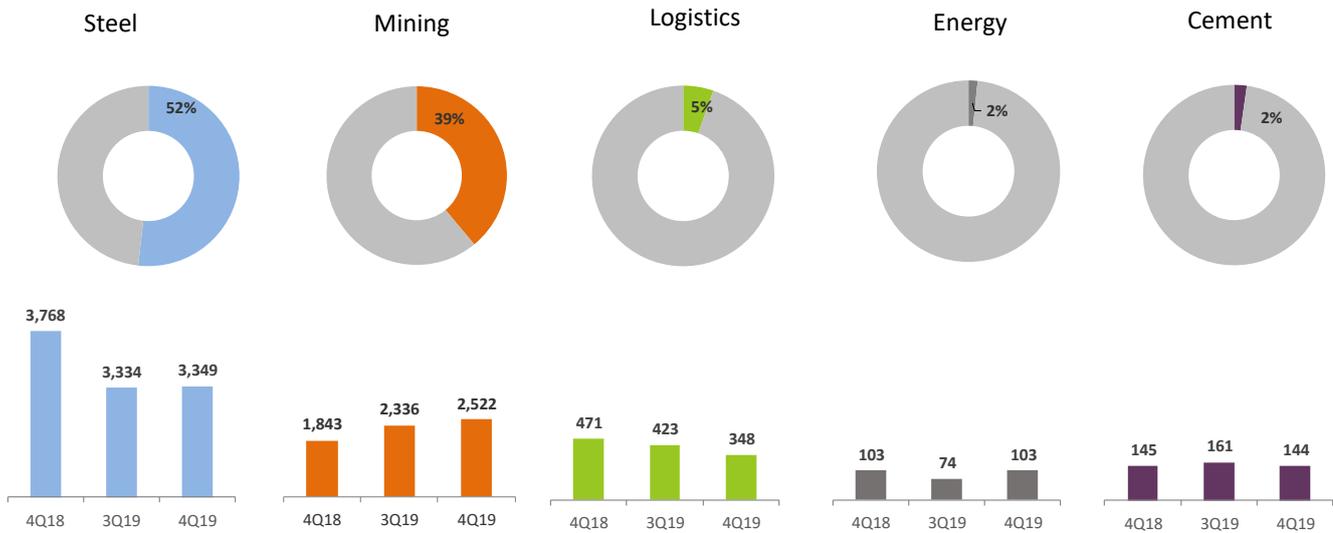
Average Term (days)	4Q18	3Q19	4Q19	2018	2019	Change		
						4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
Receivables	27	32	25	27	25	(2)	(7)	(2)
Payables	78	86	84	78	84	6	(2)	6
Inventories	99	105	92	99	92	(7)	(13)	(7)
<b>Financial Cycle</b>	<b>48</b>	<b>51</b>	<b>33</b>	<b>48</b>	<b>33</b>	<b>(15)</b>	<b>(18)</b>	<b>(15)</b>

**Results by Business Segment**

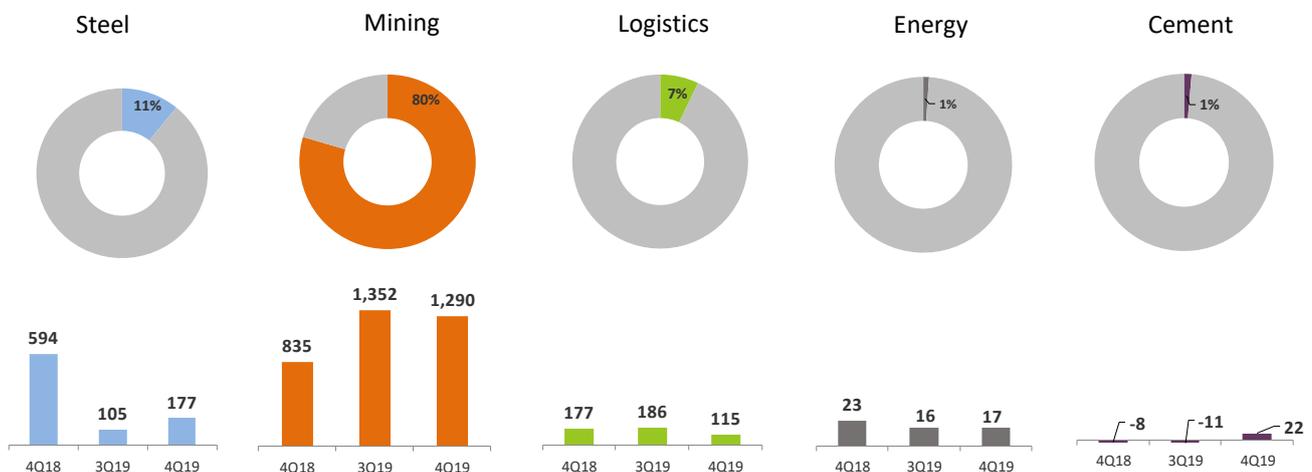
The Company maintains integrated operations in five business segments: Steel, Mining, Logistics, Energy and Cement. The main assets and/or companies comprising each segment are presented below:

SIDERURGIA	MINERAÇÃO	LOGÍSTICA	ENERGIA	CIMENTO
				
Usina Presidente Vargas Porto Real Paraná Lusosider Prada (Distribuição e Embalagens) Aços Longos (UPV) SWT	Casa de Pedra Tecar Engenho Pires Fernandinho ERSA	Ferroviária: MRS e FTL Portuária: Sepetiba Tecon	CSN Energia Itasa	Volta Redonda Arcos

