STRICTLY CONFIDENTIAL

OFFERING MEMORANDUM

CSN Resources S.A.

US$175,000,000 7.625% Notes Due 2023

Unconditionally and Irrevocably Guaranteed by

Companhia Siderúrgica Nacional

CSN Resources S.A., or the issuer, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, or Luxembourg, is offering an aggregate principal amount of US$175,000,000 of 7.625% senior notes due 2023, or the notes. The notes are being offered as a further issuance of and will be consolidated and form a single fungible series with the issuer's US$350,000,000 and US$400,000,000 in aggregate principal amount of 7.625% senior notes due 2023 initially issued on February 13, 2018 and April 17, 2019, respectively, or the initial notes.

Interest on the notes will accrue at a rate of 7.625% per annum and will be payable semi-annually in arrears on February 13 and August 13, commencing on August 13, 2019. Purchasers of the notes will be required to pay accrued interest of approximately US$29.44 per US$1,000 principal amount of notes, from and including February 13, 2019 up to but excluding July 2, 2019, which is the date we expect to deliver the notes. The notes will have terms identical to the initial notes, other than the issue date, issue price and first interest payment date. The notes will become fully fungible with the initial notes following the termination of certain U.S. selling restrictions. See "Listing and General Information."

Unless previously redeemed or purchased and in each case cancelled, the notes will mature on February 13, 2023.

The notes will be the issuer's senior, unsecured, general obligations and will rank *pari passu* in right of payment with all of its existing and future senior, unsecured, general obligations. Companhia Siderúrgica Nacional, or the guarantor, will unconditionally and irrevocably guarantee, on a senior unsecured basis, all of the issuer's obligations pursuant to the notes and the indenture. The guarantee will rank *pari passu* in right of payment with the other senior unsecured indebtedness and guarantees of the guarantor. The notes will be effectively subordinated to the issuer's and the guarantor's secured indebtedness to the extent of the assets and properties securing such secured indebtedness.

Prior to February 13, 2021, the issuer may redeem the notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount of notes to be redeemed plus the "make-whole" premium and accrued and unpaid interest. The issuer also has the option to redeem all or a portion of the notes at any time on or after February 13, 2021 at the redemption price (expressed as a percentage of the principal amount of the notes) set forth in this offering memorandum plus accrued and unpaid interest. The issuer may redeem the notes, in whole but not in part, at any time upon the occurrence of specified events relating to applicable tax laws, as described under "Description of Notes—Optional Redemption—Redemption for Taxation Reasons." Notes will be issued only in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

The issuer will apply to the Singapore Exchange Securities Trading Limited, or the SGX-ST, for permission to list the notes offered hereby on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this offering memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the notes or the issuer.

An investment in the notes involves risks. See "Item 3D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2018, as filed with the SEC on April 4, 2019, incorporated by reference in this offering memorandum, and "Risk Factors" beginning on page 16 of this offering memorandum for a discussion of certain risks that you should consider in connection with an investment in the notes.

Issue Price for the notes: 105.615% plus accrued interest from and including February 13, 2019.

The notes (and guarantee) have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the Securities Act, or the securities laws of any other jurisdiction. The issuer is offering the notes only to (i) persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act); and (ii) outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on the transfer of the notes, see "Transfer Restrictions."

We expect that the delivery of the notes will be made to investors in book-entry form only through the facilities of The Depository Trust Company, or DTC, and its direct and indirect participants, including Clearstream Banking S.A., or Clearstream, and Euroclear Bank S.A./N.V., as operator of the Euroclear Bank System, or Euroclear, against payment on July 2, 2019.

Joint Global Bookrunners

BofA Merrill Lynch	**BB Securities**	**Bradesco BBI**	**J.P. Morgan**	**Morgan Stanley**

The date of this offering memorandum is June 27, 2019.

TABLE OF CONTENTS

Neither we, the issuer nor the initial purchasers have authorized anyone to give any information or to represent anything not contained or incorporated by reference in this offering memorandum. If given or made, any such other information or representation shall not be relied upon as having been authorized by us or the initial purchasers. This document may only be used where it is legal to sell the notes. The notes are being offered, and offers to purchase the notes are being sought, only in jurisdictions where offers and sales are permitted. The information contained or incorporated by reference in this offering memorandum is, as applicable, accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any offer or sale of the notes. Our business, financial condition, results of operations and prospects may have changed since that date.

In this offering memorandum, except where otherwise specified or the context otherwise requires, "we," "us," "our," "CSN" and "the Company" refer to Companhia Siderúrgica Nacional and its subsidiaries. All references to the issuer refer to CSN Resources S.A., an indirect wholly owned subsidiary of CSN. References to "common shares" and "ADSs" refer to common shares of CSN and American depositary shares representing those common shares, respectively, except where the context requires otherwise.

The term "Brazil" refers to the Federative Republic of Brazil. The phrase "Brazilian government" refers to the federal government of Brazil and the term "Central Bank" refers to the Central Bank of Brazil (*Banco Central do Brasil)*. The terms "U.S. dollar" and "U.S. dollars" and the symbol "US$" refer to the legal currency of the United States. The terms "*real*" and "*reais*" and the symbol "R$" refer to the legal currency of Brazil.

You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the notes described in this offering memorandum. We and other sources identified herein have provided the information contained or incorporated by reference in this offering memorandum. None of the initial purchasers named herein or any of their agents are making any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained or incorporated by reference in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to past, present or future. The initial purchasers accept no liability in relation to the information contained or incorporated by reference in this offering memorandum or any information included by us and the issuer. The Bank of New York Mellon, in each of its capacities including but not limited to trustee, has not participated in the preparation of this offering memorandum and assumes no responsibility for its contents, the accuracy or completeness of the information contained in this offering memorandum or incorporated herein or in the related documents, including but not limited to any reports, annual reports or financial statements, for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or for any other information provided by the issuer in connection with the offering of the notes or their distribution.

The issuer is relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes offered are subject to restrictions on transferability and resale and may not be transferred or resold in the United States, except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption from them. By purchasing the notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "Transfer Restrictions." You should understand that you may be required to bear the financial risks of your investment in the notes for an indefinite period of time.

We and the issuer have prepared this offering memorandum for use solely in connection with the proposed offering of the notes outside of Brazil, and it may only be used for that purpose. This offering memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to acquire the notes. Distribution of this offering memorandum to any person other than the offeree and those persons, if any, engaged to advise that offeree with respect thereto is unauthorized. You may not use any information herein for any purpose other than considering the purchase of the notes.

The issuer and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the notes offered in this offering memorandum.

You agree to the foregoing by accepting delivery of this offering memorandum.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL, INCLUDING THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Neither this offering memorandum, including any information incorporated by reference herein, nor any other information supplied in connection with the notes should be considered as a recommendation by us, the issuer or any of the initial purchasers that any recipient of this offering memorandum should subscribe for or purchase any notes. Each investor contemplating subscribing for or purchasing any notes should make its own independent investigation of our and the issuer's financial condition and affairs, and its own appraisal of our and the issuer's creditworthiness. This offering memorandum does not constitute an offer of, or an invitation by or on behalf of us, the issuer, any initial purchaser or the trustee to subscribe or purchase, any of the notes in any jurisdiction where such offer or invitation is not permitted. The distribution of this offering memorandum and the offering and sale of the notes in certain jurisdictions may be restricted by law. The issuer and the initial purchasers require persons in whose possession this offering memorandum comes to inform themselves about and to observe any such restrictions. None of us, the issuer, nor any initial purchaser represents that this offering memorandum may be lawfully distributed, or that any notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, the issuer or any initial purchaser that is intended to permit a public offering of any notes or distribution of this offering memorandum in any jurisdiction where action for that purpose is required. Accordingly, no notes may be offered or sold, directly or indirectly, and neither this offering memorandum nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

In making an investment decision, you must rely on your own examination of our business and the terms of this offering and the notes, including the merits and risks involved.

We, the issuer and the initial purchasers are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes under any investment law or similar laws or regulations. You should not consider any information included or incorporated by reference in this offering memorandum to be advice of a legal, business, accounting or tax nature. You should consult your own attorney or other professional for any legal, business, accounting or tax advice regarding an investment in the notes.

The issuer will apply to the SGX-ST for permission to list the notes offered hereby on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained or incorporated by reference in this offering memorandum.

AVAILABLE INFORMATION

While any notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of notes the information required pursuant to Rule 144A(d)(4)(i), during any period in which we are not subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, or exempt under Rule 12g3-2(b) of the Exchange Act.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Statements and Information

We maintain our books and records in *reais*, which is our functional currency as well as our reporting currency. Our audited consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018 and our unaudited interim consolidated financial information as of March 31, 2019 for the three months ended March 31, 2018 and 2019, in each case incorporated by reference in this offering memorandum, have been prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or the IASB, in *reais*.

Translation of *Reais* into U.S. Dollars

Solely for the convenience of the reader, we have translated some of the *real* amounts in this offering memorandum into U.S. dollars at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of the reader and should not be construed as implying that the *real* amounts represent, or could have been or could be converted into, U.S. dollars at the above rate.

Market Information

We make statements in this offering memorandum about our competitive position and market share in, and the market size of, the Brazilian and international steel production industry. We have made these statements on the basis of statistics and other information from third party sources, governmental agencies or industry or general publications that we believe are reliable. Although we have no reason to believe that any of this information or these reports are inaccurate in any material respect, neither we nor the initial purchasers have independently verified such information, and we and the initial purchasers cannot guarantee the accuracy or completeness of such information. All industry and market data contained or incorporated by reference in this offering memorandum derive from the latest publicly available information.

Rounding

Certain figures included or incorporated by reference in this offering memorandum have been rounded. Accordingly, figures shown as totals in certain tables may not be an arithmetic sum of the figures that precede them.

Special Note Regarding Non-IFRS Financial Measures

We disclose certain non-IFRS financial measures, which are not defined under Brazilian GAAP or IFRS, specifically EBITDA, adjusted EBITDA and net debt. Non-IFRS financial measures do not have standardized meanings and may not be directly comparable to similarly-titled measures adopted by other companies. We believe the non-IFRS financial measures that we use are helpful to understand our profitability and indebtedness. Potential investors should not rely on information not defined under Brazilian GAAP or IFRS as a substitute for the IFRS measures of earnings, cash flows or net income (loss) in making an investment decision.

EBITDA and Adjusted EBITDA

We calculate EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results from discontinued operations, if any. We calculate adjusted EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results of discontinued operations, *plus* other operating income (expenses), equity in results of affiliated companies and the proportionate EBITDA of joint ventures. We believe our EBITDA and adjusted EBITDA measures provide indications of our general economic performance, without giving effect to interest rate or exchange rate fluctuations, changes in income and social contribution tax rates or depreciation and amortization, and they allow us to assess the performance of our operations and our capacity to generate recurring operating cash. EBITDA and adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or IFRS and they should not be considered alternatives to net income (loss) as measures of operating performance, or as alternatives to operating cash flows, or as measures of liquidity. EBITDA and adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or adjusted EBITDA, or similarly titled measures, used by other companies.

Net Debt

We calculate net debt as the sum of our short-term and long-term borrowings, financing and debentures *less* cash and cash equivalents and financial investments. For more detailed information regarding our cash and cash equivalents and financial investments, see note 4 and note 5 to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum. Net debt is not a financial measure defined under IFRS, does not represent indebtedness for the periods indicated and is not an indicator of our financial condition, liquidity or ability to service our debt. Net debt is not calculated using a standard methodology and may not be comparable to the definition of net debt, or similarly titled measures, used by other companies.

WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company under Section 13 or Section 15(d) of the Exchange Act and file periodic reports with the U.S. Securities and Exchange Commission, or the SEC. However, if at any time we cease to be a reporting company under Section 13 or Section 15(d) of the Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, we will be required to furnish to any holder of a note which is a "restricted security" (within the meaning of Rule 144 under the Securities Act), or to any prospective purchaser thereof designated by such holder, upon the request of such holder or prospective purchaser, in connection with a transfer or proposed transfer of any such note pursuant to Rule 144A under the Securities Act or otherwise, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

We are subject to the informational requirements of the Exchange Act and, in accordance therewith, file reports and other information with the SEC. Such reports and other information can be inspected and copied at the public references facilities of the SEC at Room 1580, 100 F Street N.E., Washington, D.C. 20549. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. We file materials with, and furnish material to, the SEC electronically using the EDGAR System. The SEC maintains an Internet site that contains these materials at *www.sec.gov*. In addition, such reports and other information concerning us can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which our equity securities are listed.

As a foreign private issuer, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act. For example, we are not required to prepare and issue quarterly reports, and we are exempt from the Exchange Act rules regarding the provision and control of proxy statements and regarding short-swing profit reporting and liability. However, we furnish our shareholders with annual reports on Form 20-F containing consolidated financial statements audited by our independent auditors and make available to our shareholders free translations of our quarterly consolidated financial statements as filed with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM, on Form ITR, which contain unaudited interim consolidated financial data for each of the first three quarters of the fiscal year and which we furnish to the SEC under Form 6-K within two months of the end of each of those quarters.

INCORPORATION BY REFERENCE

We are allowed to "incorporate by reference" information into this offering memorandum, which means that we can disclose important information to you without actually including the specific information in this offering memorandum and by referring you to other documents filed separately with the SEC. We incorporate herein by reference the documents listed below that we have filed or furnished to the SEC:

- Our Annual Report on Form 20-F for the year ended December 31, 2018, as filed with the SEC and amended on April 5, 2019, or the 2018 Annual Report, except for the columns relating to our fiscal years 2014 and 2015 in Item 3 of our 2018 Annual Report;
- Our Report on Form 6-K relating to our annual shareholders' meeting held on April 26, 2019, as furnished to the SEC on April 29, 2019;
- Our Report on Form 6-K relating to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, as furnished to the SEC on May 30, 2019; and
- Our Report on Form 6-K relating to our discussions with the state government of São Paulo for the construction of a new galvanized steel plant with an estimated investment of R$1.5 billion, as furnished to the SEC on June 7, 2019.

You may obtain a copy of these filings at no cost by writing us at the following address or calling us at the number below:

Companhia Siderúrgica Nacional
Av. Brigadeiro Faria Lima, 3400 – 20th floor
04538-132, São Paulo, SP, Brazil
Phone: +55 (11) 3049-7100

Any statement contained in a document incorporated or deemed to be incorporated by reference in this offering memorandum shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in this offering memorandum modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. Information contained on our website is not incorporated by reference in, and shall not be considered a part of, this offering memorandum.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements, principally under the captions "Item 3D. Risk Factors," "Item 4B. Business Overview" and "Item 5. Operating and Financial Review and Prospects" in our 2018 Annual Report. We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting us. Although we believe these estimates and forward-looking statements are based on reasonable assumptions, these estimates and statements are subject to several risks and uncertainties and are made in light of the information currently available to us. Many important factors, in addition to those discussed in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among others:

- general economic, political and business conditions in Brazil and abroad, especially in China, which is the largest world steel producer and main consumer of our iron ore;
- demand for and prices of steel and mining products;
- the effects of the global financial markets and economic slowdowns;
- changes in competitive conditions and in the general level of demand and supply for our products;
- our liquidity position and leverage;
- management's expectations and estimates concerning our future financial performance and financing plans;
- our level of debt and our ability to obtain financing on satisfactory terms;
- availability and price of raw materials;
- changes in international trade or international trade regulations;
- protectionist measures imposed by Brazil and other countries;
- our capital expenditure plans;
- inflation, interest rate levels and fluctuations in foreign exchange rates;
- our ability to develop and deliver our products on a timely basis;
- lack of infrastructure in Brazil;
- electricity and natural gas shortages and government responses to these;
- existing and future governmental regulation; and
- the risk factors discussed under the caption "Risk Factors."

We caution you that the foregoing list of significant factors may not contain all of the material factors that are important to you. The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of regulation and the effects of competition, among others.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this offering memorandum because of new information, events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this offering memorandum might not occur and are not guarantees of future performance.

SUMMARY

This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information you should consider before investing in the notes. You should carefully read this entire offering memorandum before investing in the notes, including our 2018 Annual Report, which includes our audited consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018, and our unaudited interim consolidated financial information as of March 31, 2019 for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum. See "Presentation of Financial and Other Data" for information regarding our consolidated financial statements, definitions of technical terms and other introductory matters.

Overview

We are one of the largest fully integrated steel producers in Brazil and Latin America in terms of crude steel production. We operate throughout the entire steel production chain, from the mining of iron ore to the production and sale of a diversified range of high value-added steel products. We divide our business into five segments: steel, mining, cement, logistics and energy.

Steel

Our steel segment comprises a portfolio of diverse products and provides us an international footprint by means of our international subsidiaries and our exports from Brazil. In our flat steel segment, we are an almost fully integrated steelmaker. Our main industrial facility, Presidente Vargas Steelworks produces a broad line of steel products, including slabs, hot and cold-rolled, galvanized and tin mill products for the distribution, packaging, automotive, home appliance and construction industries.

Our production process is based on the integrated steelworks concept. Our current annual crude steel capacity and rolled product capacity at Presidente Vargas Steelworks is 5.6 million and 5.1 million tons, respectively.

We currently obtain all of our iron ore (except for pellets), limestone and dolomite requirements and a portion of our tin requirements, from our own mines. Using imported coal, we produce approximately 55% of our coke requirements at current production levels in our own coke batteries at Volta Redonda. Imported coal is also pulverized and used directly in the pig iron production process. Zinc, manganese ore, aluminum and a portion of our tin requirements are purchased in local markets. Our steel production and distribution processes also require water, industrial gases, electricity, rail and road transportation and port facilities.

In addition to the production of flat steel, we entered into the long steel segment, with the acquisition of Stahlwerk Thüringen Gmbh, or SWT, in 2012 for €482.5 million. SWT is a long steel producer in Germany with annual production capacity of approximately 1.1 million tons of steel sections.

Since December 2013, we operate a plant in Volta Redonda for production of long steel products. The plant consists of an electric arc steelmaking furnace, continuous casting for billets and a hot rolling mill for round section long products – wire rod and rebar.

Mining Activities

We own a number of high quality iron ore mines, strategically located within Brazil's "Iron Ore Quadrangle" (*Quadrilátero Ferrífero*) in the state of Minas Gerais, including the Casa de Pedra and Engenho mines, located in the city of Congonhas, pertaining to our controlled investee CSN Mineração, and the Fernandinho mines, located in the city of Itabirito and the Cayman and Pedras Pretas mining rights, located in the city of Rio Acima and Congonhas, respectively, pertaining to our wholly owned subsidiary Minérios Nacional S.A. (formerly Mineração Nacional S.A.), or Minérios Nacional.

Our mining assets also include (i) the solid bulks cargo terminal Itaguaí Port, or TECAR, in the state of Rio de Janeiro, which pertains to CSN Mineração; (ii) the Bocaina mines, located in the city of Arcos, in the state of Minas Gerais, which produce dolomite and limestone; and (iii) Estanho de Rondônia S.A., or ERSA, located in the city of Ariquemes, in the state of Rondônia, which mines and casts tin.

We sold 32.9 million tons, 27.4 million tons and 29.6 million tons of iron ore to third parties in 2016, 2017 and 2018, respectively, and 6.2 million tons and 7.7 million tons in the three months ended March 31, 2018 and 2019, respectively.

Logistics

Our vertical integration strategy and the synergies among our business units are strongly dependent on the logistics needed to guarantee the transportation of inputs at low cost. A number of railways and port terminals comprise the logistics system that integrates our mining, steelmaking and cement units.

We operate a port terminal for containers, Sepetiba Tecon, or TECON, at Itaguaí Port, in the state of Rio de Janeiro, and CSN Mineração operates TECAR.

We also have the following participation in three railways: (i) we share control in MRS Logística S.A., or MRS, which operates in the Southeast region of the federal railway system, along the Rio de Janeiro - São Paulo - Belo Horizonte axis; (ii) we have an interest in joint venture Transnordestina Logística S.A., which has a concession to construct and operate the Northeastern Railway System II; and (iii) we control Ferrovia Transnordestina Logística S.A., or FTL, which operates the Northeastern Railway System I.

Cement

We entered the cement market in May 2009 in order to take advantage of the synergy potential with our steelmaking business. Our cement operations use as inputs slag generated by our blast furnaces at Volta Redonda and limestone from our limestone reserves in our Bocaina mines, which is used to produce clinker. Slag and clinker are the main inputs in cement production.

In 2015, we inaugurated two grinding mills, and in 2016, we concluded a new kiln line with a capacity of 6,500 tons per day, reaching an aggregate capacity of 4.7 million tons per year of cement production considering our Volta Redonda and Arcos plants. We plan to increase our market share in the cement segment in Brazil in order to diversify our product mix and markets, which will allow us to reduce our risk exposure.

Energy

We are self-sufficient in our energy needs. Steelmaking requires significant amounts of electricity to power rolling mills, production lines, hot metal processing, coking plants and auxiliary units.

The main source of the electricity we use is our thermoelectric cogeneration power plant located at Presidente Vargas Steelworks, which is fueled by gases from the steel production process, and has an installed capacity of 235.2 MW. In addition, we have a 29.5% interest in the Itá hydroelectric facility in the state of Santa Catarina, through a 48.75% equity interest in ITASA, and a 17.9% interest in the Igarapava hydroelectric facility in the state of Minas Gerais, from which we have assured 136 MW from each. In 2014, we installed a new turbine generator at Presidente Vargas Steelworks, which added 21 MW to our installed capacity. This turbine uses gases from the iron-making process to generate energy.

Certain Financial and Operating Information

The table below sets forth certain financial and operating information for the periods indicated:

	As of and for the years ended December 31,			As of and for the three months ended March 31,	
	2016[1][2]	2017[1][2]	2018[2]	2018[2]	2019
	(in millions of R$, unless otherwise indicated)				
Financial information					
Net operating revenues	17,148.9	18,524.6	22,968.9	5,066.0	6,005.5
Gross profit	4,508.9	4,928.5	6,863.2	1,381.2	1,984.0
Net income (loss) for the period	(853.1)	111.2	5,200.6	1,486.5	86.8
Total assets	44,153.6	45,210.0	47,327.5	44,841.7	49,952.5
Other financial information					
EBITDA[3]	3,224.3	4,392.7	8,121.7	2,944.0	1,487.0
Adjusted EBITDA[4]	4,074.9	4,644.4	5,848.7	1,242.0	1,724.0
Net debt[5]	24,809.5	25,363.6	25,683.4	25,550.7	24,822.0
Operational information					
Volumes (in thousands of tons)					
Steel production	3,015	4,216	3,996	1,050	1,030
Mining	32,174	29,921	27,875	6,129	8,190

(1) Due to the adoption of IFRS 9 and IFRS 15 as of January 1, 2018, which we did not apply retroactively, financial information as of and for the year ended December 31, 2018 is not comparable with financial information as of and for the years ended December 31, 2016 and 2017.

(2) Due to the adoption of IFRS 16 as of January 1, 2019, which we did not apply retroactively, financial information as of and for the three months ended March 31, 2019 is not comparable with financial information presented for prior periods.

(3) We calculate EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results from discontinued operations. For further information and a reconciliation of EBITDA, see "Summary Financial Data and Other Information."

(4) We calculate adjusted EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results of discontinued operations, *plus* other operating income (expenses), equity in results of affiliated companies and the proportionate EBITDA of joint ventures. EBITDA and adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or IFRS and they should not be considered alternatives to net income (loss) as measures of operating performance, or as alternatives to operating cash flows, or as measures of liquidity. EBITDA and adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or adjusted EBITDA, or similarly titled measures, used by other companies. For further information and a reconciliation of Adjusted EBITDA, see "Summary Financial Data and Other Information."

(5) We calculate net debt as the sum of our short-term and long-term borrowings, financing and debentures *less* cash and cash equivalents and financial investments. For more detailed information regarding our cash and cash equivalents and financial investments, see note 4 and note 5 to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum. Net debt is not a financial measure defined under IFRS, does not represent indebtedness for the periods indicated and is not an indicator of our financial condition, liquidity or ability to service our debt. Net debt is not calculated using a standard methodology and may not be comparable to the definition of net debt, or similarly titled measures, used by other companies.

Our Competitive Strengths

We believe that we have the following competitive strengths:

Integrated business model. We are a highly integrated steelmaker and we believe this integration supports resilient and profitable operations. Our integrated business model comprises our captive sources of raw materials, principally iron ore, and our infrastructure, including railways and deep-water port facilities. In terms of raw materials, we own a number of high-quality iron ore mines, strategically located within Brazil's "Iron Ore Quadrangle," which distinguishes us from our main competitors in Brazil who are required to purchase all or a portion of their iron ore from mining companies.

Profitable mining business. We have in recent years invested significantly in our mining business, placing CSN in a prominent position among the world's leading iron ore players. Further mining expansions will enable us to expand our product portfolio and total output, increasing our presence in seaborne markets.

We have high-quality iron ore reserves in Casa de Pedra, Engenho, Fernandinho and other mines, all located in the state of Minas Gerais. Our mining activities are an important contributor to our EBITDA. We sold 32.9 million tons in 2016 (including 100% of Namisa due to its full consolidation of CSN Mineração), 32.6 million tons in 2017 and 34.8 million tons in 2018. In the three months ended March 31, 2018 and 2019, we sold 7.5 million tons and 8.9 million tons, respectively. Our mining business also includes TECAR, a solid bulks terminal at Itaguaí Port in the state of Rio de Janeiro, with a capacity to

handle 45 million tons per year, and the Bocaina mine, located in the city of Arcos in the state of Minas Gerais, which produces dolomite and limestone, as well as our subsidiary ERSA, which mines and casts tin.

In 2015 and 2016, we implemented cost reduction measures, which, along with the depreciation of the *real*, reduced our production costs at the Casa de Pedra mine from US$24.66/ton in 2014 to US$15.56/ton in 2015, US$12.92/ton in 2016 and US$15.19/ton in 2017. In 2018, our production costs decreased 4% as compared to 2017, reaching US$14.58/ton. In the three months ended March 31, 2018 and 2019, our production costs were US$16.47/ton and US$12.41/ton, respectively.

