

NATIONAL STEEL CO
Form 6-K
November 30, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of November, 2006

Commission File Number 1-14732

COMPANHIA SIDERÚRGICA NACIONAL
(Exact name of registrant as specified in its charter)

National Steel Company
(Translation of Registrant's name into English)

Av. Brigadeiro Faria Lima 3400, 20º andar
São Paulo, SP, Brazil
04538-132
(Address of principal executive office)

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

Form 20-F Form 40-F

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

Yes No

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

FEDERAL PUBLIC SERVICE**CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION**

Accounting Practices

QUARTERLY INFORMATION

Date: 9/30/2006

Adopted in Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

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

01.01 - IDENTIFICATION

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

01.02 - HEAD OFFICE

1 ADDRESS R. SÃO JOSÉ, 20/ GR. 1602 PARTE		2 DISTRICT CENTRO		
3 ZIP CODE 22010-020	4 CITY RIO DE JANEIRO		5 STATE RJ	
6 AREA CODE 21	7 TELEPHONE 2215-4901	8 TELEPHONE -	9 TELEPHONE -	10 TELEX
11 AREA CODE 21	12 FAX 2215-7140	13 FAX -	14 FAX -	
15 E-MAIL invrel@csn.com.br				

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

1 NAME BENJAMIN STEINBRUCH				
2 ADDRESS AV. BRIGADEIRO FARIA LIMA, 3400 20º ANDAR			3 DISTRICT ITAIM BIBI	
4 ZIP CODE 04538-132	5 CITY SÃO PAULO		6 STATE SP	
7 AREA CODE 011	8 TELEPHONE 3049-7100	9 TELEPHONE -	10 TELEPHONE -	11 TELEX
12 AREA CODE 011	13 FAX 3049-7558	14 FAX 3049-7519	15 FAX -	
16 E-MAIL invrel@csn.com.br				

01.04 - REFERENCE AND AUDITOR INFORMATION

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CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2. END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2006	12/31/2006	3	7/01/2006	9/30/2006	2	4/01/2006	6/30/2006
09 - INDEPENDENT ACCOUNTANT DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES					10 - CVM CODE 00385-9		
11. TECHNICIAN IN CHARGE JOSÉ CARLOS MONTEIRO					12 TECHNICIAN S CPF (INDIVIDUAL TAXPAYER S REGISTER) 443.201.918-20		

01.05 - CAPITAL STOCK

NUMBER OF SHARES (in thousands)	1 CURRENT QUARTER 09/30/2006	2 PREVIOUS QUARTER 06/30/2006	3 SAME QUARTER, PREVIOUS YEAR 09/30/2005
Paid-up Capital			
1 Common	272,068	272,068	272,068
2 Preferred	0	0	0
3 Total	272,068	272,068	272,068
Treasury Stock			
4 Common	14,655	14,655	7,637
5 Preferred	0	0	0
6 Total	14,655	14,655	7,637

01.06 - COMPANY PROFILE

1 TYPE OF COMPANY Commercial, Industry and Other Types of Company
2 STATUS Operational
3 NATURE OF OWNERSHIP Private National
4 ACTIVITY CODE 1060 - Metallurgy and Steel Industry
5 MAIN ACTIVITY Manufacturing, Transf. and Trading of Steel Products
6 CONSOLIDATION TYPE Total
7 TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME
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01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 APPROVAL	4 - TYPE	5 DATE OF PAYMENT	6 TYPE OF SHARE	7 - AMOUNT PER SHARE
01	AGO/E	4/28/2006	Dividend	5/8/2006	Common	0.4967400000
02	AGO/E	4/28/2006	Interest on Own Capital	5/8/2006	Common	1.0077300000
03	RCA	6/23/2006	Dividend	6/30/2006	Common	1.6121900000
04	RCA	8/03/2006	Dividend	8/10/2006	Common	1.2936380000

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

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

1 DATE	2 SIGNATURE
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02.01 - BALANCE SHEET - ASSETS (in thousands of reais)

1-CODE	2- DESCRIPTION	3- 9/30/2006	4- 6/30/2006
1	Total Assets	25,051,092	24,667,334
1.01	Current Assets	5,978,372	5,603,694
1.01.01	Cash and Cash Equivalents	69,697	43,378
1.01.02	Credits	1,518,533	935,404
1.01.02.01	Domestic Market	816,128	597,337
1.01.02.02	Foreign Market	793,604	418,556
1.01.02.03	Allowance for Doubtful Accounts	(91,199)	(80,489)
1.01.03	Inventories	1,557,134	1,625,502
1.01.04	Other	2,833,008	2,999,410
1.01.04.01	Marketable Securities	1,203,225	1,528,252
1.01.04.02	Income Tax and Social Contribution Recoverable	30,018	26,726
1.01.04.03	Deferred Income Tax	227,009	247,175
1.01.04.04	Deferred Social Contribution	67,836	54,796
1.01.04.05	Proposed Dividends Receivable	32,755	49,277
1.01.04.06	Prepaid Expenses	29,966	63,080
1.01.04.07	Required Insurance	924,377	636,226
1.01.04.08	Other	317,822	393,878
1.02	Long-Term Assets	1,436,975	1,350,912
1.02.01	Sundry Credits	29,641	29,575
1.02.01.01	Loans ELETROBRÁS	29,641	29,575
1.02.02	Credits with Related Parties	239,146	220,918
1.02.02.01	Affiliates	0	0
1.02.02.02	Subsidiaries	239,146	220,918
1.02.02.03	Other Related Parties	0	0
1.02.03	Other	1,168,188	1,100,419
1.02.03.01	Deferred Income Tax	416,521	362,738
1.02.03.02	Deferred Social Contribution	101,951	94,323
1.02.03.03	Judicial Deposits	341,036	341,036
1.02.03.04	Marketable Securities Receivable	39,305	41,574
1.02.03.05	Marketable Securities	125,673	125,660
1.02.03.06	PIS/PASEP Recoverable	28,774	28,308
1.02.03.07	Prepaid Expenses	33,592	34,885
1.02.03.08	Other	81,336	71,895
1.03	Permanent Assets	17,635,745	17,712,728
1.03.01	Investments	5,449,106	5,400,580
1.03.01.01	In Affiliates	0	0
1.03.01.02	In Subsidiaries	5,449,106	5,400,580
1.03.01.03	Other Investments	0	0
1.03.02	Property, Plant and Equipment	12,026,372	12,139,383
1.03.02.01	In Operation, Net	11,188,446	11,304,057
1.03.02.02	In Construction	693,873	691,331
1.03.02.03	Land	144,053	143,995
1.03.03	Deferred Charges	160,267	172,765