**Net Revenue by Segment – 4Q19 (R\$ million)**



**Adjusted EBITDA by Segment – 4Q19 (R\$ million)**



<b>4Q19 Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Port Logistics</b>	<b>Railway Logistics</b>	<b>Energy</b>	<b>Cement</b>	<b>Corporate Expenses/ Eliminations</b>	<b>Consolidated</b>
<b>(R\$ million)</b>								
<b>Net Revenue</b>	<b>3,349</b>	<b>2,522</b>	<b>55</b>	<b>292</b>	<b>103</b>	<b>144</b>	<b>57</b>	<b>6,524</b>
Domestic Market	2,529	242	55	292	103	144	(606)	2,761
Foreign Market	820	2,280	-	-	-	-	663	3,763
<b>COGS</b>	<b>(3,171)</b>	<b>(1,323)</b>	<b>(39)</b>	<b>(260)</b>	<b>(84)</b>	<b>(141)</b>	<b>590</b>	<b>(4,429)</b>
<b>Gross Profit</b>	<b>178</b>	<b>1,199</b>	<b>16</b>	<b>32</b>	<b>20</b>	<b>3</b>	<b>646</b>	<b>2,095</b>
SG&A	(230)	(43)	(9)	(32)	(7)	(24)	(696)	(1,041)
Depreciation	228	134	7	100	4	43	(85)	432
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	94	94
<b>Adjusted EBITDA</b>	<b>177</b>	<b>1,290</b>	<b>15</b>	<b>100</b>	<b>17</b>	<b>22</b>	<b>(41)</b>	<b>1,580</b>
<b>3Q19 Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Port Logistics</b>	<b>Railway Logistics</b>	<b>Energy</b>	<b>Cement</b>	<b>Corporate Expenses/ Eliminations</b>	<b>Consolidated</b>
<b>(R\$ million)</b>								
<b>Net Revenue</b>	<b>3,334</b>	<b>2,336</b>	<b>69</b>	<b>354</b>	<b>74</b>	<b>161</b>	<b>(322)</b>	<b>6,006</b>
Domestic Market	2,417	142	69	354	74	161	(540)	2,677
Foreign Market	917	2,194	-	-	-	-	218	3,330
<b>COGS</b>	<b>(3,190)</b>	<b>(1,071)</b>	<b>(43)</b>	<b>(258)</b>	<b>(56)</b>	<b>(180)</b>	<b>427</b>	<b>(4,370)</b>
<b>Gross Profit</b>	<b>144</b>	<b>1,265</b>	<b>26</b>	<b>96</b>	<b>19</b>	<b>(19)</b>	<b>106</b>	<b>1,636</b>
SG&A	(198)	(51)	(9)	(26)	(8)	(25)	(251)	(567)
Depreciation	159	138	2	97	4	33	(83)	352
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	146	146
<b>Adjusted EBITDA</b>	<b>105</b>	<b>1,352</b>	<b>19</b>	<b>166</b>	<b>16</b>	<b>(11)</b>	<b>(81)</b>	<b>1,567</b>
<b>4Q18 Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Port Logistics</b>	<b>Railway Logistics</b>	<b>Energy</b>	<b>Cement</b>	<b>Corporate Expenses/ Eliminations</b>	<b>Consolidated</b>
<b>(R\$ million)</b>								
<b>Net Revenue</b>	<b>3,768</b>	<b>1,843</b>	<b>72</b>	<b>398</b>	<b>103</b>	<b>145</b>	<b>(278)</b>	<b>6,051</b>
Domestic Market	2,718	300	72	398	103	145	(768)	2,969
Foreign Market	1,050	1,542	-	-	-	-	490	3,082
<b>COGS</b>	<b>(3,057)</b>	<b>(1,054)</b>	<b>(48)</b>	<b>(275)</b>	<b>(77)</b>	<b>(149)</b>	<b>662</b>	<b>(3,998)</b>
<b>Gross Profit</b>	<b>711</b>	<b>789</b>	<b>24</b>	<b>123</b>	<b>26</b>	<b>(4)</b>	<b>384</b>	<b>2,052</b>
SG&A	(266)	(42)	(9)	(34)	(7)	(31)	(541)	(929)
Depreciation	150	88	6	66	4	27	(56)	285
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	153	153
<b>Adjusted EBITDA</b>	<b>594</b>	<b>835</b>	<b>21</b>	<b>156</b>	<b>23</b>	<b>(8)</b>	<b>(60)</b>	<b>1,560</b>
<b>2019 Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Port Logistics</b>	<b>Railway Logistics</b>	<b>Energy</b>	<b>Cement</b>	<b>Corporate Expenses/ Eliminations</b>	<b>Consolidated</b>
<b>(R\$ million)</b>								
<b>Net Revenue</b>	<b>13,949</b>	<b>10,028</b>	<b>240</b>	<b>1,321</b>	<b>325</b>	<b>571</b>	<b>(998)</b>	<b>25,436</b>
Domestic Market	10,028	927	240	1,321	325	571	(2,462)	10,951
Foreign Market	3,921	9,101	-	-	-	-	1,464	14,486
<b>COGS</b>	<b>(12,963)</b>	<b>(4,396)</b>	<b>(173)</b>	<b>(1,030)</b>	<b>(267)</b>	<b>(608)</b>	<b>2,174</b>	<b>(17,263)</b>
<b>Gross Profit</b>	<b>986</b>	<b>5,631</b>	<b>67</b>	<b>291</b>	<b>59</b>	<b>(37)</b>	<b>1,176</b>	<b>8,173</b>
SG&A	(835)	(186)	(35)	(110)	(29)	(91)	(1,568)	(2,854)
Depreciation	700	476	31	388	17	140	(330)	1,422
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	510	510
<b>Adjusted EBITDA</b>	<b>851</b>	<b>5,922</b>	<b>63</b>	<b>569</b>	<b>47</b>	<b>11</b>	<b>(212)</b>	<b>7,251</b>
<b>2018 Results</b>	<b>Steel</b>	<b>Mining</b>	<b>Port Logistics</b>	<b>Railway Logistics</b>	<b>Energy</b>	<b>Cement</b>	<b>Corporate Expenses/ Eliminations</b>	<b>Consolidated</b>
<b>(R\$ million)</b>								
<b>Net Revenue</b>	<b>15,634</b>	<b>5,985</b>	<b>266</b>	<b>1,506</b>	<b>411</b>	<b>588</b>	<b>(1,421)</b>	<b>22,969</b>
Domestic Market	10,328	972	266	1,506	411	588	(2,719)	11,353
Foreign Market	5,306	5,012	-	-	-	-	1,297	11,615
<b>COGS</b>	<b>(12,613)</b>	<b>(3,586)</b>	<b>(190)</b>	<b>(1,049)</b>	<b>(287)</b>	<b>(544)</b>	<b>2,163</b>	<b>(16,106)</b>
<b>Gross Profit</b>	<b>3,021</b>	<b>2,399</b>	<b>76</b>	<b>457</b>	<b>124</b>	<b>44</b>	<b>742</b>	<b>6,863</b>
SG&A	(985)	(145)	(35)	(106)	(28)	(96)	(1,362)	(2,758)
Depreciation	609	367	20	259	17	115	(213)	1,175
Proportional EBITDA of jointly owned subsidiaries	-	-	-	-	-	-	568	568
<b>Adjusted EBITDA</b>	<b>2,645</b>	<b>2,621</b>	<b>61</b>	<b>610</b>	<b>113</b>	<b>63</b>	<b>(265)</b>	<b>5,849</b>

