



On a long enough timeline
the survival rate for
everyone drops to zero.

Cia Siderurgica Nacional SA (Brazil)

CREDIT SNAPSHOT

11/05/09

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CSNA3 BZ Equity

equity ticker: CSNA3 BZ

bond ticker: CSNABZ

sector: Basic Materials

subgroup: Steel-Producers

company description:

Companhia Siderurgica Nacional S.A. (CSN) manufactures iron and steel in Brazil. The Company operates mines, an integrated steel mill, service centers, ports, and railroads. CSN manufactures and distributes hot-rolled, cold-rolled, and galvanized steel products to the automobile, auto parts, civil construction, electrical equipment, and packaging industries.

Cia Siderurgica Nacional SA has 15,629 employees.

capitalisation (BRL in millions):

stock price	BRL 60.89
shares outstanding (million)	755.18
market capitalisation (BRL mm)	45,953
total debt	14,768
cash + marketable securities	1,389
other capital	30
enterprise value (excl. cash)	59,362
current EV / TTM EBITDA	N/A

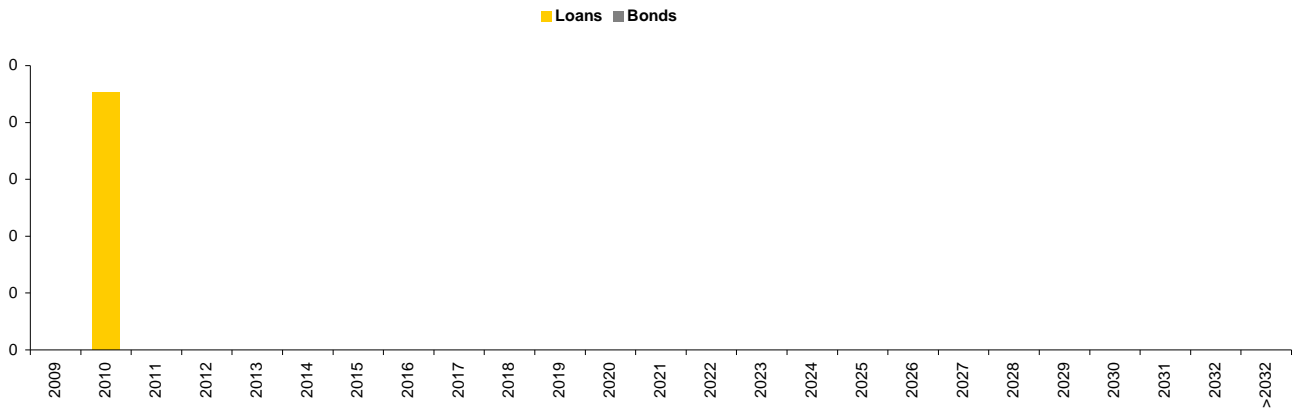
The company's next report is expected for 2/12/2010 (type: Estimated).

www.csn.com.br

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
STEELBANK INC	NA	Loan, secured, term, floater		2/17/2010	CAD	0	10	2/17/2005

Total amount out of instruments listed above (BRL in MM)	0	Cash (MM)	1,389
Total debt (MM)	14,768	Total Number of Debt Instruments (for the issuer and its subs)	7



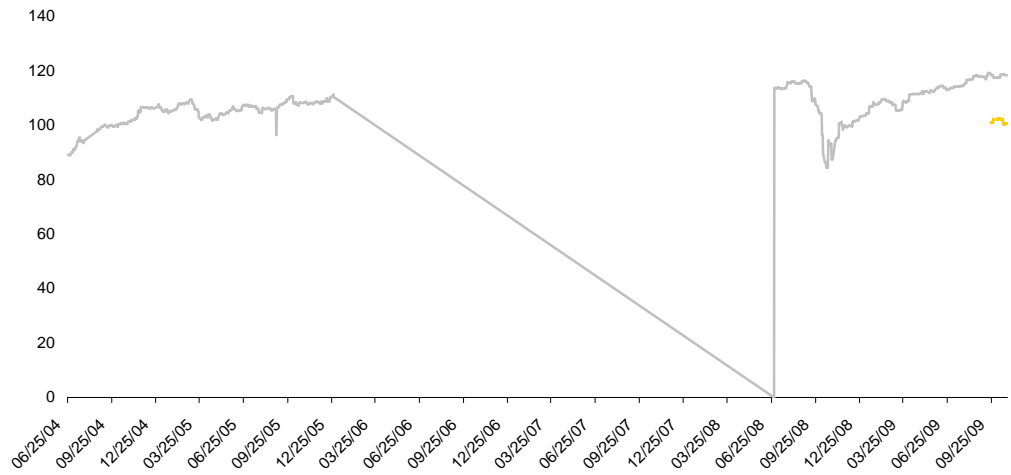
Moody's Ratings		
Outlook	STABLE	09/02/09
Issuer	N/A	
Senior Secured Debt	N/A	
LT Corp Family	Ba1	09/02/09
Bank Loan Debt	N/A	
Senior Unsecured Debt	N/A	
Subordinated Debt	N/A	
Short Term	N/A	

Standard & Poor's Ratings		
Outlook	POS	06/04/08
LT Foreign Currency Issuer	BB+	06/04/08
LT Local Currency Issuer	BB+	06/04/08
ST Foreign Currency Issuer	N/A	
ST Local Currency Issuer	N/A	

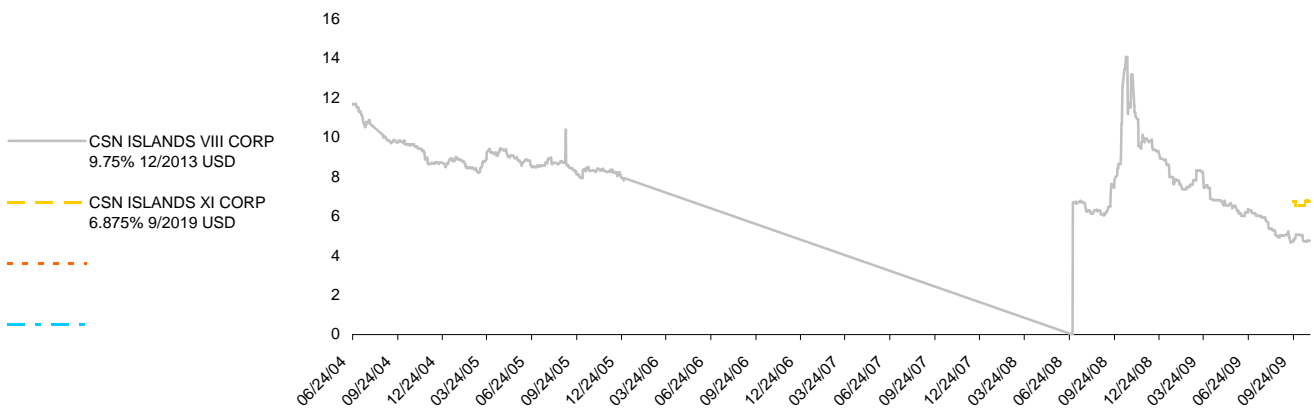
id	issuer	coupon	mat	outstanding	S&P	MDY	ask px	yield	spread*	px date	
12638XAA	CSN ISLANDS VIII CORP	9.750	12/16/13	USD	550,000,000	BB+	Ba1	118.50	4.8	232	10/27/09
EH975339	CSN ISLANDS XI CORP	6.875	09/21/19	USD	750,000,000	BB+	Ba1	100.75	6.8	316	10/27/09
12642KAA	CSN ISLANDS XI CORP	6.875	09/21/19	USD	750,000,000	BB+	Ba1	100.75	6.8	315	10/27/09