02.02 - BALANCE SHEET - LIABILITIES (in thousands of reais)

1- CODE	2- DESCRIPTION	3- 9/30/2006	4- 6/30/2006
2	Total Liabilities	25,051,092	24,667,334
2.01	Current Liabilities	6,328,788	6,016,224
2.01.01	Loans and Financing	2,760,731	2,778,807
2.01.02	Debentures	720,811	715,456
2.01.03	Suppliers	1,345,541	1,086,213
2.01.04	Taxes, Charges and Contributions	545,602	531,565
2.01.04.01	Salaries and Social Contributions	77,753	67,468
2.01.04.02	Taxes Payable	322,753	280,055
2.01.04.03	Deferred Income Tax	106,688	135,325
2.01.04.04	Deferred Social Contribution	38,408	48,717
2.01.05	Dividends Payable	133,893	92,342
2.01.06	Provisions	50,063	38,990
2.01.06.01	Contingencies	50,063	38,990
2.01.07	Debt with Related Parties	0	0
2.01.08	Other	772,147	772,851
2.01.08.01	Accounts Payable - Subsidiaries	651,310	661,003
2.01.08.02	Other	120,837	111,848
2.02	Long-Term Liabilities	12,006,041	11,968,959
2.02.01	Loans and Financing	5,204,703	5,312,903
2.02.02	Debentures	892,630	890,196
2.02.03	Provisions	5,361,456	5,244,600
2.02.03.01	Contingencies	3,608,567	3,452,621
2.02.03.02	Judicial Deposits	(317,226)	(309,453)
2.02.03.03	Deferred Income Tax	1,522,143	1,545,171
2.02.03.04	Deferred Social Contribution	547,972	556,261
2.02.04	Debts with Related Parties	0	0
2.02.05	Other	547,252	521,260
2.02.05.01	Allowance for Losses in Investments	102,955	94,273
2.02.05.02	Accounts Payable - Subsidiaries	52,493	94,278
2.02.05.03	Provision for Pension Fund	271,804	255,715
2.02.05.04	Other	120,000	76,994
2.03	Deferred Income	0	0
2.05	Shareholders Equity	6,716,263	6,682,151
2.05.01	Paid-In Capital Stock	1,680,947	1,680,947
2.05.02	Capital Reserve	23,248	23,248
2.05.03	Revaluation Reserve	4,337,850	4,398,642
2.05.03.01	Own Assets	4,337,497	4,398,289
2.05.03.02	Subsidiaries/Affiliates	353	353
2.05.04	Profit Reserve	297,079	297,079
2.05.04.01	Legal	336,189	336,189
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Income	0	0

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2.05.04.05	Income Retention	0	0
2.05.04.06	Special For Non-Distributed Dividends	0	0
2.05.04.07	Other Profit Reserve	(39,110)	(39,110)
2.05.04.07.01	From Investments	637,611	637,611
2.05.04.07.02	Treasury Shares	(676,721)	(676,721)

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1- CODE	2- DESCRIPTION	3- 9/30/2006	4- 6/30/2006
2.05.05	Retained Earnings/Accumulated Loss	377,139	282,235

03.01 STATEMENT OF INCOME (in thousands of reais)

1- CODE	2- DESCRIPTION	3- 7/1/2006 to 9/30/2006	4- 1/1/2006 to 9/30/2006	5- 7/1/2005 to 9/30/2005	6- 1/1/2005 to 9/30/2005
3.01	Gross Revenue from Sales and/or Services	2,598,645	6,272,365	2,219,569	8,030,429
3.02	Gross Revenue Deductions	(503,733)	(1,276,836)	(418,926)	(1,622,679)
3.03	Net Revenue from Sales and/or Services	2,094,912	4,995,529	1,800,643	6,407,750
3.04	Cost of Goods and/or Services Sold	(1,356,242)	(3,516,488)	(1,075,699)	(3,438,714)
3.04.01	Depreciation, Depletion and Amortization	(195,786)	(587,069)	(192,358)	(574,716)
3.04.02	Other	(1,160,456)	(2,929,419)	(883,341)	(2,863,998)
3.05	Gross Profit	738,670	1,479,041	724,944	2,969,036
3.06	Operating Income/Expenses	(262,901)	(116,748)	(67,618)	(723,266)
3.06.01	Selling	(80,719)	(208,731)	(64,747)	(195,389)
3.06.01.01	Depreciation and Amortization	(2,434)	(7,102)	(2,007)	(6,275)
3.06.01.02	Other	(78,285)	(201,629)	(62,740)	(189,114)
3.06.02	General and Administrative	(70,942)	(188,215)	(48,722)	(156,639)
3.06.02.01	Depreciation and Amortization	(3,627)	(10,819)	(3,715)	(11,979)
3.06.02.02	Other	(67,315)	(177,396)	(45,007)	(144,660)
3.06.03	Financial	(312,035)	(593,288)	62,253	212,956
3.06.03.01	Financial Income	(61,719)	(413,787)	(237,615)	(492,406)
3.06.03.02	Financial Expenses	(250,316)	(179,501)	299,868	705,362
3.06.03.02.01	Foreign Exchange and Monetary Variation, net	60,652	543,402	440,908	1,364,301
3.06.03.02.02	Financial Expenses	(310,968)	(722,903)	(141,040)	(658,939)
3.06.04	Other Operating Income	257,811	943,623	12,311	17,341
3.06.05	Other Operating Expenses	(92,233)	(213,675)	100,883	43,576
3.06.06	Equity pick-up	35,217	143,538	(129,596)	(645,111)
3.07	Operating Income	475,769	1,362,293	657,326	2,245,770
3.08	Non-Operating Income	1,253	1,227	2,466	(4,017)