CSN’s Steel Results

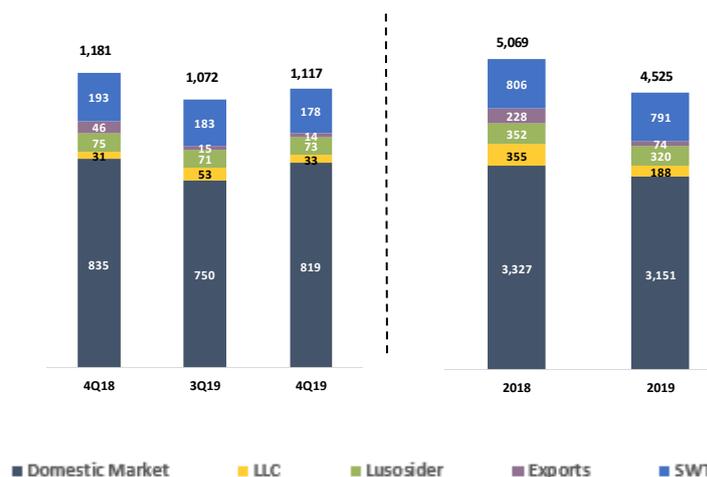
According to the World Steel Association (WSA), global crude steel production totaled 1,87 billion tons in 2019, 3.4% higher than in 2018. Asia produced 1,34 Mton in 2019, growth of 5.7%, while in the European Union and North American decreased by 4.9% and 0.8%, respectively.

- In **4Q19**, CSN’s **slab production** totaled 775 thousand tons, 116% higher than in 3Q19, after the normalization of production with the restart of operations of blast furnace #3.

Steel Production (thousand tons)						Change			
	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018	
Total Slabs (UPV + Third parties)	1,021	595	934	4,016	3,497	(9%)	57%	(13%)	
Slab Production	1,013	358	775	3,996	2,819	(23%)	116%	(29%)	
Third-party Slabs	8	237	160	20	678	1,900%	(32%)	3,324%	
<b>Total Flat Rolled Products</b>	<b>927</b>	<b>765</b>	<b>845</b>	<b>3,785</b>	<b>3,375</b>	<b>(9%)</b>	<b>10%</b>	<b>(11%)</b>	
<b>Total Long Rolled Products</b>	<b>53</b>	<b>54</b>	<b>61</b>	<b>196</b>	<b>223</b>	<b>15%</b>	<b>13%</b>	<b>14%</b>	

- In **2019**, total sales reached **4,525 thousand tons**, 11% lower than in 2018, mainly due to the lower sales in the foreign market impacted by the sale of the plant in EUA and slowdown of the global economy. Total **sales** amounted to 1,117 thousand tons of steel products in **4Q19**, 4% higher than in 3Q19, reflecting the recovery of the domestic market.

Sales Volume (Kton) – Steel



- In **4Q19**, **domestic steel sales volume** totaled 819 thousand tons, 9% higher than 3Q19. Of this total, 748 thousand tons refer to flat steel and 71 thousand tons to long steel. In 2019, sales in the domestic market totaled 3,151 thousand tons, 5% lower than in 2018. In terms of total sales, 2,924 thousand tons refer to flat steel and 227 thousand tons to long steel. According to the Brazilian Steel Institute (IABr), in 2019, apparent consumption reached 20.6 million tons, decreasing 2.7% versus 2018. Brazilian crude steel production reached 32.2 million tons, decreasing 9% compared to the same period in 2018.

Sale in the **foreign market**, totaled 298 thousand tons in **4Q19**, 7% lower than the third quarter, due to seasonality and the increased competitiveness in the Lusosider market. In this period, 14 thousand tons were exported directly, 284 thousand tons were sold by foreign subsidiaries, of which 33 thousand tons by LLC, 178 thousand tons by SWT, and 73 thousand tons by Lusosider. In **2019**, sales volume in the foreign market totaled 1,374 thousand tons, a decrease of 21%. For this sale, 74 thousand tons were exported directly, and 1,300 thousand tons were sold by foreign subsidiaries, of which 188 thousand tons by LLC, 791 thousand tons by SWT and 320 thousand tons by Lusosider.

