

São Paulo, May 8, 2019

## Results for the First Quarter of 2019

Companhia Siderúrgica Nacional (CSN) (BM&FBOVESPA: CSNA3) (NYSE: SID) **announces today its consolidated results for the first quarter of 2019 (1Q19)**, 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 norms, 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 first quarter of 2019 (1Q19) and comparisons refer to the fourth quarter of 2018 (4Q18) and the first quarter of 2018 (1Q18), unless otherwise stated. The real/U.S. dollar exchange rate was R\$3.8967 on 3/30/2019 and R\$3.8748 on 12/31/2018.

### Operating and Financial Highlights

- **Adjusted EBITDA totaled R\$1,724MM**, up 39% over 1Q18 and 11% over 4Q18. The EBITDA margin increased 4.2p.p., to 27.7%, fueled by the strong mining performance.
- **Mining EBITDA reached R\$1,259MM**, 51% more than in 4Q18, with an increase of around 68% in EBITDA/ton in the segment, thanks to better realized prices.
- **4% growth in the volume of steel sales** in the domestic market in relation to 1Q18, with maintenance of the level of coated products.
- **The leverage ratio fell 0.48x**, from 4.55x in 4Q18 to 4.07x, thanks to higher EBITDA and lower debt.

| Highlights                                      | 1Q18         | 4Q18         | 1Q19         | Change      |              |
|---|--------------|--------------|--------------|-------------|--------------|
|   |              |              |              | 1Q19 x 1Q18 | 1Q19 x 4Q18  |
| <b>Steel sales (thousand t)</b>                 | <b>1,277</b> | <b>1,181</b> | <b>1,175</b> | <b>(8%)</b> | <b>(0%)</b>  |
| - Domestic market                               | 782          | 835          | 811          | 4%          | (3%)         |
| - Subsidiaries abroad                           | 436          | 299          | 340          | (22%)       | 14%          |
| - Exports                                       | 60           | 46           | 24           | (60%)       | (48%)        |
| <b>Iron ore sales (thousand t)</b>              | <b>7,474</b> | <b>9,889</b> | <b>8,859</b> | <b>19%</b>  | <b>(10%)</b> |
| - Domestic market                               | 1,309        | 1,366        | 1,169        | (11%)       | (14%)        |
| - Exports                                       | 6,165        | 8,523        | 7,690        | 25%         | (10%)        |
| <b>Consolidated results (R\$ million)</b>       |              |              |              |             |              |
| Net revenue                                     | 5,066        | 6,051        | 6,005        | 19%         | (1%)         |
| Gross profit                                    | 1,381        | 2,052        | 1,984        | 44%         | (3%)         |
| Adjusted EBITDA <sup>1</sup>                    | 1,242        | 1,560        | 1,724        | 39%         | 11%          |
| Adjusted net debt <sup>2</sup>                  | 26,508       | 26,616       | 25,772       | (3%)        | (3%)         |
| Adjusted cash and cash equivalents <sup>2</sup> | 3,070        | 3,274        | 3,601        | 17%         | 10%          |
| Net debt/adjusted EBITDA                        | 5.82x        | 4.55x        | 4.07x        | -1.75x      | -0.48x       |

<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. It includes the Company's stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI.

<sup>2</sup>Adjusted net debt and the adjusted cash position include the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBS excluding Forfeiting and drawee risk operations.

## CSN's Consolidated Results

- **Net revenue** totaled R\$6,005 million in **1Q19**, up 19% over 1Q18 and down 1% from 4Q18. It remained in line with 4Q18, thanks to the improvement in the performance of the mining operations and steel seasonality.
- In **1Q19**, the **cost of goods sold** totaled R\$4,021 million, 9% more than in 1Q18 and 0.5% higher than in 4Q18. Compared to 4Q18, we saw an increase in slab costs in the Steel segment, due the end of blast furnace number 3 campaign, while mining showed a decrease in the COGS due to the lower sales volume.
- **Gross profit** stood at R\$1,984 million in **1Q19**, 3% less than in 4Q18. The gross margin fell 0.9p.p. from 4Q18, to 33% in 1Q19, due to an increase in steel costs, partially offset by the mining performance.
- **General and administrative expenses** totaled R\$120 million, with a **dilution from 2.1% (1Q18) to 2.0% (1Q19)** of net revenue. **Selling expenses** amounted to R\$573 million, or 9.5% of net revenue, **0.5p.p. more** than in 1Q18 (9.0% of net revenue), due to the greater proportion of the transoceanic freight of iron ore in the CIF modality.
- **Net other income (expenses)** was an expense of R\$135 million in 1Q19, mainly driven by the recognition of the hedge accounting result and other expenses, partially offset by the appreciation of Usiminas shares.
- The **net financial result** was an expense of R\$635 million in **1Q19**. **Financial expenses (ex-exchange variation)** edged up to **R\$633 million**, as a result of the non-recurring increase in other financial expenses related to new issue, partially offset by a decline in the cost of debt.

| Financial Result (R\$ million)                  | 1Q18         | 4Q18       | 1Q19         |
|---|--------------|------------|--------------|
| <b>Financial result – IFRS</b>                  | <b>(594)</b> | <b>510</b> | <b>(635)</b> |
| Financial revenue                               | 43           | 884        | 111          |
| Financial expenses                              | (637)        | (374)      | (746)        |
| Financial expenses (ex-exchange rate variation) | (523)        | (589)      | (633)        |
| Result with exchange rate variation             | (113)        | 215        | (114)        |
| Monetary and exchange rate variation            | (138)        | 535        | (126)        |
| Hedge accounting                                | 24           | (319)      | 12           |
| Derivative result                               | 1            | (1)        | -            |

<sup>1</sup> The financial result includes the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI as of December 2015.

- CSN's **share of profit of investees** was a positive R\$26 million in **1Q19**, versus a positive R\$25 million in 1Q18, remaining flat as a result of stable results at MRS.

| Share of Profit (Loss) of Investees (R\$ million) | 1Q18      | 4Q18      | 1Q19      | Change      |              |
|---|-----------|-----------|-----------|-------------|--------------|
|   |           |           |           | 1Q19 x 1Q18 | 1Q19 x 4Q18  |
| MRS Logística                                     | 33        | 54        | 43        | 30%         | (20%)        |
| CBSI  | 1         | 1         | 1         | -           | -            |
| TLSA  | (3)       | (4)       | (6)       | 100%        | 50%          |
| Arvedi Metalfer BR                                | 0         | (1)       | -         | -           | -            |
| Eliminations                                      | (6)       | (10)      | (12)      | 100%        | 20%          |
| <b>Share of profit of investees</b>               | <b>25</b> | <b>40</b> | <b>26</b> | <b>4%</b>   | <b>(35%)</b> |

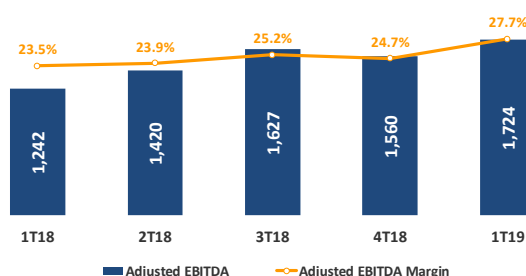
- CSN recorded a **net profit of R\$87 million** in **1Q19**, versus a net profit of R\$1,772 million in 4Q18.