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1- CODE	2- DESCRIPTION	3- 7/1/2006 to 9/30/2006	4- 1/1/2006 to 9/30/2006	5- 7/1/2005 to 9/30/2005	6- 1/1/2005 to 9/30/2005
3.08.01	Income	1,253	8,532	1	3
3.08.02	Expenses	0	(7,305)	2,465	(4,020)
3.09	Income before Taxes/Participations	477,022	1,363,520	659,792	2,241,753
3.10	Provision for Income Tax and Social Contribution	(192,932)	(241,961)	(147,634)	(830,194)
3.11	Deferred Income Tax	124,549	(44,603)	(49,453)	105,352
3.11.01	Deferred Income Tax	85,281	(71,241)	(50,946)	45,796
3.11.02	Deferred Social Contribution	39,268	26,638	1,493	59,556
3.12	Statutory Participations/Contributions	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Own Capital	0	0	0	0
3.15	Income/ Loss for the Period	408,639	1,076,956	462,705	1,516,911
	OUTSTANDING SHARES, EX-TREASURY (in thousands)	257,413	257,413	264,431	264,431
	EARNINGS PER SHARE	1.58748	4.18377	1.74981	5.73651
	LOSS PER SHARE				

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

FEDERAL PUBLIC SERVICE

CVM BRAZILIAN SECURITIES AND EXCHANGE COMMISSION

Accounting Practices

QUARTERLY INFORMATION

Date: 9/30/2006

Adopted in Brazil

COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY

00403-0

COMPANHIA SIDERÚRGICA NACIONAL

33.042.730/0001-04

04.01 NOTES TO THE FINANCIAL STATEMENTS

(In thousands of Brazilian reais R\$, unless otherwise indicated)

1. OPERATING CONTEXT

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

CSN is engaged in the mining of iron ore, limestone and dolomite, in the State of Minas Gerais and tin in the State of Rondônia to meet the needs of UPV , and maintains strategic investments in railroad, electricity and ports, to optimize its activities, and is implementing the cement manufacturing and selling project.

To be closer to customers and win additional markets on a global level, CSN has, in Brazil, a steel distributor, two metal package plants, one for the manufacture of two-piece steel cans, besides a galvanized steel plant in the South of Brazil to supply home appliances and another in the Southeast supplying the automotive industry. Abroad, the Company has a rolling mill in Portugal and another mill in the United States.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

In compliance with the configuration of the form of the Quarterly Information, the Statements of Changes in Financial Position and of Cash Flows of the parent company and consolidated are presented in the item Other information considered material by the Company . Some information of the second quarter was reclassified for comparison purposes with the data of the current quarter.

3. SIGNIFICANT ACCOUNTING PRACTICES

The Financial Statements were prepared in conformity with the accounting practices adopted in Brazil, as well as with the accounting standards and pronouncements established by the Brazilian Securities Commission.

(a) Statement of Income

The results of operations are determined on an accrual basis.

(b) Marketable securities

The investment funds have daily liquidity and have their assets valued at market as per instructions of the Central Bank of Brazil and CVM, since the Company considers these investments as securities retained for trading.

Fixed income securities and financial investments abroad are recorded at cost plus yields accrued through the balance sheet date, and do not exceed the market value.

(c) Allowance for doubtful accounts

The allowance for doubtful accounts has been set up in an amount which, in the opinion of Management, suffices to absorb any losses that might be incurred in realizing accounts receivable.

(d) Inventories

Inventories are stated at their average cost of acquisition or production and on-going imports are recorded at their cost of acquisition, provided that they do not exceed their market or realization values.

(e) Other current and long-term assets

Other current and long-term assets are presented at their realization value, including, when applicable, income earned to the balance sheet date or, in the case of prepaid expenses, at cost.

(f) Investments

Investments in subsidiaries and jointly owned subsidiary companies are recorded by the equity accounting method, adjusted for any amortizable goodwill, if applicable. Other permanent investments are recorded at acquisition cost.

(g) Property, plant and equipment

The property, plant and equipment of the parent company is presented at market or replacement values, based on appraisal reports conducted by independent expert appraisal firms, as permitted by Deliberation #288 issued by the Brazilian Securities Commission on December 3, 1998. Depreciation is computed by the straight-line method, based on the remaining economic useful lives of the assets after revaluation. Depletion of the iron mine Casa de Pedra is calculated on the basis of the quantity of iron ore extracted, and interest charges related to capital funding for construction in progress are capitalized for as long as the projects remain unconcluded.

(h) Deferred charges

The deferred charges are comprised of expenses incurred for development and implantation of projects that should generate a payback to the Company in the next few years, with the amortization applied on a straight-line basis based on the period foreseen for the economic return on the above projects.

(i) Current and long-term liabilities

These are stated at their known or estimated values, including, when applicable, accrued charges, monetary and foreign exchange variation incurred up to the balance sheet date.

(j) Employees benefit

In accordance with Deliberation #371, issued by the Brazilian Securities Commission, on

December 13, 2000, the Company decided to record the respective actuarial liabilities as from January 1, 2002, in accordance with the above-mentioned reported deliberation and based on studies by independent actuaries.

(k) Income Tax and Social Contribution

Income tax and social contribution on net income are calculated based on their effective tax rates and consider the tax loss carryforward and negative basis of social contribution limited to 30%, to compute the tax liability. Tax credits are set up for deferred taxes on tax losses, negative basis of social contribution on net income and on temporary differences.

(l) Derivatives

The derivatives operations are recorded in accordance with the characteristics of the financial instruments. Swap operations are recorded based on the operations net results, which are booked monthly in line with the contractual conditions.

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

(m) Treasury Shares

As established by CVM Instruction 10/80, treasury shares are recorded at acquisition cost.

(n) Estimates

Pursuant to the accounting practices followed in Brazil, the preparation of the Financial Statements requires the Company's Management to make estimates and assumptions related to the assets and liabilities reported, the disclosure of contingent assets and liabilities on the balance sheet date and the amount of income and expenses during the year. The end results may differ from these estimates.

4. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated Financial Statements for the quarters ended September 30, 2006 and June 30, 2006 include the following direct and indirect subsidiaries and jointly-owned subsidiaries:

Companies	Currency of origin	Ownership interest (%)		Main activities
		9/30/2006	6/30/2006	
Direct investment: full consolidation				
CSN Energy	US\$	100.00	100.00	Equity interest
CSN Export	US\$	100.00	100.00	Financial operations and trading
CSN Islands VII	US\$	100.00	100.00	Financial operations
CSN Islands VIII	US\$	100.00	100.00	Financial operations
CSN Islands IX	US\$	100.00	100.00	Financial operations
CSN Islands X	US\$	100.00	100.00	Financial operations
CSN Overseas	US\$	100.00	100.00	Financial operations
CSN Panama	US\$	100.00	100.00	Financial operations and equity interest
CSN Steel	US\$	100.00	100.00	Financial operations and equity interest
CSN I	R\$	100.00	100.00	Equity interest
Estanho de Rondônia - ERSA	R\$	99.99	100.00	Mining
Cia. Metalic Nordeste	R\$	99.99	99.99	Package production
Indústria Nacional de Aços Laminados - INAL	R\$	99.99	99.99	Steel products service center
CSN Cimentos	R\$	99.99	99.99	Cement production
Inal Nordeste	R\$	99.99	99.99	Steel products service center
CSN Energia	R\$	99.90	99.90	Trading of electricity
Sepetiba Tecon	R\$	20.00	20.00	Maritime port services
GalvaSud	R\$	15.29	15.29	Steel industry
Direct investment: proportionate consolidation				
Companhia Ferroviária do Nordeste (CFN)	R\$	45.78	49.99	Railroad transportation
Itá Energética	R\$	48.75	48.75	Electricity Generation
MRS Logística	R\$	32.93	32.93	Railroad transportation
Indirect investment: full consolidation				
CSN Aceros	US\$	100.00	100.00	Equity interest
CSN Cayman	US\$	100.00	100.00	Financial operations and trading
CSN Iron	US\$	100.00	100.00	Financial operations
CSN LLC	US\$	100.00	100.00	Steel industry
CSN LLC Holding	US\$	100.00	100.00	Equity interest
CSN LLC Partner	US\$	100.00	100.00	Equity interest
Energy I	US\$	100.00	100.00	Equity interest
Tangua	US\$	100.00	100.00	Equity interest
Jaycee	EUR	100.00	100.00	

				Financial operations and equity interest
Cinnabar	EUR	100.00	100.00	Financial operations and equity interest
Lusosider	EUR	100.00		Steel industry
Cia Metalúrgica Prada	R\$	100.00	100.00	Package production
GalvaSud	R\$	84.71	84.71	Steel industry
Sepetiba Tecon	R\$	80.00	80.00	Maritime port services
Indirect investment: proportionate consolidation				
Lusosider	EUR		50.00	Steel industry

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The Financial Statements prepared in US dollars and in Euros were translated at the exchange rate in effect on September 30, 2006 R\$/US\$2.1742 (R\$/US\$2.1643 on June 30, 2006) and EUR/US\$1.2683 (EUR/US\$1.2790 on June 30, 2006).

The gains and losses from this translation were accounted for in the income statements of the related periods, as equity accounting in the parent company and exchange variation in the consolidated entity. These financial statements were prepared applying the same accounting principles as those applied by the parent company.

In the preparation of the consolidated financial statements, the consolidated intercompany balances were eliminated, such as intercompany investments, equity accounting, asset and liability balances, revenues and expenses and unrealized profits resulting from operations among these companies.

Pursuant to the CVM Instruction #408/04 the Company consolidates the financial statements of the exclusive investment funds.

The reference date for the subsidiaries and jointly-owned subsidiaries financial statements coincides with that of the parent company, except for the financial statements of the subsidiary ERSA, whose reference date is June 30, 2006.

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

	Shareholder's Equity		Net income in the period	
	9/30/2006	6/30/2006	9/30/2006	9/30/2005
Parent Company	6,716,263	6,682,151	1,076,956	1,516,911
Elimination of profits on inventories	(92,459)	(18,099)	7,154	136,016
Consolidated	6,623,804	6,664,052	1,084,110	1,652,927

5. RELATED PARTY TRANSACTIONS

a) Assets

Companies	Accounts receivable	Marketable securities	Mutual	Debentures	Dividends receivable	Advance for future capital increase	Advanceto suppliers	Total
CSN Cayman	11,317							11,317
CSN Export	748,658							748,658
CSN LLC	16,401							16,401
Jaycee	73,269							73,269
Sepetiba								
Tecon	440			36,000		62,785	3	99,228
Cia. Metalic								
Nordeste	1,768							1,768
INAL								
Nordeste	11,223							11,223
CFN	27		97,679			21,369		119,075
GalvaSud	1,338							1,338
INAL	121,639							121,639
MRS								
Logística					32,755			32,755
Exclusive								
Funds		252,835						252,835
Cia.								
Metalúrgica								
Prada	63,153							63,153
CSN Cimentos			9,940			16,385		26,325
CBS								
Previdência	6							6
9/30/2006	1,049,239	252,835	107,619	36,000	32,755	100,539	3	1,578,990
6/30/2006	586,946	607,160	94,583	36,000	49,277	95,607	976	1,470,549

b) Liabilities

Companies	Loans and financing				Derivatives	Accounts payable	Suppliers		Total
	Prepayment	Fixed Rate Notes ⁽²⁾	Loans from Investees	Intercompany Bonds ⁽²⁾	Swap	Mutual (1) / intercompany accounts	Investees Inventories	Other	
CSN Export	1,154,909					11,657			1,166,566
CSN Iron				1,343,868					1,343,868
Cinnabar	397,203		70,032			43,486			510,721
Jaycee			22,434			329,336			351,770
CSN Islands VII		586,325			15,485				601,810
CSN Islands VIII		1,105,858			124,608	1,997			1,232,463
CSN Steel	1,251,403	671,121				285,480			2,208,004
GalvaSud MRS								18,205	18,205
Logística INAL								29,600	29,600
INAL								162	162
Nordeste CSN Energia							7,279		7,279
CBS Previdência						22,586			22,586
SePETIBA								271,804	271,804
Tecon								57	57
Ersa								928	928
Other (*)								20	20
9/30/2006	2,803,515	2,363,304	92,466	1,343,868	140,093	694,542	7,279	320,776	7,765,843
6/30/2006	2,930,504	2,422,115	90,399	1,308,125	75,806	731,920	14,475	267,132	7,840,476