- In **4Q19**, CSN maintained a high **share of coated products** as a percentage of total sales volume, following the strategy of adding more value to its product mix. Sales of coated products, such as galvanized items and tin plates, accounted for 49% of flat steel sales, considering all the markets in which the Company operates. In the **domestic market**, coated products accounted for 43% of flat steel sales in 4Q19, down by 3% over 3Q19.

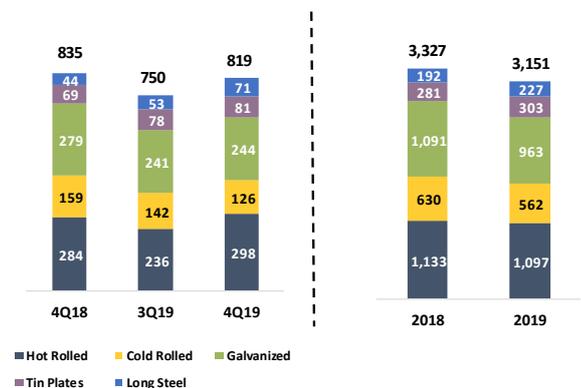
According to ANFAVEA (National Association of Automobile Manufacturers), in **2019**, the **production of automobiles, light commercial vehicles, trucks and buses** reached 2.9 million units, increasing by 2.3%, over 2018. Exports recorded a lower performance, totaling sales of 428 thousand vehicles, a 31.9% reduction in volume when compared to the previous year. ANFAVEA expects vehicle production will grow 9.4% in 2020, to 3.05 million units.

According to **ABRAMAT** (Construction Material Manufacturers' Association), sales of construction materials increased by 2% in 2019 versus 2018. The association expects sales of building materials will grow 4% in 2020.

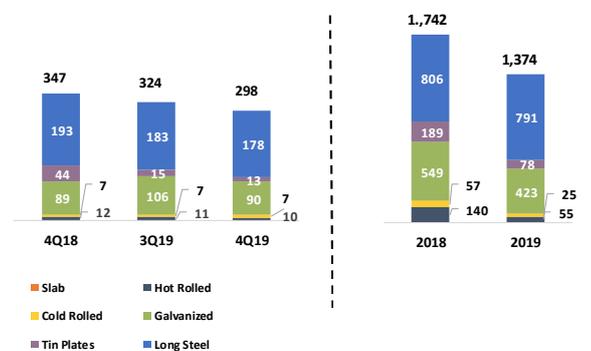
According to **IBGE** (Brazilian Institute of Geography and Statistics), the production of home appliances increased by 9.4% in the last twelve months in 2019 versus the same period in 2018.

- Net revenue** from Steel operations reached R\$3,349 million in **4Q19**, 11% lower than in **4Q18**. This was due to the lower sales volume in the foreign market and stable prices in the domestic and foreign markets. In 2019, net revenue totaled R\$13,949 million, 11% lower than in 2018, impacted by the drop in foreign sales and the sale of the subsidiary in Terra Haute, Indiana.

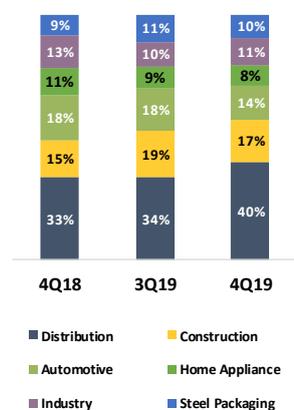
### Sales Volume by Product Domestic Market



### Sales Volume by Product Foreign Market



### Sale by Segment 4Q18/3Q19/4Q19

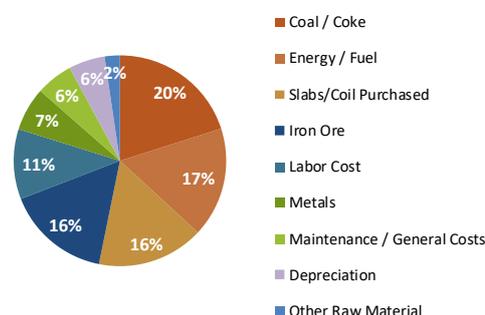


- **Cost of goods sold** increased by 4% in **4Q19** over 3Q19, totaling R\$3,171 million. However, in 2019, the cost of goods sold totaled R\$12,963 million, 3% higher than in 2018, mainly due to lower productivity in 2019 as a result of BF#3 maintenance.

- **Slab production cost** in **4Q19** reached R\$1,978/t, 9% lower than in 3Q19, reflecting the restart of operations of BF#3 and higher efficiency in the mix of third-party slabs and slab production. In **2019**, the average slab production cost was R\$2,108/t, 27% higher than in 2018, due to higher iron ore costs resulting from the strong price increase during the first half of 2019 and the BF#3 maintenance.

- **Adjusted EBITDA** reached R\$177 million in **4Q19**, 68% higher than in 3Q19, with EBITDA margin at 5.3% in 4Q19. The expected efficiency gains after the BF#3 maintenance will be observed in 2020, returning the profitability of the business unit to its historical standard. Still reflecting the maintenance of BF#3, EBITDA totaled R\$851 million in 2019, 68% lower than in 2018 and EBITDA margin from 16.9% in 2018 to 6.1% in 2019.

**Production Cost in 4Q19**



## CSN's Mining Results

In **2019**, the resilient demand for steel in China and the perspective of an iron ore balance deficit had a positive effect on prices. In this context, **the mining segment ended 2019 with an average price of US\$93.40/dmt (Platts, Fe62%, N. China), 34.5% higher than in 2018**. In 4Q19, the average price was US\$88.61/dmt or 13% below 3Q19.

As for maritime freight, the BCI-C3 (Tubarão-Qingdao) route reached an average of US\$20.58/wmt in 4Q19, 15% lower than the previous quarter, due to the normalization of supply and demand conditions for ships after the Brumadinho accident.