Thoroughly developed transport infrastructure. We have a thoroughly developed transport infrastructure, connecting our iron ore mines to our steel mills and to the port terminals we operate. Our Presidente Vargas Steelworks facility is located next to railway and port systems, which facilitates its supply of raw materials, product shipments and access to our main clients. Our steelworks are close to the main steel consumer centers in Brazil, with easy access to port facilities and railways. The concession for the main railway we use and operate is owned by MRS, in which we hold a 37.3% direct and indirect ownership interest. The railway connects our Casa de Pedra mine to the Presidente Vargas Steelworks and to our terminals at Itaguaí Port, which handle our iron ore exports and most of our steel exports, as well as our imports of coal and metallurgical coke. Since the constitution of MRS's railway in 1996, it has significantly improved its productivity and developed its business, with increased cash generation.

Self-sufficiency in energy generation. We are self-sufficient in our energy needs through our interests in the hydroelectric facilities of Itá and Igarapava, as well as our own thermoelectric plant located inside Presidente Vargas Steelworks. We sell excess energy we generate in the energy market on a spot basis. Our 256 MW thermoelectric cogeneration plant provides Presidente Vargas Steelworks with approximately 60% of its energy needs for its steel mills, and uses as its primary fuel the waste gases generated by our coke ovens, blast furnaces and steel processing facilities. We hold a 29.5% stake in the Itá hydroelectric facility in the state of Santa Catarina. This ownership stake grants us assured energy of 167 MW, proportional to our ownership interest, pursuant to a 30-year power purchase agreement at a fixed price per megawatt hour, adjusted annually for inflation. In addition, we own 17.9% of the Igarapava hydroelectric facility, which has a fully installed capacity of 210 MW and a direct take of 136 MW of assured energy to us.

Low cost structure. As a result of our fully integrated business model, our thoroughly developed transportation infrastructure and our self-sufficiency in energy generation, we have been consistently generating high margins compared to peer companies in both the steel and mining segments. Other factors that lead to our low cost structure include the strategic location of our steelworks facility along with our low-cost, skilled workforce.

Diverse product portfolio and product mix. We have a diversified flat steel product mix that includes hot-rolled, cold-rolled, galvanized and steel tin mill products, in order to meet a wide range of customer needs across all steel-consuming industries. We focus on selling high-margin products, including tin-coated, pre-painted, galvalume and galvanized products. Our galvanized products provide material for exposed auto parts, using hot-dip galvanized steel and laser-welded blanks. Our CSN Paraná branch provides us with additional capacity to produce high-quality galvanized, galvalume and pre-painted steel products for the construction and home appliance industries. In addition, our distribution subsidiary, Prada, provides a strong sales channel in the domestic market, enabling us to meet demand from smaller customers and to establish an important presence in this market.

Strong presence in domestic market and strategic international exposure for steel products. We have a strong presence in the Brazilian market for steel products, with a market share of approximately 30% of the domestic flat steel market. In addition, through our international subsidiaries we sell our flat steel products in the United States and in Europe, which sales accounted for approximately 17% and 13% of our total flat steel sales in 2018 and in the three months ended March 31, 2019, respectively. Direct exports accounted for approximately 5% and 2% of our total sales in 2018 and in the three months ended March 31, 2019, respectively. In 2012, we acquired SWT, a long steel producer in Germany with annual production capacity of approximately 1.1 million tons of steel profiles, strengthening our steel products mix and geographical diversification. In 2018 and in the three months ended March 31, 2019, SWT accounted for 16% and 19% of our total sales, representing 806,000 tons and 226,000 tons, respectively.

Our Strategies

Our goal is to make the most of our high-quality product portfolio, low cost production and diverse consumer market to preserve our position as one of the world's lowest-cost steel producers and as a global player in the mining of iron ore, increase our cement segment's market share and optimize our infrastructure assets, including ports, railways and power generating plants, which support our high integration and low cost structure. To achieve these goals, we have developed specific strategies for each of our business segments, as described below.

Steel

The strategy for our steel business comprises:

- Focus on the domestic market, by increasing market share in the flat steel segment and long steel market;
- Emphasis on high-margin coated steel products, such as galvanized, galvalume, pre-painted and tin plate;
- Geographical diversification through our flat and long steel facilities abroad and our focus on diversifying our exports through, among others, coated steels;
- Constant pursuit of operational excellence by developing and implementing cost reduction projects, including energy efficiency, and process review programs, including internal logistic optimization, project development and implementation discipline;
- Exploring marketing and commercial synergies through our flat steel distribution network and product portfolio to accelerate our entrance into the domestic long steel market; and
- Increased customized services and distribution abilities through our expanding distribution network.

For information on planned investments relating to our steel activities, see "Item 4D. Property, Plant and Equipment—Acquisitions and Dispositions" in our 2018 Annual Report.

Mining

In order to strengthen our position in the iron ore market, we plan to invest in our mining assets, including CSN Mineração, to generate low operational costs and long-term growth opportunities.

In the coming years, we expect to reach an annual shipment level of over 60 million tons per year of iron ore products, including third party products, by increasing mine capacities, including Casa de Pedra, and developing export services for third party producers. In the short term, considering downward pricing pressure expected by global iron ore market participants and likely volatility in global iron ore prices, our focus is on exporting quality iron ore at low cost in order to guarantee our participation in the seaborne market.

To sustain this growth, we plan to increase TECAR's capacity from 42 million tons per year to 60 million tons per year.

To maximize the profitability of our product portfolio, we are focused on increasing our output of high quality pellet feed with Itabirito's deposits and investing with strategic partners and clients in providing pellet feed to pellet producers.

For information on planned investments relating to our mining activities, see "Item 4D. Property, Plant and Equipment—Acquisitions and Dispositions" in our 2018 Annual Report.

Logistics

We expect to expand our logistics capabilities, which comprise our integrated infrastructure operations of railways and ports, in order to increase the transportation efficiency of both our incoming raw materials and distributed products.

We will continue to improve our product delivery in the Brazilian market (mainly steel and cement) by implementing low-cost measures, increasing our use of rail transportation and providing more distribution centers to reach end-clients.

In addition to investments in the bulk terminal TECAR, we expanded the TECON container terminal in 2014 in order to operate large vessels simultaneously, which increased TECON's capacity to 440,000 containers.

In terms of railways, we are developing the Transnordestina Logística project, which focuses on iron ore, agricultural commodities, gypsum and fuel. We also plan to invest in increased efficiency and capacity in the South of Brazil through our participation in MRS.

Cement

Our cement business strategy involves the utilization of the limestone reserves in our Bocaina mines and the slag generated by our blast furnaces at Volta Redonda. Our first cement grinding mill was inaugurated in 2009, with a capacity to produce 2.4 million tons per year. In 2011, we began producing clinker in the Arcos plant, which provided lower production costs. In 2015, we inaugurated two grinding mills and, in 2016, we concluded a new kiln line with a capacity of 6,500 tons per day, reaching an aggregate capacity of 4.7 million tons per year. We intend to expand our cement production capacity to

5.7 million tons per year over the next years. For information on planned investments relating to our cement activities, see "Item 4D. Property, Plant and Equipment—Acquisitions and Dispositions" in our 2018 Annual Report.

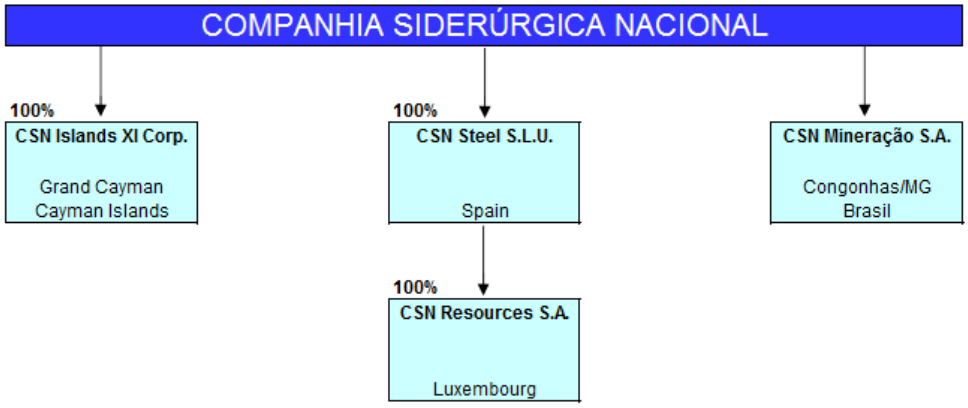
Investments and Divestitures

In addition to our planned investments and capital expenditures, we continue to evaluate acquisition opportunities, as well as joint ventures and brownfield or greenfield projects, to improve our steel, cement and mining cost competitiveness and production, along with our logistics capabilities, logistics infrastructure and energy generation.

We also have a significant portfolio of non-core assets in each of our operating segments that are available for sale, including assets outside Brazil, that we are looking to divest in order to improve our liquidity position in the short- to medium-term, including in the form of streaming transactions related to our iron ore business and the sale of European assets and a portion of our investment in Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas. These opportunities are in various stages, including, in some cases, exclusive negotiations.

Corporate Structure

The following chart provides an overview of our corporate structure:



Company and Issuer Information

CSN's legal and commercial name is Companhia Siderúrgica Nacional. CSN is organized under the laws of Brazil. Our head offices are located at Av. Brigadeiro Faria Lima, 3400, Itaim Bibi, São Paulo, Brazil, CEP 04538-132, and our telephone number is +55 (11) 3049-7100. CSN's investor relations website is *ir.csn.com.br*.

The issuer, CSN Resources S.A., is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, with its registered office at 63, avenue de la Gare, L-1611 Luxembourg, and is registered with the Luxembourg Trade and Companies Register under number B 148403.

Recent Developments

Issuances of Initial Notes and 2026 Notes

On April 17, 2019, the issuer issued US$400.0 million in aggregate principal amount of initial notes, which represented a further issuance of the issuer's US$350.0 million in aggregate principal amount of initial notes issued on February 13, 2018, and US$600.0 million in aggregate principal amount of 7.625% senior notes due 2026, or the 2026 notes, in each case unconditionally and irrevocably guaranteed by us.

Dividend Distribution

On April 26, 2019, our annual shareholders' meeting approved the distribution of R$898.3 million as a mandatory dividend, which we paid on May 29, 2019.

Tender Offers for 2019 Notes and 2020 Notes

On May 7, 2019, we closed our purchase of US$404.7 million in aggregate principal amount of 6.875% senior unsecured guaranteed notes due 2019, or the 2019 notes, and US$595.3 million in aggregate principal amount of 6.50% senior unsecured guaranteed notes due 2020, or the 2020 notes, in each case pursuant to tender offers.

THE OFFERING

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see "Description of Notes" in this offering memorandum. You should carefully read this entire offering memorandum including the documents incorporated by reference in this offering memorandum before investing in the notes. This summary is not complete and does not contain all the information you should consider before investing in the notes.

Issuer	CSN Resources S.A.
Guarantor	Companhia Siderúrgica Nacional.
Notes Offered	US$175.0 million aggregate principal amount of the issuer's 7.625% notes due 2023.
Further Issuances	The notes are being offered as a further issuance of and will be consolidated and form a single fungible series with the issuer's US$350.0 million and US$400.0 million in aggregate principal amount of 7.625% senior notes due 2023 initially issued on February 13, 2018 and April 17, 2019, respectively, which would bring the total aggregate outstanding principal amount of the issuer's 7.625% senior notes due 2023 to US$925.0 million.
Guarantee	The guarantor will irrevocably and unconditionally guarantee the full and punctual payment of principal, interest, additional amounts and all other amounts that may become due and payable in respect of the notes and the indenture, subject to certain priority of payments as described in "Description of Notes—Ranking."
Issue Price	105.615% of the principal amount plus accrued interest from and including February 13, 2019.
Issue Date	July 2, 2019.
Maturity Date	The notes will mature on February 13, 2023.
Indenture	The notes will be issued under an indenture dated February 13, 2018 between the issuer, the guarantor and The Bank of New York Mellon, as trustee, principal paying agent and transfer agent, as supplemented by the first supplemental indenture dated April 17, 2019 and to be further supplemented by a second supplemental indenture to be dated July 2, 2019, or the indenture.
Interest Payment Dates	February 13 and August 13 of each year, commencing on August 13, 2019.
Interest	The notes will bear interest from February 13, 2019 at the annual rate of 7.625%, payable semiannually in arrears on each interest payment date. Purchasers of the notes will be required to pay accrued interest of approximately US$29.44 per US$1,000 principal amount of notes, from and including February 13, 2019 up to but excluding July 2, 2019, which is the date we expect to deliver the notes, plus accrued interest from and including July 2, 2019, if settlement occurs after that date.

Additional Amounts	Any and all payments in respect of the notes and the guarantee shall be made free and clear of, and without withholding or deduction for, any taxes imposed, levied, collected, withheld or assessed by Luxembourg or Brazil or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the issuer or the guarantor, as the case may be, shall pay, subject to certain customary exceptions, such additional amounts as will result in the receipt by the noteholders of such amounts as would have been received by them if no such withholding or deduction had been required. See "Description of Notes—Additional Amounts."
Ranking	The notes constitute general, unsecured and unsubordinated obligations of the issuer and will at all times rank *pari passu* among themselves and with all other unsecured obligations of the issuer that are not by their terms expressly subordinated in right of payment to the notes. The guarantee will constitute a general, unsecured and unsubordinated obligation of the guarantor and will rank *pari passu* with all present and future unsecured obligations of the guarantor that are not by their terms expressly subordinated in right of payment to the guarantee. The right to payment under the notes will be: • equal in right of payment to all other existing and future unsecured and unsubordinated debt of the issuer and the guarantor; • senior in right of payment to the issuer's and guarantor's subordinated debt; • effectively subordinated to certain obligations of the issuer and guarantor that benefit from priority of payment under applicable law; and • effectively subordinated to secured debt of the issuer and guarantor to the extent of such security. As of March 31, 2019, on a consolidated basis, we had R$28,302.7 million in gross debt outstanding, of which approximately R$2,658.0 million was secured.
Listing.....	The issuer will apply to the SGX-ST for permission to list the notes offered hereby on the main board of the SGX-ST, where the notes will be traded in a minimum board lot size of US$200,000 (or its equivalent in foreign currencies). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the notes or the issuer.
Optional Redemption.....	Prior to February 13, 2021, the issuer may redeem the notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount of notes to be redeemed plus the "make-whole" premium and accrued and unpaid interest. The issuer also has the option to redeem all or a portion of the notes at any time on or after February 13, 2021 at the redemption prices (expressed as a percentage of the principal amount of the notes) set forth in this offering memorandum plus accrued and unpaid interest.

Tax Redemption	The issuer may redeem the notes, in whole but not in part, at any time upon the occurrence of specified events relating to applicable tax laws, as described under "Description of Notes—Optional Redemption—Redemption for Taxation Reasons."
Certain Covenants of the Guarantor and the Issuer	So long as any note remains outstanding, the ability of the issuer and the guarantor to incur or guarantee any additional indebtedness, create liens or engage in a merger, consolidation and certain sales of assets, will be subject to limitations, with certain significant exceptions. See "Description of Notes—Certain Covenants."
Events of Default	The notes and the indenture will contain certain events of default, consisting of, among others, the following: • failure to pay the principal when due or failure to pay interest in respect of the notes within 30 days of the due date for an interest payment; • default by the issuer or the guarantor in the performance or observance of any of its obligations if such default remains unremedied for 30 days after the trustee has given written notice thereof to the issuer; • failure to pay when due or acceleration of certain indebtedness or guarantees of the guarantor or its subsidiaries exceeding US$50 million; • a final unappealable judgment for an amount greater than US$50 million is rendered against the guarantor or any of its subsidiaries and continues unsatisfied and unstayed for a period of 60 days; • occurrence of certain specified events of bankruptcy, liquidation or insolvency of the issuer or the guarantor; • specified attachments against a substantial part of the property of the guarantor or any of its subsidiaries occur and are not discharged within 60 days; • condemnation, seizure or other appropriation of all or a substantial part of the assets of the guarantor or its subsidiaries that has a material adverse effect on the Company; • loss or failure to obtain necessary governmental authorizations; • illegality of performance of obligations by the issuer or guarantor under the notes, the indenture or the guarantee; or • the guarantee ceases to be in full force and effect. For a full description of the events of default, see "Description of Notes—Certain Covenants—Limitation on Mergers, Consolidations and Certain Sales of Assets."
Transfer Restrictions.....	The notes have not been registered under the Securities Act, are subject to limitations on transfers and are subject to noteholders satisfying certain requirements, all as described under "Transfer Restrictions."

Governing Law.....	The indenture, the notes and the guarantee, among other transaction documents, will be governed by, and construed in accordance with, the laws of the state of New York. The application of articles 470-1 to 470-19 (included) of the Luxembourg law of August 10, 1915 on commercial companies, as amended, is expressly excluded.
Clearance and Settlement	We expect that the delivery of the notes will be made to investors in book-entry form only through the facilities of DTC, and its direct and indirect participants, including Clearstream and Euroclear, against payment on July 2, 2019. Beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see "Description of Notes."
Form and Denomination.....	The notes will be issued in fully registered form without interest coupons attached only in denominations of US$200,000 and in integral multiples of US$1,000 in excess thereof.
U.S. ERISA and Certain Other Considerations.....	Sales of the notes to specified types of employee benefit plans and affiliates are subject to certain conditions. See "Certain ERISA Considerations."
Additional Notes.....	Upon the satisfaction of the conditions set forth in the indenture, we may issue additional notes having the same terms as the notes (other than the issue date thereof). The initial notes, the notes offered hereby and any additional notes of such series will be treated as a single series for all purposes under the indenture. See "Description of Notes—Further Issuances."
Risk Factors.....	You should carefully consider the risk factors discussed in this offering memorandum and in "Item 3D. Risk Factors" in our 2018 Annual Report before purchasing any notes.

SUMMARY FINANCIAL DATA AND OTHER INFORMATION

The following table presents a summary of our historical consolidated financial and operating data for each of the periods indicated. You should read this information in conjunction with our audited consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018, our unaudited interim consolidated financial information as of March 31, 2019 for the three months ended March 31, 2018 and 2019 and the information under "Item 5. Operating and Financial Review and Prospects" in our 2018 Annual Report.

Solely for the convenience of the reader, we have translated some of the *real* amounts in this offering memorandum into U.S. dollars at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019, and should not be construed as implying that the criteria used followed the criteria established in International Financial Reporting Standard IAS No. 21, "The Effects of Changes in Foreign Exchange Rates."

Summary Financial and Operating Data

	For the year ended December 31,				For the three months ended March 31,		
	2016[5][7]	**2017[5][7]**	**2018[7]**	**2018[1][7]**	**2018[7]**	**2019**	**2019[1]**
Income Statement Data	*(in millions of R$, except per share data)*			*(in millions of US$, except per share data)*	*(in millions of R$, except per share data)*		*(in millions of US$, except per share data)*
Net operating revenues	17,148.9	18,524.6	22,968.9	5,894.0	5,066.0	6,005.5	1,541.0
Cost of products sold	(12,640.0)	(13,596.1)	(16,105.7)	(4,132.8)	(3,684.7)	(4,021.5)	(1,031.9)
Gross profit	4,508.9	4,928.5	6,863.2	1,761.1	1,381.2	1,984.0	509.1
Operating expenses							
Selling	(1,696.9)	(1,815.1)	(2,263.7)	(580.9)	(456.5)	(573.5)	(147.2)
General and administrative	(518.2)	(415.8)	(494.0)	(126.8)	(107.6)	(120.2)	(30.8)
Equity in results of affiliated companies	64.9	109.1	135.7	34.8	24.9	25.8	6.6
Other expenses	(1,076.7)	(646.9)	(1,330.7)	(341.5)	(148.7)	(364.4)	(93.5)
Other income[3]	663.5	824.3	4,036.0	1,035.7	1,945.6	229.0	58.8
Total[4]	(2,563.4)	(1,944.5)	83.3	21.4	1,257.7	(803.3)	(206.1)
Operating income	1,945.5	2,984.0	6,946.6	1,782.6	2,638.9	1,180.7	303.0
Non-operating income (expenses), net							
Financial income	643.6	295.1	1,310.5	336.3	42.9	111.3	28.6
Financial expenses	(3,166.0)	(2,758.7)	(2,806.2)	(720.1)	(636.6)	(746.4)	(191.5)
Income before taxes	(577.0)	520.3	5,450.9	1,398.7	2,045.2	545.6	140.0
Income tax				-			
Current	(206.2)	(359.0)	(827.2)	(212.3)	(119.9)	(369.8)	(94.9)
Deferred	(60.4)	(50.1)	576.9	148.0	(438.8)	(89.0)	(22.8)
Net income (loss) from continuing operations	(843.5)	111.2	5,200.6	1,334.5	1,486.5	86.8	22.3
Net income (loss) from discontinued operations[2]	(9.6)	-	-	-	-	-	
Net income (loss) for the period	(853.1)	111.2	5,200.6	1,334.5	1,486.5	86.8	22.3
Net income (loss) attributable to noncontrolling interest	81.7	101.0	126.4	32.4	14.6	94.3	24.2
Net income (loss) attributable to Companhia Siderúrgica Nacional shareholders	(934.7)	10.3	5,074.1	1,302.1	1,471.9	(7.6)	(1.9)
Basic earnings per common share	(0.68876)	0.00757	3.69498	0.94816	1.08454	(0.00551)	(0.00141)
Diluted earnings per common share	(0.68876)	0.00757	3.69498	0.94816	1.08454	(0.00551)	(0.00141)

	As of December 31,				As of March 31,	
	2016[4][6]	2017[6]	2018	2018[1]	2019	2019[1]
		(in millions of R$)		*(in millions of US$)*	*(in millions of R$)*	*(in millions of US$)*
			(unless otherwise indicated)			
Balance Sheet Data[2][3]						
Current assets	12,444.9	11,881.5	12,014.5	3,083.0	13,825.7	3,547.8
Investments	4,568.5	5,500.0	5,630.6	1,444.9	5,791.3	1,486.1
Property, plant and equipment	18,135.9	17,964.8	18,046.9	4,631.0	18,682.8	4,794.1
Other assets	9,004.4	9,863.7	11,635.5	2,960.8	6,186.5	1,587.5
Total assets	**44,153.6**	**45,210.0**	**47,327.5**	**12,144.6**	**49,952.5**	**12,818.2**
Current liabilities	5,496.7	10,670.1	11,438.6	2,935.2	12,077.6	3,099.2
Non-current liabilities	31,272.4	26,251.7	25,875.5	6,639.9	27,624.5	7,088.7
Stockholders' equity	7,384.5	8,288.2	10,013.4	2,569.5	10,250.4	2,630.3
Total liabilities and stockholders' equity	**44,153.6**	**45,210.0**	**47,327.5**	**12,144.6**	**49,952.5**	**12,818.2**
Paid-in capital	4,540.0	4,540.0	4,540.0	1,165.0	4,540.0	1,165.0
Common shares (quantities in millions of shares)	1,388	1,388	1,388	1,388	1,388	1,388
Dividends declared and interest on stockholders' equity[5]	-	-	898.3	-	898.3	230.5
Dividends declared and interest on stockholders' equity per common share (in R$/US$)[5]	-	-	0.65	-	0.65	0.17

(1) Translated solely for the convenience of the reader at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019.

(2) On April 26, 2019, our annual shareholders' meeting approved the distribution of R$898.3 million as a mandatory dividend, which we paid on May 29, 2019 and which is not reflected in our financial information as of and for the three months ended March 31, 2019.

(3) On April 17, 2019, the issuer issued US$400.0 million in aggregate principal amount of initial notes and US$600.0 million in aggregate principal amount of 2026 notes, in each case unconditionally and irrevocably guaranteed by us, and on May 7, 2019, we closed our purchase of US$404.7 million in aggregate principal amount of 2019 notes and US$595.3 million in aggregate principal amount of 2020 notes, which are not reflected in our financial information as of and for the three months ended March 31, 2019.

(4) The results of our former subsidiary Cia. Metalic Nordeste, or Metalic, were excluded from net operating revenues, cost of sales and/or services, gross profit, operating expenses, other operating expenses, other operating income, financial results and income taxes and were included in "Net income (loss) from discontinued operations" due to the sale of Metalic in November 2016.

(5) We paid dividends related to the fiscal year ended December 31, 2015 in 2016 before the second restatement of our financial statements as of and for the year ended December 31, 2015. As a consequence of this second restatement, which resulted in a net loss for 2015, we recorded the payment as a payment from our profit reserve account (statutory reserve of working capital) existing at the time of the distribution. The payment was not allocated to the minimum mandatory dividends for the year ended December 31, 2015 as established at our 2016 annual shareholders' meeting, held in April 2016. For a discussion of our dividend policy and dividend and interest payments, see "Item 8A. Consolidated Statements and Other Financial Information—Dividend Policy" in our 2018 Annual Report.

(6) Due to the adoption of IFRS 9 and IFRS 15 as of January 1, 2018, which we did not apply retroactively, financial information as of and for the year ended December 31, 2018 is not comparable with financial information as of and for the years ended December 31, 2016 and 2017.

(7) Due to the adoption of IFRS 16 as of January 1, 2019, which we did not apply retroactively, financial information as of and for the three months ended March 31, 2019 is not comparable with financial information presented for prior periods.

	For the year ended December 31,				For the three months ended March 31,		
	2016	2017	2018	2018[1]	2018	2019[1]	2019
Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA	*(in millions of R$)*			*(in millions of US$)*	*(in millions of R$)*		*(in millions of US$)*
Net income (loss)	(853.1)	111.2	5,200.6	1,334.5	1,486.5	86.8	22.3
Net income (loss) from discontinued operations[2]	9.6	-	-	-	-	-	-
Depreciation/amortization/depletion	1,278.8	1,408.8	1,175.1	301.5	305.2	306.2	78.5
Income tax and social contribution	266.5	409.1	250.3	64.2	(558.7)	(458.9)	(117.7)
Financial income (expenses)	2,522.4	2,463.6	1,495.6	383.8	(593.7)	(635.1)	(162.9)
EBITDA[3]	**3,224.3**	**4,392.7**	**8,121.7**	**2,084.1**	**2,944.1**	**1,487.0**	**381.6**
Other operating income (expenses)	413.2	(177.3)	(2,705.3)	(694.2)	(1,796.9)	135.4	34.7
Equity in results of affiliated companies	(64.9)	(109.1)	(135.7)	(34.8)	(24.9)	(25.8)	(6.6)
Proportionate EBITDA of joint ventures	502.3	538.2	568.0	145.8	119.3	127.4	32.6
Adjusted EBITDA[4]	**4,074.9**	**4,644.4**	**5,848.7**	**1,500.8**	**1,242.6**	**1,724.0**	**442.4**

(1) Translated solely for the convenience of the reader at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019.