These operations were carried out under conditions considered by the Company's management as normal market terms and/or effective legislation for similar cases, being the main ones highlighted below:

- (1) Information referring to loan agreements with related parties.
 - Jaycee (part): annual Libor + 3% p.a. with indeterminate maturity.
 - Jaycee (part): Libor + 2.5% p.a. with maturity on 9/15/2011.
 - Cinnabar (part): semiannual Libor + 3% p.a. with indeterminate maturity and IGPM + 6% p.a. with indeterminate maturity.
 - CSN Export: Euribor + 0.5% p.a. with indeterminate maturity.
- (2) Contracts in US\$ - CSN Iron: interest of 9.125% p.a. with maturity on 6/1/2007.
 - Contracts in Yen - CSN Islands VII: interest of 7.3% and 7.75% p.a. with maturity on 9/12/2008.
 - CSN Islands VIII: interest of 5.65% p.a. with maturity on 12/15/2013.

CSN Steel: interest of 1.5% p.a. with maturity on 7/13/2010.

(*) OTHER: CFN, Prada, Fundação CSN and Metalic.

c) Results

Companies	Income			Expenses			Total
	Products and services	Interest and monetary and exchange variation	Total	Products and services	Interest and monetary and exchange variation	Other	
CSN Export	1,068,697	(38,854)	1,029,843	859,352	(39,349)		820,003
CSN Iron					(8,249)		(8,249)
Cinnabar					708		708
Jaycee		(7,429)	(7,429)		(26,990)		(26,990)
Cia. Metalúrgica Prada	84,087		84,087	24,456			24,456
CSN Islands VII		(14,376)	(14,376)				
CSN Islands VIII		(33,399)	(33,399)		(13,271)		(13,271)
CSN Panama					(35,362)		(35,362)
CSN Steel					(94,140)		(94,140)
Itá Energética				63,953			63,953
GalvaSud	108,779		108,779	162,545			162,545
INAL	508,138		508,138	289,764			289,764
INAL Nordeste	18,698		18,698	16,379			16,379
Cia. Metalic Nordeste	36,631		36,631	24,023			24,023
MRS Logística	86		86	131,148			131,148
Exclusive Funds		(447,643)	(447,643)				
ERSA				19,974			19,974
CBS Previdência						99,499	99,499
Sepetiba Tecon				22,661			22,661
CFN		9,500	9,500				
Fundação CSN				4,645			4,645
9/30/2006	1,825,116	(532,201)	1,292,915	1,618,900	(216,653)	99,499	1,501,746
9/30/2005	2,266,435	(816,355)	1,450,080	1,754,177	(1,106,617)	68,903	716,463

Purchase trade transactions, sale of products and inputs and contracting of services with subsidiaries are performed under usual conditions applicable to non-related parties.

6. CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

	Consolidated		Parent Company	
	9/30/2006	6/30/2006	9/30/2006	6/30/2006
Current				
Cash and Cash Equivalents				
Cash and Banks	159,026	156,528	69,697	43,378
Financial Investments				
In the country:				
Exclusive investment funds			252,835	607,160
Brazilian government securities	485,278	945,046		
Fixed income and debentures (net of provision for probable losses and withholding income tax)	464,730	456,045	45,115	43,576
Derivatives	850	5,264		
	950,858	1,406,355	297,950	650,736
Abroad:				
Time Deposit	647,670	1,222,289	12,940	12,874
Fixed income	892,335	864,642	892,335	864,642
Derivatives	467,664	548,949		
	2,007,669	2,635,880	905,275	877,516
Total Financial Investments	2,958,527	4,042,235	1,203,225	1,528,252
Total cash and cash equivalents and financial investments	3,117,553	4,198,763	1,272,922	1,571,630
Long-term				
Investment abroad	54,355	54,108		
Fixed income and debentures (net of provision for probable losses and withholding income tax)	89,673	89,660	125,673	125,660
	144,028	143,768	125,673	125,660
Total cash and cash equivalents and financial investments	3,261,581	4,342,531	1,398,595	1,697,290

The Company's management invests financial resources in the country basically in exclusive investment funds, whose most money is invested in purchase and sale commitments pegged to Brazilian government securities, with immediate

liquidity. Additionally, a significant portion of the Company's and its subsidiaries' financial resources abroad is invested in Time Deposits, with first-tier banks, and Austrian Government securities.

7. ACCOUNTS RECEIVABLE

	Consolidated		Parent Company	
	9/30/2006	6/30/2006	9/30/2006	6/30/2006
Domestic market				
Subsidiaries			199,594	121,549
Other customers	976,052	794,519	616,534	475,788
	976,052	794,519	816,128	597,337
Foreign market				
Subsidiaries			849,644	465,397
Other customers	464,144	237,791	4,837	13,759
Advance on Export Contracts (ACE)			(60,877)	(60,600)
	464,144	237,791	793,604	418,556
Allowance for doubtful accounts	(129,321)	(115,322)	(91,199)	(80,489)
	1,310,875	916,988	1,518,533	935,404

8. INVENTORIES

	Consolidated		Parent Company	
	9/30/2006	6/30/2006	9/30/2006	6/30/2006
Finished products	491,821	371,461	286,411	211,622
Work in process	473,662	458,315	339,410	383,652
Raw materials	894,723	952,187	546,278	679,722
Supplies	448,004	416,383	363,066	342,274
Imports in transit	22,679	4,900	20,520	2,801
Provision for losses	(3,337)	(1,826)	(1,188)	(973)
Other	94,462	70,079	2,637	6,404
	2,422,014	2,271,499	1,557,134	1,625,502

9. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	Consolidated		Parent Company	
	9/30/2006	6/30/2006	9/30/2006	6/30/2006
Current assets				
Income tax	303,237	275,338	227,009	247,175
Social contribution	95,356	64,931	67,836	54,796
	398,593	340,269	294,845	301,971
Long-term assets				
Income tax	452,228	392,250	416,521	362,738
Social contribution	122,173	105,054	101,951	94,323
	574,401	497,304	518,472	457,061
Current liabilities				
Income tax	106,688	135,325	106,688	135,325
Social contribution	38,408	48,717	38,408	48,717
	145,096	184,042	145,096	184,042
Long-term liabilities				
Income tax	1,539,367	1,562,982	1,522,143	1,545,171
Social contribution	554,146	562,635	547,972	556,261
	2,093,513	2,125,617	2,070,115	2,101,432
Income				
	9/30/2006	9/30/2005	9/30/2006	9/30/2005
Income tax	(37,305)	8,831	(71,241)	45,796
Social contribution	38,951	46,250	26,638	59,556
	1,646	55,081	(44,603)	105,352

The deferred income tax and social contribution of the parent company are shown as follows:

9/30/2006				6/30/2006			
Income tax		Social contribution		Income tax		Social contribution	
Current	Long-term	Current	Long-term	Current	Long-term	Current	Long-term

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Assets

Non deductible provisions	188,434	283,198	67,836	101,951	152,210	262,008	54,796	94,323
Taxes under litigation		103,679				100,730		
Tax losses	38,575				94,965			
Other		29,644						
	227,009	416,521	67,836	101,951	247,175	362,738	54,796	94,323

Liabilities

Income tax and social contribution on revaluation								
reserve	93,000	1,522,143	33,480	547,972	93,000	1,545,171	33,480	556,261
Other	13,688		4,928		42,325		15,237	
	106,688	1,522,143	38,408	547,972	135,325	1,545,171	48,717	556,261

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Deferred income tax arising from tax losses was set up based on CSN's historical profitability and on projections of future profitability duly approved by the Company's management bodies and the balance must be offset by the Company in 2006.

Following is the reconciliation between the income tax and social contribution of the parent company and the application of the effective rate on net income before Income tax (IRPJ) and Social Contribution (CSL) for the period ended September 30, 2006:

	9/30/2006		9/30/2005	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	1,363,520	1,363,520	2,241,753	2,241,753
(-) Total interest on own capital expense	(132,160)	(132,160)	(184,176)	(184,176)
Income before income tax and social contribution - adjusted	1,231,360	1,231,360	2,057,577	2,057,577
- Tax rate	25%	9%	25%	9%
Total	(307,840)	(110,822)	(514,394)	(185,182)
Adjustments to reflect the effective rate:				
Equity pick-up	58,645	21,112	(145,496)	(52,379)
Income from foreign subsidiaries	(13,688)	(4,928)	90,240	32,486
Summer Plan (Brazilian economic plan) effects	27,820	21,442		
Other permanent additions (deductions)	24,680	(2,985)	39,039	10,844
Company's current and deferred income tax and social contribution	(210,383)	(76,181)	(530,611)	(194,231)
Consolidated current and deferred income tax and social contribution	(291,117)	(95,364)	(644,522)	(228,528)

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

Companies	Number of shares		Direct investment %	Net income (loss) for the quarter	9/30/2006	Direct investment %	Net income (loss) for the quarter	6/30/2006
	Common	Preferred			Shareholder's equity (unsecured)			Shareholder's equity (unsecured)
Steel								
GalvaSud	11,801,406,867		15.29	27,038	581,671	15.29	13,765	554,633
INAL Cia. Metalic	421,408,393		99.99	12,217	619,859	99.99	9,650	607,642
Nordeste INAL	87,868,185	4,424,971	99.99	4,054	112,715	99.99	2,752	108,660
Nordeste CSN I	37,800,000		99.99	1,089	31,439	99.99	957	30,350
CSN Steel	9,996,751,600	1,200	100.00	37,294	590,487	100.00	4,648	553,193
CSN Overseas	480,726,588		100.00	(114,448)	1,204,998	100.00	18,326	1,314,733
CSN Panama	7,173,411		100.00	18,529	1,039,881	100.00	10,648	1,016,847
CSN Energy	4,240,032		100.00	17,763	392,017	100.00	2,045	372,514
CSN Export	3,675,319		100.00	(5,613)	397,583	100.00	(3,946)	401,009
CSN Islands VII	31,954		100.00	3,453	97,378	100.00	173	93,527
CSN Islands VIII	1,000		100.00	412	758	100.00	347	347
CSN Islands IX	1,000		100.00	26	4,283	100.00	287	4,246
CSN Islands X	1,000		100.00	(1,648)	11,907	100.00	(6,791)	13,434
CSN Energia	1,000		100.00	(1,231)	(25,160)	100.00	(1,231)	(23,828)
Logistics								
Itá Energética MRS	520,219,172		48.75	7,641	567,018	48.75	7,791	559,377
Logistica CFN	188,332,667	151,667,333	32.93	178,041	1,020,154	32.93	114,485	842,113
Sepetiba Tecon	118,939,957		45.78	(15,913)	(79,063)	49.99	(17,457)	(69,919)
CSN Energia	62,220,270		20.00	35,164	33,227	20.00	5,178	(1,937)
CSN Energia	1,000		99.90	1,286	53,414	99.90	209	208,479

Mining

ERSA	34,236,307	99.99		22,073	100.00	1,589	22,073
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Cement

CSN							
Cimentos	376,337	99.99	(6,495)	(41,597)	99.99	(8,284)	(35,102)

b) Change in Investments

Companies	6/30/2006					9/30/2006	
	Initial investment balance	Balance of provision for losses	Addition (write-off)	Equity pick-up	Goodwill amortization ⁽¹⁾	Final investment balance	Provision for losses
Steel							
GalvaSud	84,804			4,134		88,938	
INAL	607,641			12,217		619,858	
Cia. Metalic							
Nordeste	158,429			4,054	(8,297)	154,186	
INAL Nordeste	30,350			1,089		31,439	
CSN I	553,193			37,294		590,487	
CSN Steel	1,314,733			(109,736)		1,204,997	
CSN Overseas	1,016,847			23,035		1,039,882	
CSN Panama	372,514			19,503		392,017	
CSN Energy	401,009			(3,709)		397,300	
CSN Export	93,527			3,851		97,378	
CSN Islands VII	347			411		758	
CSN Islands VIII	4,246			37		4,283	
CSN Islands IX	13,435			(1,528)		11,907	
CSN Islands X		(23,828)		(1,332)			(25,160)
	4,651,075	(23,828)		(10,680)	(8,297)	4,633,430	(25,160)
Logistics							
Itá Energética	272,696			3,725		276,421	
MRS Logística	277,322			58,632		335,954	
CFN ⁽³⁾		(34,955)	4,627	(5,870)			(36,198)
Sepetiba Tecon		(387)		7,033		6,646	
CSN Energia	115,184			1,226		116,410	
	665,202	(35,342)	4,627	64,746		735,431	(36,198)
Mining							
ERSA	84,303				(4,058)	80,245	
	84,303				(4,058)	80,245	
Cement							
CSN Cimentos		(35,103)		(6,494)			(41,597)
		(35,103)		(6,494)			(41,597)
	5,400,580	(94,273)	4,627	47,572	(12,355)	5,449,106	(102,955)