- In **4Q19**, CSN's **iron ore production** totaled 6.9 million tons, 6% lower than the same period in 2018, due to the heavy rainfall in the region. **Iron ore purchases** reached 1.9 million tons in **4Q19**, totaling 8.9Mton in the period. In 2019, CSN **produced 32.1 million tons of iron ore**, a historical record.
- In **2019**, **sales volume reached 38.5 million tons, 11% higher than the previous year to the good production and availability of iron ore from third parties**. **Iron ore sales** totaled 10.3 million tons in **4Q19**, 12% higher than in 3Q19, also due to stock availability.

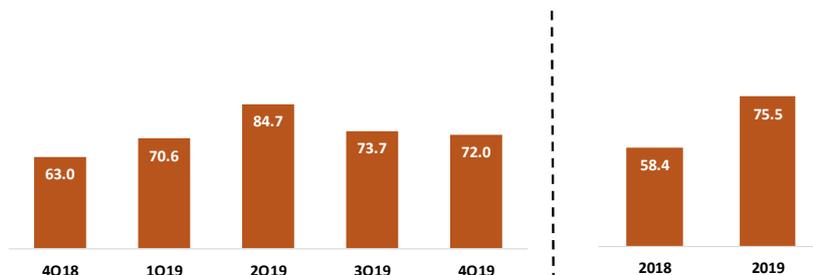
Mining Production Volume and Sales (thousand tons)	4Q18	3Q19	4Q19	2018	2019	Change					
						4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018
Iron Ore Production	7,382	8,654	6,923	27,875	32,090	(6%)	(20%)	15%	(6%)	(20%)	15%
Iron Ore Purchased from Third Parties	2,478	1,121	1,936	7,344	6,373	(22%)	73%	(13%)	(22%)	73%	(13%)
<b>Total Production + Purchases</b>	<b>9,860</b>	<b>9,775</b>	<b>8,859</b>	<b>35,219</b>	<b>38,463</b>	<b>(10%)</b>	<b>(9%)</b>	<b>9%</b>	<b>(10%)</b>	<b>(9%)</b>	<b>9%</b>
Sales to UPV	1,366	388	953	5,189	3,649	(30%)	146%	(30%)	(30%)	146%	(30%)
Volume Sold to Third Parties	8,523	8,821	9,382	29,592	34,896	10%	6%	18%	10%	6%	18%
<b>Total Sales</b>	<b>9,889</b>	<b>9,209</b>	<b>10,334</b>	<b>34,781</b>	<b>38,545</b>	<b>5%</b>	<b>12%</b>	<b>11%</b>	<b>5%</b>	<b>12%</b>	<b>11%</b>

Production and sales volumes includes CSN's 100% stake in CSN Mineração.

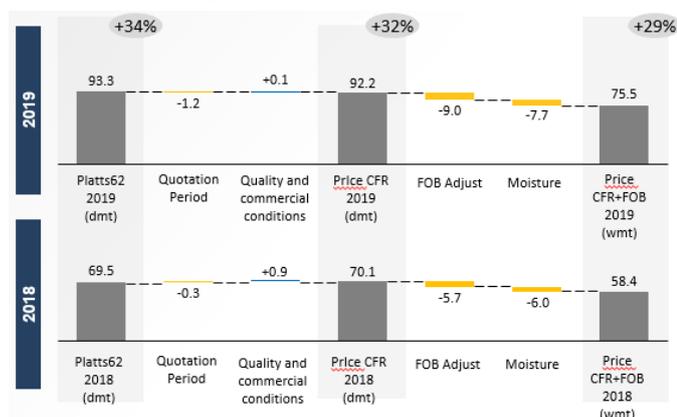
- In **4Q19**, **net revenue** from mining operations totaled R\$2,522 million, 37% higher than the same quarter in 2018, due to improved prices (+14%) and higher sales volume (+5%). For the year, net revenue increased by 68% due to higher prices and record levels of iron ore production and sales.

- The Platts 62% index reached **US\$88.6/dmt**, 13% lower in the quarter. CIF+FOB prices were **US\$72/wmt**, down by 2% over the same period in 2018. The positive highlight in 4Q19 is explained by the basket of quotation periods and lower FOB freights.

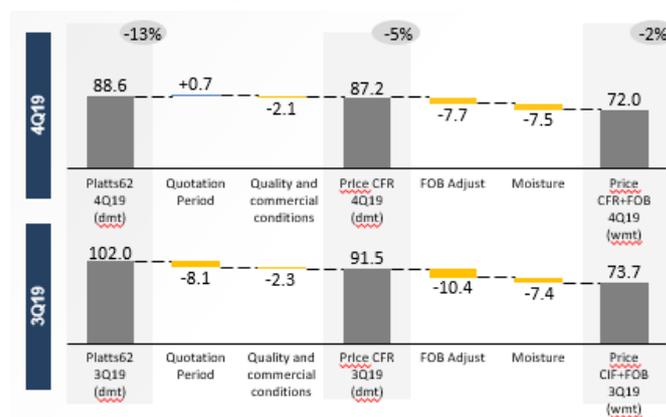
**CSN Mineração's  
Realized Iron Ore Price  
(CIF+FOB\* - US\$/wmt delivered in China)**



**Build-up Realized Price 2019x2018**



**Build-up Realized Price 4Q19x3Q19**



- Cost of goods sold** in the mining segment totaled **R\$4,396 million** in 2019, increasing 10.6% in COGS/ton over 2018.
- EBITDA** reached **R\$5,922 million** in 2019, with a margin of 59%, first best in annual series, due to strong increase in realized prices (+29%) and sales volume (+11%).

**CSN's Logistics Results**

**Railway Logistics:** In **4Q19**, net revenue reached R\$292 million, with **EBITDA** of R\$100 million and **EBITDA margin** of 34.3%. In 2019, net revenue reached R\$1,321 million, with EBITDA of R\$569 million and EBITDA margin of 43.1%.