(2) The results of our former subsidiary Metalic were excluded from net operating revenues, cost of sales and/or services, gross profit, operating expenses, other operating expenses, other operating income, financial results and income taxes and were included in "Net (loss) from discontinued operations" due to the sale of Metalic in November 2016.

(3) We calculate EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results from discontinued operations.

(4) We calculate adjusted EBITDA as net income (loss) for the period *plus* net financial income (expenses), income tax and social contribution, depreciation and amortization and results of discontinued operations, *plus* other operating income (expenses), equity in results of affiliated companies and the proportionate EBITDA of joint ventures. EBITDA and adjusted EBITDA are not measures of financial performance recognized under Brazilian GAAP or IFRS and they should not be considered alternatives to net income (loss) as measures of operating performance, or as alternatives to operating cash flows, or as measures of liquidity. EBITDA and adjusted EBITDA are not calculated using a standard methodology and may not be comparable to the definition of EBITDA or adjusted EBITDA, or similarly titled measures, used by other companies.

	As of December 31,				As of March 31,		
	2016	2017	2018	2018[1]	2018	2019	2019[1]
Reconciliation of Gross Debt to Net Debt[2]	*(in millions of R$)*			*(in millions of US$)*	*(in millions of R$)*		*(in millions of US$)*
Gross debt[3]	30,441.0	29,510.8	28,827.1	7,397.3	28,827.1	28,302.7	7,262.7
(-) Cash and cash equivalents[4]	4,871.2	3,411.6	2,248.0	576.9	2,248.0	2,702.1	693.4
(-) Financial investments	760.4	735.7	895.7	229.8	895.7	778.6	199.8
Net Debt[5]	**24,809.4**	**25,363.5**	**25,683.4**	**6,590.6**	**25,683.4**	**24,822.0**	**6,369.5**

(1) Translated solely for the convenience of the reader at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019.

(2) On April 17, 2019, the issuer issued US$400.0 million in aggregate principal amount of initial notes and US$600.0 million in aggregate principal amount of 2026 notes, in each case unconditionally and irrevocably guaranteed by us, and on May 7, 2019, we closed our purchase of US$404.7 million in aggregate principal amount of 2019 notes and US$595.3 million in aggregate principal amount of 2020 notes, which are not reflected in our financial information as of and for the three months ended March 31, 2019.

(3) We calculate gross debt as the sum of our short-term and long-term borrowings, financing and debentures.

(4) On April 26, 2019, our annual shareholders' meeting approved the distribution of R$898.3 million as a mandatory dividend, which we paid on May 29, 2019 and which is not reflected in our financial information as of and for the three months ended March 31, 2019.

(5) We calculate net debt as the sum of our short-term and long-term borrowings, financing and debentures *less* cash and cash equivalents and financial investments. For more detailed information regarding our cash and cash equivalents and financial investments, see note 4 and note 5 to our unaudited

interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum. Net debt is not a financial measure defined under IFRS, does not represent indebtedness for the periods indicated and is not an indicator of our financial condition, liquidity or ability to service our debt. Net debt is not calculated using a standard methodology and may not be comparable to the definition of net debt, or similarly titled measures, used by other companies.

RISK FACTORS

Investment in the notes involves a high degree of risk. Prospective purchasers of the notes should carefully consider the risks described below and in "Item 3D. Risk Factors" in our 2018 Annual Report, as well as the other information in this offering memorandum, before making an investment decision. Our business, results of operations, financial condition or prospects could be adversely affected if any of these risks occurs and, as a result, the trading price of the notes could decline and you could lose all or part of your investment.

Risks Relating to the Notes

Any further downgrading of Brazil's credit rating could adversely affect the price of the notes.

We can be adversely affected by investors' perceptions of risks related to Brazil's sovereign debt credit rating. Rating agencies regularly evaluate Brazil and its sovereign ratings, which are based on a number of factors, including macroeconomic trends, fiscal and budgetary conditions, indebtedness metrics and the perspective of changes in any of these factors.

Brazil has lost its investment grade sovereign debt credit rating by the three main U.S. based credit rating agencies, Standard & Poor's, Moody's and Fitch, which began to review Brazil's sovereign credit rating in September 2015.

Standard & Poor's downgraded Brazil's sovereign debt credit rating from BBB-minus to BB-plus in September 2015, subsequently reduced it to BB in February 2016, maintaining its negative outlook on the rating, citing Brazil's fiscal difficulties and economic contraction as signs of a worsening credit situation. In January 2018, Standard & Poor's lowered its rating to BB- minus with a stable outlook in light of doubts regarding this year's presidential election and pension reform efforts.

In December 2015, Moody's placed Brazil's Baa3 sovereign debt credit rating on review and downgraded it in February 2016 to Ba2 with a negative outlook, citing the prospect for further deterioration in Brazil's indebtedness figures amid a recession and challenging political environment.

Fitch downgraded Brazil's sovereign credit rating to BB-plus with a negative outlook in December 2015, citing the country's rapidly expanding budget deficit and worse-than-expected recession, and made a further downgrade in May 2016 to BB with a negative outlook, which it maintained in 2017. In February 2018, Fitch downgraded Brazil's sovereign credit rating again to BB-negative, citing, among other reasons, fiscal deficits, the increasing burden of public debt and inability to implement reforms that would structurally improve Brazil's public finances.

Brazil's sovereign credit rating is currently rated below investment grade by the three main U.S. based credit rating agencies. Consequently, the prices of securities issued by Brazilian companies have been negatively affected. Another Brazilian recession or continued political uncertainty, among other factors, could lead to further ratings downgrades. Any further downgrade of Brazil's sovereign credit ratings could heighten investors' perception of risk and, as a result, adversely affect the price of the notes.

We cannot guarantee that the rating agencies will maintain these classifications in relation to Brazilian credit and any downgrade in Brazil's sovereign credit ratings could increase the risk perception of investments and as a result increase the cost of our future debt issuances and adversely affect the trading price of our securities.

We may incur additional indebtedness ranking equal to the notes and the guarantee.

The base indenture of the notes permits the issuer and the guarantor and its subsidiaries to incur additional debt, including debt that ranks on an equal and ratable basis with the notes and the guarantee. If the issuer or the guarantor or any of its subsidiaries incur additional debt or guarantees that rank on an equal and ratable basis with their respective indebtedness or guarantee of the notes, as the case may be, the holders of that debt (and beneficiaries of those guarantees) would be entitled to share ratably with the holders of the notes in any proceeds that may be distributed upon the guarantor's bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up. This would likely reduce the amount of any liquidation proceeds that would be available to you.

The guarantor's obligations under the guarantee will be junior to the guarantor's secured debt obligations as well as to other statutory preferences and effectively junior to debt obligations of the guarantor's subsidiaries.

The guarantee will constitute a senior unsecured obligation of the guarantor. The guarantee will rank equal in right of payment with all of the guarantor's other existing and future senior unsecured indebtedness. Although the guarantee will

provide the holders of the notes with a direct, but unsecured, claim on the guarantor's assets and property, payment on the guarantee under the notes will be subordinated to the secured debt of the guarantor to the extent of the assets and property securing such debt, as well as to other statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses, among others. Payment on the guarantee under the notes will also be structurally subordinated to the payment of secured and unsecured debt and other obligations of the guarantor's subsidiaries.

Upon a liquidation or reorganization of the guarantor, any right of the holders of the notes to participate in the assets of the guarantor, including the capital stock of its subsidiaries, will be subject to the prior claims of the guarantor's secured creditors, as well as to other statutory preferences, including post-petition claims, claims for salaries, wages, social security, taxes and court fees and expenses, and any such right to participate in the assets of the guarantor's subsidiaries will be subject to the prior claims of the creditors of its subsidiaries. The indenture includes covenants limiting the ability of the guarantor and its subsidiaries to create or suffer to exist liens, although this limitation is subject to significant exceptions. In such a scenario, enforcement of the guarantee under the notes may be jeopardized and noteholders may lose some or all of their investment.

As of March 31, 2019, on a consolidated basis, we had R$28,302.7 million in gross debt outstanding, of which approximately R$2,658.0 million was secured.

The issuer's ability to make payments on the notes depends on its receipt of payments from CSN.

The issuer's principal business activity is to act as a financing vehicle for CSN's activities and operations. The issuer has no substantial assets. Holders of the notes must rely on CSN's operations to pay amounts due in connection with the notes. The ability of the issuer to make payments of principal, interest and any other amounts due under the notes is contingent on its receipt from CSN of amounts sufficient to make these payments, and, in turn, on CSN's ability to make these payments. In the event that CSN is unable to make such payments for any reason, the issuer will not have sufficient resources to satisfy its obligations under the indenture governing the notes.

Restrictions on the movement of capital out of Brazil may impair the ability of holders of the notes to receive payments on the notes.

Brazilian law provides that whenever there is a serious imbalance in Brazil's balance of payments or reasons to foresee a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil. The Company and the issuer cannot assure you that mechanisms for the transfer of *reais* and conversion into U.S. dollars will continue to be available at the time it is required to perform its obligations under the notes or the indenture or that a more restrictive control policy, which could affect our ability to make payments under the notes or the indenture in U.S. dollars, will not be instituted in the future. If such financial mechanisms are not available, the issuer and/or the guarantor may have to rely on a special authorization from the Central Bank to make payments under the notes in U.S. dollars or, alternatively, be required to make such payments with funds that the Company or the guarantor hold outside Brazil. The Company cannot assure you that any such Central Bank approval would be obtained or that such approval would be obtained on a timely basis or that it will have such funds available.

Brazilian bankruptcy laws may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions.

If the guarantor is unable to pay amounts due under the guarantee, then the guarantor may become subject to bankruptcy or judicial reorganization proceedings in Brazil. The Brazilian bankruptcy law currently in effect may be significantly different from, and may be less favorable to creditors than, those of certain other jurisdictions. Noteholders may have limited rights at creditors' meetings in the context of a court reorganization proceeding. In a judicial reorganization the foreign currency amounts of liabilities will be converted into *reais* for purposes of voting in a creditors' meeting (at the foreign exchange rate on the day before the meeting). In this case, the foreign currency creditors will vote the amount of their claims calculated in *reais*. The debt itself will remain in the currency set out in the corresponding agreement. The reorganization plan, which is subject to the approval of the creditors, may set forth that payments will be made in local currency. However, the plan may provide for a debt restructuring (*e.g.*, haircut or grace period). If the plan is rejected by the creditors, the judicial reorganization must be converted into a bankruptcy. In addition, in the event of a bankruptcy, all of the guarantor's debts that are denominated in foreign currency, including the notes, will be converted into *reais* at the prevailing exchange rate on the date of declaration of the bankruptcy by the court. The Company cannot assure you that such exchange rate will fully compensate for the amount invested in the notes plus accrued interest.

In addition, creditors of the guarantor may hold negotiable instruments or other instruments governed by local law that grant rights to attach the assets of the guarantor at the inception of judicial proceedings in Brazil, which attachment is likely

to result in priorities benefitting those creditors when compared to the rights of holders of the notes.

Luxembourg bankruptcy laws may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions and you may face foreign exchange risks in connection with any Luxembourg bankruptcy judgment.

The issuer is a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg and, as such, any insolvency proceedings applicable to it are in principle governed by Luxembourg law. The insolvency laws of Luxembourg may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. In addition, in the event of our bankruptcy, all of our debt obligations denominated in foreign currency will be converted into euros at the prevailing exchange rate on the date of decree of bankruptcy by the court. We cannot assure investors that such exchange rate will afford full compensation of the amount invested in the notes plus accrued interest. For further information, see "Enforcement of Civil Liabilities—Service of Process and Enforcement of Civil Liabilities in Luxembourg."

***Judgments of Brazilian courts enforcing the obligations of the issuer and the guarantor under the notes would be payable only in* reais.**

If enforcement proceedings were brought in Brazil seeking to enforce the obligations of the issuer and the guarantor under the notes, neither the issuer nor the guarantor would be required to discharge its or their obligations, as the case may be, in a currency other than *reais*. Any judgment obtained against the issuer or the Company in Brazilian courts related to any payment obligations under the notes will be expressed in a *reais* amount equivalent to the U.S. dollar amount of such payment at the exchange rate published by the Central Bank on either (i) the date of payment; (ii) the date on which such judgment is rendered; or (iii) the actual due date of the obligations, as published by the Central Bank. There can be no assurance that such exchange rate will afford you full compensation of the amounts invested in the notes plus accrued interest. For further information, see "Enforcement of Civil Liabilities—Service of Process and Enforcement of Civil Liabilities in Brazil."

We or the issuer are not required to repurchase the notes in the event of a change of control.

If we experience a change of control, we or the issuer will not be required to offer to purchase any of the outstanding notes. Consequently, holders of notes will not have protection against a change of control and may be unable to sell their notes, or may only be able to do so under unfavorable terms, if we experience a change of control and the trading price of the notes is adversely affected as a result.

We may incur additional debt even when highly levered, which could adversely affect our ability to make payments on the notes and their trading price.

The indenture governing the notes contain significant exceptions to the negative covenant on the incurrence of additional debt, including its suspension in the case of a ratings upgrade. In addition, our definition of net debt allows us to deduct cash and cash equivalents and short-term financial investments, including for purposes of calculating our pro forma leverage ratio for the incurrence of additional debt. For information on these provisions, see "Description of the Notes—Certain Covenants—Limitation on Incurrence of Indebtedness." Pursuant to these exceptions, we may incur additional debt even when highly levered, which would reduce the funds available for our operations, capital expenditures or debt service and could adversely affect our ability to make payments on the notes and their trading price.

An active trading market for the notes may not continue.

The notes offered hereby are further issues of existing traded securities and there can be no assurance regarding the continuance of a market for the notes, the ability of holders of the notes to sell their notes or the price for which such holders may be able to sell their notes. The notes could trade at prices that may be higher or lower than the offering price hereunder, depending on many factors including some beyond the issuer's control. The issuer has been advised by the initial purchasers that they intend to make a market in the notes but they are not obligated to do so and may discontinue market making at any time. Furthermore, the liquidity of, and trading market for, the notes may be adversely affected by changes in interest rates and declines and volatility in the market for similar securities as well as by any changes in the issuer's or our financial condition or results of operations.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

RECENT DEVELOPMENTS

The following discussion of our financial condition, results of operations and legal proceedings should be read in conjunction with our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, the information presented under the sections entitled "Presentation of Financial and Other Information" and "Item 3. Key Information—Selected Financial Data," "Item 5. Operating and Financial Review and Prospects" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk" in our 2018 Annual Report, which includes our audited consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2016, 2017 and 2018.

Consolidated Results of Operations

The following table presents certain financial information with respect to our operating results for the three months ended March 31, 2018 and 2019:

	Three months ended March 31,		
	2018	**2019**	**2019[(1)]**
	(in millions of R$, except per share data)		*(in millions of US$, except per share data)*
Income Statement Data			
Net operating revenues	5,066	6,005	1,541
Cost of products sold	(3,685)	(4,021)	(1,032)
Gross profit	1,381	1,984	509
Operating expenses			
Selling	(456)	(573)	(147)
General and administrative	(108)	(120)	(31)
Equity in results of affiliated companies	25	26	7
Other expenses	(149)	(364)	(94)
Other income	1,946	229	59
Total	1,258	(803)	(206)
Operating income	2,639	1,181	303
Non-operating income (expenses), net			
Financial income	43	111	29
Financial expenses	(637)	(746)	(192)
Income before taxes	2,045	546	140
Income tax	(558)	(459)	(118)
Net income (loss) from continuing operations	1,486	87	22
Net income (loss) for the period	1,486	87	22
Net income (loss) attributable to noncontrolling interest	15	94	24
Net income (loss) attributable to Companhia Siderúrgica Nacional shareholders	1,472	(8)	(2)
Basic earnings per common share	1.08454	(0.00551)	(0.00141)
Diluted earnings per common share	1.08454	(0.00551)	(0.00141)

(1) Translated solely for the convenience of the reader at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019.

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2019

Our consolidated results for the three months ended March 31, 2018 and 2019 by business segment are presented below:

	Three months ended March 31, 2018							
Consolidated Results	**Steel**	**Mining**	**Port Logistics**	**Railway Logistics**	**Energy**	**Cement**	**Eliminations**	**Consolidated**
				(in millions of R$)				
Net operating revenues	3,674	1,152	66	331	91	131	(378)	5,066
Domestic market	2,291	219	66	331	91	131	(612)	2,515
Export market	1,384	933	-	-	-	-	234	2,551
Cost of goods sold	(2,900)	(795)	(46)	(244)	(66)	(125)	493	(3,685)
Gross profit	774	356	20	87	24	5	115	1,381
General and administrative expenses	(234)	(21)	(10)	(23)	(7)	(20)	(249)	(564)
Depreciation	150	106	4	65	4	27	(51)	305
Proportionate EBITDA of joint ventures	-	-	-	-	-	-	119	119
Adjusted EBITDA[(1)]	690	442	14	128	22	12	(66)	1,242

	Three months ended March 31, 2019							
	Steel	**Mining**	**Port Logistics**	**Railway Logistics**	**Energy**	**Cement**	**Eliminations**	**Consolidated**
				(in millions of R$)				
Net operating revenues	3,605	2,079	52	335	70	120	(255)	6,005
Domestic market	2,567	245	52	335	70	120	(629)	2,760
Export market	1,038	1,834	-	-	-	-	374	3,245
Cost of goods sold	(3,222)	(870)	(47)	(261)	(61)	(138)	577	(4,021)
Gross profit	383	1,209	5	74	9	(18)	322	1,984
General and administrative expenses	(197)	(42)	(9)	(27)	(7)	(21)	(390)	(694)
Depreciation	157	92	7	92	4	32	(79)	306
Proportionate EBITDA of joint ventures	-	-	-	-	-	-	127	127
Adjusted EBITDA[(1)]	344	1,259	3	138	6	(7)	(19)	1,724

(1) Adjusted EBITDA is a measurement which helps us to assess the performance of our operations and our capacity to generate recurring operating cash, consisting of net income (loss) for the year *less* net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, results of discontinued operations and other operating income (expenses), plus the proportionate EBITDA of joint ventures. Although Adjusted EBITDA is an indicator used for performance measurement purposes, it is not a measurement recognized under IFRS. Therefore, it has no standard definition and may not be comparable with measurements using similar names provided by other companies. For the reconciliation of net income to EBITDA and Adjusted EBITDA, see note 25 to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum.

Net Operating Revenues

Net operating revenues increased R$939 million, or 19%, from R$5,066 million in the three months ended March 31, 2018 to R$6,005 million in the three months ended March 31, 2019, mainly due to an increase in sales volume and prices in the mining market.

Net domestic revenues increased R$245 million, or 10%, from R$2,515 million in the three months ended March 31, 2018 to R$2,760 million in the three months ended March 31, 2019, while net revenues of exports and sales abroad increased R$694 million, or 27%, from R$2,551 million in the three months ended March 31, 2018 to R$3,245 million in the three months ended March 31, 2019, driven by higher realized iron ore and steel prices and sales volume.

Steel

Steel net operating revenues decreased R$69 million, or 2%, from R$3,674 million in the three months ended March 31, 2018 to R$3,605 million in the three months ended March 31, 2019. Sales volume decreased 8% from 1.3 million tons in the three months ended March 31, 2018 to 1.2 million tons in the three months ended March 31, 2019. Steel net domestic

revenues increased R$276 million, or 12%, from R$2,291 million in the three months ended March 31, 2018 to R$2,567 million in the three months ended March 31, 2019.

Mining

Mining net operating revenues increased R$927 million, or 80%, from R$1,152 million in the three months ended March 31, 2018 to R$2,079 million in the three months ended March 31, 2019, due to an increase in iron ore prices and an increase of 19% in sales volume from 7.5 million tons in the three months ended March 31, 2018 to 8.9 million tons in the three months ended March 31, 2019.

Logistics

In the three months ended March 31, 2018, net operating revenues from railway logistics were R$331 million and net operating revenues from port logistics were R$66 million, while in the three months ended March 31, 2019, net operating revenues from railway logistics were R$335 million and net operating revenues from port logistics were R$52 million. Port logistics handled 162,000 tons of steel products, 1,000 tons of general cargo, 43,000 containers and 56,000 tons of bulk.

Energy

Our net operating revenues from the energy segment decreased R$21 million, or 23%, from R$91 million in the three months ended March 31, 2018 to R$70 million in the three months ended March 31, 2019, mainly due to an increase in available energy sold in the free market.

Cost of Products Sold

Consolidated cost of products sold increased R$336 million, or 9%, from R$3,685 million in the three months ended March 31, 2018 to R$4,021 million in the three months ended March 31, 2019, due to higher raw materials prices, mainly due to the 17% appreciation of the U.S. dollar against the *real*, as well as an increase in sales volume and prices in the mining market.

Steel

Consolidated steel costs of products sold were R$3,222 million in the three months ended March 31, 2019, representing an 11% increase as compared to R$2,900 million in the three months ended March 31, 2018, mainly due to the low productivity of one of our blast furnaces.

	Three months ended March 31,					
	2018		**2019**		**Change**	
Steel Production Cost (Parent Company)	*(R$ million)*	*(R$/ ton)*	*(R$ million)*	*(R$/ ton)*	*(R$ million)*	*(R$/ ton)*
Raw materials	1,277	1,215	1,887	1,789	(609)	(574)
Iron ore	201	191	225	213	(24)	(22)
Coal	343	327	316	300	27	27
Coke	308	293	476	451	(168)	(158)
Coils	-	-	51	49	(51)	(49)
Metals	190	180	195	185	(5)	(5)
Outsourced slabs	14	13	382	362	(369)	(349)
Pellets	143	136	127	120	16	16
Scrap	33	31	56	53	(23)	(21)
Other[(1)]	46	44	59	56	(13)	(12)
Labor	214	203	226	214	(12)	(11)
Other production costs	615	585	739	701	(124)	(116)
Energy/fuel	265	252	344	326	(79)	(74)
Services and maintenance	153	146	179	170	(26)	(25)
Tools and supplies	86	82	98	93	(12)	(11)
Depreciation	97	93	102	97	(5)	(4)
Other	14	13	16	15	(2)	(2)
Total	**2,106**	**2,003**	**2,852**	**2,704**	**(746)**	**(700)**

Mining

Our mining costs of products sold increased R$75 million, or 9%, from R$795 million in the three months ended March 31, 2018 to R$870 million in the three months ended March 31, 2019, mainly due to an increase in iron ore production.

Logistics

Cost of services attributable to our logistics segment increased R$18 million, or 6%, from R$290 million in the three months ended March 31, 2018 to R$308 million in the three months ended March 31, 2019, mainly due to adjustments in fuel prices.

Energy

Cost of products sold attributable to our energy segment remained stable and was R$61 million in the three months ended March 31, 2019 compared to R$66 million in the three months ended March 31, 2018.

Gross Profit

Gross profit increased R$603 million, or 44%, from R$1,381 million in the three months ended March 31, 2018 to R$1,984 million in the three months ended March 31, 2019, due to an increase of R$939 million in net revenues, which was partially offset by an increase of R$336 million in cost of products sold, as discussed above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased R$130 million, or 23%, from R$564 million in the three months ended March 31, 2018 to R$694 million in the three months ended March 31, 2019. Selling expenses increased R$117 million, or 25%, from R$456 million in the three months ended March 31, 2018 to R$573 million in the three months ended March 31, 2019, mainly due to an increase in average freight rates. General and administrative expenses increased R$12 million, or 11%, from R$108 million in the three months ended March 31, 2018 to R$120 million in the three months ended March 31, 2019, mainly due to an increase in personnel costs.

Other Operating Income (Expenses)

Other operating income (expenses) decreased R$1,932 million from a net operating income of R$1,797 million in the three months ended March 31, 2018 to a net operating expense of R$135 million in the three months ended March 31, 2019.

Other operating income decreased R$1,717 million, from R$1,946 million in the three months ended March 31, 2018 to R$229 million in the three months ended March 31, 2019. This decrease was mainly due to R$1,936 million in accumulated appreciation of our shares in Usiminas, which we had recorded in other comprehensive income in shareholders' equity until December 31, 2017 and, upon adoption of IFRS 9 as of January 1, 2018, we reclassified and recorded as other operating income in the three months ended March 31, 2018. In the three months ended March 31, 2019, accumulated appreciation of our shares in Usiminas was R$128 million, which represented a decrease of R$1,808 million in other operating income as compared to the three months ended March 31, 2018.

Other operating expenses increased R$215 million, from R$149 million in the three months ended March 31, 2018 to R$364 million in the three months ended March 31, 2019, mainly due to realization of our cash flow hedge in the amount of R$184 million.

Equity in Results of Affiliated Companies

Equity in results of affiliated companies remained stable and was R$26 million in the three months ended March 31, 2019 compared to R$25 million in the three months ended March 31, 2018.

Operating Income

Operating income decreased R$1,458 million, or 55%, from R$2,639 million in the three months ended March 31, 2018 to R$1,181 million in the three months ended March 31, 2019, due to the reasons discussed above.

Financial Income (Expenses), Net

Financial income (expenses) generated net financial expenses of R$594 million in the three months ended March 31, 2018, as compared to net financial expenses of R$635 million in the three months ended March 31, 2019, representing an increase of R$41 million, or 7%. This increase in net financial expenses was mainly due to recognition of monetary adjustment on tax credits of PIS and COFINS that had been over-collected since 2001. These overpayments were due to the Brazilian government's calculation methodology for these taxes, which included the state value-added tax (ICMS) embedded in local sales invoices in the basis of taxable revenues. Along with other Brazilian companies, we disputed the inclusion of the state value-added tax in the basis of taxable revenues and, in 2018, we received a final favorable decision. Accordingly, we recognized these tax credits as other operating income and the corresponding monetary correction as financial income.

Income Taxes

Income tax expense in Brazil refers to federal income tax and social contribution. The statutory rates for these taxes applicable to the periods presented herein were 25% for federal income tax and 9% for social contribution. Adjustments are made to income in order to reach the effective tax expense or benefit for each fiscal year. As a result, our effective tax rate between fiscal years is volatile.