| Adjusted EBITDA (R\$ million)                          | 1Q18         | 4Q18         | 1Q19         | Change       |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  |              |              |              | 1Q19 x 1Q18  | 1Q19 x 4Q18  |
| <b>Net profit (loss) for the period</b>                | <b>1,486</b> | <b>1,772</b> | <b>87</b>    | <b>(94%)</b> | <b>(95%)</b> |
| (-) Depreciation                                       | 305          | 285          | 306          | 0%           | 7%           |
| (+) Income tax and social contribution                 | 559          | 89           | 459          | (18%)        | 416%         |
| (-) Net financial result                               | 594          | (510)        | 635          | 7%           | -            |
| <b>EBITDA (CVM Instruction 527)</b>                    | <b>2,944</b> | <b>1,636</b> | <b>1,487</b> | <b>(49%)</b> | <b>(9%)</b>  |
| (+) Other operating income (expenses)                  | (1,797)      | (188)        | 135          | -            | -            |
| (+) Share of profit (loss) of investees                | (25)         | (40)         | (26)         | 4%           | (35%)        |
| (-) Proportionate EBITDA of jointly-owned subsidiaries | 119          | 153          | 127          | 7%           | (17%)        |
| <b>Adjusted EBITDA</b>                                 | <b>1,242</b> | <b>1,560</b> | <b>1,724</b> | <b>39%</b>   | <b>11%</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 amounted to R\$1,724 million in **1Q19**, versus R\$1,242 million in 1Q18, due to an increase in the share of mining, while the adjusted EBITDA margin was 27.7%, 4.2p.p. higher year on year.

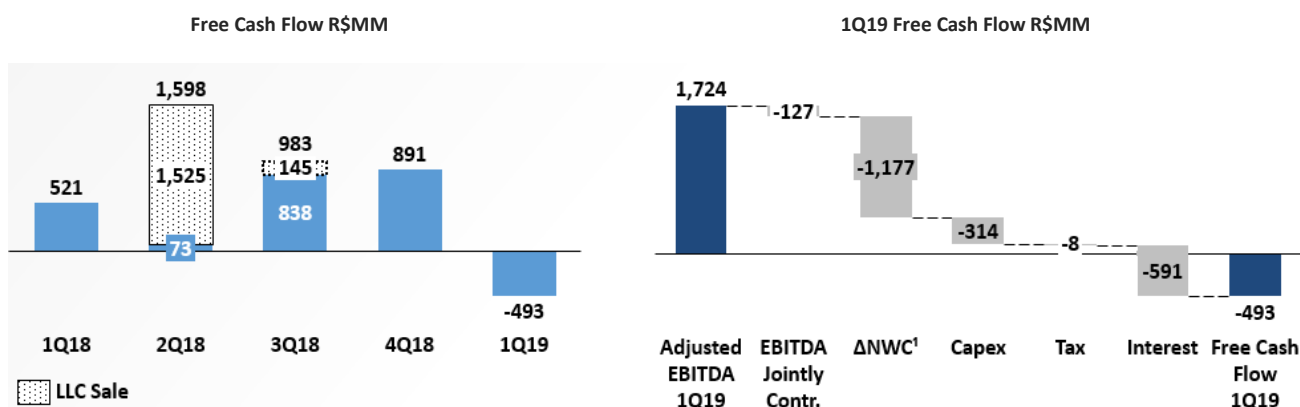
#### Adjusted EBITDA (R\$ MM) and Adjusted EBITDA Margin (%)



<sup>1</sup>The adjusted EBITDA margin is calculated as the ratio between adjusted EBITDA and adjusted net revenue, considering the stakes of 100% in CSN Mineração, 37.27% in MRS and 50% in CBSI as of December 2015.

### Free Cash Flow

Operating cash flow, as measured by free cash flow, was negative by R\$493 million, influenced by the temporary increase in working capital in the steel and mining sectors, to be reversed in the coming quarters.

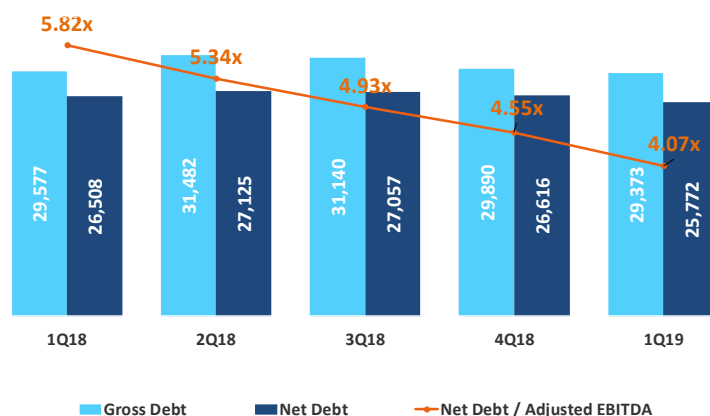


<sup>1</sup>Our working capital includes changes in net current capital, excluding the impacts of the exchange rate variation and an advance from our customer Glencore.

## Debt

On 3/30/2019, consolidated net debt totaled R\$25,772 million, while the net debt/EBITDA ratio, calculated based on LTM adjusted EBITDA, stood at 4.09x, 1.73x less than in 1Q18.

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



## Foreign Exchange Exposure

The net FX exposure + perpetual bond of our consolidated balance sheet on 3/30/2019 was US\$726 million, as shown in the table below. It should be noted that the 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 booked under shareholders' equity, being recorded in the income statement when dollar revenues from exports are received.

| Foreign Exchange Exposure<br>(in thousands of U.S. dollars)     | 3/31/2018      | 12/31/2018     | 3/30/2019      |
|---|----------------|----------------|----------------|
|   | IFRS           | IFRS           | IFRS           |
| Cash  | 244            | 377            | 99             |
| Accounts receivable   | 322            | 358            | 486            |
| Other   | 4              | 9              | 7              |
| <b>Total assets</b>   | <b>571</b>     | <b>743</b>     | <b>593</b>     |
| Loans and financing   | (4,236)        | (4,117)        | (4,053)        |
| Trade payables  | (175)          | (175)          | (125)          |
| Other payables  | (5)            | (4)            | (3)            |
| <b>Total liabilities</b>  | <b>(4,417)</b> | <b>(4,295)</b> | <b>(4,181)</b> |
| <b>Natural foreign exchange exposure (assets - liabilities)</b> | <b>(3,846)</b> | <b>(3,552)</b> | <b>(3,589)</b> |
| Derivatives, net  | -              | -              | -              |
| Cash flow hedge accounting                                      | 1,307          | 2,076          | 1,862          |
| <b>Net foreign exchange exposure</b>                            | <b>(2,539)</b> | <b>(1,476)</b> | <b>(1,726)</b> |
| Perpetual bond  | 1,000          | 1,000          | 1,000          |
| <b>Net foreign exchange exposure excluding perpetual bond</b>   | <b>(1,539)</b> | <b>(476)</b>   | <b>(726)</b>   |