**Port Logistics:** In **4Q19**, Sepetiba Tecon shipped 137 thousand tons of steel products, in addition to 3 thousand tons of general cargo, approximately 39 thousand containers, 16 thousand tons of bulk cargo and 2 thousand vehicles. **Net revenue** reached R\$55 million, with an **EBITDA** of R\$15 million, and **EBITDA margin** of 26.4%. In 2019, a total of 622 thousand tons of steel products, 7 thousand tons of general cargo, 161 thousand containers, 626 thousand tons of bulk cargo and 2 thousand vehicles were shipped. Net revenue reached R\$240 million, with EBITDA of R\$63 million and EBITDA margin of 26%.

Sepetiba TECON Highlights	Change													
	4Q18	3Q19	4Q19	2018	2019	4Q19	x	4Q18	4Q19	x	3Q19	2019	x	2018
Container Volume (thousand units)	63	41	39	247	161	(39%)			(5%)					(35%)
Steel Volume (thousand tons)	162	193	137	584	622	(16%)			(29%)					7%
General Cargo Volume (thousand tons)	19	1	3	210	7	(82%)			207%					(97%)
Bulk Volume (thousand tons)	0	181	16	0	626	-			(91%)					-
Vehicle Volume (thousand units)	0	0	2	0	2	-			-					-

### CSN's Energy Results

According to EPE (Energy Research Company), electricity consumption in Brazil increased by 1.4% in 2019 versus 2018. The industrial segment reduced by 1.6% in the year, while the residential and commercial segments increased by 3.1% and 4.0%, respectively in the same period.

**In 4Q19**, the volume of energy traded decreased, totaling a **net revenue** of R\$103 million, with **EBTIDA** of R\$17 million and **EBITDA margin** of 16%. In 2019, net revenue from the energy segment totaled R\$325 million, 21% lower than in 2018, due to less energy availability, as well as, lowest price on the market (Settlement Price for the Differences). EBITDA was R\$47 million with a EBITDA margin of 14.5%

### CSN's Cement Results

In 2019, domestic cement sales totaled 54.5 million tons, according to preliminary date of SNIC (National Cement Industry Association). This amount represents an increase of 3.5% over the same period in 2018. According to SNIC, a 3% growth is expected for 2020.

**In 4Q19**, **net revenue** reached R\$144 million, 10% less than the previous quarter due to lower sales volume (-10%), as a result of stoppages for scheduled maintenance, however, a significant reduction in COGS (-22%) was due to higher slag volume with the restart of operations of BF#3, in addition to higher prices, generating an **EBITDA** of R\$22 million and **EBITDA margin of 15.2%**.

## Capital Markets

In 4Q19, CSN's shares appreciated 6.73%, while the Ibovespa moved up 11.14%. Daily traded volume (CSNA3) on B3 was R\$138 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) appreciated 8.83%, while the Dow Jones climbed 7.40%. On the NYSE, daily traded volume of CSN's ADR (SID) average US\$11 million.

	3Q19	4Q19
<b>Number of shares (in thousands)</b>	<b>1,387,524</b>	<b>1,387,524</b>
<b>Market Cap</b>		
Closing price (R\$/share)	13.23	14.11
Closing price (US\$/ADR)	3.16	3.45
Market cap (R\$ million)	18,357	20,805
Market cap (US\$ million)	4,408	5,230
<b>Total return including Dividends and Interest on Equity</b>		
CSNA3	(20.49%)	6.73%
SID	(26.42%)	8.83%
Ibovespa	3.36%	11.14%
Dow Jones	0.75%	7.40%
<b>Volume</b>		
Daily average (thousand shares)	8,885	10,651
Daily average (R\$ thousand)	134,646	137,760
Daily average (thousand ADRs)	3,725	3,505
Daily average (US\$ thousand)	13,954	10,901

Source: Bloomberg

### Webcast - 4Q19 Earnings Presentation

Conference Call in Portuguese with Simultaneous Translation into English March 05, 2020

11:00 a.m (Brasilia time)

9:00 a.m (New York time)

Phone: +1 929 378-3440 / +1 516 300-1066

Code: CSN

Replay Phone: +55 11 3127-4999

Replay Code: 66557099

Webcast: [click here](#)

### Investor Relations Team

CFO and IRO – Marcelo Cunha Ribeiro

Leo Shinohara ([leonardo.shinohara@csn.com.br](mailto:leonardo.shinohara@csn.com.br))

José Henrique Triques ([jose.triques@csn.com.br](mailto:jose.triques@csn.com.br))

Sandra Saad ([sandra.saad@csn.com.br](mailto:sandra.saad@csn.com.br))

Some of the statements contained herein are forward-looking statements that express or imply expected results, performance or events. These include future results that may be implied by historical results and the statements under 'Outlook'. Actual results, performance 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, protectionist measures in the USA, Brazil and other countries, changes in laws and regulations and general competitive factors (on a global, regional or national basis).