At statutory rates, we had a tax expense of R$695 million in the three months ended March 31, 2018 and R$186 million in the three months ended March 31, 2019, which represents 34% of our income before taxes. After adjustments to meet the effective income tax rates, we recorded an expense for income tax and social contribution of R$559 million in the three months ended March 31, 2018, as compared to an expense of R$459 million in the three months ended March 31, 2019. Expressed as a percentage of pretax income, our effective income tax rate was 27% in the three months ended March 31, 2018 and 84% in the three months ended March 31, 2019. For the three months ended March 31, 2019, adjustments to meet the effective income tax rate resulted in an expense of R$273 million, mainly due to a negative impact of R$212 million related to tax credits not recognized in the period, as well as additional items that comprise our reconciliation of our statutory income tax rate to our effective income tax rate, including adjustments related to equity results, results of subsidiaries taxed at different rates or not taxed, transfer price adjustments and tax incentives, among others, which net tax result was an expense of R$61 million. In the three months ended March 31, 2018, we had a positive net adjustment of R$136 million mainly due to recognition of R$194 million in income tax credits, partially offset by R$42 million in results of subsidiaries taxed at different rates. For further information, see note 15 to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum.

It is not possible to predict future adjustments to federal income tax and social contribution statutory rates, as they depend on interest on shareholders' equity, tax incentives and non-taxable factors, including income from offshore operations and tax losses from offshore operations.

Net Income (Loss) for the Year

In the three months ended March 31, 2019, we recorded net income of R$87 million, as compared to R$1,486 million in the three months ended March 31, 2018. The decrease of R$1,399 million was due to the reasons discussed above.

Liquidity and Capital Resources

Cash Flows

Cash and cash equivalents decreased R$1,177 million in the three months ended March 31, 2018, compared to an increase of R$454 million in the three months ended March 31, 2019.

Operating Activities

Cash provided by operating activities increased R$727 million, or 158%, from R$459 million in the three months ended March 31, 2018 to R$1,186 million in the three months ended March 31, 2019, mainly due to the following events:

- in the three months ended March 31, 2019, our consolidated net income was R$87 million, as compared to consolidated net income of R$1,486 million in the three months ended March 31, 2018, which was mainly due to reclassification of R$1,936 million in accumulated appreciation of our shares in Usiminas as other operating income in the three months ended March 31, 2018, as discussed above;

- R$1,935 million in customer advances related to an export prepayment agreement for the supply of approximately 22 million tons of iron ore over five years with Glencore International AG; and
- changes in other working capital accounts, mainly suppliers, accounts receivable and value-added taxes.

Investing Activities

Cash used in investing activities increased R$7 million, or 3%, from R$214 million in the three months ended March 31, 2018 to R$221 million in the three months ended March 31, 2019, mainly due to capital expenditures of R$314 million in the three months ended March 31, 2019, as compared to R$223 million in the three months ended March 31, 2018, which represented an increase of R$91 million, partially offset by R$117 million in financial investments. In addition, in the three months ended March 31, 2018, we received R$39 million in cash from the sale of shares in Usiminas.

Financing Activities

Cash used in financing activities decreased R$908 million, or 64%, from R$1,423 million in the three months ended March 31, 2018 to R$515 million in the three months ended March 31, 2019. This was mainly due to an increase of R$1,145 million in new borrowings in the three months ended March 31, 2019 as compared to the three months ended March 31, 2018, which was partially offset by (i) payment of dividends in the amount of R$502 million in the three months ended March 31, 2019, which did not occur in the three months ended March 31, 2018, and (ii) an increase of R$748 million in debt amortization payments in the three months ended March 31, 2019 as compared to the three months ended March 31, 2018.

Trade Accounts Receivable Turnover Ratio

Our trade accounts receivable turnover ratio, which is the ratio between our trade accounts receivable and our net operating revenues, measured in days of sales, increased by four days from 33 days as of March 31, 2018 to 37 days as of March 31, 2019.

Inventory Turnover Ratio

Our inventory turnover ratio, which we measure by dividing our inventories by our annualized cost of products sold, measured in days of cost of products sold, was 99 days and 111 days as of March 31, 2018 and March 31, 2019, respectively.

Trade Accounts Payable Turnover Ratio

Our trade accounts payable turnover ratio, which we measure by dividing our trade accounts payable by our annualized cost of products sold, measured in days of cost of products sold, was 79 days as of March 31, 2018 and as of March 31, 2019.

Liquidity Management

Given the capital intensive and cyclical nature of our industry and the generally volatile Brazilian macroeconomic environment, we retain sufficient cash on hand to run our operations and to meet our short-term financial obligations. As of March 31, 2018, cash and cash equivalents were R$2,234 million, as compared to R$2,702 million as of March 31, 2019.

As of March 31, 2019, our short-term and long-term indebtedness accounted for 19% and 81%, respectively, of our total debt, and the average life of our existing debt was equivalent to approximately seven years, considering a 40-year term for the perpetual bonds issued in September 2010.

Capital Expenditures and Investments

We invested R$313 million in the three months ended March 31, 2019, mainly in:

- R$160 million in steel: sustaining investments at Presidente Vargas Steelworks, mainly in the blast furnace, coke plants and technological modernization projects, as well as maintenance projects in all our steel plants;
- R$118 million in mining: projects in iron ore beneficiation, increase in iron ore quality, maintenance of tailings dams and sustaining investments in all our mining facilities; and
- R$14 million in cement: sustaining projects in the Volta Redonda and Arcos plants.

Debt and Derivative Instruments

As of March 31, 2019, our total debt (composed of current and non-current portions of borrowings and financings) was R$28,303 million (including transactions costs), which represents 276% of shareholders' equity as of March 31, 2019, respectively. As of March 31, 2019, our short-term debt (composed of current borrowings and financings, which includes current portion of long-term debt) totaled R$5,415 million and our long-term debt (composed of non-current borrowings and financings) totaled R$22,888 million.

As of March 31, 2019, approximately 44% of our debt was denominated in *reais* and substantially all of the remaining balance was denominated in U.S. dollars.

Our policy is to protect ourselves against foreign exchange losses and interest rate losses on our debt, which we do through hedge accounting.

The following table sets forth our borrowings, financing and debentures, which we record at amortized cost:

	Consolidated	
	Current liabilities	**Non-current liabilities**
	As of March 31, 2019	**As of March 31, 2019**
	(in millions)	
Debt Agreements in the International Market		
Variable interest:		
US$		
Prepayment	1,462.8	3,357.6
Fixed interest:		
US$		
Bonds, Perpetual Bonds and ACC	2,310.2	8,662.2
EUR		
Others	149.6	175.0
	3,922.6	**12,194.8**
Debt Agreements in Brazil		
Variable interest:		
R$		
BNDES/FINAME, Debentures, NCE and CCB	1,476.9	10,795.0
Fixed interest:		
R$		
Prepayment	48.0	
	1,524.9	**10,795.0**
Total borrowings and financing	**5,447.6**	**22,989.8**
Transaction costs and issue premiums	(32.4)	(102.3)
Total borrowings and financing + transaction costs	**5,415.1**	**22,887.6**

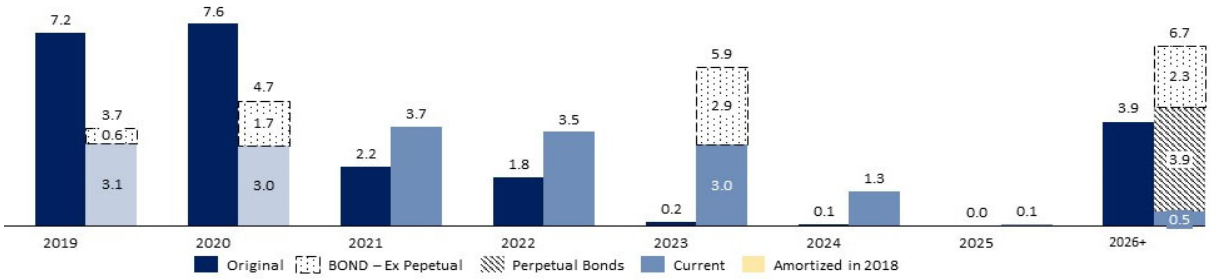
The following table sets forth the average interest rate of our borrowings and financing:

		As of March 31, 2019
	Average interest rate[(1)]	**Total Debt**
		(in millions of R$)
US$	5.58%	15,792.8
R$	8.20%	12,320.0
EUR	3.88%	324.6
		28,437.4

(1) In order to determine the average interest rates for our borrowings and financing agreements with floating rates, we used rates as of March 31, 2019.

Debt Maturity Schedule

The following chart sets forth our debt maturity profile as of December 31, 2017 and as of March 31, 2019, as adjusted to reflect (x) our issuance on April 17, 2019 of US$400.0 million in initial notes and US$600.0 million in 2026 notes and (y) our purchase on May 7, 2019 of US$404.7 million in 2019 notes and US$595.3 million in 2020 notes, in each case pursuant to tender offers.



(1) Translated solely for the convenience of the reader at the rate of R$3.875 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of December 31, 2017.

For further information on our indebtedness, see note 12 to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum.

Legal Proceedings

In April 2019, the Prosecutor's Office of the state of Minas Gerais filed a public civil action against us before a state court in the city of Congonhas, Minas Gerais, in which it requests an injunction ordering us to take, among others, measures to relocate people living in the surroundings of our Casa de Pedra tailings dam who wish to be relocated. We believe this claim is without merit because the Casa de Pedra tailings dam complies with applicable rules and standards and has obtained valid stability certification.

USE OF PROCEEDS

We estimate the net proceeds from the sale of the notes will be approximately US$183.9 million, after deducting discounts and commissions to the initial purchasers and estimated offering expenses payable by us, excluding accrued interest payable by purchasers of the notes.

We intend to use these net proceeds to pay certain amounts of outstanding debt.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2019 (i) on an actual basis; (ii) as adjusted to reflect (x) our issuance on April 17, 2019 of US$400.0 million in initial notes and US$600.0 million in 2026 notes and (y) our purchase on May 7, 2019 of US$404.7 million in 2019 notes and US$595.3 million in 2020 notes, in each case pursuant to tender offers; (iii) as further adjusted to reflect our payment on May 29, 2019 of R$898.3 million as a mandatory dividend, approved by our annual shareholders' meeting on April 26, 2019; and (iv) as further adjusted to reflect the issuance of the notes in this offering, excluding accrued interest payable by purchasers thereof.

This table is derived from our unaudited interim consolidated financial information as of March 31, 2019, and should be read in conjunction with the sections entitled "Presentation of Financial and Other Data" and "Summary Financial Data and Other Information" elsewhere in this offering memorandum, as well as "Item 3D. Risk Factors," "Item 3A. Selected Financial Data" and "Item 5A. Operating Results" in our 2018 Annual Report.

	As of March 31, 2019							
	Actual		As adjusted[1]		As further adjusted[2]		As further adjusted[3]	
	(in millions of R$)	*(in millions of US$)[4]*	*(in millions of R$)*	*(in millions of US$)[4]*	*(in millions of R$)*	*(in millions of US$)[4]*	*(in millions of R$)*	*(in millions of US$)[4]*
Short-term debt	5,653.4	1,450.7	3,838.1	984.9	3,838.1	984.9	3,838.1	984.9
Long-term debt	23,173.6	5,946.5	24,464.6	6,277.8	24,464.6	6,277.8	25,146.6	6,452.8
Total equity	10,250.3	2,630.3	10,250.4	2,630.3	10,250.4	2,630.3	10,250.4	2,630.3
Total capitalization[5]	**38,553.0**	**9,893.0**	**38,553.1**	**9,893.0**	**38,553.1**	**9,893.0**	**39,235.1**	**10,068.0**

(1) As adjusted to reflect (x) our issuance on April 17, 2019 of US$400.0 million in initial notes and US$600.0 million in 2026 notes and (y) our purchase on May 7, 2019 of US$404.7 million in 2019 notes and US$595.3 million in 2020 notes, in each case pursuant to tender offers.

(2) As further adjusted to reflect our payment on May 29, 2019 of R$898.3 million as a mandatory dividend, approved by our annual shareholders' meeting on April 26, 2019.

(3) As further adjusted to reflect the issuance of the notes in this offering, excluding accrued interest payable by purchasers thereof.

(4) Translated solely for the convenience of the reader at the rate of R$3.897 to US$1.00, which was the U.S. dollar selling rate as reported by the Central Bank as of March 31, 2019.

(5) Total capitalization is the sum of our short- and long-term borrowings, financing and debentures and our total equity.

Except as set forth above, there has been no material adverse change to our capitalization since March 31, 2019.

DESCRIPTION OF NOTES

CSN Resources S.A. will issue the notes pursuant to Section 2.3 of, and governed by, the indenture dated February 13, 2018 between CSN Resources S.A., as issuer, CSN, as guarantor, and The Bank of New York Mellon, as trustee (which term includes any successor as trustee under the indenture), principal paying agent and transfer agent, as supplemented by the first supplemental indenture dated April 17, 2019 and to be further supplemented by a second supplemental indenture to be dated July 2, 2019 (the "indenture"). Copies of the indenture are available for inspection during normal business hours at the offices of the trustee and any of the other paying agents.

This description of notes is a summary of the material provisions of the notes, the Guarantee and the indenture. You should refer to the indenture for a complete description of the terms and conditions of the notes, the Guarantee and the indenture, including the obligations of the issuer and CSN and your rights.

You will find the definitions of terms used in this section under "—Definitions." For purposes of this section of this offering memorandum, references to (i) the "issuer" refers only to CSN Resources S.A. and not its subsidiaries, and (ii) "Companhia Siderúrgica Nacional" and "guarantor" refer only to CSN and not to its subsidiaries.

General

The notes will:

- be senior unsecured obligations of the issuer;
- rank equal in right of payment with all other existing and future senior unsecured obligations of the issuer (other than with respect to certain obligations given preferential treatment pursuant to applicable laws);
- rank senior in right of payment to all existing and future subordinated obligations of the issuer;
- be effectively subordinated to all existing and future secured obligations of the issuer, to the extent of the value of the assets securing such secured obligations;
- constitute a reopening of and be consolidated and form a single fungible series with the issuer's US$350.0 million and US$400.0 million in aggregate principal amount of 7.625% senior notes due 2023 initially issued on February 13, 2018 and April 17, 2019, respectively, which would bring the total aggregate outstanding principal amount of the issuer's 7.625% senior notes due 2023 to US$925.0 million;
- mature on February 13, 2023;
- be subject to optional redemption or tax redemption as described under "—Optional Redemption;"
- be issued in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof;
- be represented by one or more registered notes in global form and may be exchanged for notes in definitive form only in limited circumstances; and
- be unconditionally guaranteed on an unsecured and unsubordinated basis by CSN.

Interest on the notes will:

- accrue at the rate of 7.625% per annum;
- accrue from the date of issuance or from the most recent interest payment date;
- be payable in cash semi-annually in arrears, on February 13 and August 13, commencing on August 13, 2019, and;
- be payable to the holders of record on the second calendar day (whether or not a Business Day) immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, interest and any additional amounts on the notes will be payable as set forth under "—Payments of Principal and Interest." Transfer of notes will be registrable as set forth under "—Replacement, Exchange and Transfer of Notes" at the office of the transfer agent and, for so long as the notes are listed and quoted on the Singapore Exchange Securities Trading Limited, or the SGX-ST at the office of the Singapore listing agent.

If any payment is due on a note on a day that is not a Business Day, payment will be made on the day that is the next

Business Day. Payments postponed to the next Business Day in this situation will be treated under the indenture as if they were made on the original payment date. No interest will accrue on the postponed amount from the original payment date to the next day that is a Business Day.

Ranking

The notes will be general senior unsecured and unsubordinated obligations of the issuer and will rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future senior unsecured and unsubordinated obligations of the issuer that are not, by their terms, expressly subordinated in right of payment to the notes, other than with respect to certain obligations given preferential treatment pursuant to applicable laws.

The issuer, the guarantor and the Restricted Subsidiaries will be permitted to Incur additional *pari passu* Indebtedness, which may also be secured Indebtedness, subject to the covenants described below under "—Certain Covenants—Limitation on Incurrence of Indebtedness." Although the indenture will limit the amount of Indebtedness that the issuer and its Restricted Subsidiaries may Incur, such Indebtedness may be substantial.

Guarantee

The guarantor will irrevocably and unconditionally guarantee to each holder and the trustee all of the obligations of the issuer pursuant to the indenture and the notes (the "Guarantee"), including the full and punctual payment of principal, interest, additional amounts and all other amounts that may become due and payable in respect of the notes. If the issuer fails to punctually pay any such amount, the guarantor will immediately pay the amount that is required to be paid and has not been paid. The obligations of the guarantor under the Guarantee constitute a direct, general and unconditional obligation of the guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the guarantor, except for such obligations as may be preferred by provisions of law that are both mandatory and of general application. So long as any note remains outstanding (as defined in the indenture), the guarantor shall continue to own, directly or indirectly, 100% of the outstanding share capital of the issuer (excluding any directors' qualifying shares).

Listing

The issuer will apply to the SGX-ST for the listing and quotation of the notes offered hereby on the main board of the SGX-ST. In case the issuer is unable to obtain such application it has agreed to seek an alternative admission to listing, trading and/or quotation for the notes on a comparable stock exchange, market and/or quotation system. The notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as the notes are listed on the SGX-ST. If and for so long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the global certificates of the notes are exchanged for certificates in definitive form, the issuer will appoint and maintain a paying agent in Singapore where the notes may be presented or surrendered for payment or redemption. The issuer will announce through the SGX-ST any issue of certificates in definitive form in exchange for the global certificates of the notes, including in the announcement all material information with respect to the delivery of the certificates in definitive form, including details of the paying agent in Singapore. There can be no guarantee that the notes become listed, and if listed, that they remain listed.

Further Issuances

The indenture by its terms does not limit the aggregate principal amount of notes that may be issued thereunder and permits the issuance, from time to time, of additional notes of the same series as is being offered hereby, provided that among other requirements (i) no Default or Event of Default under the indenture shall have occurred and then be continuing or shall occur as a result of such additional issuance, and (ii) such additional notes rank *pari passu* and have equivalent terms and benefits as the notes offered hereby. Any issuance of additional notes will be subject to all of the covenants in the indenture, including the covenant described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness." Any additional notes will be part of the same series as the notes that the issuer is currently offering and will vote on all matters with the notes as a single class, except that the issue date, the issue price and the first payment date on the additional notes may differ; *provided*, *however*, that such additional notes will be issued with a different CUSIP number unless such additional notes are issued pursuant to a "qualified reopening" of the original series, are otherwise treated as part of the same "issue" of debt instruments as the original series or are issued with no more than a *de minimis* amount of original discount, in each case for U.S. federal income tax purposes.

Payments of Principal and Interest

Payment of the principal of the notes, together with accrued and unpaid interest thereon, or payment upon redemption

prior to maturity, will be made only:

- following the surrender of the notes at the office of the trustee or any other paying agent; and
- to the person in whose name the note is registered as of the close of business, New York City time, on the due date for such payment.

Payments of interest on a note, other than the last payment of principal and interest or payment in connection with a redemption of the notes prior to maturity, will be made on each payment date to the person in whose name the note is registered at the close of business, New York City time, on the record date, which shall be the January 29 or July 29, as the case may be, preceding each such payment date.

Payments of principal and interest shall be made by depositing immediately available funds in U.S. dollars into an account maintained by the trustee, acting on behalf of the noteholders, no later than the close of business on the Business Day prior to the applicable payment date.

The restricted notes and unrestricted notes (as defined below) will each initially be represented by one or more global notes (as defined below), as described herein. Payments of principal and interest on the global notes will be made to DTC or its nominee, as the case may be, as registered holder thereof. It is expected that such registered holder of global notes will receive the funds for distribution to the holders of beneficial interests in the global notes. Neither the issuer nor the trustee shall have any responsibility or liability for any of the records of, or payments made by, DTC or its nominee or Euroclear or Clearstream.

If any date for a payment of principal or interest or redemption is not a business day in the city in which the relevant paying agent is located, the issuer will make the payment on the next business day in the respective city. No interest on the notes will accrue as a result of this delay in payment. All payments made by the guarantor under the Guarantee shall be paid to the trustee. To the extent that funds are received in excess of those required to satisfy the issuer's obligations under the notes and the indenture then due and payable, the trustee shall be required to deposit such excess amounts in a segregated account until the next payment date when such funds shall be used by the trustee to satisfy the issuer's obligations under the notes.

In the case of amounts not paid by the issuer under the notes (after giving effect to any applicable grace period therefor), interest will continue to accrue on such amounts (except as provided below) at a rate equal to the default rate (*i.e.*, 1.0% in excess of the note rate), from and including the date when such amounts were due (after giving effect to any applicable grace period therefor), and through but excluding the date of payment by the issuer or the guarantor, as the case may be.

Subject to applicable law, the trustee and the paying agents will pay to the issuer upon request any monies held by them for the payment of principal or interest that remains unclaimed for two years. Thereafter, noteholders entitled to these monies must seek payment from the issuer.

Additional Amounts

Any and all payments by the issuer or the guarantor in respect of the notes and the related Guarantee, as the case may be, shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, fees or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg, Brazil or any jurisdiction through which the issuer or the guarantor make payments in respect of the notes and the related Guarantee, a Successor Jurisdiction (as defined below), or any political subdivision or any authority thereof or therein having power to tax (a "Taxing Jurisdiction"), unless such withholding or deduction is required by law. In that event, the issuer or the guarantor, as the case may be, shall pay such additional amounts as will result in the receipt by the noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any note:

(1) to the extent that such taxes in respect of such note would not have been imposed but for the existence of any current or former connection between a holder (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder of such holder, if such holder is an estate, a trust, a partnership, a limited liability company or a corporation) and a Taxing Jurisdiction other than the mere holding of such note or the receipt of payments thereon;

(2) to the extent of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to such notes, except as otherwise provided in the indenture;

(3) to the extent that such holder would not be liable or subject to such withholding or deduction of taxes but for the failure to make a valid declaration of non-residence or other similar claim for exemption if:

(i) the making of such declaration or claim is required or imposed by statute, treaty, regulation, ruling or administrative practice of the relevant taxing authority as a precondition to an exemption from, or reduction in, the relevant taxes; and

(ii) at least 60 days prior to the first payment date with respect to which the issuer or the guarantor shall apply this clause (c), such party has notified the holders of notes in writing that they shall be required to provide such declaration or claim;

(4) where (in the case of a payment of principal or interest on redemption) the relevant note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had surrendered the relevant note on the last day of such period of 30 days;

(5) in respect of any tax imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implementing the foregoing; or

(6) in respect of any combination of the above.

In addition, no additional amounts shall be paid with respect to any payment on a note or the Guarantee to a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the additional amounts had that beneficiary, settlor, member or beneficial owner been the holder.

"*Relevant Date*" means whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the noteholders.

Any reference to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this section or under "—Payments of Principal and Interest" above.

"*Successor Jurisdiction*" means a taxing jurisdiction other than Luxembourg or Brazil, as the case may be, in which the issuer or the guarantor becomes a resident for tax purposes.

Suspension of Covenants

From and after the first date following the Issue Date, or following the most recent Reversion Date, that (i) the notes have an Investment Grade Rating from any two Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing under the indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), the issuer and its Restricted Subsidiaries will not be subject to the provisions of the indenture as to the notes described in "—Certain Covenants—Limitation on Incurrence of Indebtedness" and in clause (4) under the heading "—Certain Covenants—Limitation on Mergers, Consolidations and Certain Sales of Assets" (the "Suspended Covenants").

In the event that the issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") the notes cease to have an Investment Grade Rating from any two Rating Agencies, then the issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to the first paragraph of "—Certain Covenants—Limitation on Incurrence of Indebtedness" or one of the clauses set forth in the second paragraph of "—Certain Covenants—Limitation on Incurrence of Indebtedness" (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the date of the Incurrence and after giving effect to

Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred pursuant to "—Certain Covenants—Limitation on Incurrence of Indebtedness," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness."

Promptly following the occurrence of any Covenant Suspension Event or Reversion Date, the issuer will provide an officers' certificate to the trustee regarding such occurrence. The trustee shall have no obligation to independently determine or verify if a Covenant Suspension Event or Reversion Date has occurred or notify the Holders of any occurrence of a Covenant Suspension Event or Reversion Date. Absent receipt of such officers' certificate, the trustee shall be entitled to assume that no Covenant Suspension Event or the occurrence of any Reversion Date has occurred. The trustee may provide a copy of such officers' certificate to any Holder of the Notes upon request. There can be no assurance that the notes will ever achieve an Investment Grade Rating.

Certain Covenants

The indenture contains the following covenants:

Limitation on Incurrence of Indebtedness

Each of the issuer and the guarantor will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness, except if, on the date of such transaction, after giving effect to the Indebtedness and the receipt and the application of the proceeds therefrom, the Adjusted Net Debt to Adjusted EBITDA Ratio shall not exceed (i) 5.0 to 1.0 from the first anniversary of the Issue Date until the second anniversary of the Issue Date, (ii) 4.5 to 1.0 from the second anniversary of the Issue Date until the third anniversary of the Issue Date, (iii) 4.0 to 1.0 from the third anniversary of the Issue Date until the fourth anniversary of the Issue Date, and (iv) 3.5 to 1.0 from the fourth anniversary of the Issue Date and subsequent periods.