This is not a complete list of Cia Siderurgica Nacional SA bonds outstanding, the securities listed have been selected by certain maturity and amount outstanding criteria. Total Debt for the company currently stands at BRL 14,767mm.

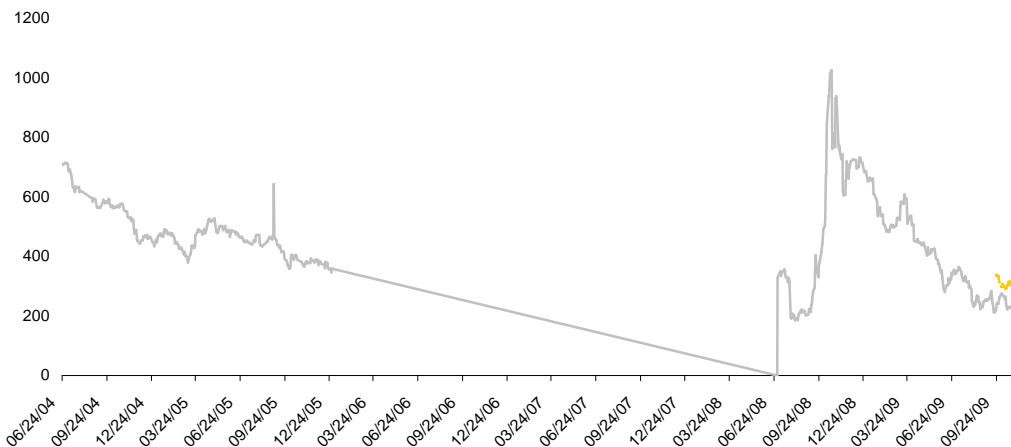
bond price



yield

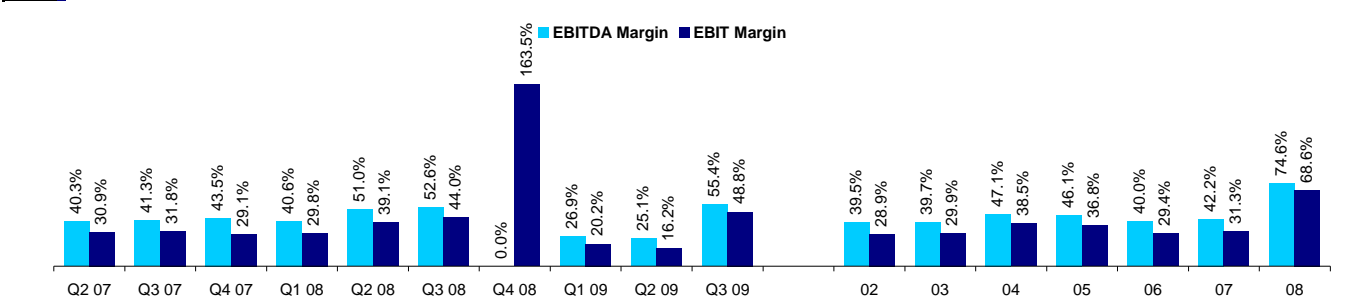


interpolated swap spread

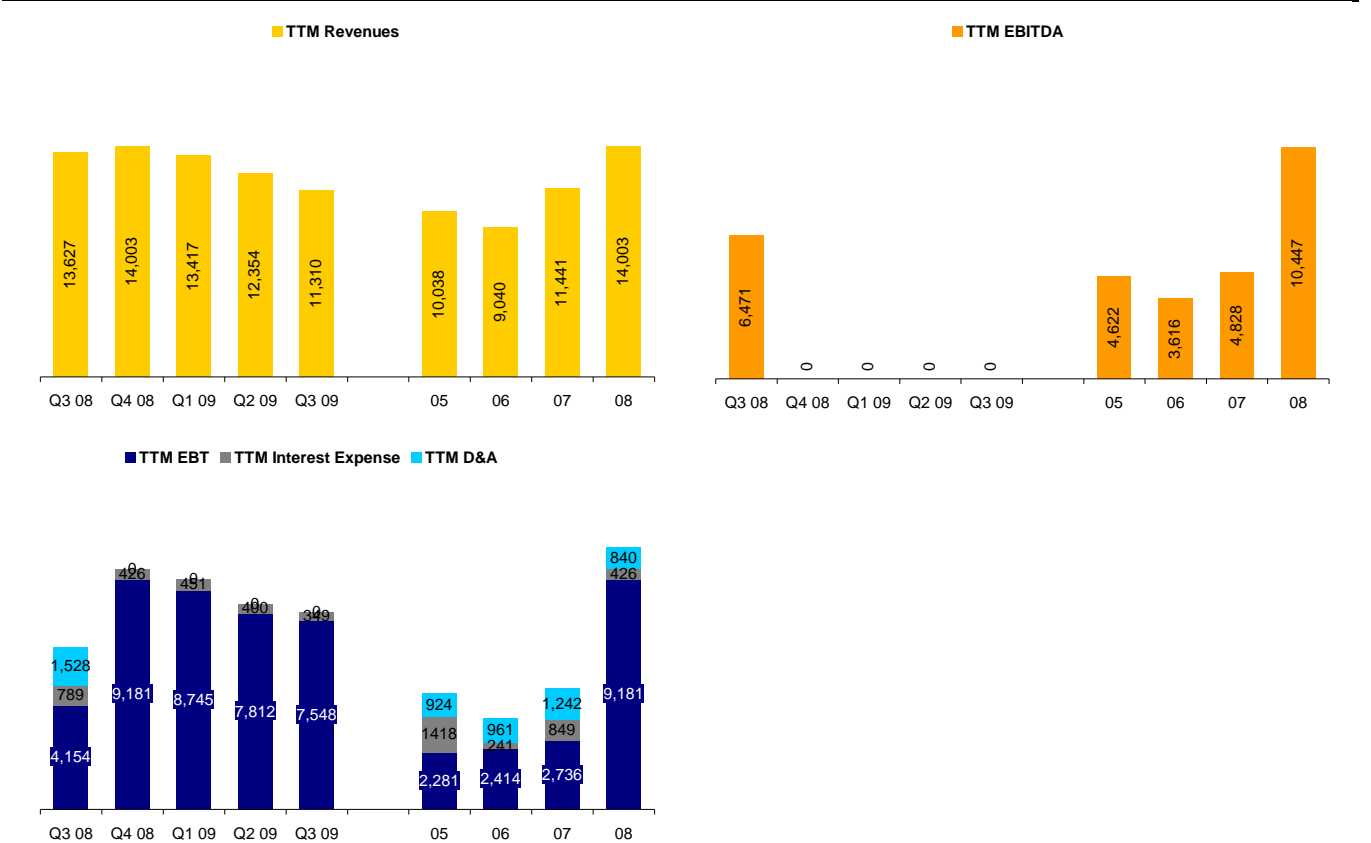


Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

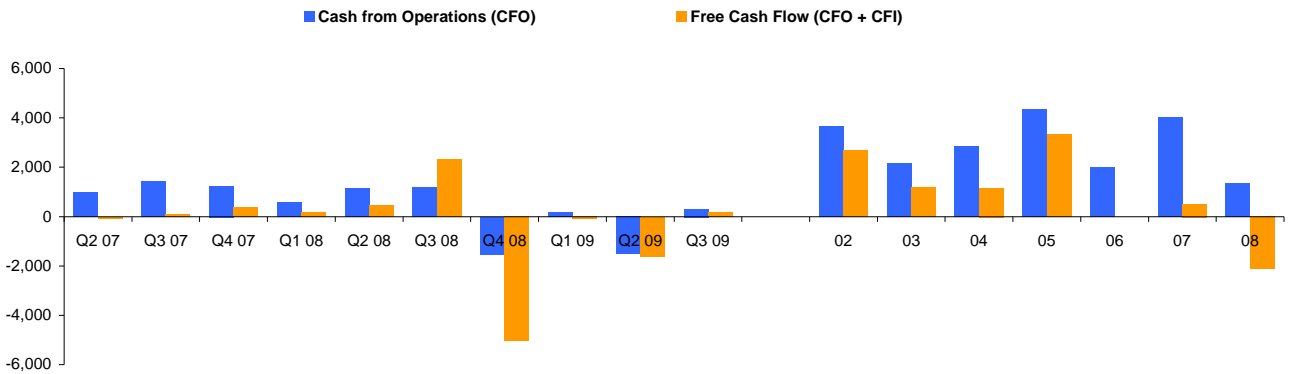
BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Revenues	4,029	3,389	2,444	2,492	2,986	10,038	9,040	11,441	14,003
COGS	1,911	1,409	1,642	1,656	1,809	5,468	5,989	6,674	6,976
COGS % of Revenues	47.4%	41.6%	67.2%	66.5%	60.6%	54.5%	66.2%	58.3%	49.8%
SG&A	397	968	399	485	582	927	1,203	1,467	2,062
SG&A % of Revenues	9.9%	28.6%	16.3%	19.5%	19.5%	9.2%	13.3%	12.8%	14.7%
