

This announcement is not an offer to purchase Notes. The Offer and Solicitation are made solely by the Offer to Purchase dated February 12, 1999 and any amendments or supplements thereto. The Offer and Solicitation are not being made to, nor will tenders be accepted from or on behalf of, holders of Notes in any jurisdiction in which the making of the Offer and Solicitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where federal securities, blue sky or other laws require the Offer and Solicitation to be made by a licensed broker or dealer, the Offer and Solicitation will be deemed to be made on behalf of CSN by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.



Companhia Siderúrgica Nacional

Offer to Purchase for Cash

All of the Outstanding 9 $\frac{1}{8}$ % Guaranteed Notes due 2007 of CSN Iron, S.A.

Companhia Siderúrgica Nacional ("CSN"), the parent of CSN Iron, S.A. and the guarantor of the Notes, hereby offers to purchase for cash all of the outstanding 9 $\frac{1}{8}$ % Guaranteed Notes Due 2007 of CSN Iron, S.A. (the "Notes") at a price of US\$700.00 per \$1,000 principal amount of any Note purchased, plus accrued and unpaid interest, if any, to but excluding the date of payment for such Note (the "Settlement Date"), less the Consent Payment specified below (the "Purchase Price"), upon the terms and subject to the conditions set forth herein, as the same may be amended from time to time (as so amended, the "Offer"). As of February 12, 1999, approximately \$529,980,000 in aggregate principal amount of the Notes was outstanding. **The Offer is conditioned upon, among other things, there having been validly tendered and not withdrawn prior to the Expiration Time (as defined below) at least US\$100,000,000 in aggregate principal amount of the Notes.**

CSN is also soliciting proxies ("Consents") to approve the adoption of certain proposed amendments to the Trust Deed under which the Notes were issued (the "Proposed Amendments") and hereby offers to pay \$35.00 per \$1,000 principal amount (the "Consent Payment") of any Note which is purchased pursuant to the Offer and for which a Consent is received prior to the Consent Time (as defined below), upon the terms and subject to the conditions set forth herein, as the same may be amended from time to time (the "Solicitation"). Holders of Notes who tender their Notes in the Offer will be deemed to have delivered a corresponding Consent, and Holders may not deliver Consents without tendering their Notes in the Offer. **The Solicitation is not conditioned on the receipt of any minimum number of Consents.**

THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MARCH 15, 1999, UNLESS EXTENDED OR EARLIER TERMINATED (THE "EXPIRATION TIME"). THE SOLICITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 26, 1999, UNLESS EXTENDED OR EARLIER TERMINATED (THE "CONSENT TIME"). ACCORDINGLY, IN ORDER TO RECEIVE BOTH THE PURCHASE PRICE AND THE CONSENT PAYMENT FOR ANY NOTES TENDERED, HOLDERS MUST TENDER SUCH NOTES ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 26, 1999.

The Settlement Date for any Note being sold pursuant to the Offer will be the first business day after the Expiration Time, or as soon as practicable thereafter. Payment for any such Note will be made in same day funds on the Settlement Date.

Notice is hereby given that a meeting of Holders of Notes will be held at 6:00 p.m., New York City time (9:00 p.m., Rio de Janeiro time), on Monday, March 15, 1999, at the offices of CSN, Rua Lauro Muller, 116, 36th Floor, CEP 22299-900 – Botafogo – RJ, Rio de Janeiro – Brazil (or at such other location as shall be specified in an additional notice to Holders given at least 21 days prior to the date of such meeting), for the purpose of considering and voting on the Proposed Amendments and to transact such other business as may properly come before the meeting or any adjournment or postponement.

Any questions or requests for assistance may be directed to NationsBanc Montgomery Securities LLC, which is acting as Dealer Manager for the Offer and the Solicitation. Requests for copies of the Offer to Purchase should be directed to the Information Agent at the telephone numbers set forth below. Neither CSN nor the Dealer Manager makes any recommendation as to whether or not holders should participate in the Offer or the Solicitation.

The Information Agent for the Offer is:

D.F. King & Co., Inc.

77 Water Street
New York, New York 10005
(212) 269-5550 (collect)
or
(800) 769-6414 (toll-free)

The Dealer Manager for the Offer is:

NationsBanc Montgomery Securities LLC

Liability Management Group
100 North Tryon Street
Charlotte, North Carolina 28255
(704) 388-4807 (collect)
or
(888) 292-0070 (toll-free)

NationsBanc Montgomery Securities

February 16, 1999