**CONSOLIDATED SALES VOLUME (in thousands of tons)**

	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	Change		
							4Q19 x 3Q19	2019 x 2018	
<b>Flat Steel</b>	<b>791</b>	<b>698</b>	<b>748</b>	<b>3,135</b>	<b>2,924</b>	<b>(43)</b>	<b>50</b>	<b>(211)</b>	
Slab	(0)	0	-	(0)	0	-	-	-	
Hot Rolled	284	236	298	1,133	1,097	14	62	(36)	
Cold Rolled	159	142	126	630	562	(33)	(16)	(68)	
Galvanized	279	241	244	1,091	963	(35)	3	(128)	
Tin Plates	69	78	81	281	303	12	3	22	
<b>UPV Long Steel</b>	<b>44</b>	<b>53</b>	<b>71</b>	<b>192</b>	<b>227</b>	<b>27</b>	<b>18</b>	<b>35</b>	
<b>DOMESTIC MARKET</b>	<b>835</b>	<b>750</b>	<b>819</b>	<b>3,327</b>	<b>3,151</b>	<b>(16)</b>	<b>69</b>	<b>(176)</b>	
	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018	
<b>Flat Steel</b>	<b>152</b>	<b>139</b>	<b>119</b>	<b>935</b>	<b>583</b>	<b>(33)</b>	<b>(20)</b>	<b>(352)</b>	
Slab	-	-	-	-	2	-	-	2	
Hot Rolled	12	11	10	140	55	(2)	(1)	(85)	
Cold Rolled	7	7	7	57	25	-	-	(32)	
Galvanized	89	106	90	549	423	1	(16)	(126)	
Tin Plates	44	15	13	189	78	(31)	(2)	(111)	
<b>Long Steel Profiles</b>	<b>193</b>	<b>183</b>	<b>178</b>	<b>806</b>	<b>791</b>	<b>(15)</b>	<b>(5)</b>	<b>(15)</b>	
<b>FOREIGN MARKET</b>	<b>345</b>	<b>322</b>	<b>298</b>	<b>1,742</b>	<b>1,374</b>	<b>(47)</b>	<b>(24)</b>	<b>(368)</b>	
	4Q18	3Q19	4Q19	2018	2019	4Q19 x 4Q18	4Q19 x 3Q19	2019 x 2018	
<b>Flat Steel</b>	<b>943</b>	<b>836</b>	<b>867</b>	<b>4,070</b>	<b>3,507</b>	<b>(76)</b>	<b>31</b>	<b>(563)</b>	
Slab	(0)	0	-	(0)	2	-	-	2	
Hot Rolled	295	247	307	1,273	1,152	12	60	(121)	
Cold Rolled	166	149	133	688	587	(33)	(16)	(101)	
Galvanized	368	347	334	1,640	1,386	(34)	(13)	(254)	
Tin Plates	113	93	94	470	381	(19)	1	(89)	
<b>UPV Long Steel</b>	<b>44</b>	<b>53</b>	<b>71</b>	<b>192</b>	<b>227</b>	<b>27</b>	<b>18</b>	<b>35</b>	
<b>Long Steel Profiles</b>	<b>193</b>	<b>183</b>	<b>178</b>	<b>806</b>	<b>791</b>	<b>(15)</b>	<b>(5)</b>	<b>(15)</b>	
<b>MERCADO TOTAL</b>	<b>1,181</b>	<b>1,072</b>	<b>1,117</b>	<b>5,069</b>	<b>4,525</b>	<b>(64)</b>	<b>45</b>	<b>(544)</b>	

**INCOME STATEMENT**  
**CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)**

	<b>4Q18</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2018</b>	<b>2019</b>
<b>Net Sales Revenue</b>	<b>6,050,932</b>	<b>6,006,393</b>	<b>6,523,816</b>	<b>22,968,885</b>	<b>25,436,417</b>
<b>Domestic Market</b>	2,968,706	2,676,655	2,760,705	11,353,435	10,950,698
<b>Foreign Market</b>	3,082,226	3,329,738	3,763,111	11,615,450	14,485,719
<b>Costs of Goods Sold (COGS)</b>	<b>(3,998,456)</b>	<b>(4,370,357)</b>	<b>(4,429,143)</b>	<b>(16,105,657)</b>	<b>(17,263,264)</b>
<b>COGS, excluding Depreciation and Depletion</b>	(3,723,023)	(4,026,696)	(4,009,168)	(14,959,864)	(15,877,958)
<b>Depreciation/Depletion allocated to COGS</b>	(275,433)	(343,661)	(419,975)	(1,145,793)	(1,385,306)
<b>Gross Profit</b>	<b>2,052,476</b>	<b>1,636,036</b>	<b>2,094,673</b>	<b>6,863,228</b>	<b>8,173,153</b>
<b>Gross Margin (%)</b>	34%	27%	32%	30%	32%
<b>Selling Expenses</b>	(765,345)	(427,703)	(907,221)	(2,257,838)	(2,331,266)
<b>General and Administrative Expenses</b>	(154,669)	(131,171)	(121,879)	(470,559)	(486,206)
<b>Depreciation and Amortization Expenses</b>	(9,358)	(8,459)	(11,798)	(29,314)	(36,398)
<b>Other Income (Expenses), net</b>	188,172	(862,600)	(102,574)	2,705,337	(1,903,081)
<b>Equity in Results of Affiliated Companies</b>	39,696	64,069	6,747	135,706	125,715
<b>Operating Income Before the Financial Result</b>	<b>1,350,972</b>	<b>270,172</b>	<b>957,948</b>	<b>6,946,560</b>	<b>3,541,917</b>
<b>Net Financial Result</b>	510,350	(840,074)	(298,335)	(1,495,643)	(2,131,184)
<b>Income before Income Tax and Social Contribution</b>	<b>1,861,322</b>	<b>(569,902)</b>	<b>659,613</b>	<b>5,450,917</b>	<b>1,410,733</b>
<b>Income Tax and Social Contribution</b>	(89,085)	(300,754)	474,329	(250,334)	833,778
<b>Profit for the Period</b>	<b>1,772,237</b>	<b>(870,656)</b>	<b>1,133,942</b>	<b>5,200,583</b>	<b>2,244,511</b>