## Investments

Investments totaled R\$313 million in **1Q19**, moving up 40% over 1Q18, due to investments related to scheduled stoppage of blast furnace number 3 in the steel segment and the tailings filtering plants in the mining segment, which will enable efficiency gains in steel production and 100% processing of the production without the need to use dams in the end of 2019.

| Investments (R\$ million)       | 1Q18       | 4Q18       | 1Q19       | 2017         | 2018         |
|---------------------------------|------------|------------|------------|--------------|--------------|
| Steel                           | 65         | 271        | 160        | 481          | 637          |
| Mining                          | 116        | 174        | 118        | 378          | 505          |
| Cement                          | 23         | 30         | 14         | 118          | 79           |
| Logistics                       | 18         | 26         | 17         | 76           | 84           |
| Other                           | 2          | 5          | 4          | 12           | 12           |
| <b>Total investments - IFRS</b> | <b>223</b> | <b>507</b> | <b>313</b> | <b>1,065</b> | <b>1,319</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, which are not part of the cash conversion cycle, and will later be booked under property, plant and equipment;
- Prepaid taxes: composed only of the portion of income tax and social contribution included in recoverable taxes;
- Taxes payable: composed of taxes payable under current liabilities plus taxes in installments;
- Advances from customers: sub-account of other liabilities recorded under current liabilities; and
- Suppliers: Includes Drawee Risk

Accordingly, working capital invested in the business **totaled R\$3,344 million in 1Q19, an increase of R\$967MM** in relation to **4Q18**, due to temporary increases in inventories and accounts receivable. Specifically, Blast Furnace #3 shutdown increased the slab inventory in anticipation of the period of lower production, while the growth in accounts receivable was due to iron ore sales concentrated at the end of the period, aiming to obtain better realized prices.

| Working Capital (R\$ million) | 1Q18         | 4Q18         | 1Q19         | Change       |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
|                               |              |              |              | 1Q19 x 1Q18  | 1Q19 x 4Q18  |
| <b>Assets</b>                 | <b>6,252</b> | <b>6,480</b> | <b>7,797</b> | <b>1,544</b> | <b>1,317</b> |
| Accounts receivable           | 2,146        | 2,078        | 2,835        | 689          | 757          |
| Inventories                   | 4,064        | 4,393        | 4,952        | 888          | 559          |
| Prepaid taxes                 | 42           | 9            | 9            | (33)         | (0)          |
| <b>Liabilities</b>            | <b>3,869</b> | <b>4,103</b> | <b>4,452</b> | <b>584</b>   | <b>349</b>   |
| Trade payables                | 3,253        | 3,445        | 3,529        | 276          | 84           |
| Payroll and related taxes     | 233          | 248          | 262          | 29           | 14           |
| Taxes payable                 | 288          | 272          | 555          | 268          | 283          |
| Advances from customers       | 95           | 137          | 106          | 11           | (31)         |
| <b>Working capital</b>        | <b>2,383</b> | <b>2,377</b> | <b>3,344</b> | <b>961</b>   | <b>967</b>   |

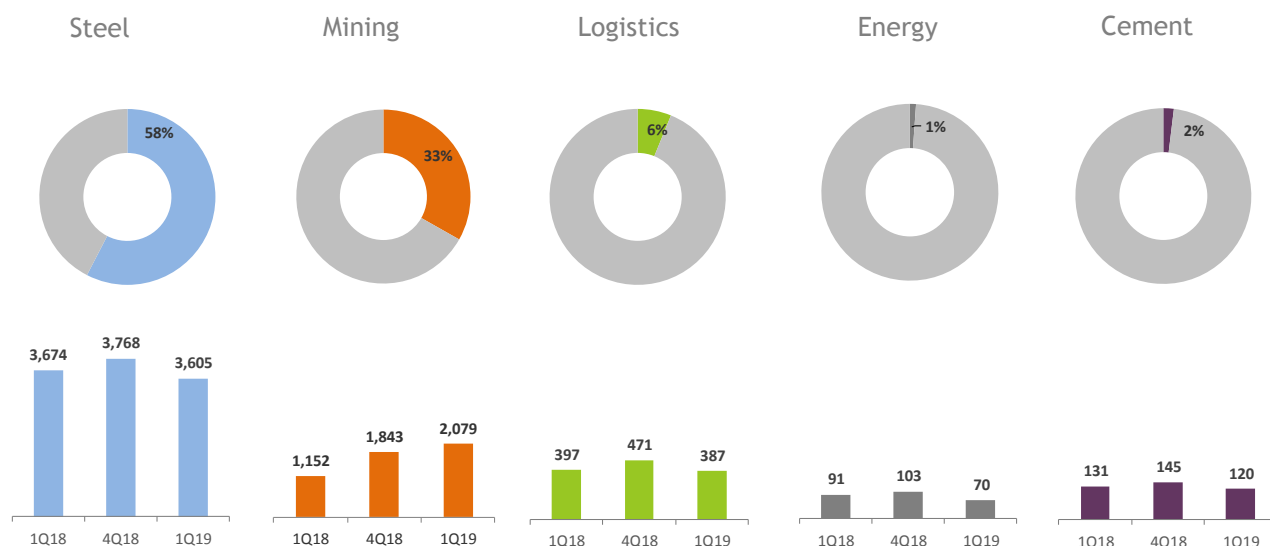
| Average Term (days)    | 1Q18      | 4Q18      | 1Q19      | Change      |             |
|------------------------|-----------|-----------|-----------|-------------|-------------|
|                        |           |           |           | 1Q19 x 1Q18 | 1Q19 x 4Q18 |
| Amounts received       | 33        | 27        | 37        | 4           | 10          |
| Amounts paid           | 79        | 78        | 79        | -           | 1           |
| Inventories            | 99        | 99        | 111       | 12          | 12          |
| <b>Financial cycle</b> | <b>53</b> | <b>48</b> | <b>69</b> | <b>16</b>   | <b>21</b>   |