EBITDA	2,119		658	624	1,654	4,622	3,616	4,828	10,447
Interest Expense	111	93	104	92	60	1,418	241	849	426
EBT	1,662	5,449	389	313	1,398	2,281	2,414	2,736	9,181
Net Income	40	3,936	369	335	1,150	2,005	1,168	2,922	5,774
EBITDA Margin	52.6%	-	26.9%	25.1%	55.4%	46.1%	40.0%	42.2%	74.6%
EBIT Margin	44.0%	163.5%	20.2%	16.2%	48.8%	36.8%	29.4%	31.3%	68.6%



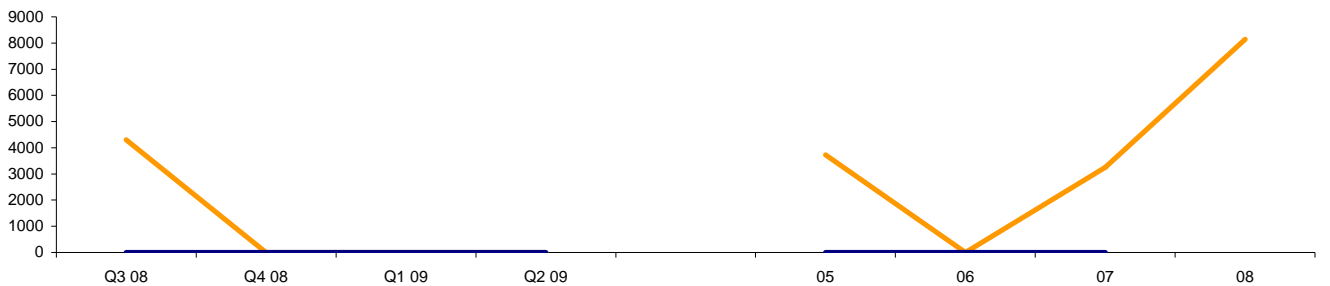
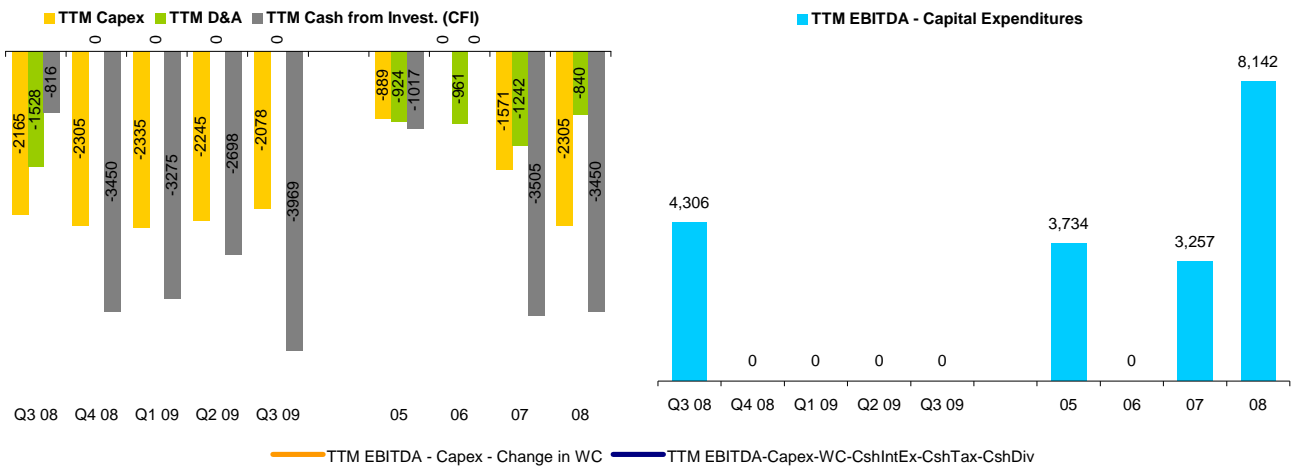
BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
TTM Revenues	13,627	14,003	13,417	12,354	11,310	10,038	9,040	11,441	14,003
TTM EBITDA	6,471					4,622	3,616	4,828	10,447
TTM D&A	1,528					924	961	1,242	840
TTM EBIT	4,943	9,607	9,196	8,212	7,897	3,698	2,655	3,586	9,607
TTM Interest Expense	789	426	451	400	349	1,418	241	849	426
TTM EBT	4,154	9,181	8,745	7,812	7,548	2,281	2,414	2,736	9,181
TTM Net Income	2,346	5,774	5,376	4,679	5,789	2,005	1,168	2,922	5,774