Notwithstanding the foregoing, CSN, and to the extent provided below, any Restricted Subsidiary may Incur the following ("Permitted Debt"):

(1) Indebtedness owed to or held by a (i) Wholly Owned Subsidiary or a Substantially Wholly Owned Subsidiary; or (ii) Restricted Subsidiary, each to the extent that such Indebtedness is subordinated to the prior payment of all obligations with respect to the notes and the Guarantee;

(2) Indebtedness of a Restricted Subsidiary owed to or held by CSN;

(3) Indebtedness of the issuer pursuant to the notes (other than additional notes) and Indebtedness of the guarantor pursuant to the Guarantee (other than additional notes);

(4) Indebtedness of CSN or any Restricted Subsidiary ("Permitted Refinancing Debt") constituting an extension or renewal of, replacement of, or substitution for, or issued in exchange for, or the net proceeds of which are used to repay, redeem, repurchase, refinance or refund, including by way of defeasance (all of the above, for purposes of this clause, "refinance") then-outstanding Indebtedness in an amount not to exceed the principal amount of the Indebtedness so refinanced, plus premiums, fees and expenses; *provided that*

  (i) in case the Indebtedness to be refinanced is subordinated in right of payment to the notes, the new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which it is outstanding, is expressly made subordinate in right of payment to the notes at least to the extent that the Indebtedness to be refinanced is subordinated to the notes,

  (ii) the new Indebtedness does not have a Stated Maturity prior to the Stated Maturity of the Indebtedness to be refinanced, and

  (iii) Indebtedness Incurred pursuant to clauses (1), (2), (5), (6), (9), (10), (11), (12), (14), (16), (17) and (18) under this covenant "—Limitation on Incurrence of Indebtedness" may not be refinanced pursuant to this clause;

(5) Hedging Obligations of CSN or any Restricted Subsidiary entered into in the ordinary course of business for the purpose of limiting risks associated with the business of CSN and its Restricted Subsidiaries (including risks associated with changes in commodities prices) or directly related to Indebtedness permitted to be Incurred by CSN or any Restricted Subsidiary pursuant to the indenture, and in each case not for speculation;

(6) Indebtedness of CSN or any Restricted Subsidiary for the reimbursement of any obligor or any letter of credit, bankers' acceptance, surety bond or similar credit transaction in the ordinary course of business and not

supporting Indebtedness, including letters of credit supporting performance, surety or appeal bonds or court deposits, or Indebtedness with respect to environmental obligations pursuant to a settlement agreement (*Termo de Ajuste de Conduta* – TAC) or reimbursement obligations regarding workers' compensation claims;

(7) Indebtedness of an Acquired Entity; *provided that* after giving effect to the Incurrence thereof, CSN could Incur at least US$1.00 of Indebtedness under the Adjusted Net Debt to Adjusted EBITDA Ratio set forth in the first paragraph of this covenant or the Adjusted Net Debt to Adjusted EBITDA Ratio would be equal to or less than immediately prior to the relevant acquisition or merger;

(8) Indebtedness of CSN or any Restricted Subsidiary outstanding on the Issue Date;

(9) Guarantees by CSN or any Restricted Subsidiary of Indebtedness permitted to be Incurred pursuant to this covenant; *provided that* if such Indebtedness is subordinated in right of payment to the notes or the Guarantee, any such guarantee with respect to such Indebtedness shall be subordinated in right of payment to such guarantee;

(10) Indebtedness of CSN or any Restricted Subsidiary arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or guarantees or letters of credit, surety bonds or performance bonds securing any obligations of CSN or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the amount does not exceed the gross proceeds actually received by CSN or any Restricted Subsidiary thereof in connection with such disposition; *provided that* such Indebtedness is not reflected on the balance sheet of CSN or any Restricted Subsidiary;

(11) Indebtedness of CSN or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(12) Indebtedness of CSN or any Restricted Subsidiary constituting letters of credit issued in the ordinary course of business or reimbursement obligations in respect thereof; *provided that*, upon the drawing upon such letters of credit, such obligations are reimbursed in full within 30 days following such drawing;

(13) Indebtedness of CSN or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly used to purchase notes in connection with a tender offer effected by CSN or an Affiliate of CSN or deposited to defease or to satisfy and discharge the notes in accordance with the indenture;

(14) Indebtedness of CSN or any Restricted Subsidiary Incurred to pay all or a portion of the purchase price of the acquisition or lease of equipment, vehicles and services used in the ordinary course of the business of CSN or its Restricted Subsidiaries, *provided* that such Indebtedness is Incurred within 365 days prior to or after any such acquisition or lease and any refinancing of Indebtedness Incurred pursuant to this clause (14), subject to the proviso in clause (4) above;

(15) Indebtedness of CSN or any Restricted Subsidiary related to borrowings from, directly or indirectly, (i) *Banco Nacional de Desenvolvimento Econômico e Social – BNDES* (including borrowings from *Financiadora de Estudos e Projetos – FINEP*, *Fundo de Investimento do Fundo de Garantia do Tempo de Serviço – FI-FGTS* and/or *Fundo de Financiamento do Nordeste)*, or any other Brazilian governmental development bank or credit agency or (ii) any international or multilateral development bank or government-sponsored agency, export-import bank or official export-import credit insurer;

(16) Indebtedness of CSN or any Restricted Subsidiary to be Incurred pursuant to the terms of written agreements existing and in full force and effect on the Issue Date, in an aggregate principal amount at any time outstanding not to exceed 10% of CSN's Consolidated Net Tangible Assets;

(17) Incurrence of Non-Recourse Debt by a Project Finance Subsidiary; and

(18) Indebtedness of CSN or any Restricted Subsidiary Incurred on or after the Issue Date not otherwise permitted in an aggregate principal amount at any time outstanding not to exceed 15% of CSN's Consolidated Net Tangible Assets.

Notwithstanding anything to the contrary in this covenant, the maximum amount of Indebtedness that CSN and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

For purposes of determining compliance with this covenant: (i) in the event that any proposed Indebtedness meets the

criteria of more than one of the categories of Permitted Debt described in clauses (1) through (19) of the second paragraph, or is entitled to be Incurred pursuant to the first paragraph, of this covenant "—Limitation on Incurrence of Indebtedness," CSN and its Restricted Subsidiaries will be permitted to classify such item of Indebtedness at the time of its Incurrence in any manner that complies with this covenant or to later reclassify all or a portion of such item of Indebtedness; and (ii) Indebtedness permitted by this covenant (including the first paragraph above), need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness.

The guarantor may not Incur any Indebtedness that is subordinate in right of payment to other Indebtedness of the guarantor unless such Indebtedness is also subordinate in right of payment to the relevant Guarantee on substantially identical terms.

The accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Stock in the form of additional Disqualified Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; *provided that* any such outstanding additional Indebtedness or Disqualified Stock paid in respect of Indebtedness Incurred pursuant to any provision of the second paragraph of this covenant "—Limitation on Incurrence of Indebtedness" above will be counted as Indebtedness outstanding for purposes of any future Incurrence of Indebtedness pursuant the first paragraph of this covenant "—Limitation on Incurrence of Indebtedness" above.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred or, in the case of revolving credit Indebtedness, first committed; *provided that* if such Indebtedness is Incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the non-US currency principal amount of such Permitted Refinancing Debt does not exceed the non-US currency principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Debt is denominated that is in effect on the date of such refinancing.

In connection with an acquisition or disposition of a company, division or line of business (an "Acquired Entity") for which audited or reviewed financial statements are not available, Adjusted EBITDA for such Acquired Entity will be calculated in good faith by the issuer and CSN based upon management reports or other similar information ("Initial Adjusted EBITDA"). Notwithstanding any other provision of this covenant, neither CSN nor any Restricted Subsidiary will, with respect to any Indebtedness Incurred pursuant to this Initial Adjusted EBITDA calculation (the "New Indebtedness"), be deemed to be in violation of this covenant; *provided*, *however*, that the issuer and CSN will be required by the date that is 90 days following the consummation of the acquisition of the Acquired Entity to recalculate Adjusted EBITDA, for the period of four consecutive fiscal quarters for which financial statements of CSN have been delivered to the trustee pursuant to the indenture (or a period most closely coinciding with such period to the extent that the fiscal year of the Acquired Entity does not correspond to the fiscal year of CSN, using financial statements of the Acquired Entity that have been audited or subjected to a limited review ("Recalculated Adjusted EBITDA"). If (1) the Recalculated Adjusted EBITDA is less than the Initial Adjusted EBITDA and (2) as a result, CSN or any Restricted Subsidiary Incurred New Indebtedness that exceeded (by an amount in excess of US$20 million) what it would have been permitted to Incur using Recalculated Adjusted EBITDA, then CSN or any Restricted Subsidiary within 90 days thereafter will be required to repay such amount of New Indebtedness that would ensure that it would have been in compliance with this covenant had it used Recalculated Adjusted EBITDA to determine the amount of Indebtedness it was permitted to Incur thereunder.

Limitation on Mergers, Consolidations and Certain Sales of Assets

So long as any of the notes remain outstanding (as defined in the indenture), neither the issuer nor the guarantor will, in a single transaction or a related series of transactions, consolidate with, or merge with or into any other Person or permit any other Person to consolidate with or merge into it, or directly or indirectly, transfer, sell, lease, convey or dispose of all or substantially all its assets to a Person unless:

(1) the resulting, surviving or transferee person is the issuer or the guarantor, or a person organized and existing under the laws of Brazil, the United States, any state thereof or the District of Columbia, any other country that is a member country of the European Union or of the Organization for Economic Co-operation and Development on

the Closing Date, and such person expressly assumes, by a supplemental indenture to the indenture, all the obligations of the issuer and the guarantor under the indenture and the Guarantee;

(2) the resulting, surviving or transferee person (if not the issuer or the guarantor), if not organized and existing under the laws of Luxembourg or Brazil, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal and premium, if any, and interest as may be necessary in order that every net payment made in respect of the Guarantee related to the notes after deduction or withholding for or on account of any present or future Taxes imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Guarantee related to the notes, subject to the same exceptions set forth under clauses (a) through (d) under "—Additional Amounts";

(3) immediately after giving effect to such event, there is no Default or Event of Default under the indenture;

(4) immediately after giving effect to the transaction on a *pro forma* basis, CSN or the resulting surviving or transferee Person (i) could Incur at least US$1.00 of Indebtedness under the Adjusted Net Debt to Adjusted EBITDA Ratio set forth in the first paragraph of the covenant described above under the caption "—Limitation on Incurrence of Indebtedness"; or (ii) would have an Adjusted Net Debt to Adjusted EBITDA Ratio less than or equal to CSN immediately prior to such transaction and

(5) we shall have delivered to the trustee an officers' certificate and an opinion of counsel each stating that such merger, consolidation, conveyance, or transfer and such supplemental indenture comply with the foregoing provisions relating to such transaction and with the indenture.

Negative Pledge

So long as any note remains outstanding (as defined in the indenture), neither CSN, nor any of its Restricted Subsidiaries shall create, incur, issue or assume any Lien, other than a Permitted Lien, upon the whole or any part of its property or, assets to secure any Indebtedness or any guarantees of any Indebtedness, without at the same time or prior thereto, securing the notes and the issuer and guarantor's obligations under the indenture equally and ratably therewith.

Reporting Requirements

The guarantor shall furnish to the trustee:

(1) as soon as available and in any event by no later than 120 days after the end of each fiscal year of the guarantor, annual audited consolidated financial statements in English for the guarantor prepared in accordance with the Brazilian Corporate Law method accompanied by an opinion of internationally recognized independent public accountants selected by the guarantor, which opinion shall be based upon an examination made in accordance with generally accepted auditing standards in Brazil, provided that any document publicly available in English on the SEC's IDEA website or the guarantor's website shall be deemed to have been furnished for the purposes of this covenant;

(2) as soon as available and in any event by no later than 60 days after the end of each of the first three fiscal quarters of each fiscal year of the guarantor, quarterly unaudited consolidated financial statements in English for the guarantor prepared in accordance with the Brazilian Corporate Law method accompanied by a "limited review" (*revisão limitada*) report of internationally recognized independent public accountants selected by the guarantor, which report shall be based upon an examination made in accordance with the specific applicable rules issued by the *Conselho Federal de Contabilidade* (Federal Accounting Counsel), provided that any document publicly available in English on SEC's IDEA website or the guarantor's website shall be deemed to have been furnished for the purposes of this covenant.

At all times while the guarantor or the issuer files any financial statements or reports with the SEC, the guarantor or the issuer, as the case may be, shall make available a copy of such statements or reports to the trustee within 15 calendar days of the date of filing. In addition, at any time when the guarantor is not subject to or is not current in its reporting obligations under Section 13 or Section 15(d) of the Exchange Act, the guarantor will make available, upon request, to any holder and any prospective purchaser of notes that are "restricted securities" under the Securities Act the information required pursuant to section (d)(4) of rule 144A under the Securities Act ("Rule 144A").

Delivery of such reports, information and documents to the trustee is for informational purposes only and the trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information

contained therein, including the issuer's or the guarantor's compliance with any of the provisions of the indenture (as to which the trustee is entitled to rely exclusively on an officers' certificate).

Other Covenants

In addition, the indenture will (subject to exceptions, qualifications and materiality thresholds, where appropriate) contain covenants regarding permitted lines of business, the performance of the issuer's and CSN's obligations under the notes, maintenance of corporate existence, maintenance of properties, compliance with applicable laws, maintenance of CSN's and its Restricted Subsidiaries' governmental approvals, payment of Taxes and other claims, maintenance of books and records and further actions.

Definitions

As used in this offering memorandum, the following terms have the respective meanings set forth below:

"*Adjusted EBITDA*" means, for any period of determination, CSN's and its Restricted Subsidiaries' net income (loss) for the period, *less* net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, results of discontinued operations and other operating income (expenses), in all cases determined in accordance with IFRS and as set forth in the most recent consolidated statement of income of CSN that has been delivered to the trustee pursuant to the indenture, *plus*, without duplication, the proportionate Adjusted EBITDA of MRS and Adjusted EBITDA of CBSI.

"*Adjusted EBITDA of MRS*" means, for any period of determination, MRS' net income (loss) for the period, *less* net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, results of discontinued operations and other operating income (expenses), in all cases determined in accordance with IFRS and as set forth in the most recent consolidated statement of income of MRS.

"*Adjusted EBITDA of CBSI*" means, for any period of determination, CBSI's net income (loss) for the period, *less* net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies, results of discontinued operations and other operating income (expenses), in all cases determined in accordance with IFRS and as set forth in the most recent consolidated statement of income of CBSI.

"*Advance Transaction*" means an advance from a financial institution involving either (a) a foreign exchange contract (*ACC — Adiantamento sobre Contrato de Câmbio*) or (b) an export contract (*ACE — Adiantamento sobre Contrato de Exportação*).

"*Adjusted Net Debt*" means, as of any date of determination, Net Debt of CSN and its Restricted Subsidiaries, as set forth in the most recent consolidated balance sheet of CSN that has been delivered to the trustee pursuant to the indenture, *plus*, without duplication, the proportionate Net Debt of MRS and Net Debt of CBSI.

"*Adjusted Net Debt to Adjusted EBITDA Ratio*" means, at any time, the ratio of:

(x) Adjusted Net Debt at that time to;

(y) Adjusted EBITDA for the then most recently concluded period of four consecutive fiscal quarters for which consolidated financial statements of CSN have been delivered to the trustee pursuant to the indenture (the "reference period");

provided, *however*, that in making the foregoing calculation, pro forma effect will be given to:

(1) any Indebtedness Incurred (or repaid) during or after the reference period as if the Indebtedness had been Incurred (or repaid) on the first day of the reference period;

(2) the acquisition or disposition of companies, divisions or lines of businesses by CSN and its Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business during or after the reference period by a Person that became a Restricted Subsidiary during or after the reference period; and

(3) the discontinuation of any discontinued operations,

in each case, that have occurred during or after the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period.

"*Affiliate*" with respect to a specified Person means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified.

"Annual Statements" means in relation to the guarantor, its audited annual consolidated financial statements prepared in accordance with IFRS.

"*Board of Directors*" means, with respect to any Person, the board of directors or similar governing body of such Person or any duly authorized committee thereof.

"*Brazil*" means the Federative Republic of Brazil.

"*Brazilian Corporate Law*" means Brazilian Law No. 6,404 of December 15, 1976, as amended.

"*Business Day*" means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in the city of New York, the city of São Paulo or in Luxembourg (or any jurisdiction in which the issuer may subsequently be domiciled).

"*Capital Lease Obligation*" means, with respect to any Person, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS.

"*Capital Stock*" means, with respect to any Person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting), such Person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"*CBSI*" means CBSI – *Companhia Brasileira de Serviços de Infraestrutura*, a jointly controlled company of CSN.

"*Comparable Treasury Issue*" means the United States Treasury security selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the Call Date that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the period from the redemption date to the Call Date.

"*Comparable Treasury Price*" means (A) the arithmetic average of the Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest Reference Treasury Dealer Quotations or (B) if we obtain fewer than four Reference Treasury Dealer Quotations, the arithmetic average of all Reference Treasury Dealer Quotations for such redemption date.

"*Consolidated Net Tangible Assets*" means, at any date of determination, the total amount of assets of CSN and its Restricted Subsidiaries on a consolidated basis, *less* current liabilities, *less* depreciation, amortization and depletion, *less* goodwill, trade names, trademarks, patents and other intangibles, calculated based on the most recent consolidated financial statements of CSN delivered to the trustee pursuant to the indenture; all calculated in accordance with IFRS and on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of businesses or operations by CSN and its Restricted Subsidiaries subsequent to such date and on or prior to the date of determination.

"*Disqualified Stock*" means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event:

(1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or

(3) is redeemable at the option of the holder thereof, in whole or in part,

in each case on or prior to the date that is 91 days after the earlier of the date on which the notes mature or are no longer outstanding; *provided*, *however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an asset sale occurring prior to the first anniversary of the Stated Maturity of the notes shall not constitute Disqualified Stock if the asset sale provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the indenture. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the indenture will be the maximum amount that CSN and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

"*EBITDA*" means, for any period of determination, a Person's net income (loss) for the period, less net financial income (expenses), income tax and social contribution, depreciation and amortization, equity in results of affiliated companies and results of discontinued operations, in all cases determined in accordance with IFRS and as set forth in the most recent consolidated statement of income of that Person.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Fair Market Value*" means, with respect to an asset or liability of a Person, the value that would be paid by a willing buyer to an unaffiliated willing seller, determined in good faith by the Board of Directors of such Person.

"*Guarantee*" means the guarantee provided by the guarantor pursuant to the indenture and the notes.

"*guarantee*" means any obligation of a Person to pay the Indebtedness of another Person, including, without limitation:

(1) an obligation to pay or purchase such Indebtedness;

(2) an obligation to lend money or to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(3) an indemnity against the consequences of a default in the payment of such Indebtedness; or

(4) any other agreement to be responsible for such Indebtedness.

"*Hedging Obligations*" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option, forward or futures contract or other similar agreement or arrangement.

"*IFRS*" means International Financial Reporting Standards as adopted by the International Accounting Standards Board, as in effect from time to time.

"*Incur*" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume or guarantee such Indebtedness or Capital Stock. If any Person becomes a Restricted Subsidiary on any date after the date of the indenture, the Indebtedness and Capital Stock of such Person outstanding on such date will be deemed to have been Incurred by such Person on such date for purposes of the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness" but will not be considered a sale or issuance of Equity Interests for purposes of the covenant described under the heading "—Certain Covenants—Limitation on Mergers, Consolidation and Certain Sales of Assets." The term "Incurrence" when used as a noun shall have a correlative meaning. The accretion of original issue discount or payment of interest in kind will not be considered an Incurrence of Indebtedness.

"*Indebtedness*" of any Person means, without duplication:

(1) the principal of and premium, if any, in respect of (i) all indebtedness of such person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(2) all Capital Lease Obligations of such person;

(3) all obligations of such Person issued or assumed as the deferred and unpaid purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 365 days, in each case arising in the ordinary course of business);

(4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(5) all Hedging Obligations;

(6) all obligations of the type referred to in clauses (1) through (5) above of other Persons for the payment of which such Person is responsible or liable as obligor or guarantor (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable as obligor or guarantor in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof);

(7) all obligations of the type referred to in clauses (1) through (6) above of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such

obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

(8) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock (but excluding any accrued dividends);

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person.

The amount of Indebtedness will be deemed to be:

(a) with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation;

(b) with respect to Indebtedness secured by a Lien on an asset of such Person but not otherwise the obligation, contingent or otherwise, of such Person, the lesser of (x) the Fair Market Value of such asset on the date the Lien attached and (y) the amount of such Indebtedness;

(c) with respect to any Indebtedness issued with original issue discount, the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness;

(d) with respect to any Hedging Obligations, the net amount payable if such Hedging Obligation terminated at that time due to default by such Person; and

(e) otherwise, the outstanding principal amount thereof.

"*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by us.

"Interim Statements" means in relation to the guarantor, its unaudited quarterly consolidated financial statements prepared in accordance with IFRS.

"*Investment Grade Rating*" means BBB- or higher by S&P, Baa3 or higher by Moody's or BBB- or higher by Fitch, or the equivalent of such global ratings by S&P, Moody's or Fitch.

"*Issue Date*" means February 13, 2018.

"*Lien*" means any mortgage, pledge, lien, security interest, conditional sale or other charge or encumbrance or title retention agreement.

"*MRS*" means MRS Logística S.A., a jointly controlled company of CSN.

"*Net Debt*" means, as of any date of determination, the aggregate amount of debt of a Person recorded as current and non-current borrowings and financings, *less* the sum of (without duplication) consolidated cash and cash equivalents and consolidated financial investments recorded as current assets, in all cases determined in accordance with IFRS and as set forth in the most recent consolidated balance sheet of that Person.

"*Non-Recourse Debt*" means Indebtedness:

(1) as to which neither CSN nor any of its Restricted Subsidiaries (A) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (B) is directly or indirectly liable as a guarantor or otherwise, or (C) constitutes the lender; and

(2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness of CSN or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of the Indebtedness to be accelerated or payable prior to its Stated Maturity; and

(3) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of CSN or any of its Restricted Subsidiaries.

"*Permitted Liens*" means:

(1) Liens in favor of CSN;

(2) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to CSN or another Restricted Subsidiary;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with CSN or any Subsidiary of CSN; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with CSN or the Subsidiary;

(4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by CSN or any of its Restricted Subsidiaries; provided that such liens were in existence prior to, and not incurred in contemplation of, such acquisition; provided, however, that any such Lien may not extend to any other property owned by CSN or any of its Restricted Subsidiaries;

(5) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature if issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(6) any Lien on any property or assets (including Capital Stock of any Person) or revenues of a project securing Indebtedness Incurred solely for purposes of financing all or any part of the purchase price or cost of the acquisition, construction, improvement or development of such property or assets or project, as the case may be, after the date of the indenture; provided that (a) the aggregate principal amount of Indebtedness secured by the Liens will not exceed (but may be less than) the purchase price or cost of the property or assets or project so acquired, constructed, improved or developed, as the case may be, and (b) the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction, improvement or development and does not encumber any other property or assets or revenues of CSN or any Restricted Subsidiary; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the Person so acquired;

(7) Liens existing on the Issue Date;

(8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision required in conformity with IFRS has been made therefor;

(9) Liens imposed by law, such as vendors', carriers', warehousemen's, landlords' and mechanics' Liens, in each case, incurred in the ordinary course of business and for sums not yet due or being contested in good faith good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision required in conformity with IFRS has been made therefor;

(10) pledges or deposits by a Person under workers' compensation laws, unemployment insurance laws or similar legislation, or good-faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(11) encumbrances, ground leases, survey exceptions (including, without limitation, minor defects or irregularities in title and similar encumbrances), easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness, are incidental to the conduct of the business of such Person and do not, in the aggregate, materially and adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens created for the benefit of (or to secure) the notes (or the Guarantee);

(13) attachment or judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(14) customary Liens in favor of trustees and escrow agents and Liens arising solely by virtue of any statutory or common law provision relating to bankers' Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (A) such deposit account is not a dedicated cash collateral account and (B) such deposit account is not intended by CSN or any of its Restricted Subsidiaries to provide collateral to the depository institution;

(15) Liens securing Hedging Obligations so long as such Hedging Obligations relate to Indebtedness that is permitted to be incurred under the indenture (and, if such Indebtedness is secured, is secured by a Lien on the same property securing such Hedging Obligation) or are incurred in the ordinary course of business;

(16) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under the indenture; *provided*, *however*, that:

(a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge; *provided* further that paragraph (a) of this clause (16) does not apply to any extensions, renewals or replacements of any Liens referred to in clauses (1) through (3), (8) through (11), (13) through (15), (17) through (26) and this clause (16) in connection with Permitted Refinancing Indebtedness secured thereby;

(17) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by CSN or any of its Restricted Subsidiaries in the ordinary course of business;

(18) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the proceeds thereof;

(19) licenses or leases or subleases as licensor, lessor or sublessor of any of a Person's property, including real property and intellectual property rights, in the ordinary course of business and that do not materially interfere with the ordinary conduct of the business of CSN or any of its Restricted Subsidiaries;

(20) options, put and call arrangements, rights of first refusal and similar rights relating to investments in joint ventures, partnerships and the like;

(21) any pledge of the Capital Stock of an Unrestricted Subsidiary to secure Indebtedness of such Unrestricted Subsidiary;

(22) Liens on the receivables or inventory of CSN or any of its Restricted Subsidiaries securing the obligations of such Person under any lines of credit or import or export structured financing; provided that the aggregate amount of receivables or inventory securing such Indebtedness shall not exceed in the aggregate at any time 80% of the outstanding receivables or inventory; provided, further, that Advance Transactions will not be deemed transactions secured by receivables for purpose of the above calculation;

(23) Liens granted to secure borrowings from, directly or indirectly, (i) *Banco Nacional de Desenvolvimento Econômico e Social – BNDES* (including loans from *Financiadora de Estudos e Projetos – FINEP*, *Fundo de Investimento do Fundo de Garantia do Tempo de Serviço – FI-FGTS* and/or *Fundo de Financiamento do Nordeste*), or any other Brazilian governmental development bank or credit agency or (ii) any international or multilateral development bank or government-sponsored agency, export-import bank or official export-import credit insurer;

(24) any rights of set-off of any Person with respect to any deposit account of CSN or any Restricted Subsidiary arising in the ordinary course of business;

(25) Liens on the Capital Stock held by CSN in Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas to secure Indebtedness; *provided* that all or a portion of those Liens may be replaced on any one or more occasions, as long as the amount secured by the new Lien is not increased (*plus* any premiums, fees and expenses in connection with such extension, renewal or replacement); and

(26) Liens of CSN or any of its Restricted Subsidiaries with respect to Indebtedness that do not exceed 20% of CSN's Consolidated Net Tangible Assets at any one time outstanding.

For purposes of determining compliance with the "—Negative Pledge" covenant: (i) in the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens described above, the issuer, in its sole discretion, may classify, and from time to time may reclassify, such item of Permitted Lien, in any manner that complies with this covenant; and (ii) a Permitted Lien permitted by the covenant, need not be permitted solely by reference to one provision permitting

such Permitted Lien but may be permitted in part by one such provision and in part by one or more other provisions of the covenant permitting such Permitted Lien.

"*Person*" means any individual, company, corporation, firm, limited liability company, partnership, joint venture, association, or any other entity, including a government or political subdivision or agency or instrumentality thereof.