## Results by Segment

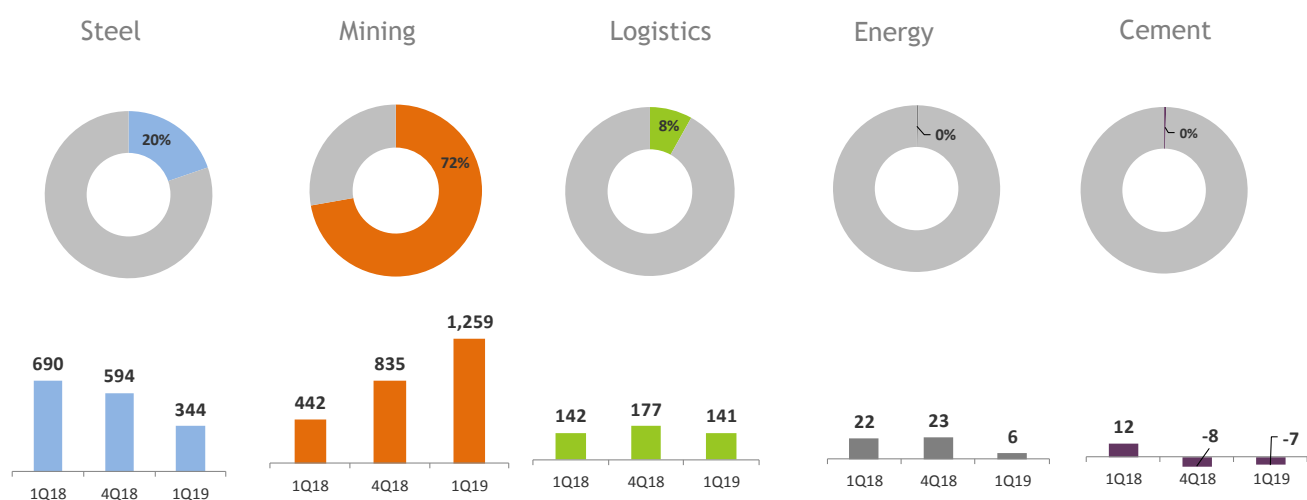
The Company maintains integrated operations in five business segments: Steel, Mining, Logistics, Energy and Cement. The main assets and/or companies comprising each segment are presented below:

| STEEL   | MINING  | LOGISTICS   | ENERGY   | CEMENT  |
|---|---|---|--|---|
|    |  |  |  |  |
| Usina Presidente Vargas<br>Porto Real<br>Paraná<br>Lusosider<br>Prada (Distribution and Packaging)<br>Long Steel (UPV)<br>SWT | Casa de Pedra<br>Tecar<br>Engenho<br>Pires<br>Fernandinho<br>ERSA                 | Railways: MRS and FTL<br>Port: Sepetiba Tecon                                     | CSN Energia<br>Itasa   | Volta Redonda<br>Arcos  |

### Net Revenue by Segment – 1Q19 (R\$ million)



### Adjusted EBITDA by Segment – 1Q19 (R\$ million)



| 1Q19 Result  | Steel          | Mining       | Port logistics | Railway logistics | Energy      | Cement       | Corporate expenses/elimination | Consolidated   |
|--|----------------|--------------|----------------|-------------------|-------------|--------------|--------------------------------|----------------|
| (R\$ million)                                      |                |              |                |                   |             |              |                                |                |
| <b>Net revenue</b>                                 | <b>3,605</b>   | <b>2,079</b> | <b>52</b>      | <b>335</b>        | <b>70</b>   | <b>120</b>   | <b>(255)</b>                   | <b>6,005</b>   |
| Domestic market                                    | 2,567          | 245          | 52             | 335               | 70          | 120          | (629)                          | 2,760          |
| Foreign market                                     | 1,038          | 1,834        | -              | -                 | -           | -            | 374                            | 3,245          |
| <b>COGS</b>  | <b>(3,222)</b> | <b>(870)</b> | <b>(47)</b>    | <b>(261)</b>      | <b>(61)</b> | <b>(138)</b> | <b>577</b>                     | <b>(4,021)</b> |
| <b>Gross profit</b>                                | <b>383</b>     | <b>1,209</b> | <b>5</b>       | <b>74</b>         | <b>9</b>    | <b>(18)</b>  | <b>322</b>                     | <b>1,984</b>   |
| SG&A   | (197)          | (42)         | (9)            | (27)              | (7)         | (21)         | (390)                          | (694)          |
| Depreciation                                       | 157            | 92           | 7              | 92                | 4           | 32           | (79)                           | 306            |
| Proportionate EBITDA of jointly-owned subsidiaries | -              | -            | -              | -                 | -           | -            | 127                            | 127            |
| <b>Adjusted EBITDA</b>                             | <b>344</b>     | <b>1,259</b> | <b>3</b>       | <b>138</b>        | <b>6</b>    | <b>(7)</b>   | <b>(19)</b>                    | <b>1,724</b>   |

| 4Q18 Result  | Steel          | Mining         | Port logistics | Railway logistics | Energy      | Cement       | Corporate expenses/elimination | Consolidated   |
|--|----------------|----------------|----------------|-------------------|-------------|--------------|--------------------------------|----------------|
| (R\$ million)                                      |                |                |                |                   |             |              |                                |                |
| <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            |
| Proportionate 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>   |

| 1Q18 Result  | Steel          | Mining       | Port logistics | Railway logistics | Energy      | Cement       | Corporate expenses/elimination | Consolidated   |
|--|----------------|--------------|----------------|-------------------|-------------|--------------|--------------------------------|----------------|
| (R\$ million)                                      |                |              |                |                   |             |              |                                |                |
| <b>Net revenue</b>                                 | <b>3,674</b>   | <b>1,152</b> | <b>66</b>      | <b>331</b>        | <b>91</b>   | <b>131</b>   | <b>(378)</b>                   | <b>5,066</b>   |
| Domestic market                                    | 2,291          | 219          | 66             | 331               | 91          | 131          | (612)                          | 2,515          |
| Foreign market                                     | 1,384          | 933          | -              | -                 | -           | -            | 234                            | 2,551          |
| <b>COGS</b>  | <b>(2,900)</b> | <b>(795)</b> | <b>(46)</b>    | <b>(244)</b>      | <b>(66)</b> | <b>(125)</b> | <b>493</b>                     | <b>(3,685)</b> |
| <b>Gross profit</b>                                | <b>774</b>     | <b>356</b>   | <b>20</b>      | <b>87</b>         | <b>24</b>   | <b>5</b>     | <b>115</b>                     | <b>1,381</b>   |
| SG&A   | (234)          | (21)         | (10)           | (23)              | (7)         | (20)         | (249)                          | (564)          |
| Depreciation                                       | 150            | 106          | 4              | 65                | 4           | 27           | (51)                           | 305            |
| Proportionate EBITDA of jointly-owned subsidiaries | -              | -            | -              | -                 | -           | -            | 119                            | 119            |
| <b>Adjusted EBITDA</b>                             | <b>690</b>     | <b>442</b>   | <b>14</b>      | <b>128</b>        | <b>22</b>   | <b>12</b>    | <b>(66)</b>                    | <b>1,242</b>   |

## CSN's Steel Results

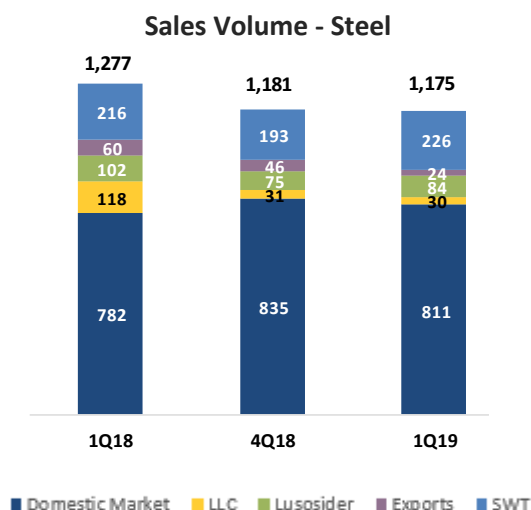
According to the World Steel Association (WSA), global crude steel production totaled 444.1 million tons (Mton) in 1Q19, 4.5% more than in 1Q18. Asia produced 312.9 Mton in 1Q19, 7.0% more than in 1Q18, while output in the European Union fell 2.0% and production in North America declined 4.0% in the same period.