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
CASH FLOW	Cash from Operations (CFO)	1,175	-1,529	148	-1,509	308	4,355	1,992	4,023	1,344	
	Cash from Investing (CFI)	1,128	-3,497	-237	-92	-143	-1,017		-3,505	-3,450	
	Free Cash Flow (CFO + CFI)	2,303	-5,025	-90	-1,601	165	3,338		518	-2,106	
	Cash from Financing Activities	55	10,212	23	-1,475	2,663	-3,168		-284	8,963	



BRL in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
TTM CASH FLOW	TTM Cash from Operations (CFO)	4,107	1,344	919	-1,715	-2,582	4,355	1,992	4,023	1,344	
	TTM Cash from Invest. (CFI)	-816	-3,450	-3,275	-2,698	-3,969	-1,017		-3,505	-3,450	
	TTM Capex	-2,165	-2,305	-2,335	-2,245	-2,078	-889		-1,571	-2,305	
	TTM D&A	-1,528					-924	-961	-1,242	-840	
	TTM Free Cash Flow (CFO + CFI)	3,290	-2,106	-2,356	-4,413	-6,552	3,338		518	-2,106	
	TTM Cash from Financing Activities	-1,423	8,964	9,823	8,815	11,423	-3,168		-284	8,963	
	TTM CFO - Capital Expenditures	1,942	-961	-1,416	-3,960	-4,660	3,466		2,452	-961	
	TTM EBITDA - Capital Expenditures	4,306					3,734		3,257	8,142	
	TTM EBITDA - Capex - Change in WC	4,306					3,733		3,256	8,142	
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
	TTM CFO/Total Debt	37.7%	9.2%	7.7%	-15.6%	-17.5%	49.5%	21.1%	45.9%	9.2%	
TTM FCF/Total Debt	30.2%	-14.5%	-19.6%	-40.3%	-44.4%	37.9%		5.9%	-14.5%		



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Cash	226	232	296	182	1,389	135	167	225	232
Marketable Securities / ST Investments	4,270	8,992	8,861	5,899		3,710	2,456	3,621	8,992
Accounts & Notes Receivable	1,105	1,087	1,225	1,079	1,124	1,366	1,292	744	1,087
Inventories & Unbilled Receivables	2,691	3,623	3,745	3,413	2,727	1,907	2,435	2,420	3,623
Net Fixed Assets	16,032	10,084	10,280	10,524	10,728	13,638	13,948	15,296	10,084
75% of Accounts Receivable	828	815	919	809	843	1,025	969	558	815
30% of Inventories & Unbill. Rec.	807	1,087	1,124	1,024	818	572	731	726	1,087
10% of Net Fixed Assets	1,603	1,008	1,028	1,052	1,073	1,364	1,395	1,530	1,008
Collateral (Liquidation) Asset Value	7,734	12,134	12,227	8,966	4,123	6,806	5,718	6,660	12,134
Working Capital	3,157	8,695	8,426	6,586	9,598	3,344	3,610	1,552	8,695
Cash Conversion Cycle	87.2	108.9	122.7	127.2	124.7	112.8	106.7	85.3	108.9
Total Borrowings (includes ST Borrowings)	10,888	14,549	11,995	10,963	14,768	8,799	9,425	8,759	14,549
Net Debt	6,393	5,325	2,838	4,882	13,379	4,954	6,802	4,913	5,325
Collateral Asset Value / Total Borrowings	71.0%	83.4%	101.9%	81.8%	27.9%	77.3%	60.7%	76.0%	83.4%

BALANCE SHEET

explanations and definitions:

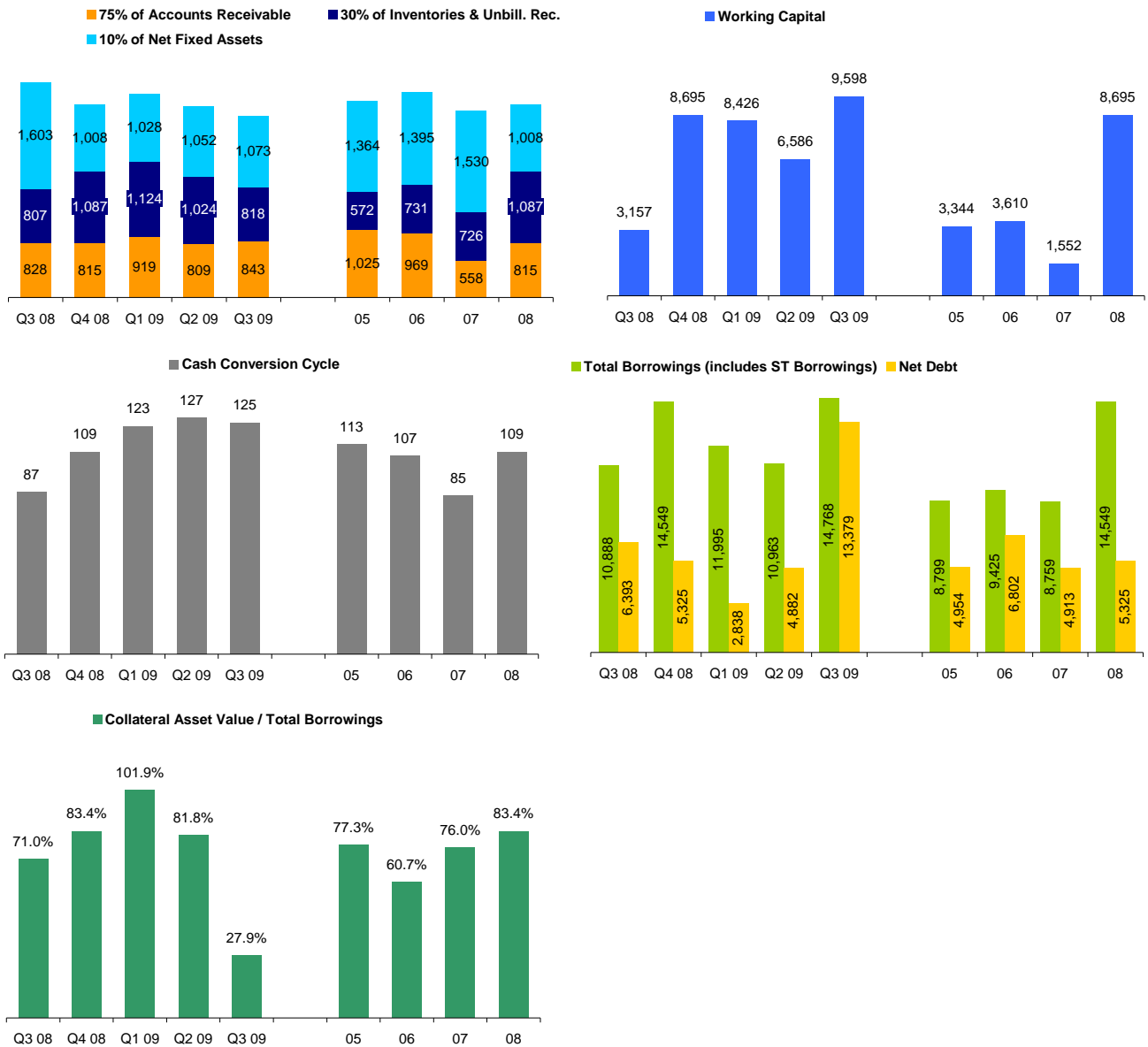
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.

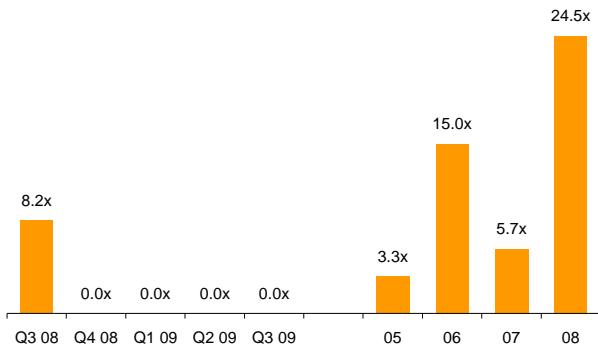


COVERAGE RATIOS	BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
							09/30/09			
	TTM EBITDA / TOTAL INTEREST	8.2x	-	-	-	-	3.3x	15.0x	5.7x	24.5x
	TTM EBITDAR / TOTAL INTEREST+RENT	-	-	-	-	-	-	-	-	-
	TTM EBITDA-CAPEX / TOTAL INTEREST	5.5x	-	-	-	-	2.6x	-	3.8x	19.1x
	TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT	-	-	-	-	-	-	-	-	-

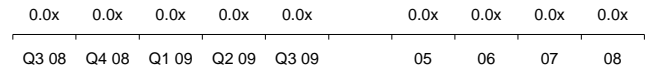
explanations and definitions:

TTM TOTAL INTEREST: For all coverage ratio calculations we use the Total Interest figure which in addition to **Interest Expense** also includes **Capitalized Interest Expenses**. We think this gives a better view of the economic reality than the simple Interest Expense figure.