"*Project Finance Subsidiary*" means any special purpose Subsidiary of CSN that (a) CSN designates as a "Project Finance Subsidiary" by written notice to the Trustee and is formed for the sole purpose of (x) developing, financing and operating the infrastructure and capital projects of such Subsidiary or (y) owning or financing any such Subsidiary described in clause (x), (b) has no Indebtedness other than Non-Recourse Debt, (c) is a Person with respect to which neither CSN nor any of its Restricted Subsidiaries has any direct or indirect obligation to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) has not guaranteed or otherwise directly provided credit support for any Indebtedness of CSN or any of its Restricted Subsidiaries.

"*Property*" means (i) any land, buildings, machinery and other improvements and equipment located therein, (ii) any executive offices, administrative buildings, and research and development facilities, including land and buildings and other improvements thereon and equipment located therein; and (iii) any intangible assets, including, without limitation, any brand names, trademarks, copyrights and patents and similar rights and any income (licensing or otherwise), proceeds of sale or other revenues therefrom.

"*Purchase Agreement*" means any such agreement entered into between the guarantor and an initial purchaser of notes.

"*Rating Agencies*" mean Moody's, S&P and Fitch, except that in the event that Moody's, S&P or Fitch is no longer in existence or issuing ratings, such organization, as the case may be, may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the Exchange Act or any successor provision) designated by the issuer with notice to the trustee.

"*Receivables*" means receivables in respect of sales whether past, present or future.

"*Reference Treasury Dealer*" means at least four nationally recognized investment banking firms selected by the issuer that are primary U.S. Government securities dealers.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the arithmetic average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer by 3:30 p.m. (New York City time) on the third Business Day preceding such redemption date.

"*Restricted Subsidiary*" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subsidiary*" means any Person, any corporation, association, limited liability company, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, trustees or other voting members of the governing body thereof is at the time owned or controlled (by contract or otherwise), directly or indirectly, by (a) CSN, (b) CSN and one or more Subsidiaries or (c) one or more Subsidiaries of CSN.

"*Substantially Wholly Owned Subsidiary*" means any Restricted Subsidiary of CSN of which at least 90% of the outstanding Capital Stock or other ownership interests (other than directors' qualifying shares) of such entity shall at the time be owned, directly or indirectly, by CSN.

"*Significant Subsidiary*" of any Person means any Restricted Subsidiary that at the time of determination had either (i) assets, which as of the date of CSN's then-most recent consolidated quarterly balance sheet, constituted at least 10% of CSN's consolidated total assets as of such date or (ii) had gross revenues for the twelve-month period ending on the date of CSN's then-most recent consolidated quarterly statement of income which constituted at least 10% of CSN's consolidated gross revenues for such period.

"*Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated yield to maturity of the Comparable Treasury Issue. In determining the Treasury Rate, the price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) will be assumed to be equal to the Comparable Treasury Price for such redemption date.

"*Unrestricted Subsidiary*" means any Subsidiary of CSN that is designated by the Board of Directors of CSN as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but in each case only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) does not own or hold any Lien on any property of CSN or any Restricted Subsidiary except for Liens on Capital Stock or other securities of a Person that is not a Restricted Subsidiary that secure Indebtedness or other obligations of such Person or such Person's Subsidiaries;

(3) is not party to any agreement, contract, arrangement or understanding with CSN or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to CSN or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of CSN;

(4) is a Person with respect to which neither CSN nor any of its Restricted Subsidiaries has any direct or indirect obligation (A) to subscribe for additional Equity Interests or (B) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(5) has not guaranteed or otherwise provided credit support for any Indebtedness of CSN or any of its Restricted Subsidiaries.

"*Wholly Owned Subsidiary*" means any Restricted Subsidiary of CSN of which at least 95% of the outstanding Capital Stock or other ownership interests (other than directors' qualifying shares) of such entity shall at the time be owned, directly or indirectly, by CSN.

Optional Redemption

The issuer will not be permitted to redeem the notes before their Stated Maturity, except as set forth below.

The notes will not be entitled to the benefit of any sinking fund—meaning that the issuer will not deposit money on a regular basis into any separate account to repay the notes. In addition, noteholders will not be entitled to require the issuer to repurchase the notes before their Stated Maturity.

Optional Redemption With a "Make-Whole" Premium

At any time prior to February 13, 2021 (the dates first set forth in the tables below under "—Optional Redemption Without a "Make-Whole" Premium"), the issuer may on any one or more occasions redeem any of the notes (including any additional notes issued after the Issue Date) in whole or in part, at its option, at a "make-whole" redemption price equal to the greater of (A) 100% of the principal amount of such notes and (B) the sum of the present value at such redemption date of (i) the redemption price of the notes on February 13, 2021 (such redemption price being set forth in the table below under "—Optional Redemption Without a "Make-Whole" Premium") and (ii) all required interest payments thereon through February 13, 2021 (excluding accrued but unpaid interest to the redemption date), in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate as of such date of redemption plus 50 basis points; plus, in each case, any accrued and unpaid interest and additional amounts, if any, on such notes to the redemption date as calculated by the Independent Investment Banker.

Optional Redemption Without a "Make-Whole" Premium

On or after February 13, 2021, the issuer may on any one or more occasions redeem all or a part of the notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address and to the trustee (provided, however, that if the trustee provides notice on behalf of the issuer, the trustee will receive notice no later than 10 days prior to the date the notice to the holders is to be sent, unless waived by the trustee), at the redemption prices (expressed as percentages of principal amount of the notes to be redeemed) set forth below, plus accrued and unpaid interest on the notes redeemed, if any, to but excluding the applicable redemption date, if redeemed during the twelve-month period beginning February 13 of each of the years indicated in the respective tables below, subject to the rights of holders of notes on the relevant record date to receive interest due on the relevant interest payment date:

Period	Redemption Price
February 13, 2021	103.813%
February 13, 2022	101.906%

Redemption for Taxation Reasons

The notes may be redeemed at the option of the issuer, the guarantor or any successor in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the noteholders (which notice shall be irrevocable) at 100% of the principal amount thereof and to the trustee (*provided*, *however*, that if the trustee provides notice on behalf of the issuer, the trustee will receive notice no later than 10 days prior to the date the notice to the holders is to be sent, unless waived by the trustee), together with interest accrued to the date fixed for redemption, if the issuer satisfies the trustee that (a) the issuer, the guarantor or any successor has or will become obliged to pay additional amounts as provided or referred to under "—Additional Amounts" above or (b) the guarantor has or will become obliged to pay additional amounts in respect of payments due under the Guarantee or direct or indirect payments to the issuer made to permit the issuer to service the notes reflecting a withholding tax rate in excess of 15% (or 25% with respect to Brazilian withholding on residents in Favorable Tax Jurisdictions), in each case as a result of any change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, respectively, or any change in the official application or interpretation of such laws or regulations (including a determination by a court of competent jurisdiction), which change or amendment becomes effective on or after the later of (i) the issue date of the notes and (ii) the date the Taxing Jurisdiction becomes a Taxing Jurisdiction and, in any such case, such obligation cannot be avoided by the issuer or the guarantor taking commercially reasonable measures available to it; *provided that* no such notice of redemption shall be given to redeem the notes earlier than 90 days prior to the earliest date on which the issuer, the guarantor or a successor, as the case may be, would be obliged to pay such additional amounts if a payment in respect of the notes were then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the issuer shall deliver to the trustee:

(1) a certificate signed by an Authorized Signatory (as defined in the indenture) of the issuer stating that the issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the issuer so to redeem have occurred; and

(2) an opinion in form and substance satisfactory to the trustee of independent legal advisers of recognized standing to the effect that the issuer or the guarantor, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment.

The trustee shall be entitled to accept such certificate and opinion as conclusive evidence of the satisfaction of the circumstances, as the case may be, set out in paragraph (a) or (b) above, in which event it shall be conclusive and binding on the noteholders. Upon the expiry of any such notice as is referred to in this paragraph, the issuer shall be bound to redeem the notes in accordance with this paragraph.

For purposes of the above:

"*Call Date*" is February 13, 2021.

"*Favorable Tax Jurisdiction*" means a jurisdiction treated as a "Favorable Tax Jurisdiction" under Brazilian law pursuant to Normative Instruction No. 1,037 of June 4, 2010 and Law No. 11,727 of June 23, 2008. According to the current understanding of the Brazilian Federal Tax Service, the rate of 15% of withholding income tax applies to payments made to beneficiaries resident in Privileged Tax Regimes (Answer to Advance Tax Ruling Request COSIT n. 575, of December 20, 2017).

Purchases of Notes by the Issuer and the Guarantor

The issuer, the guarantor or any of their respective Subsidiaries may at any time purchase any of the notes at any price, in negotiated transactions not available to all holders of the notes, or otherwise, provided that the issuer must give the trustee

notice of any such purchase in accordance with the indenture. All notes so purchased may not be reissued or resold except (i) to an Affiliate of the guarantor which must agree not to resell such notes otherwise than as permitted by this provision or (ii) one year after the issuance of the notes offered hereby.

Events of Default

The following events will each be an "Event of Default" under the terms of the notes and the indenture:

(1) failure to pay any amount of principal (or any additional amount as provided or referred to under "—Payments of Principal and Interest" above) in respect of the notes on the due date for payment thereof or failure to pay any amount of interest (or additional amounts as provided or referred to in "—Additional Amounts" above) in respect of the notes within 30 days of the due date for payment; or

(2) the issuer or the guarantor defaults in the performance or observance of any of its obligations under or in respect of the notes, the Guarantee, as the case may be, or the indenture and such default remains unremedied for 60 days after the trustee has given written notice thereof to the issuer; or

(3) there occurs with respect to any Indebtedness of CSN, the issuer or any Subsidiary having an outstanding principal amount of US$50 million (or the equivalent thereof at the time of determination) or more in the aggregate for all such Indebtedness of all such Persons (i) an event of default that results in such Indebtedness being due and payable prior to its scheduled maturity or (ii) failure to make a payment of principal, interest or any other amount due thereunder when due and such defaulted payment is not made, waived or extended within the applicable grace period; or

(4) one or more final and non-appealable judgments or orders or arbitral decisions for the payment of money in the aggregate are rendered against CSN, the issuer or any Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final and non-appealable judgments or orders or arbitral decisions outstanding and not paid or discharged against all such Persons to exceed US$50 million or the equivalent thereof at the time of determination (in excess of amounts which CSN's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; or

(5) an involuntary case or other proceeding is commenced against CSN, the issuer or any Significant Subsidiary of CSN with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, *síndico*, liquidator, custodian or other similar official of it or any substantial part of its Property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or a final order for relief is entered against CSN, the issuer or any Significant Subsidiary of CSN under the applicable bankruptcy laws then in effect, and such final order is not being contested by CSN, the issuer or such Significant Subsidiary, as the case may be, in good faith, or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made; or

(6) CSN, the issuer or any Significant Subsidiary of CSN (i) commences a voluntary case or other proceeding seeking liquidation, reorganization, *concordata* or other relief with respect to itself or its debts or any guarantee under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, *síndico*, liquidator, assignee, custodian, trustee, sequestrator or similar official of CSN, the issuer or any such Significant Subsidiary or for all or substantially all of the Property of CSN, the issuer or any such Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors; or

(7) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the issuer or the guarantor; or

(8) a distress, attachment, execution or seizure before judgment is levied or enforced upon or sued out against a substantial part of the Property of CSN or any of its Significant Subsidiaries and is not discharged within 60 days thereof; or

(9) any event which under the laws of Luxembourg (or any jurisdiction in which the issuer may subsequently be domiciled) or Brazil, as the case may be, has an analogous effect to any of the events referred to in paragraphs (5), (6) or (7) above occurs (including any request for *recuperação judicial* or *recuperação extrajudicial*, requested by the issuer or the guarantor); or

(10) (i) all or any substantial part of the undertaking, assets and revenues of the guarantor is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or

the guarantor is prevented by any such Person from exercising control over all or any substantial part of its undertaking, assets and revenues or (ii) all or any substantial part of the undertaking, assets and revenues of any of the guarantor's Significant Subsidiaries is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or any of the guarantor's Significant Subsidiaries is prevented by any such Person from exercising control over all or any substantial part of its undertaking, assets and revenues, in each of subpart (i) and (ii) to an extent that such action may have a material adverse effect on the ability of the guarantor to fulfill its obligations under the Guarantee or the notes; or

(11) it is or will become unlawful for the issuer or the guarantor to perform or comply with any of its obligations under or in respect of the indenture, any of the notes or the Guarantee; or

(12) the Guarantee is not (or are claimed by the guarantor not to be) in full force and effect.

Remedies Upon Occurrence of an Event of Default

If an Event of Default occurs and is continuing, the trustee shall (and any noteholder may), upon the request of noteholders holding not less than 25% in principal amount of the notes then outstanding, by written notice to the issuer (and to the trustee if given by noteholders), declare the principal amount of all of the notes and all accrued interest thereon immediately due and payable; *provided that* if an Event of Default described in paragraphs (5), (6), (7) or (9) above occurs and is continuing, then and in each and every such case, the principal amount of all of the notes and all accrued interest thereon shall, without any notice to the issuer or any other act by the trustee or any noteholder, become and be accelerated and immediately due and payable. Upon any such declaration of acceleration, the principal of the notes so accelerated and the interest accrued thereon and all other amounts payable with respect to the notes shall be immediately due and payable. If all Events of Default giving rise to any such declaration of acceleration shall be cured or waived following such declaration, such declaration may be rescinded by noteholders holding a majority of the notes provided that the trustee has been paid all fees and expenses incurred in connection with such Event of Default.

The noteholders holding at least a majority of the aggregate principal amount of the outstanding notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee. However, the trustee may refuse to follow any direction that conflicts with law or the indenture, or that the trustee determines in good faith may involve the trustee in personal liability, or that the trustee reasonably believes it will not be adequately indemnified against the costs, expenses or liabilities, which might be incurred, or that may be unduly prejudicial to the rights of noteholders not taking part in such direction and the trustee may take any other action it deems proper that is not inconsistent with any such direction received from noteholders. A noteholder may not pursue any remedy with respect to the indenture or the notes unless:

(1) the noteholder gives the trustee written notice of a continuing Event of Default;

(2) noteholders holding not less than 25% in aggregate principal amount of outstanding notes make a written request to the trustee to institute proceedings in respect of the Event of Default in its own name as trustee under the indenture;

(3) such noteholder or noteholders offer the trustee adequate security and indemnity satisfactory to the trustee against any costs, liability or expense;

(4) the trustee has failed to institute any such proceeding within 60 days after receipt of the request and the offer of indemnity; and

(5) during such 60-day period, noteholders holding a majority in aggregate principal amount of the outstanding notes do not give the trustee a direction that is inconsistent with the written request.

However, such limitations do not apply to the right of any noteholder to receive payment of the principal of, premium, if any, interest on or additional amounts related to such note or to bring suit for the enforcement of any such payment, on or after the date such payment is due, as specified in the notes, which right shall not be impaired or affected without the consent of the noteholder.

Modification of the Indenture

The issuer, the guarantor and the trustee may, without the consent of the noteholders, amend, waive or supplement the indenture to certain specific purposes, including, among other things, curing ambiguities, defects or inconsistencies, or making any other provisions with respect to matters or questions arising under the indenture or the notes or making any other change that will not adversely affect the interest of any noteholder. In addition, with certain exceptions, the indenture may be

modified by the issuer, the guarantor and the trustee with the consent of the holders of a majority of the aggregate principal amount of the notes then outstanding. Any amendment, waiver, supplement or modification of the indenture shall require that the issuer provide the trustee an officers' certificate and opinion of counsel stating that the amendment, waiver, supplement or modification is authorized and permitted and that all conditions precedent have been satisfied under the terms of the indenture. However, no modification may, without the consent of the noteholder of each outstanding note:

(1) change the maturity of any payment of principal of or any installment of interest on any note;

(2) change the redemption provisions of the indenture;

(3) reduce the principal amount or the rate of interest, or change the method of computing the amount of principal or interest payable on any date;

(4) change any place of payment where the principal of or interest on notes is payable;

(5) change the coin or currency in which the principal of or interest on the notes is payable;

(6) impair the right of the noteholders to institute suit for the enforcement of any payment on or after the date due;

(7) reduce the percentage in principal amount of the outstanding notes, the consent of whose noteholders is required for any modification or the consent of whose noteholders is required for any waiver of compliance with certain provisions of the indenture or certain defaults under the indenture and their consequences provided for in the indenture;

(8) modify any of the provisions of certain sections of the indenture, including the provisions summarized in "—Modification of the Indenture," except to increase any percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of each noteholder; or

(9) amend or modify the Guarantee, except (i) as otherwise permitted by the indenture or (ii) in a manner that will not adversely affect the interest of any noteholder.

Defeasance and Covenant Defeasance

The issuer may, at its option, elect to be discharged from the issuer's obligations with respect to the notes. In general, upon a defeasance, the issuer will be deemed to have paid and discharged the entire Indebtedness represented by the notes and to have satisfied all of the issuer's obligations under the notes and the indenture except for (i) the rights of the noteholders to receive payments in respect of the principal of and interest and additional amounts, if any, on the notes when the payments are due, (ii) certain provisions of the indenture relating to ownership, registration and transfer of the notes, (iii) the covenant relating to the maintenance of a paying agent in New York City and (iv) certain provisions relating to the rights, powers, trusts, duties and immunities of the trustee.

In addition, the issuer may, at its option, and at any time, elect to be released with respect to the notes from the covenants described above under the captions "—Certain Covenants," or "—Other Covenants" ("covenant defeasance"). Following such covenant defeasance, the occurrence of a breach or violation of any such covenant with respect to the notes will not constitute an Event of Default under the indenture, and certain other events (not including, among other things, non-payment or bankruptcy and insolvency events) described under "—Events of Default" also will not constitute Events of Default.

In order to exercise either defeasance or covenant defeasance, the issuer will be required to satisfy, among other conditions, the following:

(1) the issuer must irrevocably deposit with the trustee, in trust, for the benefit of the noteholders, cash in U.S. dollars or U.S. government obligations, or a combination thereof, in an amount sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of and each installment of interest on the notes as due in accordance with the terms of the indenture and the notes;

(2) in the case of an election to fully defease the notes, the issuer must deliver to the trustee an opinion of counsel stating that (x) the issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (y) since the date of the indenture there has been a change in the applicable U.S. Federal income tax law or an official interpretation thereof, in either case to the effect that, and based thereon the opinion of counsel shall confirm that, the noteholders will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to U.S. Federal income tax on the same amount, in the same manner and at the same time as would have been the case if such deposit, defeasance and discharge had not occurred;

(3) in the case of a covenant defeasance, the issuer must deliver to the trustee an opinion of counsel to the effect that the noteholders will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such deposit and covenant defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same time as would have been the case if such deposit and covenant defeasance had not occurred;

(4) no Event of Default, or event or condition that with the giving of notice, the lapse of time or failure to satisfy certain specified conditions, or any combination thereof, would become an Event of Default (other than an Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien securing such borrowing) exists on the date of the deposit;

(5) the issuer must deliver to the trustee an opinion of counsel (subject to customary assumptions) to the effect that payment of amounts deposited in trust with the trustee (i) will not after the 91st day following the deposit, be part of any "estate" formed by the bankruptcy or reorganization of the issuer or subject to an "automatic stay" or, in the case of covenant defeasance, will be subject to a first priority Lien in favor of the trustee for the benefit of the noteholders and (ii) will not be subject to future taxes, duties, fines, penalties, assessments or other governmental charges imposed by a taxing jurisdiction, except to the extent that additional amounts in respect thereof shall have been deposited in trust with the trustee;

(6) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument (other than under the indenture to the extent that the borrowing of the funds to be applied to the deposit and the grant of any Lien securing such borrowing results in an Event of Default) to which the issuer is a party or by which it is bound; and

(7) the issuer shall have delivered to the trustee an opinion of counsel (subject to customary qualifications) to the effect that such defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company as defined under the Investment Company Act of 1940, as amended.

Trustee

The Bank of New York Mellon is the trustee under the indenture and has been appointed by the issuer as registrar and paying agent with respect to the notes. The issuer may have or enter into normal banking relationships with The Bank of New York Mellon in the ordinary course of business. The address of the trustee is 101 Barclay Street, Floor 7E, New York, New York, 10286.

The noteholders holding at least a majority of the aggregate principal amount of the outstanding notes may at any time remove the trustee and appoint a successor trustee with, unless an Event of Default is continuing, the consent of the issuer (such consent not to be unreasonably withheld). Under certain circumstances, if the trustee fails to comply with the Trust Indenture Act, ceases to be an eligible trustee or otherwise becomes incapable of acting as trustee, the issuer may remove the trustee and appoint a successor.

Paying Agents; Transfer Agents; Registrar

The issuer has initially appointed The Bank of New York Mellon, as principal paying agent and transfer agent, and CNPLaw LLP, as Singapore listing agent. The issuer may at any time appoint new paying agents, transfer agents and registrars. However, the issuer will at all times maintain a paying agent in New York City until the notes are paid.

Upon any issuance of definitive notes, the issuer will appoint and maintain a paying agent in Singapore so long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require. The issuer will provide prompt notice of the termination, appointment or change in the office of any Singapore paying agent acting in connection with the notes.

Notices

All notices to holders of the notes will be validly given if mailed to them at their respective addresses in the register of the holders of such notes, if any, maintained by the registrar. For so long as any notes are represented by global notes, all notices to holders of the notes will be delivered to DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph.

Each such notice shall be deemed to have been given on the date of delivery or mailing. Any notice or communication mailed to a holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to them if so mailed within the time prescribed. Failure to mail a notice or communication to a holder or any defect in it shall

not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Governing Law

The indenture, the notes and the Guarantee will be governed by the laws of the State of New York. The application of articles 470-1 to 470-19 (included) of the Luxembourg law of August 10, 1915 on commercial companies, as amended, is expressly excluded.

Jurisdiction

The issuer and the guarantor have consented to the non-exclusive jurisdiction of any court of the State of New York or any U.S. Federal court sitting in the city of New York, New York, United States. The issuer and the guarantor have appointed Cogency Global Inc. as their authorized agent upon which service of process may be served in any action or proceeding brought in any court of the State of New York or any U.S. Federal court sitting in the city of New York in connection with the indenture or the notes.

Waiver of Immunities

To the extent that the issuer or the guarantor may in any jurisdiction claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the indenture and the notes and to the extent that in any jurisdiction there may be immunity attributed to the issuer, the issuer's assets, the guarantor or the guarantor's assets whether or not claimed, the issuer and the guarantor have irrevocably agreed for the benefit of the noteholders not to claim, and irrevocably waive, the immunity to the full extent permitted by law.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by the issuer or CSN under or in connection with the indenture, the notes and Guarantee, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the issuer, CSN or otherwise) by the trustee or any holder of a note in respect of any sum expressed to be due to it from the issuer or CSN will only constitute a discharge of the issuer or CSN, as the case may be, to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under the indenture or any notes, the issuer or CSN, as the case may be, will indemnify such recipient against any loss sustained by it as a result; and if the amount of U.S. dollars so purchased is greater than the sum originally due to such recipient, such recipient will, by accepting notes, in the case of a holder and, by executing the indenture, in the case of the trustee, be deemed to have agreed to repay such excess. In any event, the issuer or CSN, as the case may be, will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the holder of notes or the trustee, as applicable, to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the issuer and CSN, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the trustee or any holder of notes and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under the indenture or any notes.

Payments

The issuer and CSN will make all payments on the notes and related Guarantee exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

The issuer will make payments of principal of and premium, if any, and interest on the notes to a paying agent, which will pass such funds to the trustee and the other paying agents or to the holders. For so long as the notes are listed on the

SGX-ST and the rules of that stock exchange will so require, the issuer will maintain a paying agent and transfer agent in Singapore.

The issuer will pay interest on the notes to the persons in whose name the notes are registered on the relevant record date and will pay principal and premium, if any, on the notes to the persons in whose name the notes are registered at the close of business on the third day before the due date for payment. Payments of principal, premium, if any, and interest in respect of each note in definitive form will be made by a paying agent by U.S. dollar check drawn on a bank in New York City and mailed to the person entitled thereto at its registered address. Upon written notice from a holder of at least US$1,000,000 in aggregate principal amount of notes to the specified office of any paying agent not less than five Business Days before the due date for any payment in respect of a note, such payment may be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in New York City. The issuer will make final payments of principal and premium, if any, upon surrender of the relevant notes at the specified office of the trustee or any of the paying agents.

Claims against the issuer for payment of principal, interest and additional amounts, if any, on the notes will become void unless presentment for payment is made (where so required herein) within, in the case of principal and additional amounts, if any, a period of ten years or, in the case of interest, a period of five years, in each case from the applicable original date of payment therefor.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions described under "—Additional Amounts." No fees or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the trustee and the paying agent will pay to the issuer upon request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to the issuer for payment as general creditors. After the return of such monies by the trustee or the paying agent to the issuer, neither the trustee nor the paying agent shall be liable to the holders in respect of such monies.

Form, Denomination and Registration

The notes will be issued in registered form without interest coupons. No notes will be issued in bearer form. The notes will be issued in registered form only in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof.

Book-Entry; Delivery and Form

Notes offered and sold to qualified institutional buyers ("QIBs") in reliance on Rule l44A under the Securities Act will be represented by one or more permanent global notes in definitive, fully registered book-entry form (the "restricted global note"). Notes offered and sold in reliance on Regulation S will be represented by one or more permanent global notes in definitive, fully registered book-entry form (the "Regulation S global note" and, together with the restricted global note, the "global notes"). The global notes will be registered in the name of a nominee of DTC and deposited on behalf of the purchasers of the notes represented thereby with a custodian for DTC for credit to the respective accounts of direct or indirect participants in DTC, including Euroclear or Clearstream.

Each global note (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions." Except in the limited circumstances described below, owners of beneficial interests in a global note will not be entitled to receive physical delivery of certificated notes.

Global Notes

The issuer expects that pursuant to procedures established by DTC (i) upon deposit of the global notes, DTC or its custodian will credit on its internal system portions of the global notes to the respective accounts of persons who have accounts therewith; and (ii) ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants as defined below) and the records of participants (with respect to interests of persons other than participants). Such accounts will initially be designated by or on behalf of the initial purchasers and ownership of beneficial interests in the global notes will be limited to persons who are participants and have accounts with DTC or persons who hold interests through participants. Except as otherwise described herein, investors may hold their interests in a global note directly through DTC only if they are participants in such system, or indirectly through organizations (including Euroclear and Clearstream) which are participants in such system.

