GERDAU S.A.
Consolidated information

Vision

To be a global steel company and one of the most profitable in the sector.

Mission

Gerdau is a company focused on steelmaking, seeking to satisfy the needs of customers and add value for shareholders, committed to the fulfillment of people and to the sustainable development of society.

Highlights 1st quarter 2008

(International accounting standards, according to the declarations issued by the *International Accounting Standards Board – IASB*)

Gross Revenue

- Consolidated gross revenue in 1st quarter 2008 totaled R$ 10.0 billion, 23.8% higher than the same period in 2007. This value was comprised as follows:

(R$ million)	1Q08	variation	participation
Brazil	3,625	30.4%	36.2%
North America	3,532	23.3%	35.3%
Latin America	1,044	38.8%	10.4%
Specialty steel	1,815	7.1%	18.1%
TOTAL	10,016	23.8%	100.0%

- We must highlight that, as from this quarter, the Specialty Steel business operation, which involves units in Brazil, Spain and the United States (the latter from the 2nd quarter), will be reported in a separate way, due to its increasing relevance for Gerdau. The data related to other operations will be reported in a similar way as for the previous quarters.

Exports

- In the 1st quarter 2008, shipments to other countries from Brazil totaled 616.9 thousand tonnes, generating an income of US$ 362.9 million. The volume shipped was reduced by 16.5% to meet the higher demand in the domestic market.

EBITDA

- Operating cash flow generation, represented by EBITDA (earnings before interests, taxes, depreciation and amortization) has reached R$ 2.0 billion in the period from January to March this year, 30.4% above the value achieved in the same period in 2007. EBITDA margin reached 22.2% versus 20.8% in the 1st quarter of last year.

- EBITDA achieved in period has the origin below:

(R$ million)	1Q08	1Q07	variation
Brazil	821	560	46.5%
North America	683	520	31.2%
Latin America	156	123	26.9%
Specialty steel	325	319	2.0%
TOTAL	1,985	1,522	30.4%

Net profit

- In the 1st quarter 2008, consolidated net profit reached R$ 1.1 billion, 7.5% lower than that in the same period of 2007. The lower profit in the quarter is primarily due to a lower exchange gain on the financing contracts in foreign currency executed by the companies in Brazil, and also from the acquisitions carried out in this period. Net margin was 12.2% in the 1st quarter 2008.
- The units in Brazil contributed with 48.0% for the net profit in the period; North America operations with 28.4%, Latin America operations with 8.7%; and Specialty Steel with the remaining 14.9%.

Production

- In the first three months this year, crude steel production (slabs, blooms and billets) totaled 5.1 million tonnes, 25.1% higher than the same period in 2007.
- Rolled products production reached 4.4 million tonnes, presenting a growth of 26.9% in the period.

Selected information	1Q08	1Q07	Variation
Production (1,000 tonnes)			
Crude steel (slabs/blooms/billets)	5,127	4,099	25.1%
Rolled products	4,399	3,467	26.9%
Sales (1,000 tonnes)	4,941	4,157	18.9%
Gross Revenue (R$ million)	10,016	8,091	23.8%
Net Revenue (R$ million)	8,945	7,335	21.9%
EBITDA (R$ million)	1,985	1,522	30.4%
Net profit (R$ million)	1,090	1,178	(7.5%)
Shareholders' equity (R$ million)	17,097	14,948	14.4%
Total assets (R$ million)	41,942	31,897	31.5%
Gross margin	23.8%	24.1%	
EBITDA margin	22.2%	20.8%	
Net margin	12.2%	16.1%	
Net profit/ Shareholders' equity[1]	24.7%	27.8%	
Net debt/Net capitalization	39.9%	19.8%	
Net debt/EBITDA[2]	1.7x	-	

1) Net profit in the last 12 months over shareholders' equity.
2) EBITDA of the last 12 months.

Dividends (as Interest on Capital Stock)

- 1st quarter 2008.
- Payment on June 03, 2008.
- Base date: position of stocks on May 21 (ex-dividends on May 23). Dividends will be also paid for stocks subscribed in last capital increase.
- Metalúrgica Gerdau S.A. will pay R$ 130.1 million (R$ 0.64 per share) and Gerdau S.A. will pay R$ 291.1 million (R$ 0.41 per share).
- Return to shareholders (dividends per share/preferred share price on May 09), by considering dividends and interests on capital paid in the last four quarters, was 2.1% for Metalúrgica Gerdau S.A. and 1.7% for Gerdau S.A.

Stock Split

- The Boards of Metalúrgica Gerdau S.A. and Gerdau S.A. approved today (May 12) and submitted to the Shareholders Meeting to take place on May 30 a Stock Split of 100%, result from capitalization of Capital and Profit Reserves.
- The amount of reserves to be capitalized will be R$ 1.7 billion for Metalúrgica Gerdau S.A. and R$ 3.5 billion for Gerdau S.A. As a result of the Stock Split, the Capital Stock of these companies will increase to R$ 6.9 billion and R$ 14.2 billion, respectively.