(1) This comprises the balance of the parent company's equity in the earnings of subsidiary and associated companies. The balances of consolidated goodwill are shown in item (d) of this note.

(2) The addition of R\$4,627 refers to the capitalization of funds by the Company in the amount of R\$3,377 and a gain on the ownership percentage in the amount of R\$1,250.

c) Additional Information on the main investees

GalvaSud

Incorporated in 1998, GalvaSud started its operations in December 2000 and operates a galvanization line by hot immersion, a blank cut line and a weld laser line directed to the automotive industry, and it also operates service centers for steel product processing.

On June 22, 2004, the subsidiary CSN I subscribed 8,262,865,920 common shares of GalvaSud's capital, paid with credits related to the full payment of all financial debts of the Company, and also acquired the totality of shares held by Thyssen-Krupp Stahl AG, which on that date was the holder of 49% of the stake in GalvaSud.

CSN is the holder of a 15.29% participation on a direct basis and of an 84.71% participation on an indirect basis of GalvaSud's capital stock, by means of its wholly-owned subsidiary CSN I.

Itá Energética

Itasa (Itá Energética S.A.) holds a 60.5% stake in the Consortium Itá created for the exploration of Itá Hydroelectric Plant pursuant to the concession agreement as of December 28, 1995, and its addendum #1 dated as of July 31, 2000 and entered into between the consortium holders (Itasa and Centrais Geradora do Sul do Brasil - Gerasul, former name of Tractebel Energia S.A.) and the Brazilian Agency of Electric Energy - ANEEL.

CSN holds 48.75% of the subscribed capital corresponding to 48.75% of the total of common shares issued by Itasa, a Special Purpose Entity originally organized to make feasible the construction of UHE Itá, the contracting of supply of goods and services necessary to carry out the venture and the obtaining of financing by offering the corresponding guarantees.

Indústria Nacional de Aços Laminados - INAL

Company based in Araucária, State of Paraná, with establishments in the States of São Paulo, Rio de Janeiro, Paraná, Rio Grande do Sul, Pernambuco and Minas Gerais, aims to reprocess and act as distributor of CSN's steel products, acting as a service and distribution center.

Cia Metalic Nordeste

Cia. Metalic Nordeste, acquired in 2002, is a company based in Maracanaú, State of Ceará, which has as main objective the manufacturing of two-piece steel cans and investment in other companies.

MRS Logística

The Company's main objective is to explore and develop cargo railroad public transport for the Southeast network.

MRS transports to Usina Presidente Vargas (UPV) steelworks in Volta Redonda the iron ore from Casa de Pedra and raw material imported through Sepetiba Port. It also links the UPV steelworks to the Rio de Janeiro and Santos ports and also to other load terminals in the State of São Paulo, CSN's principal market.

CFN

Acquired in 1997 through a privatization auction, it has as its main objective the exploration and development of the cargo railroad public transport service for the Northeast network.

In 2006 the merger of Transnorestina into CFN was authorized, which allowed CFN to concentrate its activities and that of its subsidiary, Transnordestina, into one single company. Besides, as a result of that merger, BNDESPar became holder of a direct investment in CFN, thus allowing money from FINOR (Northeast Investment Fund) to be used in the construction of the Transnordestina project.

This company is in the process of registration with the Brazilian Securities Commission (CVM).

Sepetiba Tecon

Acquired in 1998, through a privatization auction, its objective is to exploit the No.1 Containers Terminal of the Sepetiba Port, located in Itaguaí, State of Rio de Janeiro. This terminal is connected to Presidente Vargas Plant by the Southeast railroad network.

CSN Energia

Incorporated in 1999, with the main objective of distributing and trading the excess of electric energy generated by CSN and by companies, consortiums or other entities in which CSN holds an interest in.

The Company maintains a balance receivable related to the energy sale trade under the scope of the Electric Power Trade Chamber (Câmara de Comercialização de Energia Elétrica) CCEE, in the amount of R\$79,040 on September 30, 2006 (R\$82,541 on June 30, 2006), out of which R\$10,431 is provisioned with the existence of judicial collection to defaulting customers.

From the balance receivable on September 30, 2006, the amount of R\$59,129 (R\$59,129 on June 30, 2006) is due by concessionaires with injunctions suspending the corresponding payments. The Company's Management understands that an allowance for doubtful accounts is not necessary in view of the judicial measures taken by the industry official entities.

CSN Cimentos

In March 2005, the company previously named FEM Projetos, Construções e Montagens changed its name to CSN Cimentos. Based in Volta Redonda, State of Rio de Janeiro, it is a business under implementation which will have as main purpose the production and trading of cement and it will use the blast furnace slag from the production of pig iron for the production of clinker, raw material of cement.

ERSA Estanho de Rondônia

Acquired in April 2005 for R\$100,000, the Company, which is based in the State of Rondônia, has as its main purpose the extraction and processing of tin, which is one of the main raw materials used in CSN for the production of tin plates. In such acquisition, the Company recorded goodwill, as shown in item (d) of the present note.

INAL Nordeste

In March 2005, the Company previously named CSC – Companhia Siderúrgica do Ceará changed its name to INAL Nordeste. Based in Camaçari, State of Bahia, the Company has as main purpose to reprocess and distribute CSN's steel products, operating as a service and distribution center in the Northeast region.