So long as DTC or its nominee is the registered owner or holder of any global note, DTC or such nominee will be considered the sole owner or noteholder represented by that global note for all purposes under the indenture and the notes. No beneficial owner of an interest in any note will be able to transfer such interest except in accordance with the applicable

procedures of DTC and, if applicable, Euroclear and Clearstream, in addition to those provided for under the indenture.

Payments of principal of and interest (including additional amounts) on the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of the issuer, the trustee or any paying agent under the indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests representing any notes held by DTC or its nominee.

The issuer expects that DTC or its nominee, upon receipt of any payment of principal of or premium and interest (including additional amounts) on a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee.

Payment to owners of beneficial interests in a global note held through such participant will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of beneficial owners of interests in a global note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Before the 40th calendar day after the later of the commencement of the offering of the notes and the issue date, transfers by an owner of a beneficial interest in the Regulation S global note to a transferee who takes delivery of such interest through the restricted global note will be made only in accordance with the applicable procedures and upon receipt by the trustee of a written certification from the transferor in the form provided in the indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A. After the expiration of the 40 day period such transfers may occur without compliance with these certification requirements.

Transfers by an owner of a beneficial interest in the restricted global note to a transferee who takes delivery of such interest through the Regulation S global note, whether before, on or after the 40th day referred to above, will be made only upon receipt by the trustee of a certification to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available). Transfers of beneficial interests within a global note may be made without delivery of any written certification or other documentation from the transferor or transferee.

Any beneficial interest in a global note that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to have an interest in the first global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other global note.

Subject to compliance with the transfer restrictions applicable to the notes, the issuer understands that cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels or Luxembourg time, respectively). The issuer understands that Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global note in DTC and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to the depositories of Clearstream or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a restricted global note from a DTC participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and such credit will be reported to the relevant Euroclear or Clearstream participant on such business day following the DTC settlement date. Cash received in Euroclear or Clearstream as a result of sales of interests in the Regulation S global note by or through a Euroclear or Clearstream participant to a DTC participant

will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

The issuer expects that DTC will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange) only at the direction of the participant to whose interests in the applicable global notes are credited and only in respect of the aggregate principal amount of notes as to which such participant has given such direction. However, if there is an Event of Default under the indenture and the notes and the holders of more than 50% of the total principal amount of the notes represented by the global note advise the trustee in writing that it is in the holders' best interest to do so, DTC will exchange the applicable global note for physical notes (as defined below), which it will distribute to participants and which will be legended to the extent set forth under "Transfer Restrictions."

The issuer understands that DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section l7A of the Exchange Act. The issuer further understands that DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations ("participants"). The issuer further understands that indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the global notes among the DTC participants, Euroclear and Clearstream, they are under no obligation to perform such procedures, and such procedures may be discontinued or modified at any time. None of the issuer, the trustee or the paying agents will have any responsibility for the performance by DTC, Euroclear, Clearstream, the participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Physical Notes

Interests in the global notes will be exchangeable or transferable, as the case may be, for physical notes ("physical notes") in registered form if (i) DTC notifies the issuer that it is unwilling or unable to continue as depositary for the global notes, or DTC ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the issuer within 90 calendar days; (ii) the issuer, at its option, elects to terminate the book-entry system through a depositary; or (iii) an Event of Default has occurred and is continuing with respect to the global notes and the holders of more than 50% of the total principal amount of the notes represented by the global note advise the trustee in writing that it is in the holders' best interest to do so.

Replacement, Exchange and Transfer of Notes

If a note becomes mutilated, destroyed, lost or stolen, the issuer may issue and the trustee will authenticate and deliver a substitute note in replacement. In each case, the affected noteholder will be required to furnish to the issuer, the trustee and certain other specified parties an indemnity under which it will agree to pay the issuer, the trustee and certain other specified parties for any losses they may suffer relating to the note that was mutilated, destroyed, lost or stolen. The issuer and the trustee may also require that the affected noteholder present other documents or proof. The affected noteholder will be required to pay all expenses and reasonable charges associated with the replacement of the mutilated, destroyed, lost or stolen note.

Under certain limited circumstances, beneficial interests in the global note may be exchanged for physical notes. If the issuer issues physical notes, a noteholder of such physical note may present its notes for exchange with notes of a different authorized denomination, together with a written request for an exchange, at the office or agency of the issuer designated for such purpose in the city of New York or Singapore. In addition, the noteholder of any physical note may transfer such physical note, in whole or in part, by surrendering it at any such office or agency together with an executed instrument of assignment. Each new physical note issued in connection with a transfer of one or more physical notes will be available for delivery from the registrar and the Luxembourg transfer agent within five Luxembourg business days after receipt by the registrar and the Luxembourg transfer agent of the relevant original physical note or physical notes and the relevant executed instrument of assignment. Transfers of the physical notes will be effected without charge by or on behalf of the issuer, the registrar or the Luxembourg transfer agent, but only upon payment (or the giving of such indemnity as the registrar or such transfer agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

The issuer will not charge the noteholders of notes for the costs and expenses associated with the exchange, transfer or registration of transfer of the notes. The issuer may, however, charge the noteholders of notes for any tax or other governmental charges. The issuer may reject any request for an exchange or registration of transfer of any note (i) made within 15 calendar days of the mailing of a notice of redemption of notes; or (ii) made between any regular record date and the next interest payment date.

TAXATION

The following discussion, subject to the limitations set forth below, describes material Luxembourg, Brazilian and United States tax considerations relating to your ownership and disposition of notes. This discussion does not purport to be a complete analysis of all tax considerations in Luxembourg, Brazil or the United States and does not address tax treatment of holders of notes under the laws of other countries or taxing jurisdictions. Holders of notes who are resident in countries other than Luxembourg, Brazil and the United States along with holders that are resident in those countries are urged to consult with their own tax advisors as to which countries' tax laws could be relevant to them.

Luxembourg Taxation

This section provides for a general overview of the material Luxembourg tax consequences relating to your investment in the notes issued by the issuer. This section is therefore not intended to provide a comprehensive description of all the tax consequences related to your decision to invest in, hold or dispose of the notes.

Withholding Tax

Except as provided for by the law of December 23, 2005, which implemented a withholding tax that applies to Luxembourg resident individuals only, under the existing laws of Luxembourg there is no withholding tax on payments of principal, premium or interest, or on accrued but unpaid interest, in respect of the notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the notes.

According to the law of December 23, 2005, interest payments or similar payments on the notes made or ascribed by a paying agent established in Luxembourg will be subject to a withholding tax of 20% if such payments are made or ascribed for the immediate benefit of individual beneficial owners who are resident in Luxembourg.

The 20% withholding tax will operate as a full discharge of income tax for Luxembourg resident individuals acting in the context of the management of their private wealth.

Any withholding of tax in application of the above-mentioned law of December 23, 2005 is the responsibility of the Luxembourg paying agent (within the meaning of such law).

An individual beneficial owner of interest or similar income who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt in accordance with the relevant law for a final tax of 20% when he receives or is ascribed such interest or similar income from a paying agent established in an EU Member State (other than Luxembourg) or in a Member State of the European Economic Area which is not an EU Member State. In such case, the 20% tax is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the 20% tax must cover all interest payments made to the Luxembourg resident beneficial owner during the entire civil year. The individual resident that is the beneficial owner of interest is responsible for the declaration and the payment of the 20% final tax.

Interest on the notes paid by a Luxembourg paying agent to residents of Luxembourg which are not individuals will not be subject to any withholding tax.

Taxes on Income and Capital Gains

Holders of notes resident in Luxembourg are taxed for income and possibly gains derived from the notes depending on whether they hold the notes in the context of carrying on an enterprise or in the context of managing their private wealth. Resident corporate holders of notes are always deemed to hold the notes in the context of carrying on an enterprise.

If held in the context of carrying on an enterprise, any interest income, whether paid or accrued, and any capital gain or foreign exchange result whether realized or deemed to be realized, derived from the notes is subject to Luxembourg income taxes (income tax levied at progressive rates and municipal business tax for individuals, and corporate income tax, including a solidarity surcharge, and municipal business tax for corporate holders).

If held in the context of managing private wealth, interest income received is subject to income tax at progressive rates. Furthermore, capital gains realized upon disposal of notes are taxable if realized within six months from the acquisition of the notes.

Non-resident holders of notes are only subject to income taxes in Luxembourg in respect of their holding of notes if such holding is effectively connected to a permanent establishment, a permanent representative or a fixed place of business in Luxembourg, through which the holder carries on an enterprise. In that case, any interest income, whether paid or accrued,

and any capital gain or foreign exchange result whether realized or accrued, derived from the notes is subject to Luxembourg municipal business tax, and income tax levied at progressive rates in the case of individuals and corporate income tax in the case of companies.

Net Wealth Tax

Corporate holders of notes resident in Luxembourg or a non-resident corporate holder of notes that maintains a permanent establishment, permanent representative or a fixed place of business in the Grand Duchy of Luxembourg to which or to whom such notes are attributable are subject to annual net wealth tax on their unitary value (*i.e.*, non-exempt assets minus liabilities and certain provisions as valued according to valuation rules), levied at a rate of 0.5% if the unitary value does not exceed EUR 500,000,000 and 0.05% on the portion of the unitary value that exceeds EUR 500,000,000, in respect of the notes, except if such holder is exempt from net wealth tax or the notes are treated as a tax exempt asset for the holder.

Individuals are not subject to Luxembourg net wealth tax.

Registration Tax

There is no Luxembourg registration tax, stamp duty or any other similar documentary tax or duty due in Luxembourg by the holders of notes as a consequence of the issuance of the notes. No Luxembourg registration tax, stamp duty or other similar documentary tax or duty is due either in case of a subsequent repurchase, redemption or transfer of the notes.

A fixed or *ad valorem* registration duty in Luxembourg may however apply (i) upon voluntary registration (*présentation à l'enregistrement*) of the notes (and/or any documents in relation thereto) before the Registration and Estates Department (*Administration de l'enregistrement, des domaines et de la TVA*) in Luxembourg, or (ii) if the notes (or any documents in relation thereto) are (a) enclosed to a compulsorily registrable deed under Luxembourg law (*acte obligatoirement enregistrable*) or (b) deposited with the official records of a notary (*déposé au rang des minutes d'un notaire*).

Gift and Inheritance Tax

Inheritance tax is levied in Luxembourg at progressive rates (depending on the value of the assets inherited and the degree of relationship). No Luxembourg inheritance tax will be due in respect of the notes unless the holder of notes resides in Luxembourg at the time of his decease. No Luxembourg gift tax is due upon the donation of notes unless such donation is registered in Luxembourg (which is generally not required).

Value Added Tax

No Luxembourg value added tax is levied with respect to (i) any payment made in consideration of the issuance of the notes; (ii) any payment of interest; (iii) any repayment of principal or upon redemption; or (iv) any transfer of the notes.

Brazilian Taxation

The following discussion is a general description of certain Brazilian tax aspects of the notes applicable to a holder of the notes that is an individual, entity, trust or organization resident or domiciled outside Brazil for tax purposes ("Non-Resident Holder"). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in the Brazilian law that may come into effect after such date as well as to the possibility that the effect of such change in the Brazilian law may be retroactive and apply to rights created on or prior to the date thereof. The information set forth below is intended to be a general description only and does not purport to be a comprehensive description of all the tax aspects of the notes. Therefore, each Non-Resident Holder should consult his/her/its own tax advisor concerning the Brazilian tax consequences in respect of the notes.

Investors should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled. This summary does not address any tax issues that affect solely our company, such as deductibility of expenses.

Interest or Principal Payment Under the Notes

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. Given that the issuer is an entity incorporated under the laws of Luxembourg and is not registered to conduct business in Brazil, it would not qualify as a Brazilian resident company for purposes of the Brazilian tax legislation.

Therefore, as the issuer is considered for tax purposes as domiciled abroad, any income in respect of the notes to a Non-Resident Holder (including accrued interest) should not be subject to withholding or deduction in respect of Brazilian income tax or any other tax duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the issuer outside of Brazil.

If the issuer is not successfully qualified as a non-resident of Brazil and the above position does not prevail in the event of a tax dispute, the amounts remitted abroad could be subject to Brazilian withholding income tax at a rate of up to 25%, plus interest and fines.

Gains Realized from the Sale or Other Disposition of the Notes

Capital gains realized on the sale or disposition of assets located in Brazil by a Non-Resident Holder are subject to taxation in Brazil regardless of whether the acquirer is resident or domiciled in Brazil, according to Section 26 of Law No. 10,833, enacted on December 29, 2003. Based on the fact that the notes are issued and registered abroad, the notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833. Hence, gains arising from the sale or other disposition of the notes (which for the purposes of this paragraph includes any deemed income on the difference between the issue price of the notes and the price at which the notes are redeemed, or "original discount") made outside Brazil by a Non-Resident Holder to another non-Brazilian resident should not be subject to Brazilian taxes.

However, considering the general and unclear scope of Law No. 10,833 and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation will prevail in the courts of Brazil.

If the notes are deemed to be located in Brazil, gains recognized by a Non-Brazilian Holder from the sale or other disposition of the notes to either a non-resident or a resident in Brazil may be subject to income tax in Brazil at progressive rates, as provided for by Law No. 13,259, applicable as from January 1, 2017, that may vary from 15.0% to 22.5% depending on the amount of the gain: (i) 15% for the part of the gain up to R$5.0 million, (ii) 17.5% for the part of the gain that exceeds R$5.0 million but does not exceed R$10.0 million, (iii) 20% for the part of the gain that exceeds R$10.0 million but does not exceed R$30.0 million, and (iv) 22.5% for the part of the gain that exceeds R$30.0 million. Lower rates may be applicable to such gains as provided for in an applicable tax treaty entered into between Brazil and the country where the Non-Brazilian Holder of the payment is resident. In case the Non-Resident Holder making the sale or disposition is located in a jurisdiction that does not impose any income tax or which imposes it at a maximum rate lower than 20% (or 17% in certain cases as detailed below) or in a country or location where laws impose restrictions on the disclosure of ownership composition or securities ownership or do not allow for the identification of the beneficial owner of income attributed to non-residents ("Favorable Tax Jurisdiction"), the gains will be subject to a flat 25% rate. See "—Discussion on Favorable Tax Jurisdictions and Privileged Tax Regimes."

In certain circumstances, if income tax is not paid, the amount of tax charged could be subject to an upward adjustment, as if the amount received by the Non-Resident Holder was net of taxes in Brazil (gross-up).

Payments Made by the Guarantor

If, by any chance, a Brazilian source is required, as a guarantor, to assume the obligation to pay any amount in connection with the notes to a Non-Resident Holder (including principal, interest or any other amount that may be due and payable in respect of the notes), Brazilian tax authorities could attempt to impose withholding income tax upon such payments.

Should the guarantor be obliged to pay interest to a Non-Resident Holder in connection with the notes, withholding income tax at the rate of 15% may apply (or 25% if the Non-Resident Holder is located in a Favorable Tax Jurisdiction).

There is some uncertainty regarding the applicable tax treatment to payments of the principal amount by the guarantor to Non-Resident Holders. However, there are arguments that can be sustained that (A) payments made by a Brazilian guarantor should not be subject to withholding income tax, as such payment is made on the account and at the order of the issuer; or (B) payments made under the guarantee should be subject to imposition of the Brazilian income tax according to the nature of the guaranteed payment, in which case only interest should be subject to taxation at the rates of 15%, or 25% in cases of beneficiaries located in a Favorable Tax Jurisdiction. There are no precedents from Brazilian courts endorsing that position and it is not possible to assure that such argument would prevail in court.

Furthermore, fees and commissions payable by a Brazilian source may also be subject to (depending on the nature of the transaction): (i) withholding income tax at a 25% rate; (ii) *Contribuição ao Programa de Integração Social* (PIS) and *Contribuição para o Financiamento da Seguridade Social* (COFINS) at the total rate of 9.25%; and (iii) Tax on Services (ISS) at rates which may vary from 2% to 5%.

Discussion on Favorable Tax Jurisdictions and Privileged Tax Regimes

On June 4, 2010, Brazilian tax authorities enacted Normative Instruction No. 1,037 listing (1) Favorable Tax Jurisdictions and (2) the Privileged Tax Regimes, which definition is provided by Law No. 11,727, of June 23, 2008. The concept of Privileged Tax Regimes encompasses the countries and jurisdictions that (i) do not tax income or tax it at a maximum rate lower than 20%; (ii) grant tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or said territory or (b) conditioned to the non-exercise of a substantial economic activity in the country or a said territory; (iii) do not tax or tax proceeds generated abroad at a maximum rate lower than 20%; or (iv) restrict the ownership disclosure of assets and ownership rights or restrict disclosure about economic transactions carried out. On November 28, 2014, the Ministry of Finance issued Ordinance No. 488 narrowing the concept of Favorable Tax Jurisdictions and Privileged Tax Regimes to those that impose taxation on income at a maximum rate lower than 17%, if the relevant jurisdiction is committed to adopt international standards on tax transparency. Under Brazilian law, the aforementioned commitment is present if the relevant jurisdiction (i) has entered into (or concluded the negotiation of) an agreement or convention authorizing the exchange of information for tax purposes with Brazil and (ii) is committed to the actions discussed in international forums on tax evasion in which Brazil has been participating, such as the Global Forum on Transparency and Exchange of Information.

Although we believe that the best interpretation of the current tax legislation could lead to the conclusion that the above-mentioned Privileged Tax Regime concept should apply solely for purposes of Brazilian tax rules related to transfer pricing and thin capitalization, we cannot assure you whether subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of a Privileged Tax Regime provided by Law No. 11,727 will also apply for purposes of the imposition of Brazilian withholding income tax on payments of interest to a Non-Resident Holder. Currently, the understanding of the Brazilian tax authorities is in the sense that the rate of 15% of withholding income tax applies to interest paid to beneficiaries resident in Privileged Tax Regimes (Answer to Advance Tax Ruling Request COSIT n. 575, of December 20, 2017). In any case, if Brazilian tax authorities determine that payments made to a Non-Resident Holder under a Privileged Tax Regime are subject to the same rules applicable to payments made to Non-Resident Holders located in a Favorable Tax Jurisdiction, the withholding income tax applicable to such payments could be assessed at a rate up to 25%.

We recommend that prospective investors consult their own tax advisors from time to time to verify any possible tax consequences arising of Normative Ruling No. 1,037, as amended, and Law No. 11,727.

Other Brazilian Tax Considerations

Pursuant to Decree No. 6,306, of December 14, 2007, as amended, conversions of foreign currency into Brazilian currency or vice versa are subject to the tax on foreign exchange transactions ("IOF/Exchange"), including foreign exchange transactions in connection with payments made by a guarantor under the guarantee to Non-Resident Holders. Currently, the IOF/Exchange rate is 0.38% for most foreign exchange transactions, including foreign exchange transactions in connection with payments under the guarantee by a guarantor to Non-Resident Holders. According to Section 15-B of Decree No. 6,306, the settlement of exchange transactions in connection with foreign financing or loans, for both inflow and outflow of proceeds into and from Brazil, are generally subject to IOF/Exchange at a zero percent rate.

However, in the case of the settlement of foreign exchange transactions (including simultaneous foreign exchange transactions), in connection with the inflow of proceeds to Brazil deriving from foreign loans, including those obtained through the issuance of notes in the international market, with the minimum average term not exceeding 180 days, the IOF/Exchange tax rate is of 6% (this rate of 6% will be levied with penalties and interest in the case of financings or international bonds with a minimum average term greater than 180 days in which an early redemption occurs in the first 180 days).

In addition, the Brazilian tax authorities could argue that a Tax on Credit Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or IOF/Credit, due on loan transactions could be imposed upon any amount paid in respect of the notes by any Brazilian guarantor under the guarantee, at a rate of up to 1.88% of the total amount paid.

Despite the above, in any case, the Brazilian Government is allowed to reduce the IOF/Exchange rate at any time down to 0% or increase the IOF/Exchange rate at any time up to 25%, but only with respect to future foreign exchange transactions.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil applicable to the transfer, assignment or sale of the notes outside Brazil, nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the

notes, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by a Non-Resident Holder to individuals or entities domiciled or residing within such Brazilian states.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL BRAZILIAN TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Certain United States Federal Income Tax Considerations

The following is a general discussion based upon present law of certain U.S. federal income tax considerations for prospective purchasers of the notes. The discussion addresses only persons that purchase notes in the original offering at their original offering price, hold the notes as capital assets, and, in the case of U.S. Holders (as defined below), use the U.S. dollar as their functional currency. The discussion does not consider the circumstances of particular purchasers, some of which (such as financial institutions, insurance companies, regulated investment companies, tax exempt organizations, dealers, traders who elect to mark their investment to market and persons holding the notes as part of a hedge, straddle, conversion, constructive sale or integrated transaction) are subject to special tax regimes. The discussion does not address any state, local or foreign taxes, the Medicare tax on net investment income or the federal alternative minimum tax. Prospective investors should note that no rulings have been, or are expected to be, sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS or a court will not take contrary positions.

EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE LAWS OF THE UNITED STATES, BRAZIL, LUXEMBOURG AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, "U.S. Holder" means a beneficial owner of a note that for U.S. federal income tax purposes is

- a citizen or individual resident of the United States,
- a corporation organized in or under the laws of the United States or any political subdivision thereof,
- a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court or that has validly elected to be treated as a U.S. person, or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source.

"Non-U.S. Holder" means a beneficial owner of a note that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes).

The treatment of partners in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that owns notes may depend on the status of such partners and the status and activities of the partnership and such persons should consult their own tax advisors about the consequences of an investment in the notes.

Qualified Reopening of Initial Notes

We expect that the notes offered hereby will be issued in a "qualified reopening" of the initial notes for U.S. federal income tax purposes. Accordingly, the notes offered hereby will have the same issue date and issue price as the initial notes. Because the initial notes were not issued with original issue discount for U.S. federal income tax purposes, the notes offered hereby also will not be treated as having been issued with original issue discount. The remainder of this discussion assumes that the notes offered hereby will be issued in a "qualified reopening" of the initial notes for U.S. federal income tax purposes.

Potential Contingent Payment Debt Instrument Treatment

In certain circumstances the issuer may be required to make payments on a note that would change the yield of the note. See "Description of Notes—Optional Redemption." This obligation may implicate the provisions of Treasury regulations relating to contingent payment debt instruments ("CPDIs"). According to the applicable Treasury regulations, certain

contingencies will not cause a debt instrument to be treated as a CPDI if such contingencies, as of the date of issuance, are "remote or incidental" or certain other circumstances apply. The issuer intends to take the position that the notes are not CPDIs. This determination, however, is not binding on the IRS and if the IRS were to challenge this determination, a holder may be required to accrue income on the notes that such holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such notes before the resolution of the contingency. In the event that such contingency were to occur, it would affect the amount and timing of the income that a U.S. Holder recognizes. Moreover, if the notes were found to be CPDIs, the notes offered hereby may not be fungible with the initial notes for U.S. federal income tax purposes. U.S. Holders are urged to consult their own tax advisors regarding the potential application to the notes of the CPDI rules and the consequences thereof. The remainder of this discussion assumes that the notes will not be treated as CPDIs.

Interest and Additional Amounts

Subject to the discussion below regarding amortizable bond premium and pre-issuance accrued interest, stated interest paid to a U.S. Holder, and any additional amounts with respect to withholding tax on the notes, including the amount of tax withheld from payments of stated interest and additional amounts, will be includible in such U.S. Holder's gross income as ordinary interest income at the time stated interest and additional amounts are received or accrued in accordance with such U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes.

Subject to generally applicable restrictions and conditions, including a minimum holding period requirement, a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may be able to deduct such foreign income taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. Holder does not elect to claim a foreign tax credit with respect to any foreign income taxes paid or accrued during the taxable year. Interest on the notes and any additional amounts generally will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or a deduction for foreign taxes paid under their particular circumstances.

Pre-Issuance Accrued Interest

A portion of the purchase price paid for a note will be attributable to stated interest accrued prior to the issuance of the note ("pre-issuance accrued interest"). To the extent required to take a position for U.S. federal income tax purposes, we intend to treat the portion of the first stated interest payment attributable to pre-issuance accrued interest as a nontaxable return of a portion of the purchase price of a note (that will be excluded from a U.S. Holder's initial tax basis in the note) rather than as interest income. U.S. Holders should consult their own tax advisors regarding the tax treatment of pre-issuance accrued interest.

Amortizable Bond Premium

A U.S. Holder that purchases a note for an amount in excess of its stated principal amount (excluding any amount attributable to pre-issuance accrued interest, as described above), will be considered to have acquired the note with "amortizable bond premium" in the amount of such excess. A U.S. Holder may elect to amortize this bond premium, using a constant-yield method, over the remaining term of the note. A U.S. Holder generally may use the amortizable bond premium allocable to an accrual period to offset stated interest otherwise required to be included in income with respect to the note in that accrual period. However, because the notes may be redeemed by us prior to maturity at a premium, special rules apply that may change the amount or timing of amortizable bond premium that a U.S. Holder may amortize with respect to the notes. A U.S. Holder who elects to amortize bond premium must reduce its tax basis in the notes by the amount of bond premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations held or acquired in or after the first taxable year to which the election applies and may be revoked only with the consent of the IRS.

Book/Tax Conformity

U.S. Holders that use an accrual method of accounting for tax purposes ("accrual method holders") generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the "book/tax conformity rule"). The application of the book/tax conformity rule thus may require the accrual of income earlier than would be the case under the general tax rules described in this discussion. It is not clear to what types of income the book/tax conformity rule applies, or, in some cases, how the rule is to be applied if it is applicable. Accrual method holders should consult with their tax advisors regarding the potential applicability of the book/tax conformity rule to

their particular situation.

Sale, Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition (including redemption) of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than amounts attributable to accrued but unpaid interest, which will be taxable as described above) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will be equal to the amount that the U.S. Holder paid for the note (excluding any amount attributable to pre-issuance accrued interest) and reduced by any amortizable bond premium previously amortized. Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

If foreign income tax is withheld on the sale, exchange or other taxable disposition of the notes, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that sale, exchange or other taxable disposition before deduction of the foreign income tax. Gain or loss, if any, realized by a U.S. Holder on the sale, exchange or other taxable disposition of the notes generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of a gain from the disposition of a note that is subject to foreign income tax, the U.S. Holder may not be able to benefit from the foreign tax credit for that foreign income tax unless the U.S. Holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. Holder may take a deduction for the foreign income tax if it does not elect to claim a foreign tax credit with respect to any foreign income taxes paid or accrued during the taxable year.