**BALANCE SHEET**  
Brazilian Corporate Law (in thousands of reais)

	12/31/2019	12/31/2018
<b>Current Assets</b>	<b>12,725,805</b>	<b>12,014,483</b>
Cash and Cash Equivalents	1,088,955	2,248,004
Financial Investments	2,633,173	895,713
Accounts Receivable	2,047,931	2,078,182
Inventory	5,282,750	5,039,560
Other Current Assets	1,672,996	1,753,024
Taxes to recover	1,282,415	1,412,335
Prepaid expenses	203,733	166,986
Dividends receivable	44,554	46,171
Derivative financial instruments	1,364	351
Others	140,93	127,181
<b>Non-current Assets</b>	<b>38,143,471</b>	<b>35,313,041</b>
Long-term Assets	7,626,577	4,382,389
Financial investments valued at amortized cost	95,719	7,772
Deferred Taxes	2,473,304	89,394
Other non-current assets	5,057,554	4,285,223
Taxes to recover	2,119,940	1,822,388
Judicial deposits	328,371	347,95
Prepaid expenses	139,927	149,702
Credits Related Parties	1,274,972	925,445
Others	1,194,344	1,039,738
Investments	3,584,169	5,630,613
Property, plant and equipment	19,700,944	18,046,864
Intangible Assets	7,231,781	7,253,175
<b>TOTAL ASSETS</b>	<b>50,869,276</b>	<b>47,327,524</b>
<b>Current Liabilities</b>	<b>11,619,957</b>	<b>11,438,552</b>
Payroll and Related Taxes	317,51	248,185
Trade Payables	3,012,654	3,408,056
Taxes Payable	541,027	251,746
Loans and Financing	5,125,843	5,653,439
Other Payables	2,526,444	1,770,623
Dividends and JCP Payable	13,252	932,005
Customer Advances	787,604	137,418
Payables – Drawee Risk	1,121,312	65,766
Lease Liabilities	35,04	
Other Payables	569,236	635,434
Provisions for Tax, Social Security, Labor and Civil Risks	96,479	106,503
<b>Non-current Liabilities</b>	<b>27,887,387</b>	<b>25,875,532</b>
Loans, Financing and Debentures	22,841,193	23,173,635
Other Payables	2,493,702	227,328
Customer Advances	1,845,248	
Lease Liabilities	439,35	
Other Payables	209,104	227,328
Deferred Taxes	589,539	601,731
Provisions for Tax, Social Security, Labor and Civil Risks	526,768	685,953
Other Provisions	1,436,185	1,186,885
Provisions for Environmental Liabilities and Deactivation	524,001	281,766
Pension and Health Plan	912,184	905,119
<b>Equity</b>	<b>11,361,932</b>	<b>10,013,440</b>
Paid-up Capital	4,540,000	4,540,000
Capital Reserve	32,72	32,72
Profit Reserve	4,431,200	3,064,827
Other Comprehensive Income	1,170,624	1,065,188
Non-controlling Interest	1,187,388	1,310,705
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>50,869,276</b>	<b>47,327,524</b>

**CASH FLOW**  
**CONSOLIDATED – Brazilian Corporate Law (in thousands of reais)**

	3Q19	4Q19
<b>Net Cash generated by Operating Activities</b>	<b>1,835,812</b>	<b>1,111,510</b>
Net income (loss) for the period attributable to controlling shareholders	(992,958)	1,044,514
Net income attributable to non-controlling shareholders	122,302	89,428
Charges on loans and financing raised	510,996	410,529
Charges on loans and financing granted	(16,186)	(13,509)
Charges on lease liabilities	19,017	16,177
Depreciation, depletion and amortization	380,764	454,075
Equity in results of affiliated companies	(64,069)	(6,747)
Deferred taxes	21,977	(777,754)
Provisions for tax, social security, labor, civil and environmental risk	(4,696)	(31,638)
Monetary and exchange rate variation, net	583,340	(65,389)
Write-off of fixed and intangible assets	8,013	74,797
Actuarial liability provision	-	(20,194)
Adjusted shares – VJR	245,835	(246,525)
Provisions for Environmental Liabilities and Deactivation	(1,368)	9,233
Provisions (reversal) for consumption and services	17,579	(181,587)
Credit from Pis and Cofins	-	(160,609)
Contractual agreement	-	(131,817)
Other provisions	34,751	12,029
<b>Working Capital Variation</b>	<b>1,576,469</b>	<b>1,056,057</b>
Accounts receivable – third parties	1,093,286	211,970
Accounts receivable – related parties	(3,507)	13,551
Inventories	107,487	648,224
Borrowings – related parties	3,206	93,956
Taxes to offset	(80,760)	210,739
Judicial deposits	(29,843)	22,746
Trade payables	(248,646)	(202,903)
Trade payables – Drawee Risk	423,359	193,134
Payroll and related taxes	57,210	(65,056)
Taxes/Refis	(299,037)	51,037
Accounts payable – related parties	3,280	25,494
Iron Ore customer advances	797,692	(121,136)
Other	(184,355)	(25,699)
<b>Other Payments and Receipts</b>	<b>(605,954)</b>	<b>(419,560)</b>
Interest paid	(605,954)	(419,560)
<b>Cash Flow from Investing Activities</b>	<b>(688,105)</b>	<b>(919,840)</b>
Acquisition of intangible assets	(388)	(990)
Investments/Future Advance for capital increase	(56,226)	(153,606)
Acquisition of fixed assets and investment property	(602,800)	(837,554)
Receipt / (payment) in derivative transactions	-	142
Loans granted – related parties	(14,338)	-
Loans received - related parties	3,590	3,237
Financial application, net of redemption	(17,943)	90,276
Cash used to acquire a stake in CBSI	-	(21,345)
<b>Cash Flow from Financing Activities</b>	<b>(1,396,351)</b>	<b>(999,075)</b>
Loans and financing raised	1,837,532	492,789
Loan amortizations - principal	(2,535,622)	(1,340,202)
Borrowing costs	(6,019)	(15,289)
Lease amortizations	(22,243)	(37,258)
Dividends paid	(669,999)	(99,115)
<b>Exchange Rate Variation on Cash and Cash Equivalents</b>	<b>(10,123)</b>	<b>497</b>
<b>Cash Flow</b>	<b>(258,767)</b>	<b>(806,908)</b>