According to the Brazilian Steel Institute (IABr), domestic sales totaled 2.8 million tons in the first two months of 2019, down 0.7% less from the same period last year. Apparent consumption reached 3.2 million tons in the same period, a 1.2% year-on-year decline. Brazilian crude steel production reached 5.6 million tons, a 0.5% increase over the first two months of 2018.

- CSN's **slab production** reached 830,000 tons in **1Q19**, down 18% from 4Q18, due to higher maintenance shutdowns associated with the end of the Blast Furnace #3 campaign, and other reforms scheduled for the next quarter. In this period, CSN acquired 200,000 tons of slabs from third parties to maintain production of rolled products stable in 1Q19.

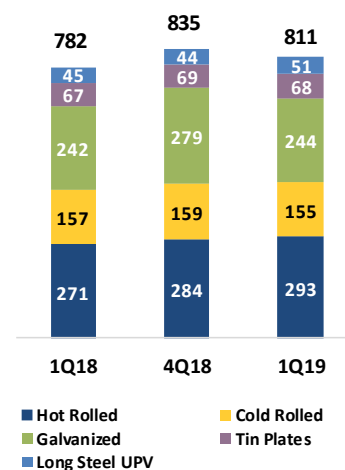
| Steel Production<br>(in thousands of tons)                     | 1Q18       | 4Q18       | 1Q19       | 1Q19 x 1Q18 | Change<br>1Q19 x 4Q18 |
|--|------------|------------|------------|-------------|-----------------------|
| Total slabs (UPV - President Vargas Steelwork + third parties) | 1,050      | 1,021      | 1,030      | (2%)        | 1%                    |
| Slab production  | 1,050      | 1,013      | 830        | (21%)       | (18%)                 |
| Third-party slabs  | 0          | 8          | 200        | -           | 2,339%                |
| <b>Total flat rolled products</b>                              | <b>978</b> | <b>927</b> | <b>927</b> | <b>(5%)</b> | <b>(0%)</b>           |
| <b>Total long rolled products</b>                              | <b>40</b>  | <b>53</b>  | <b>51</b>  | <b>28%</b>  | <b>(3%)</b>           |

- In **1Q19**, total sales reached **1,175,000** tons, in line with 4Q18, due to the delay in the economic recovery observed in the first months of the year.



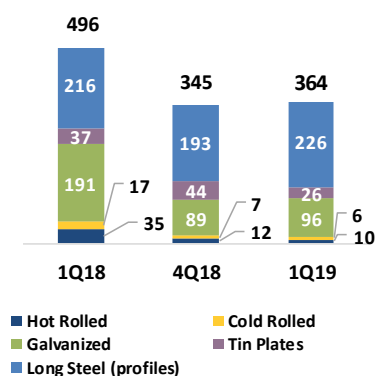
- In **1Q19**, CSN's **domestic steel** sales came to 811,000 tons, 3% lower than in 4Q18, due to seasonality. According to the National Institute of Steel Distributors (INDA), distribution purchases increased 1.2% in 1Q19 over 1Q18. Imports closed 1Q19 at 305,900 tons, up 1.1% over 1Q18.

**Sales Volume by Product  
Domestic Market**



- Foreign** steel sales amounted to 364,000 tons in **1Q19**, up 5% over 4Q18, and the comparison as 1Q18 is impaired by the sale of the plant in Terra Haute. In this period, 24,000 tons were exported directly and 340,000 tons were sold by foreign subsidiaries, of which 30,000 tons by LLC, 226,000 tons by SWT and 84,000 tons by Lusosider.

**Sales Volume by Product  
Foreign Market**



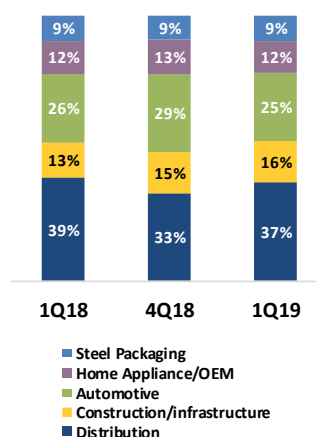
- In **1Q19**, CSN maintained a high **share of coated products** as a percentage of total sales volume, following the strategy of adding more value to its product mix. Sales of coated products, such as galvanized items and tin plates, accounted for 48% of flat steel sales, considering all the markets in which the Company operates. In the **foreign market**, the share of coated products in flat steel sales remained stable at 89% in 1Q19.

According to ANFAVEA (National Association of Automobile Manufacturers), the production of automobiles, light commercial vehicles, trucks and buses reached 695,730,000 units in the first quarter of 2019, a decline of 0.58% from 1Q18 and an increase of 1.50% over 4Q18. Exports showed a weaker performance, with 104,562,000 vehicles sold, a decrease of 42% versus 1Q18. Anfavea expects vehicle production to grow 9.0%, to 3.14 million units, in 2019.

According to ABRAMAT (the Construction Material Manufacturers' Association), sales of building materials grew 2.9% in March 2019 over the same month in 2018. The association maintains its expectation that sales of building materials will grow 2.0% in 2019.

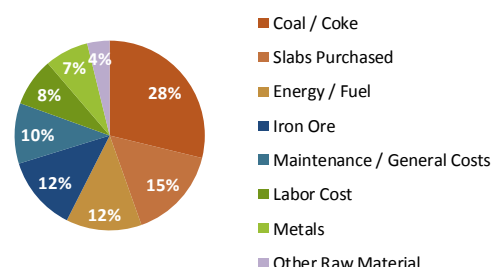
According to IBGE (Brazilian Institute of Geography and Statistics), home appliance production moved up 1.5% in the twelve months ended February 2019 compared to the same period last year.

**Sales by Market Segment**  
**1Q18/4Q18/1Q19**



- Net revenue** from steel operations reached R\$3,605 million in **1Q19**, 4% lower than in **4Q18**. This was due to the reflection of seasonality, as well as the delay in economic recovery. In the domestic market, average steel prices fell 3% compared to the previous quarter.
- In **1Q19**, the **cost of goods sold** increased 5.3% over 4Q18, to R\$3,222 million, mainly due to lower productivity of blast furnace number 3.
- Slab production cost** reached R\$2,061/t in **1Q19**, 14% higher than in 4Q18, fueled by higher spending on iron ore, driven by a sharp price increase and the scheduled stoppage of blast furnace number 3, which reduced slab production.

**1Q19 Production Cost**



- Adjusted EBITDA** totaled R\$344 million in **1Q19**, 41% lower than in 4Q18, driving the EBITDA margin to 9.5% in 1Q19. The efficiency gains expected after the scheduled stoppage of blast furnace number 3 should be felt partially as of 3Q19 and fully as of 4Q19, taking the profitability of the business unit to its historical standard.