Non-U.S. Holders

Subject to the discussion of backup withholding below, a Non-U.S. Holder generally will not be subject to U.S. federal withholding tax on stated interest and additional amounts on or gain with respect to the notes. A Non-U.S. Holder also generally will not be subject to U.S. federal income tax with respect to stated interest and additional amounts received in respect of the notes or gain realized on the sale, exchange or other taxable disposition (including redemption) of the notes, unless that interest or gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States or, in the case of gain realized by an individual Non-U.S. Holder, the Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

U.S. Backup Withholding and Information Reporting

Information reporting generally will apply to payments of principal of, and interest on, notes (including additional amounts), and to proceeds from the sale, exchange or other taxable disposition (including redemption) of notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding may be required on reportable payments if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, information reporting and backup withholding requirements. Non-U.S. Holders generally will be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of information reporting and backup withholding. Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

"Specified Foreign Financial Asset" Reporting

U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold), may be required to file an information statement with respect to such assets with their U.S. federal income tax returns, currently on IRS Form 8938. The notes generally are expected to constitute "specified foreign financial assets" unless they are held in accounts maintained by financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of this requirement to their ownership of the notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

LUXEMBOURG LAW CONSIDERATIONS

The issuer is organized under the laws of Luxembourg. Insolvency proceedings with respect to the issuer could be required to proceed under the laws of the jurisdiction in which its "center of main interests," as defined in Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "Recast EU Insolvency Regulation"), is situated at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the "center of main interests" or "COMI" will be in the jurisdiction where its registered office is situated (*i.e.*, Luxembourg), this presumption is not conclusive. In particular, one of the main changes introduced by the Recast (EU) Insolvency Regulation which entered into application in EU Member States (except Denmark) on 26 June 2017 consists of increased scrutiny in situations where there has been a recent COMI shift. Where a company's COMI has shifted in the three months preceding the request for the opening of insolvency proceedings, the rebuttable presumption that its COMI is at the place of its registered office will no longer apply. Also, the opening of secondary proceedings in another EU Member State will be possible, not only if the debtor has an establishment in such EU Member State at the time of the opening of main insolvency proceedings, but also if the debtor had an establishment in such EU Member State in the three-month period prior to the request of opening of main insolvency proceedings. Therefore insolvency proceedings with respect to the issuer may proceed under, and be governed by, Luxembourg insolvency laws or potentially by the insolvency laws of another jurisdiction if the center of main interests of the issuer is determined to be in such other jurisdiction at the relevant time. The insolvency laws of such jurisdictions may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar.

If insolvency proceedings affecting the issuer would be governed by Luxembourg insolvency laws, Luxembourg insolvency proceedings could have a material adverse effect on the issuer's business and assets and the issuer's respective obligations under the notes. Under Luxembourg insolvency laws, your ability to receive payment on the notes may be more limited than under other bankruptcy laws. The following types of proceedings, together referred to as insolvency proceedings, may be opened against an entity having its center of main interests or an establishment within the meaning of the Recast EU Insolvency Regulation in Luxembourg, in the latter case assuming that the center of main interests is located in a jurisdiction where the Recast EU Insolvency Regulation applies, or its central administration (*administration centrale*) is in Luxembourg (within the meaning of the Luxembourg Companies Act, as amended). (i) Bankruptcy (*faillite*) proceedings, the opening of which may be requested by the issuer or by any of its creditors. Following such a request, a competent Luxembourg court may open bankruptcy proceedings if the issuer (a) is unable to pay its debts as they fall due (*cessation de paiements*); and (b) has lost its commercial creditworthiness (*ébranlement de credit*). The main effect of these proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors. (ii) Controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the issuer and not by its creditors. A reorganization order in this context requires the prior approval by more than 50% in number of the creditors representing more than 50% of the issuer's liabilities in order to take effect. (iii) Voluntary composition with creditors (*concordat préventif de la faillite*), upon request only by the issuer, subject to obtaining the consent of the majority of its creditors. The court's decision to admit the issuer to a composition with participating creditors triggers a provisional stay on enforcement of claims by participating creditors while other creditors may pursue their claims individually. In addition, your ability to receive payment on the notes may be affected by a decision of a court to grant a suspension of payments (*sursis de paiement*) or to put the issuer into judicial liquidation (*liquidation judiciaire*). Generally, during the insolvency proceedings, all enforcement measures by general secured and unsecured creditors against the issuer are stayed, while certain secured creditors (pledgees or mortgagees) retain the ability to settle separately while the debtor is in bankruptcy. Liabilities of the issuer in respect of the notes will, in the event of a liquidation of such issuer following bankruptcy or judicial winding-up proceedings, rank junior to the cost of such proceedings, including debt incurred for the purpose of such bankruptcy or judicial winding-up, and those debts of the issuer that are entitled to priority under Luxembourg law. Preferential rights arising by operation of law under Luxembourg law include (i) certain amounts owed to the Luxembourg Revenue; (ii) value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise; (iii) social security contributions; and (iv) remuneration owed to employees.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the issuer during the period before bankruptcy, the so-called "suspect period" (*période suspecte*), which is a maximum of six months and ten days, preceding the opening of insolvency proceedings, in particular the granting of security for antecedent debt or with inadequate consideration, shall be declared null and void. Further, if an adequate payment in relation to a due debt was made during the hardening period to the detriment of the general body of creditors, or if the party receiving such payment knew that the issuer had ceased payments when such payment occurred, such preferential transactions may be invalidated. Generally, if the insolvency official demonstrates that the issuer has given a preference to any person by defrauding the rights of creditors generally, a competent insolvency official, acting on behalf of the creditors, has the power to challenge such preferential transaction without limitation of time. In principle, a bankruptcy order rendered by a Luxembourg court does not result in an

automatic termination of contracts except for personal (*intuitu personae*) contracts, that is, contracts for which the identity of the issuer or its solvency were crucial. However, the insolvency official may choose to terminate certain onerous contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue in relation to the bankruptcy estate. Insolvency proceedings may consequently have a material adverse effect on the issuer's business and assets and the issuer's respective obligations under the notes (as issuer).

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase or holding of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other federal, state, local, non U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

Section 406 of ERISA and Section 4975 of the Code prohibit Plans subject to Title I of ERISA or Section 4975 of the Code (collectively "ERISA Plans"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("Parties in Interest") with respect to the ERISA Plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain Plans, including those that are, or whose assets constitute the assets of, governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) ("Non-ERISA Arrangements") are not subject to the fiduciary responsibility or prohibited transaction requirements of Title I of ERISA or Section 4975 of the Code but may be subject to Similar Laws.

The acquisition of the notes by an ERISA Plan with respect to which we, a guarantor, an initial purchaser or certain of our or their affiliates (each, a "Relevant Entity") is or becomes a Party in Interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those notes are acquired pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or "PTCEs," that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the notes. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and lending transactions, provided that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any ERISA Plan involved in the transaction, and provided further that the ERISA Plan pays no more than "adequate consideration" in connection with the transaction (the "service provider exemption"). These exemptions do not, however, provide relief from the self-dealing prohibitions under ERISA and the Code. It should also be noted that even if the conditions specified in one or more of these exemptions are met, the scope of relief provided by these exemptions may not necessarily cover all acts that might be construed as prohibited transactions. Therefore, the fiduciary of an ERISA Plan that is considering acquiring and/or holding the notes in reliance on any of these, or any other, prohibited transaction exemption should carefully review the exemption and consult with its counsel to confirm that it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, each purchaser or holder of notes or any interest therein will be deemed to have represented by its purchase and holding of the notes that (A) it either (1) is not a Plan and is not purchasing or holding the notes on behalf of or with the assets of any Plan or (2) the purchase and holding of the notes or any interest therein by such purchaser or holder will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws and (B) if such purchaser or holder is using assets of any ERISA Plan to purchase or hold the notes (i) none of the Relevant Entities, nor any of their affiliates, has provided any investment advice on which it, or any fiduciary or other person investing the assets of the ERISA Plan ("Plan Fiduciary"), has relied in connection with its decision to invest in notes, and they are not otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of notes, and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing notes on behalf of or with the assets of any Plan or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under Similar Laws, as applicable. If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in notes, you should consult your legal counsel.

PLAN OF DISTRIBUTION

BofA Securities, Inc., BB Securities Limited, Banco Bradesco BBI S.A., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as initial purchasers. Subject to the terms and conditions set forth in a purchase agreement dated June 27, 2019 among the issuer, the guarantor and the initial purchasers, the issuer has agreed to sell to the initial purchasers, and the initial purchasers have severally and not jointly agreed to purchase from the issuer, the respective principal amounts of notes that appears opposite their names below:

Initial Purchasers	**Principal Amount of Notes (in US$)**
BofA Securities, Inc.	35,000,000
BB Securities Limited	35,000,000
Banco Bradesco BBI S.A.	35,000,000
J.P. Morgan Securities LLC	35,000,000
Morgan Stanley & Co. LLC	35,000,000
Total	**175,000,000**

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. The initial purchasers may offer and sell the notes either directly or through their respective affiliates.

Each of the issuer and the guarantor have agreed to indemnify the initial purchasers and their respective controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, including the receipt by the initial purchasers of certain officers' certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

BB Securities Limited is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that BB Securities Limited intends to effect sales of the notes in the United States, it will do so only through Banco do Brasil Securities LLC or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law. BB Securities Asia Pte. Ltd. may be involved in sales of the notes in Asia.

Bradesco Securities Inc. will act as agent of Banco Bradesco BBI S.A. for sales of the notes in the United States. Banco Bradesco BBI S.A. is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States to U.S. persons. Banco Bradesco BBI S.A. and Bradesco Securities Inc. are affiliates of Banco Bradesco S.A.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the fifth business day following the date of the pricing of the notes. Because trades in the secondary market generally settle in two business days, purchasers who wish to trade notes on the issue date may be required, by virtue of the fact that the notes initially are expected to settle on July 2, 2019, to specify alternative settlement arrangements to prevent a failed settlement.

Commissions and Discounts

The initial purchasers have advised us that they propose initially to offer the notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed.

Notes Are Not Being Registered

The notes have not been and will not be registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S.

persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

Additional Issue of Notes

The issuer will apply to the SGX-ST for permission to list the notes offered hereby on the main board of the SGX-ST, where the notes will be traded in a minimum board lot size of US$200,000 (or its equivalent in foreign currencies). We cannot guarantee the listing will be obtained. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not continue, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

No Sales of Similar Securities

The issuer and we have agreed with the initial purchasers that up until 60 days after the pricing date of this offering, we will not, without first obtaining the prior written consent of the initial purchasers, directly or indirectly, sell, offer, announce the offering of or file any registration statement under the Securities Act in respect of any U.S. dollar- or euro-denominated debt securities, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

Stabilizing and Syndicate Covering Transactions

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Other Relationships

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities, or related derivative securities, and financial instruments, including bank loans, for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates have a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Sales Outside the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in effect in any

jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in effect in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Notice to Prospective Investors in Brazil

The notes have not been, and will not be, registered with the CVM. The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations.

Prohibition of Sales to EEA Retail Investors

The notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, or the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended, or the PRIIPs Regulation, for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This offering memorandum has been prepared on the basis that any offer of securities in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of securities. This offering memorandum is not a prospectus for the purposes of the Prospectus Directive.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

Each initial purchaser has agreed that:

i. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended, or the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

ii. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Luxembourg

This offering memorandum has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Services Authority (*Commission de Surveillance du Secteur Financier*), or the CSSF, or a competent authority of another EU Member State for notification to the CSSF, where applicable, for purposes of a public offering or sale in Luxembourg. Accordingly, the notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other offering circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, from or published in, Luxembourg, except in circumstances which do not constitute an offer of securities to the public requiring the publication of a prospectus in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended, or the Prospectus Act, and implementing the Prospectus Directive. Consequently, this offering memorandum and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed (i) to Luxembourg qualified investors as defined in the Prospectus Act; (ii) to no more than 149 prospective investors, which are not qualified investors; and/or (iii) in any other circumstance contemplated by the Prospectus Act which do not require the publication of a prospectus pursuant to Article 5 of the Prospectus Act.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the notes should not be made the subject of an invitation for subscription or purchase and should not be offered or sold, and this offering memorandum or any other document or material in connection with the offer or sale, or invitation

for subscription or purchase, of the notes should not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers in the provinces of Alberta, British Columbia, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong); or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder; or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, the Notes will not be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan

Notice to Prospective Investors in Chile

The offer of the notes began on June 27, 2019 and is subject to General Rule No. 336 of the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*), or the SVS. Neither the issuer nor the notes are registered in the Securities Registry (*Registro de Valores*) or the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS or subject to the control and supervision of the SVS. This offering memorandum and other offering materials relating to the offer of the notes do not constitute a public offer of, or an invitation to subscribe for or purchase, the notes in the Republic of Chile, other than to individually identified purchasers pursuant to a private offering within the meaning of Article 4 of the Chilean Securities Market Act (*Ley de Mercado de Valores*) (an offer that is not "addressed to the public at large or to a certain sector or specific group of the public").

La oferta de los valores comenzó el 27 de junio del 2019 y está acogida a la NCG 336 de fecha 27 de junio de 2012 de la SVS. Ni el emisor ni los valores están inscritos en el Registro de Valores o el Registro de Valores Extranjeros de la SVS, o sujetos al control y la supervisión de la SVS. El presente prospecto y los otros materiales relativos a la oferta de los valores no constituye una oferta pública de, ni una invitación a suscribir o comprar, tales valores en la República de Chile, salvo a compradores individualmente identificados conforme a una oferta privada en los términos del artículo 4 de la Ley de Mercado de Valores (una oferta que no está "dirigida al público em general o a un cierto sector o grupo específico de éste").

Notice to Prospective Investors in Switzerland

This offering memorandum does not constitute a prospectus within the meaning of Article 652a of the Swiss Code of Obligations. The notes may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Neither this offering memorandum nor any other offering materials relating to the notes may be distributed, published or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the notes in Switzerland.

Brazil

The notes have not been, and will not be, registered with the CVM. The notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution under Brazilian laws and regulations. The notes are not being offered into Brazil. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any public offer for subscription or sale of the Notes to the public in Brazil.

TRANSFER RESTRICTIONS

The notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold only (i) to persons reasonably believed to be qualified institutional buyers ("QIBs") in compliance with Rule 144A under the Securities Act; and (ii) to persons other than U.S. persons ("non-U.S. Persons") in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act. As used in this offering memorandum, the terms "offshore transaction," "United States" and "U.S. Person" have the meaning given to them in Regulation S.

Each purchaser of notes will be deemed to have acknowledged, represented to and agreed with the issuer, the guarantor and the initial purchasers as follows:

(a) It is not an "affiliate" of the issuer within the meaning of Rule 144 under the Securities Act or acting on behalf of the issuer and it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (1) a QIB and is aware that the sale to it is being made in reliance on Rule 144A; or (2) a non-U.S. person purchasing notes in an offshore transaction in compliance with Regulation S.

(b) It acknowledges that the notes have not been and will not be registered under the Securities Act and that they may not be offered or sold except as set forth below.

(c) In the case of a purchaser under Rule 144A, it shall not resell or otherwise transfer any of the notes within one year after the original issuance of the notes except:

(1) to the issuer;

(2) to a QIB in compliance with Rule 144A;

(3) in offshore transactions in compliance with Regulation S under the Securities Act;

(4) pursuant to an exemption from registration under the Securities Act (if available); or

(5) pursuant to an effective registration statement under the Securities Act.

(d) (1) no assets of an employee benefit plan subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or an entity deemed to hold the assets of any such employee benefit plans, or plans, or a non-U.S., governmental or church plan have been used to acquire the notes or an interest therein; or (2) the purchase and holding of such notes or an interest therein by such person do not constitute a non-exempt prohibited transaction under ERISA or the Code or violation of any non-U.S., state, local or other federal laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

It also agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of the notes.

(e) In the case of a purchaser under Regulation S, it acknowledges that until 40 days after the later of the commencement of the offering and the closing of the offering, any transfers of beneficial interests in the Regulation S global notes may be made to a Regulation S person or to a person who takes delivery in the form of an interest in the restricted global note in compliance with the requirements described under "Description of Notes—Global Notes."

(f) Each purchaser of the notes understands that the restricted global notes will bear a legend substantially to the following effect, unless the issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE UNDER WHICH THIS NOTE WAS ISSUED. EACH PURCHASER OF ANY OF THE NOTES EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER OF ANY OF THESE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO

A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

THESE NOTES AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON RESALES AND OTHER TRANSFERS OF THESE NOTES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THESE NOTES SHALL BE DEEMED BY THE ACCEPTANCE HEREOF TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THIS LEGEND MAY BE REMOVED SOLELY IN THE DISCRETION AND AT THE DIRECTION OF CSN RESOURCES S.A. OR COMPANHIA SIDERÚRGICA NACIONAL.

(g) Each purchaser of the notes understands that the Regulation S global notes will bear a legend substantially to the following effect, unless the issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND IN ACCORDANCE WITH THE TRANSFER RESTRICTIONS CONTAINED IN THE INDENTURE UNDER WHICH THIS NOTE WAS ISSUED. EACH PURCHASER OF ANY OF THE NOTES EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER OF ANY OF THESE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 903 OR RULE 904 UNDER REGULATION S THEREUNDER.

THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHO THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

THESE NOTES AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON RESALES AND OTHER TRANSFERS OF THESE NOTES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THESE NOTES SHALL BE DEEMED BY THE ACCEPTANCE HEREOF TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

THIS LEGEND WILL BE REMOVED AFTER 40 CONSECUTIVE DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DAY ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S) AND (B) THE DATE OF THE CLOSING OF THE ORIGINAL OFFERING. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

(h) It acknowledges that the trustee will not be required to accept for registration of transfer any notes acquired by it,

except upon presentation of evidence satisfactory to the issuer and the trustee that the restrictions set forth herein have been complied with.

(i) It acknowledges that we, the initial purchasers, the affiliates of the initial purchasers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, such purchaser of notes represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each account.

(j) It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes as well as to registered holders of the notes.

(k) It acknowledges that until 40 days after the later of the commencement of the offering and the closing of the offering, any offer or sale of the notes within the United States by a broker-dealer (whether or not participating in the offering) not made in compliance with Rule 144A may violate the registration requirements of the Securities Act.

ENFORCEMENT OF CIVIL LIABILITIES

Service of Process and Enforcement of Civil Liabilities in Luxembourg

The issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg. Certain or all of the issuer's directors and executive officers are non-residents of the United States. In addition, all or a substantial portion of the assets of the issuer and substantially all of the assets of its directors are located outside the United States. As a result, it may not be possible for you to serve process on these persons or the issuer in the United States or to enforce judgments obtained in U.S. courts against them or the issuer based on civil liability provisions of the securities laws of the United States. It may be possible for investors to effect service of process upon the issuer within Luxembourg provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

We have been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to our Luxembourg counsel, an enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party that has a received a favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Section 678 of the New Luxembourg Code of Civil Procedure. The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules (based on case law and legal doctrine, it is not certain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);
- the U.S. court has acted in accordance with its own procedural laws;
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude à la loi*);
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is enforceable in the jurisdiction where the decision has been rendered;
- the judgment was granted following proceedings where the defendant had the opportunity to appear, was granted the necessary time to prepare its case and, if it appeared, could present a defense; and
- the considerations of the foreign order as well as the judgment do not contravene international public policy as understood under the laws of Luxembourg or has been given in proceedings of a criminal or tax nature.

If an original action is brought in Luxembourg, a court of competent jurisdiction may refuse to apply the designated law if its application contravenes Luxembourg's international public policy and, if such action is brought on the basis of U.S. federal or state securities laws, may not have the requisite power to grant the remedies sought. In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Service of Process and Enforcement of Civil Liabilities in Brazil

We have been advised by our Brazilian counsel that a final conclusive judgment of non-Brazilian courts for the payment of money may be enforced in Brazil, subject to certain requirements as described below. A judgment against either us, our directors, our officers or the issuer issued by a foreign court would be enforceable in Brazil (to the extent that Brazilian courts may have jurisdiction) without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*), or the STJ. That confirmation, generally, will occur if the foreign judgment:

- fulfills all formalities required for its enforceability under the laws of the non-Brazilian courts;
- is issued by a competent court after proper service of process on the parties (if made in Brazil, service of process must be effected in accordance with Brazilian law), or after sufficient evidence of the parties' absence as required by applicable law;

- is not subject to appeal in the jurisdiction where rendered;
- is not in conflict with a previous final and binding (*res judicata*) judgment on the same matter and involving the same parties issued in Brazil;
- is authenticated by the Brazilian consulate with jurisdiction over the place the judgment is rendered. If such foreign judgment was authenticated in a country that is signatory of the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents dated as of October 5, 1961, or the Apostille Convention, authentication by a Brazilian Diplomatic Office or Consulate is not required;
- is translated into Portuguese by a certified sworn translator; and
- does not violate Brazilian public policy, national sovereignty and good morals (as set forth in Brazilian law).

The confirmation process described above may be time consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Accordingly, we cannot assure you that confirmation would be obtained, that the confirmation process would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of countries other than Brazil.

We have also been advised that civil actions may be brought with Brazilian courts in connection with this offering memorandum based solely on the federal securities laws of the United States and that Brazilian courts may enforce such liabilities in such actions against us (provided that provisions of the federal securities laws of the United States do not contravene Brazilian public policy, national sovereignty or good morals); and that Brazilian courts can assert jurisdiction over the matter under dispute, if certain requirements are met.

We have been further advised that a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of the litigation in Brazil and who does not own real property in Brazil must post a bond to guarantee the payment of the defendant's legal fees and court expenses, except in case of (i) enforcement proceedings based on certain non-disputable documents as determined by the court (which do not include the notes issued hereunder) that may be enforced under Brazilian law (*execução de título executivo extrajudicial*); (ii) enforcement of a judgment; (iii) counterclaims; and (iv) when an international treaty signed by Brazil dismisses the obligation to post a bond, as established under Article 83, first paragraph of the Brazilian Code of Civil Procedure.

If proceedings are brought in the courts of Brazil seeking to enforce our obligations under the notes, we would not be required to discharge our obligations in a currency other than *reais*. Any judgment obtained against us in Brazilian courts related to any payment obligations under the notes would be expressed in *reais*.

VALIDITY OF THE NOTES

The validity of the notes offered and sold in this offering, together with the guarantee, will be passed upon for us by Milbank LLP, and for the initial purchasers by Cleary Gottlieb Steen & Hamilton LLP. Certain matters of Brazilian law relating to the notes and the guarantee will be passed upon for us by Barbosa Müssnich Aragão, our Brazilian counsel, and for the initial purchasers by Machado, Meyer, Sendacz e Opice. Certain matters of Luxembourg law relating to the notes will be passed upon for us by Loyens & Loeff Luxembourg S.à r.l., our Luxembourg counsel.

INDEPENDENT AUDITORS

Our consolidated financial statements as of December 31, 2017 and 2018 and for the years ended December 31, 2017 and 2018, incorporated by reference in this offering memorandum from our 2018 Annual Report, have been audited by Grant Thornton Auditores Independentes, independent auditors, as stated in their report incorporated herein by reference from our 2018 Annual Report. Our consolidated financial statements for the year ended December 31, 2016 have been audited by Deloitte Touche Tohmatsu Auditores Independentes, independent auditors, as stated in their report incorporated herein by reference from our 2018 Annual Report, and include emphasis paragraphs related to (i) the restatement of our consolidated financial statements for the year ended December 31, 2015; and (ii) a substantial doubt on the ability of joint venture Transnordestina Logística S.A. to continue as a going concern.

With respect to our unaudited interim consolidated financial information as of March 31, 2019 and for the three months ended March 31, 2018 and 2019, incorporated by reference in this offering memorandum, Grant Thornton Auditores Independentes reported that they have applied limited procedures in accordance with professional standards for review of such information. However, their separate report dated May 8, 2019, incorporated by reference in this offering memorandum, states that they did not audit and they do not express an opinion on that unaudited interim consolidated financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

LISTING AND GENERAL INFORMATION

1. We expect that the delivery of the notes will be made to investors in book-entry form only through the facilities of DTC, and its direct and indirect participants, including Clearstream and Euroclear, against payment on July 2, 2019. The CUSIP and ISIN numbers for the notes are set forth below. During the periods subject to certain U.S. selling restrictions, the notes offered pursuant to Regulation S will carry temporary CUSIP and ISIN numbers.

	Restricted Global Note	Regulation S Global Note	Temporary Regulation S Global Note
CUSIP	12644VAB4	L21779AC4	L21779 AF7
ISIN	US12644VAB45	USL21779AC45	USL21779AF75

2. Copies of our latest audited consolidated financial statements and unaudited interim consolidated financial information, copies of the issuer's articles of association and the guarantor's *estatuto social* (by-laws) and the deed of incorporation and articles of association, as applicable, as well as the indenture (including the forms of notes), will be available, free of charge, at the offices of the trustee (the issuer's articles of incorporation may also be inspected at the Luxembourg Trade and Companies' Register of Commerce and Companies during normal business hours).

3. Except as disclosed in this offering memorandum, there has been no material adverse change in our financial position since December 31, 2018, the date of our latest audited financial information incorporated by reference in this offering memorandum.

4. Application will be made for the listing and quotation of the notes offered hereby on the SGX-ST.

5. Upon any issuance of individual definitive notes, the issuer shall appoint and maintain a paying agent in Singapore where the notes may be presented or surrendered for payment or redemption, in the event that the global notes are exchanged for individual definitive notes, for so long as the notes are listed on the SGX-ST and the rules of the exchange so require. In addition, in the event that the global notes are exchanged for individual definitive notes, announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive notes, including details of the paying agent in Singapore.

6. The issuance of the notes was authorized by the issuer's Board of Directors on June 27, 2019. The issuance of the guarantee was authorized by our Board of Directors on June 27, 2019.

7. We are not involved in any legal, administrative or arbitration proceeding that is material in the context of the issuance of the notes. We are not aware of any material legal, administrative or arbitration proceeding that is pending or threatened against us except as disclosed in this offering memorandum.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