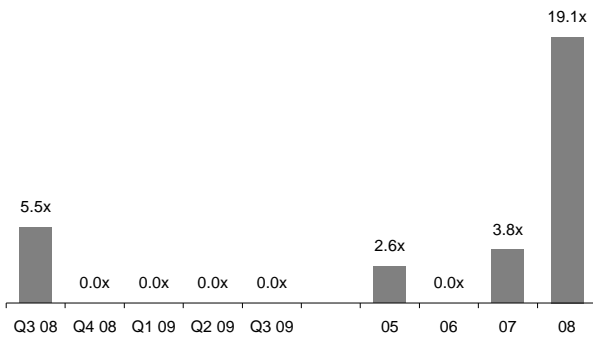
■ TTM EBITDA / TOTAL INTEREST



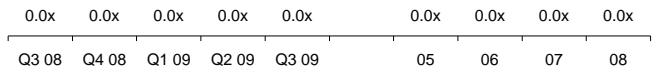
■ TTM EBITDAR / TOTAL INTEREST+RENT



■ TTM EBITDA-CAPEX / TOTAL INTEREST



■ TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT

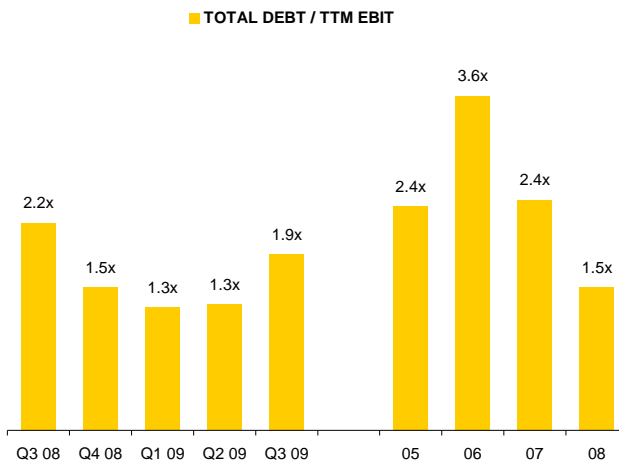
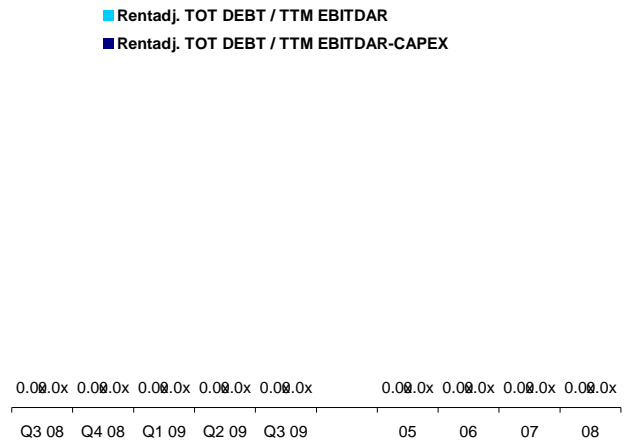
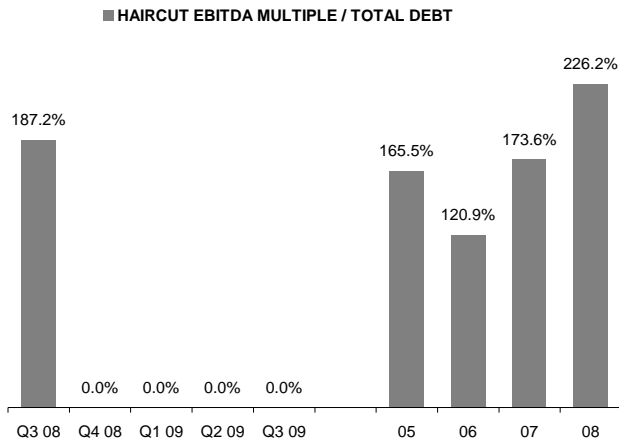
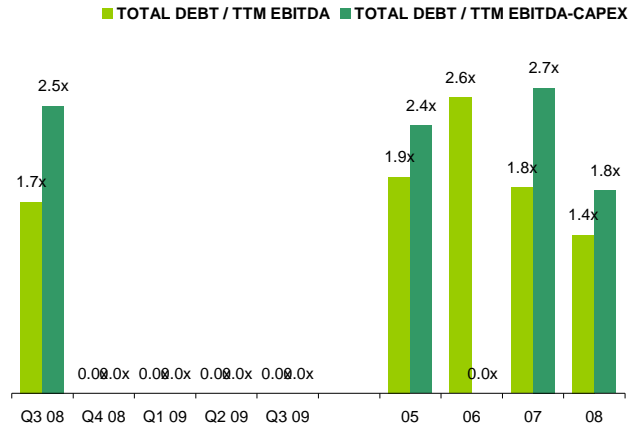
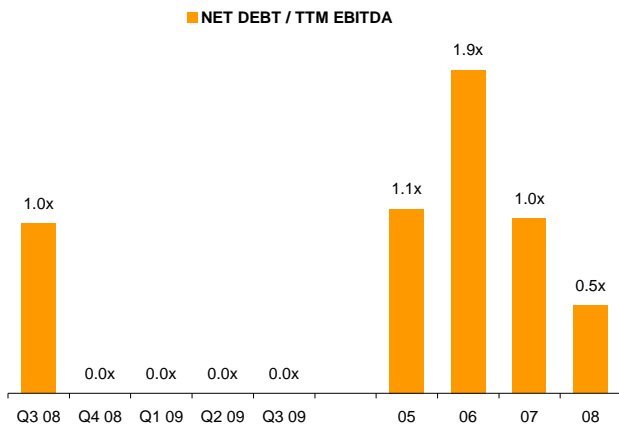


BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
NET DEBT / TTM EBITDA	1.0x					1.1x	1.9x	1.0x	0.5x
TOTAL DEBT / TTM EBITDA	1.7x					1.9x	2.6x	1.8x	1.4x
TOTAL DEBT / TTM EBITDA-CAPEX	2.5x					2.4x		2.7x	1.8x
Rentadj. TOT DEBT / TTM EBITDAR									
Rentadj. TOT DEBT / TTM EBITDAR-CAPEX									
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT	187.2%					165.5%	120.9%	173.6%	226.2%
TOTAL DEBT / TTM EBIT	2.2x	1.5x	1.3x	1.3x	1.9x	2.4x	3.6x	2.4x	1.5x

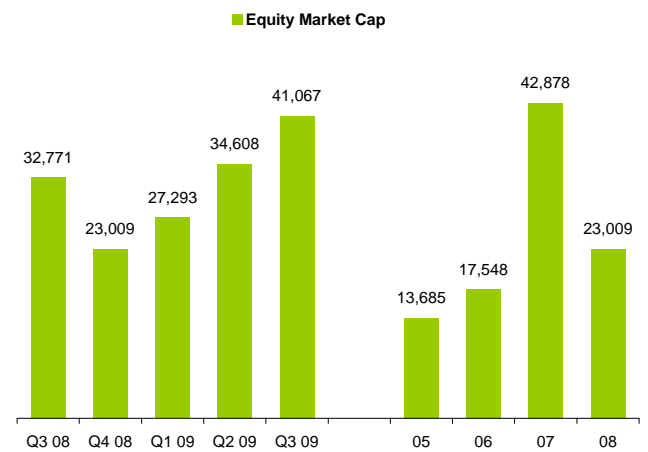
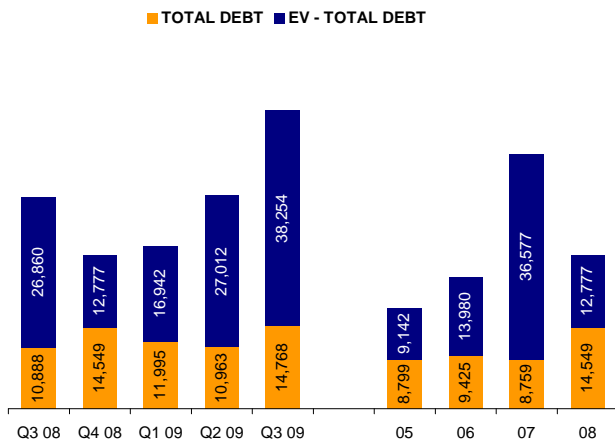
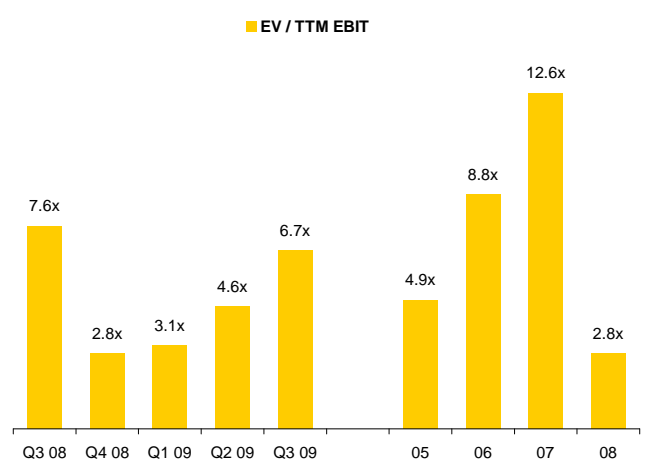
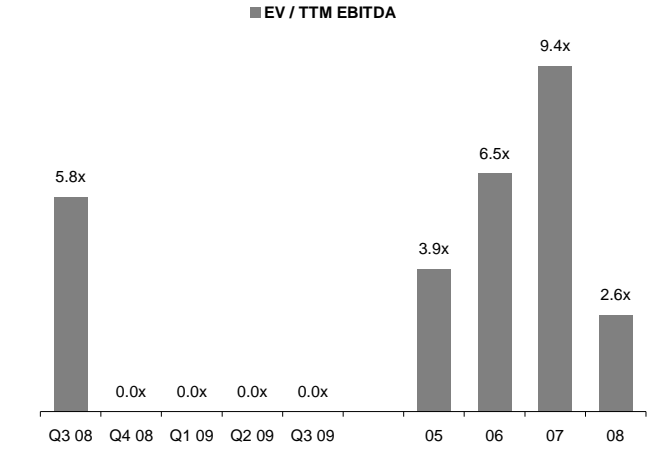
explanations and definitions:

Rent adj. Total Debt/TTM EBITDAR: This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

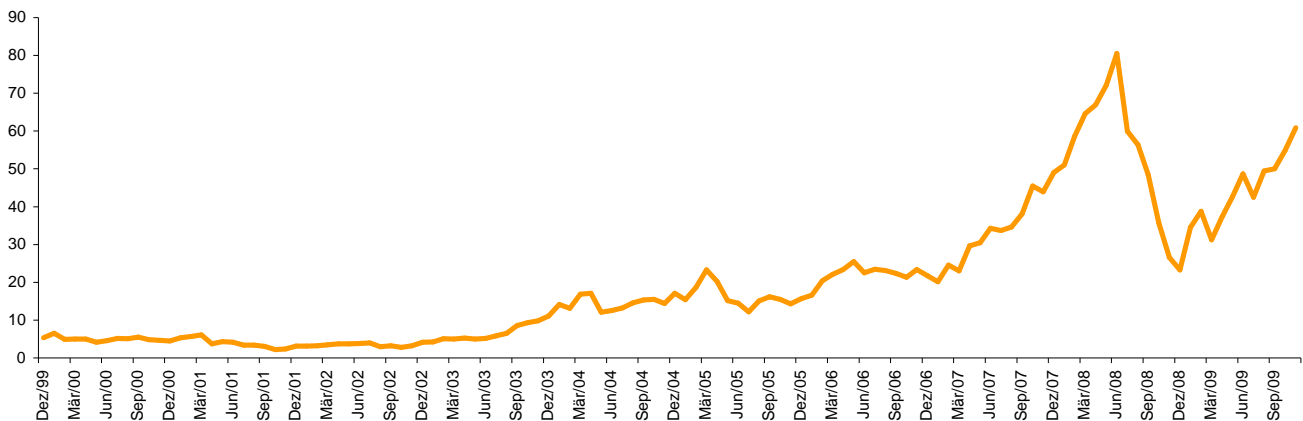
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT: We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
EV / TTM EBITDA	5.8x					3.9x	6.5x	9.4x	2.6x
EV / TTM EBIT	7.6x	2.8x	3.1x	4.6x	6.7x	4.9x	8.8x	12.6x	2.8x
Enterprise Value	37,748	27,327	28,937	37,976	53,021	17,940	23,405	45,335	27,327
TOTAL DEBT	10,888	14,549	11,995	10,963	14,768	8,799	9,425	8,759	14,549
Equity Market Cap	32,771	23,009	27,293	34,608	41,067	13,685	17,548	42,878	23,009



CSNA3 BZ stock closing price



BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Adjusted Cap Rate	8.29%	22.54%	0	13.83%	9.52%	13.82%	7.70%	5.31%	23.13%
Tangible Capital	15,403	11,461	9,220	11,305	19,270	11,426	12,926	12,455	11,461
Total Intangibles	0	527	526	505	464			0	527
Pre-tax ROIC	32.1%	83.8%	99.7%	72.6%	41.0%	32.4%	20.5%	28.8%	83.8%
After-tax ROIC (effective tax rate)		76.6%	81.1%	40.0%	35.1%	22.6%	14.2%	21.4%	71.9%
After-tax ROIC (assumed tax rate)	20.9%	54.5%	64.8%	47.2%	26.6%	21.0%	13.4%	18.7%	54.5%
WACD (Pre-tax)	7.2%	2.9%	3.8%	3.6%	2.4%	16.1%	2.6%	9.7%	2.9%

explanations and definitions:

Adjusted Cap Rate: This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

Tangible Capital: Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

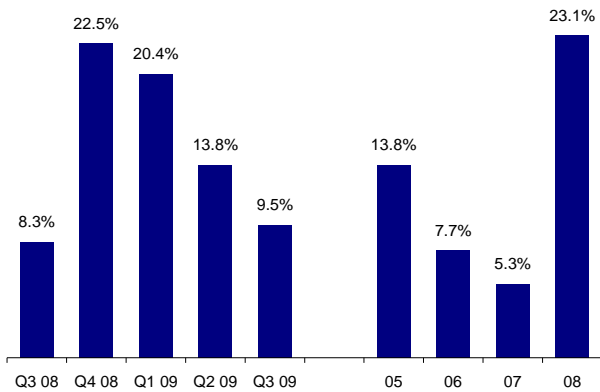
Pre-Tax ROIC: this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

After-tax ROIC (effective tax rate): here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

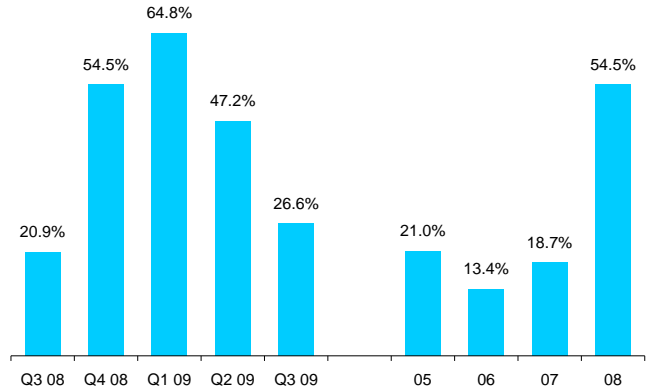
After-tax ROIC (assumed tax rate): here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