## CSN's Mining Results

In 1Q19, there was a significant reduction in the transoceanic supply of iron ore, addition to the maintenance of the strong growth of the Chinese economy and robust demand in the infrastructure and civil construction sectors had a positive impact on steel production, reflecting higher raw material prices. In this context, the commodity's price averaged US\$82.70/dmt (Platts, Fe62%, N. China) in 1Q19, up 15.5% over the previous quarter.

In regard to maritime freight, the BCI-C3 (Tubarão-Qingdao) route recorded an average of US\$13.94/wmt in 1Q19, a decline of 24% compared to the prior quarter mainly driven by lower demand for ships in the period, as a result of a reduction in the supply of ore.

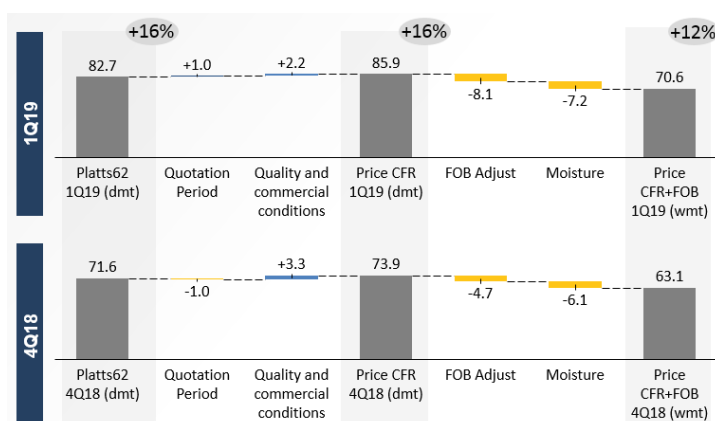
- In **1Q19**, CSN's **iron ore production** totaled 8.2 million tons, up 34% higher year on year, due to the removal of bottlenecks from the start of filtration operations. **Iron ore purchases** reached 1,530,000 tons in **1Q19**, up 3% over 1Q18.
- CSN **sold** 8.9 million tons of iron ore in **1Q19**, 19% more than in 1Q18, with 1.2 million tons sold to the Presidente Vargas Steelworks and the remaining volume sold in Asia and Europe.

| Mining Production Volume and Sales<br>(in thousands of tons) | 1Q18         | 4Q18         | 1Q19         | Change      |              |
|--|--------------|--------------|--------------|-------------|--------------|
|  |              |              |              | 1Q19 x 1Q18 | 1Q19 x 4Q18  |
| Iron ore production  | 6,129        | 7,382        | 8,190        | 34%         | 11%          |
| Iron ore purchased from third parties                        | 1,487        | 2,478        | 1,530        | 3%          | (38%)        |
| <b>Total production + purchases</b>                          | <b>7,616</b> | <b>9,860</b> | <b>9,719</b> | <b>28%</b>  | <b>(1%)</b>  |
| Sales to UPV   | 1,309        | 1,366        | 1,169        | (11%)       | (14%)        |
| Volume sold to third parties                                 | 6,165        | 8,523        | 7,690        | 25%         | (10%)        |
| <b>Total sales</b>   | <b>7,474</b> | <b>9,889</b> | <b>8,859</b> | <b>19%</b>  | <b>(10%)</b> |

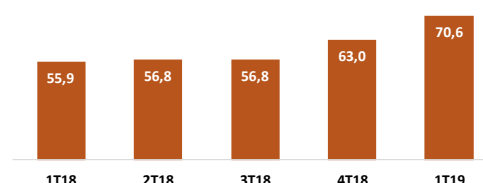
Production and sales volumes include our 100% stake in CSN Mineração.

- In **1Q19**, **net revenue** from mining reached R\$2,079 million, **13%** higher than in the previous quarter, fueled by a 12% upturn in realized prices. The Platts 62 index reached **US\$82.70/dmt**, up 16% in the quarter, while the CIF + FOB realized price stood at **US\$70.6/wmt**, up 12% over the previous period.

**Build-up Realized Price**  
**4Q18x1Q19**



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



- The **cost of goods sold** in the Mining segment came to R\$870 million in **1Q19**, down 17% from 4Q18, due to an increase in iron ore production and a decline in purchases of ore from third parties.

- The **EBITDA margin** reached **61% in 1Q19, up 15.2p.p. over 4Q18**, while **EBITDA** came to **R\$1,259 million in 1Q19**, up 51% over 4Q18, due to the higher price, the higher proportion of own production and lower costs, leading to a substantial increase in EBITDA/ton.

### CSN's Logistics Results

**Railway Logistics:** **Net revenue** stood at R\$335 million in **1Q19**, generating **EBITDA** of R\$138 million, accompanied by an **EBITDA margin** of 41%.

**Port Logistics:** Sepetiba Tecon shipped 162,000 tons of steel products and 1,000 tons of general cargo, in addition to handling around 43,000 containers and 56,000 tons of bulk cargo in **1Q19**. **Net revenue** reached R\$52 million, generating **EBITDA** of R\$3 million, with an **EBITDA margin** of 6%.

| Sepetiba TECON Highlights            | 1Q18 | 4Q18 | 1Q19 | Change |   |      |       |   |      |
|--------------------------------------|------|------|------|--------|---|------|-------|---|------|
|                                      |      |      |      | 1Q19   | x | 1Q18 | 1Q19  | x | 4Q18 |
| Container volume (thousand units)    | 65   | 63   | 43   | (33%)  |   |      | (32%) |   |      |
| Steel volume (thousand tons)         | 219  | 162  | 162  | (26%)  |   |      | 0%    |   |      |
| General cargo volume (thousand tons) | 31   | 19   | 1    | (98%)  |   |      | (96%) |   |      |
| Bulk volume (thousand tons)          |      |      | 56   | -      |   |      | -     |   |      |

### CSN's Energy Results

According to EPE (Energy Research Company), electricity consumption in Brazil increased 4.6% in February 2019 compared to the same month last year. Electricity consumption fell 2.1% in the industrial segment, but grew a substantial 9.2% and 7.2%, respectively, in the residential and commercial segments.

In **1Q19**, **net revenue** from energy operations totaled R\$70 million, **EBITDA** stood at R\$6 million and the **EBITDA margin** was 9%.

### CSN's Cement Results

In the first three months of 2019, domestic cement sales totaled 12.7 million, according to preliminary date of SNIC (National Cement Industry Association). This amount represents a 1.3% increase over the same period in 2018. Also according to SNIC (National Cement Industry Association), the 1Q19 sales result was slightly above estimates, supporting an optimistic scenario with projected growth of 3% for 2019.

In **1Q19**, CSN's **cement sales** declined 7% compared to the same quarter in 2018. **Net revenue** totaled R\$120 million and **EBITDA** was negative by R\$7 million, due to reduced sales volume and lower dilution of fixed costs.