Cia Metalúrgica Prada

Acquired in June 2006 through the parent company INAL, Prada is a manufacturer of metallic packages, with branches in the South and Southeast regions of Brazil, and it produces more than 1 billion units per year. In such acquisition, the Company recorded goodwill, as shown in item (d) of this note.

d) Goodwill and other indirect investments

On September 30, 2006, the Company maintained on its consolidated balance sheet the amount of R\$297,135 (R\$304,239 on June 30, 2006), net of amortization mainly related to goodwill based on the expectation of future gains, with amortization estimated at five years.

	Balance as of 6/30/2006	Additions	Amortizations	Balance as of 9/30/2006	Investor
Investment goodwill:					
GalvaSud	83,523		(6,961)	76,562	CSN I
Ersa	62,229		(4,058)	58,171	CSN
Metalic	49,779		(8,297)	41,482	CSN CSN
Tangua / LLC	30,406		(3,133)	27,273	Panama
Prada	75,355		(3,833)	71,522	INAL
Lusosider		20,320	(677)	19,643	CSN Steel
Other	2,947		(465)	2,482	INAL
	304,239	20,320	(27,424)	297,135	
Other investments:	1,713			1,713	
	305,952	20,320	(27,424)	298,848	

e) Additional information on indirect participations abroad

CSN LLC

The company was incorporated in 2001 with the assets and liabilities of the extinguished Heartland Steel Inc. located in Terre Haute, State of Indiana – USA. It is a complex comprising cold rolling, hot coil pickled line and galvanization line.

The Company holds an indirect and wholly-owned stake in CSN LLC by means of the subsidiary CSN Panama.

Lusosider

Lusosider Aços Planos was incorporated in 1996, providing continuity to Siderurgia Nacional - Empresa de Produtos Planos (flat products company), privatized on that date by the Portuguese Government. Located in Seixal, Portugal it is engaged in galvanization line and tin plates.

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In 2003, the Company, through its subsidiary CSN Steel, acquired 912,500 shares issued by Lusosider Projectos Siderúrgicos, holder of Lusosider Aços Planos, which represented 50% of the total capital of Lusosider.

On August 31, 2006, the Company, after satisfying the conditions set forth in the Purchase and Sale Agreement, acquired the full control of Lusosider Projectos Siderúrgicos S.A. through its subsidiary CSN Steel for EUR25 million.

11. PROPERTY, PLANT AND EQUIPMENT

	Effective rate	Reevaluated Cost	Accumulated depreciation, depletion and amortization	Parent Company	
				9/30/2006	6/30/2006
	for depreciation, depletion and amortization (% per year)			Net	Net
Machinery and equipment	7.37	11,390,658	(2,375,073)	9,015,585	9,127,697
Mines and mineral deposits	0.40	1,239,084	(17,195)	1,221,889	1,223,059
Buildings	4.00	930,147	(103,017)	827,130	833,488
Land		144,053		144,053	143,995
Other assets	20.00	209,294	(97,545)	111,749	107,160
Furniture and fixtures	10.00	99,738	(87,645)	12,093	12,653
		14,012,974	(2,680,475)	11,332,499	11,448,052
Property, plant and equipment in progress		693,873		693,873	691,331
		14,706,847	(2,680,475)	12,026,372	12,139,383
					Consolidated
				9/30/2006	6/30/2006
Machinery and equipment		12,645,410	(2,879,527)	9,765,883	9,858,145
Mines and mineral deposits		1,245,809	(17,195)	1,228,614	1,229,784
Buildings		1,480,933	(208,652)	1,272,281	1,271,159
Land		182,635		182,635	174,441
Other assets		899,655	(301,546)	598,109	562,276
Furniture and fixtures		122,389	(102,989)	19,400	18,790
		16,576,831	(3,509,909)	13,066,922	13,114,595
Property, plant and equipment in progress		822,063		822,063	805,129

17,398,894 (3,509,909) 13,888,985 13,919,724

At the Extraordinary General Meetings held on December 19, 2002 and on April 29, 2003, the shareholders approved, based on paragraphs 15 and 17 of CVM Deliberation #183, appraisal reports outlined as follows, respectively:

a) CTE-II's assets - steam and electric power generation thermal mill, located in the CSN's Presidente Vargas plant in Volta Redonda, RJ. The report established an addition of R\$508,434, composing the new amount of the assets.

b) Land, machinery and equipment, facilities, real properties and buildings, existing in the CSN's Presidente Vargas, Itaguaí, Casa de Pedra and Arcos plants, in addition to the iron ore mine in Casa de Pedra. The report established an addition of R\$4,068,559, composing the new amount of the assets.

As of September 30, 2006, the assets provided as collateral for financial operations amounted to R\$47,985.

Depreciation, depletion and amortization expenses as of September 30, 2006 amounted to R\$538,946 (R\$536,069 as of September 30, 2005), of which R\$530,323 (R\$527,580 as of September 30, 2005) was charged to production costs and R\$8,623 (R\$8,489 as of September 30, 2005) was charged to selling, general and administrative expenses (amortization of deferred charges not included).

On September 30, 2006, the Company had R\$6,533,112 (R\$6,625,221 on June 30, 2006) of revaluation of own net depreciation assets.

12. DEFERRED CHARGES

	Consolidated		Parent Company	
	9/30/2006	6/30/2006	9/30/2006	6/30/2006
Information technology projects	153,295	153,293	153,295	153,293
(-) Accumulated amortization	(130,330)	(125,149)	(130,330)	(125,149)
Expansion projects	193,748	192,267	193,748	192,267
(-) Accumulated amortization	(84,951)	(77,153)	(84,951)	(77,153)
Preoperating expenses	130,843	130,840		
(-) Accumulated amortization	(80,019)	(77,373)		
Other projects	194,170	193,228	83,739	82,614
(-) Accumulated amortization	(120,354)	(114,483)	(55,234)	(53,107)
	256,402	275,470	160,267	172,765

Information technology projects are represented by projects of automation and computerization of operating processes that aim to reduce costs and increase the competitiveness of the Company.

The expansion projects disclosed on September 30, 2006 are primarily related to the expansion of the production capacity of Casa de Pedra mine and enlargement of Sepetiba port for t