WACD (Pre-Tax): This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

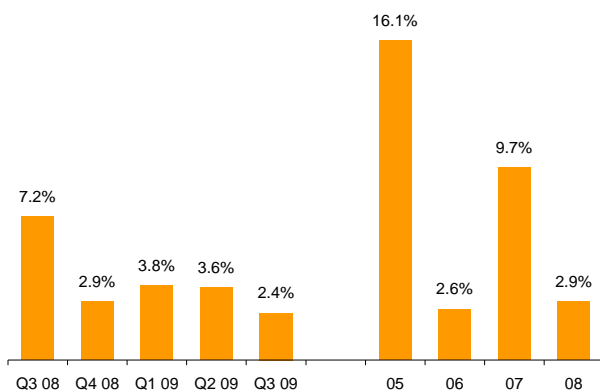
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	293
Estimated Bond Recovery Rate (2)	100.0%
Resulting Tolerable Default Rate (3)	N/A

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

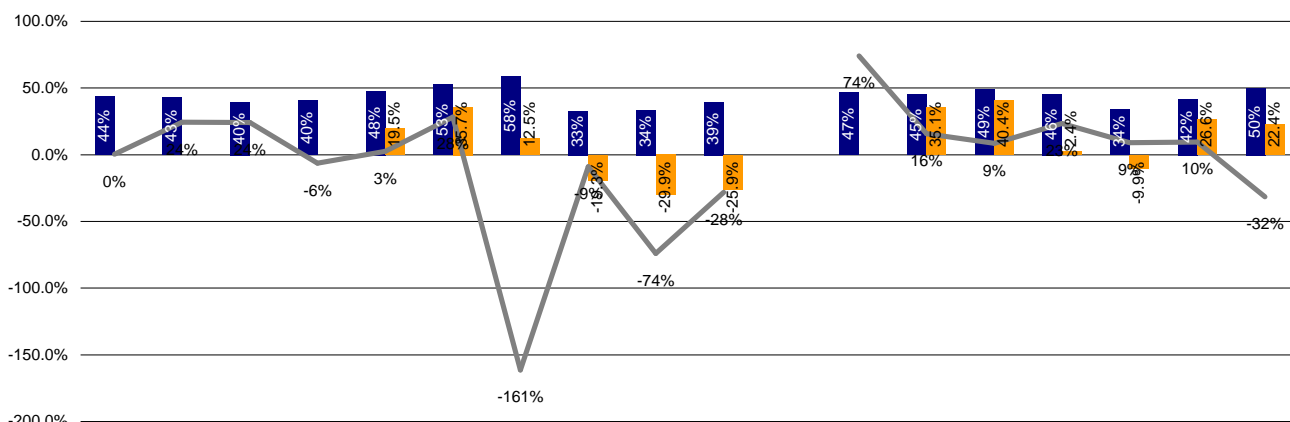
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Total Assets	29,254	31,497	31,736	27,650	29,710	24,448	25,028	27,052	31,497
Total Liabilities	20,243	24,835	24,828	20,722	23,355	17,975	18,904	19,510	24,835
Total Intangibles		527	526	505	464				527
Tangible Net Worth	9,011	6,136	6,382	6,423	5,891	6,472	6,124	7,542	6,136
Rent Debt (8x Annual Rental Expense)									
Underfunded Pension & Post Ret. Liab.									
Discount on Hard Assets	16,589	11,883	12,180	12,130	11,845	13,951	14,581	15,646	11,883
Adjusted Tangible Net Worth	-7,578	-5,747	-5,798	-5,708	-5,955	-7,479	-8,457	-8,104	-5,747

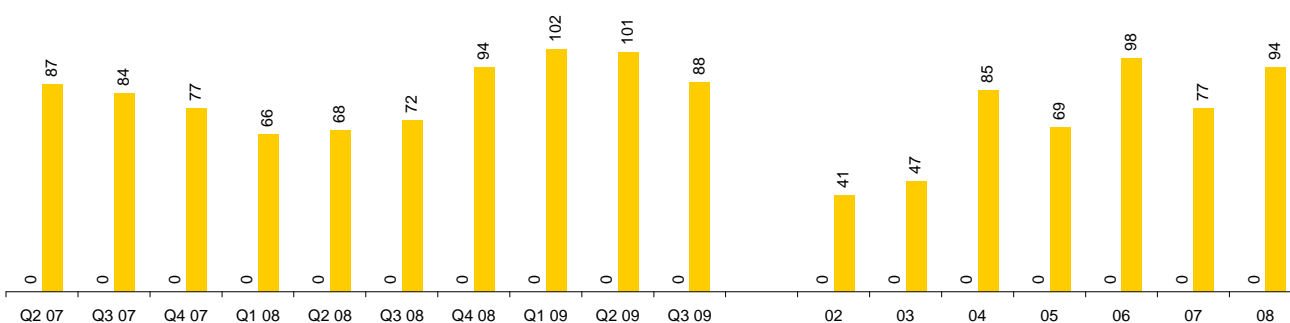
BRL in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
(CFO-Net Income)/Revenues	28.2%	-161.3%	-9.1%	-74.0%	-28.2%	23.4%	9.1%	9.6%	-31.6%
yoy Revenue Growth	35.7%	12.5%	-19.3%	-29.9%	-25.9%	2.4%	-9.9%	26.6%	22.4%
Gross Margin	52.6%	58.4%	32.8%	33.5%	39.4%	45.5%	33.8%	41.7%	50.2%
Days Sales Outstanding	30	28	33	32	36	50	52	24	28
Days Sales of Inventory	72	94	102	101	88	69	98	77	94
Soft Assets	3,467	6,046	6,054	5,300	12,371	2,874	2,746	2,694	6,046
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	237.5	-	40.4	38.0	35.7	311.6	267.3	-	42.5
Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
TTM Dividends Paid	-	-	-	-	1,928	2,269	-	686	2,275
TTM Preferred Dividends	-	-	-	-	-	-	-	0	0
Net Change in Capital Stock	0	0	0	0	-1,350	-864	0	-67	3,719
Non-Capex CFI (CFI less Capex)	1,739	-2,751	150	409	301	-128	-	-1,934	-1,145

ACCOUNTING RED FLAGS

Gross Margin yoy Revenue Growth (CFO-Net Income)/Revenues



Days Sales Outstanding Days Sales of Inventory



Auditor Information:	
Current auditor	KPMG AUDITORES INDEPENDENTES (as of 27.3.2009)
Auditor's opinion	Unqualified
Auditor's opinion - Definitions	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline
the survival rate for
everyone drops to zero.

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