## Capital Market

CSN's shares appreciated 76.44% in **1Q19**, while the IBOVESPA moved up 11.78%. Daily traded volume (CSNA3) on B3 averaged R\$192 million. On the New York Stock Exchange (NYSE), CSN's American Depositary Receipts (ADRs) appreciated 69.14%, while the Dow Jones climbed 11.06%. On the NYSE, daily traded volume of CSN's ADRs (SID) averaged US\$15.4 million.

|  | 4Q18             | 1Q19             |
|--|------------------|------------------|
| <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)                                      | 8.84             | 16.25            |
| Closing price (US\$/ADR)                                       | 2.23             | 4.11             |
| Market cap (R\$ million)                                       | 12,265           | 20,841           |
| Market cap (US\$ million)                                      | 3,094            | 5,314            |
| <b>Total return including dividends and interest on equity</b> |                  |                  |
| CSNA3  | (5.05%)          | 76.44%           |
| SID  | (2.19%)          | 69.14%           |
| Ibovespa   | 11.78%           | 4.84%            |
| Dow Jones  | (13.47%)         | 11.06%           |
| <b>Volume</b>  |                  |                  |
| Daily average (thousand shares)                                | 8,042            | 15,184           |
| Daily average (R\$ thousand)                                   | 74,976           | 191,925          |
| Daily average (thousand ADRs)                                  | 1,958            | 4,473            |
| Daily average (US\$ thousand)                                  | 4,764            | 15,417           |

Source: Bloomberg

| Webcast - 1Q19 Earnings Presentation  | Investor Relations Team  |
|---|--|
| <b>Conference Call in Portuguese with Simultaneous Translation into English</b> | CFO and IRO – Marcelo Cunha Ribeiro  |
| <b>May 9, 2019</b>  | Leo Shinohara ( <a href="mailto:leonardo.shinohara@csn.com.br">leonardo.shinohara@csn.com.br</a> ) |
| 11:00 a.m. (Brasília time)  | José Henrique Triques ( <a href="mailto:jose.triques@csn.com.br">jose.triques@csn.com.br</a> )     |
| 10:00 a.m. (New York time)  | Bruno Souza ( <a href="mailto:bruno.souza@csn.com.br">bruno.souza@csn.com.br</a> )                 |
| Phone: +1 929 378-3440/ +1 516 300-1066   | Eduardo Ito ( <a href="mailto:eduardo.ito@csn.com.br">eduardo.ito@csn.com.br</a> )                 |
| Code: CSN   |  |
| Replay phone: +55 11 3127-4999  |  |
| Replay Code: 16148087   |  |
| Webcast: <a href="#">click here</a>   |  |

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)**

|                              | 1Q18         | 4Q18         | 1Q19         | Change       |             |
|------------------------------|--------------|--------------|--------------|--------------|-------------|
|                              |              |              |              | 1Q19 x 1Q18  | 1Q19 x 4Q18 |
| <b>Flat steel</b>            | <b>737</b>   | <b>791</b>   | <b>760</b>   | <b>23</b>    | <b>(31)</b> |
| Slab                         | -            | (0)          | -            | -            | -           |
| Hot rolled                   | 271          | 284          | 293          | 22           | 9           |
| Cold rolled                  | 157          | 159          | 155          | (2)          | (4)         |
| Galvanized                   | 242          | 279          | 244          | 2            | (35)        |
| Tin plates                   | 67           | 69           | 68           | 1            | (1)         |
| <b>UPV long steel</b>        | <b>45</b>    | <b>44</b>    | <b>51</b>    | <b>6</b>     | <b>7</b>    |
| <b>DOMESTIC MARKET</b>       | <b>782</b>   | <b>835</b>   | <b>811</b>   | <b>29</b>    | <b>(24)</b> |
|                              |              |              |              |              |             |
|                              | 1Q18         | 4Q18         | 1Q19         | 1Q19 x 1Q18  | 1Q19 x 4Q18 |
| <b>Flat steel</b>            | <b>280</b>   | <b>152</b>   | <b>137</b>   | <b>(143)</b> | <b>(15)</b> |
| Hot rolled                   | 35           | 12           | 10           | (25)         | (2)         |
| Cold rolled                  | 17           | 7            | 6            | (11)         | (1)         |
| Galvanized                   | 191          | 89           | 96           | (95)         | 7           |
| Tin plates                   | 37           | 44           | 26           | (11)         | (18)        |
| <b>Long steel (profiles)</b> | <b>216</b>   | <b>193</b>   | <b>226</b>   | <b>10</b>    | <b>33</b>   |
| <b>FOREIGN MARKET</b>        | <b>496</b>   | <b>345</b>   | <b>364</b>   | <b>(132)</b> | <b>19</b>   |
|                              |              |              |              |              |             |
|                              | 1Q18         | 4Q18         | 1Q19         | 1Q19 x 1Q18  | 1Q19 x 4Q18 |
| <b>Flat steel</b>            | <b>1,017</b> | <b>943</b>   | <b>897</b>   | <b>(120)</b> | <b>(46)</b> |
| Slab                         | -            | (0)          | -            | -            | -           |
| Hot rolled                   | 306          | 295          | 303          | (3)          | 8           |
| Cold rolled                  | 174          | 166          | 161          | (13)         | (5)         |
| Galvanized                   | 433          | 368          | 340          | (93)         | (28)        |
| Tin plates                   | 104          | 113          | 94           | (10)         | (19)        |
| <b>UPV long steel</b>        | <b>45</b>    | <b>44</b>    | <b>51</b>    | <b>6</b>     | <b>7</b>    |
| <b>Long steel (profiles)</b> | <b>216</b>   | <b>193</b>   | <b>226</b>   | <b>10</b>    | <b>33</b>   |
| <b>TOTAL MARKET</b>          | <b>1,277</b> | <b>1,181</b> | <b>1,175</b> | <b>(102)</b> | <b>(6)</b>  |

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

|   | <b>1Q18</b>        | <b>4Q18</b>        | <b>1Q19</b>        |
|---|--------------------|--------------------|--------------------|
| <b>Net sales revenue</b>                                | <b>5,065,950</b>   | <b>6,050,932</b>   | <b>6,005,466</b>   |
| Domestic market   | 2,515,270          | 2,968,706          | 2,760,089          |
| Foreign market  | 2,550,680          | 3,082,226          | 3,245,377          |
| <b>Cost of Goods Sold (COGS)</b>                        | <b>(3,684,743)</b> | <b>(3,998,456)</b> | <b>(4,021,495)</b> |
| COGS, excluding depreciation and depletion              | (3,386,399)        | (3,723,023)        | (3,722,830)        |
| Depreciation/depletion allocated to COGS                | (298,344)          | (275,433)          | (298,665)          |
| <b>Gross profit</b>                                     | <b>1,381,207</b>   | <b>2,052,476</b>   | <b>1,983,971</b>   |
| Gross margin (%)  | 27%                | 34%                | 33%                |
| Selling expenses  | (454,860)          | (765,345)          | (572,205)          |
| General and administrative expenses                     | (102,385)          | (154,669)          | (113,959)          |
| Depreciation and amortization allocated to SG&A         | (6,831)            | (9,358)            | (7,501)            |
| Other income (expenses), net                            | 1,796,928          | 188,172            | (135,420)          |
| Share of profit of investees                            | 24,851             | 39,696             | 25,833             |
| <b>Operating income before the financial result</b>     | <b>2,638,910</b>   | <b>1,350,972</b>   | <b>1,180,719</b>   |
| Net financial result                                    | (593,704)          | 510,350            | (635,099)          |
| <b>Income before income tax and social contribution</b> | <b>2,045,206</b>   | <b>1,861,322</b>   | <b>545,620</b>     |
| Income tax and social contribution                      | (558,711)          | (89,085)           | (458,857)          |
| <b>Profit (loss) for the period</b>                     | <b>1,486,495</b>   | <b>1,772,237</b>   | <b>86,763</b>      |

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

|  | 31/12/2018        | 31/03/2019        |
|--|-------------------|-------------------|
| <b>Current assets</b>                                      | <b>12,014,483</b> | <b>13,825,742</b> |
| Cash and cash equivalents                                  | 2,248,004         | 2,702,077         |
| Financial investments                                      | 895,713           | 778,608           |
| Accounts receivable  | 2,078,182         | 2,835,396         |
| Inventories  | 5,039,560         | 5,665,830         |
| Other current assets                                       | 1,753,024         | 1,843,831         |
| <b>Non-current assets</b>                                  | <b>35,313,041</b> | <b>36,126,764</b> |
| Long-term assets   | 4,382,389         | 4,419,990         |
| Investments  | 5,630,613         | 5,791,267         |
| Property, plant and equipment                              | 18,046,864        | 18,682,759        |
| Intangible assets  | 7,253,175         | 7,232,748         |
| <b>TOTAL ASSETS</b>  | <b>47,327,524</b> | <b>49,952,506</b> |
| <b>Current liabilities</b>                                 | <b>11,438,552</b> | <b>12,077,635</b> |
| Payroll and related taxes                                  | 248,185           | 261,717           |
| Trade payables   | 3,408,056         | 3,228,213         |
| Taxes payable  | 251,746           | 535,681           |
| Loans and financing  | 5,653,439         | 5,415,138         |
| Other payables   | 1,770,623         | 2,530,746         |
| Dividends and JCP payable                                  | 932,005           | 932,005           |
| Customer Advance   | 137,418           | 563,002           |
| Payables – Drawee Risk                                     | 65,766            | 300,947           |
| Lease liabilities  |                   | 45,742            |
| Other payables   | 635,434           | 689,050           |
| Provisions for tax, social security, labor and civil risks | 106,503           | 106,140           |
| <b>Non-current liabilities</b>                             | <b>25,875,532</b> | <b>27,624,483</b> |
| Loans, financing and debentures                            | 23,173,635        | 22,887,556        |
| Other payables   | 227,328           | 2,259,172         |
| Customer Advance   |                   | 1,469,166         |
| Lease liabilities  |                   | 587,496           |
| Other payables   | 227,328           | 202,510           |
| Deferred taxes   | 601,731           | 667,907           |
| Provisions for tax, social security, labor and civil risks | 685,953           | 615,371           |
| Other provisions   | 1,186,885         | 1,194,477         |
| <b>Equity</b>  | <b>10,013,440</b> | <b>10,250,388</b> |
| Paid-up capital  | 4,540,000         | 4,540,000         |
| Capital reserve  | 32,720            | 32,720            |
| Profit reserve   | 3,064,827         | 3,064,827         |
| Accumulated earnings (losses)                              |                   | (7,572)           |
| Other comprehensive income                                 | 1,065,188         | 1,215,371         |
| Non-controlling interest                                   | 1,310,705         | 1,405,042         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>47,327,524</b> | <b>49,952,506</b> |

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

|   | 4Q18             | 1Q19             |
|---|------------------|------------------|
| <b>Net cash generated by operating activities</b>                         | <b>609,552</b>   | <b>1,185,970</b> |
| Net income for the period attributable to controlling shareholders        | 1,720,288        | (7,572)          |
| Net income attributable to non-controlling shareholders                   | 51,949           | 94,335           |
| Charges on loans and financing raised                                     | 486,143          | 465,928          |
| Charges on loans and financing granted                                    | (13,540)         | (13,946)         |
| Charges on lease liabilities  |                  | 4,957            |
| Depreciation, depletion and amortization                                  | 310,970          | 328,070          |
| Share of profit (loss) of investees                                       | (39,696)         | (25,833)         |
| Deferred taxes  | (296,999)        | 89,039           |
| Provisions for tax, social security, labor, civil and environmental risks | 5,639            | (69,853)         |
| Monetary and exchange rate variation, net                                 | (97,728)         | 241,297          |
| Write-off of fixed and intangible assets                                  | 8,862            | 13,712           |
| Provision for actuarial liabilities                                       | (20,984)         | -                |
| Adjusted shares - VJR   | (108,548)        | (127,653)        |
| Provisions for decommissioning and environmental liabilities              | 6,252            | 7,592            |
| Monetary correction of compulsory loan to Eletrobrás                      | (21,558)         | (1,715)          |
| Provisions (reversal) for consumption and services                        | 55,726           | 8,853            |
| PIS/COFINS tax credit   | (1,483,424)      | -                |
| Other provisions  | (6,984)          | 10,992           |
| <b>Working capital variation</b>  | <b>487,426</b>   | <b>758,388</b>   |
| Accounts receivable – third parties                                       | (104,539)        | (713,057)        |
| Accounts receivable – related parties                                     | 19,957           | (92,283)         |
| Inventories   | (275,342)        | (653,465)        |
| Borrowings – related parties  | 112,146          | 447              |
| Taxes to offset   | 373,225          | (41,211)         |
| Judicial deposits   | 25,010           | (11,569)         |
| Trade payables  | 509,825          | (170,461)        |
| Trade payables – Drawee Risk  |                  | 235,181          |
| Payroll and related taxes   | (66,521)         | 14,014           |
| Taxes/Refis   | (53,909)         | 282,973          |
| Accounts payable – related parties  | 42,042           | (30,173)         |
| Advance Iron Ore payments   |                  | 1,935,831        |
| Other   | (94,468)         | 2,161            |
| <b>Other payments and receipts</b>  | <b>(434,242)</b> | <b>(590,621)</b> |
| Interest paid   | (434,242)        | (590,621)        |
| <b>Cash flow from investing activities</b>                                | <b>(623,585)</b> | <b>(220,750)</b> |
| Acquisition of intangible assets  | (1,569)          | (49)             |
| Investments/AFAC (Advance for future capital increase)                    | (121,938)        | -                |
| Acquisition of fixed assets   | (507,014)        | (313,530)        |
| Derivative transactions   | -                | (372)            |
| Loans granted - related parties   | -                | (40,643)         |
| Short-term investment, net of redeemed amount                             | -                | 16,796           |
| Financial application, net of redemption                                  | 6,936            | 117,048          |
| <b>Cash flow from financing activities</b>                                | <b>(743,174)</b> | <b>(514,817)</b> |
| Loans and financing raised  | 140,906          | 2,465,845        |
| Loan amortizations - principal  | (877,472)        | (2,939,145)      |
| Borrowing costs   | (6,608)          | (28,810)         |
| Lease amortizations   |                  | (12,707)         |
| <b>Exchange rate variation on cash and cash equivalents</b>               | <b>9,971</b>     | <b>3,670</b>     |
| <b>Free cash flow</b>   | <b>(747,236)</b> | <b>454,073</b>   |