Capital increase

- Offering of 19.2 million stocks issued by Metalúrgica Gerdau S.A and 48.1 million stocks issued by



Gerdau S.A.

- Price defined in bookbuilding on May 24: R$ 78.35 per stock for Metalúrgica Gerdau S.A. and R$ 60.30 per stock for Gerdau S.A., with a discount of 3.7% in relation to the closing quotations on that date.
- The funds resulting from the capital increase of Metalúrgica Gerdau S.A., amounting to R$ 1.5 billion, were aimed at exercising its priority in the capital increase of Gerdau S.A.
- The capital increase of R$ 2.9 billion at Gerdau S.A. had the purpose of improving the capital structure in the Company, as well as the payment of acquisitions newly performed.
- In the priority period granted to the shareholders, 84% of the offering for Metalúrgica Gerdau S.A. and 83% for Gerdau S.A. were subscribed.
- At Metalúrgica Gerdau S.A., 90% of the offer, after the priority period, were placed in Brazil and at Gerdau S.A., 48% were placed in the United States, 35% in Brazil and 17% in Europe.

Acquisitions in North America

- MacSteel steel operation of Quanex Corporation
  - Closed on April 23, 2008 (announced on November 19, 2007).
  - MacSteel is the second largest producer of Specialty Steel (Special Bar Quality - SBQ) in the United States. MacSteel operates three mini-mills, located in Jackson, Michigan; Monroe, Michigan; and Fort Smith, Arkansas. The company also operates six downstream operations located in the states of Michigan (two), Ohio, Indiana (two) and Wisconsin. MacSteel has an installed capacity of 1.2 million tonnes of crude steel and 1.1 million tonnes of rolled products per year.
  - Investment of US$ 1.5 billion plus the assumption of debt and certain liabilities of approximately US$ 200 million.

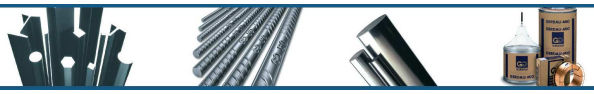
- Century Steel, Inc (United States)
  - Acquired via *joint venture* Pacific Coast Steel (PCS).
  - Closed on April 02, 2008 (announced on February 12, 2008).
  - Century Steel, headquartered in Las Vegas, Nevada, operates reinforcing and structural steel contracting businesses in Nevada, California, Utah and New Mexico. With fabrication facilities that have an annual capacity in excess of 250,000 tonnes per year, Century Steel participates in virtually all segments of the marketplace in the western United States.
  - Investment of approximately US$ 152.0 million.
  - Concurrently with the acquisition of Century, Gerdau Ameristeel will pay approximately US$ 68.0 million to increase its equity participation in the PCS joint venture to approximately 84%.

Acquisitions in Latin America

- Diaco S.A. (Colombia)
  - Acquisition of complementary interests of 40.6%.
  - Closed on January 14, 2008.
  - With this acquisition, Gerdau holds now 98.7% of the capital stock in this company.
  - Investment was US$ 107.2 million.
  - Diaco is the largest producer of long steels at Colombia.

- Cleary Holdings Corp. (Colombia)
  - Acquisition of 50.9% stake
  - Announced on February 21, 2008.
  - Cleary Holdings Corp. controls coke production units and coking coal reserves in Colombia. The company current annual capacity is 1.0 million tonnes of coke, and its coking coal reserves are estimated to be 20 million tonnes. The entire production is exported, mainly to the United States, Peru, Canada and Brazil.
  - Investment of US$ 59 million. The transaction remains subject to approval by regulatory agencies in Colombia.

- Corsa Controladora, S.A. de C.V. (Mexico)
  - Closed on February 27, 2008 (announced on October 19, 2007).



- Acquisition a 49% stake in the capital stock. The company holds 100% of the capital stock of Aceros Corsa, S.A. de C.V. and also controls two distributors of steel products.
- Investment of US$ 110.7 million.
- Aceros Corsa, located in the city of Tlalnepantla, in the metropolitan region of Mexico City, is a long steel mini-mill producer (light commercial profiles) with an installed capacity of 150 thousand tonnes of crude steel and 300 thousand tonnes of rolled products annually.
- The Gerdau Group and Corsa Controladora's shareholders have also formalized a joint venture to implement a project for the production of structural profiles in Mexico. The project, which estimates US$ 400 million in investment, contemplates an annual installed capacity of 1.0 million tonnes of crude steel and 700 thousand tonnes of rolled products. The mill will begin its operations in 2010.

• Corporación Centroamericana del Acero S.A. (Guatemala)
- Strategic alliance with the controllers of the Corporación Centroamericana del Acero S.A. holding company, which holds steelmaking assets in Guatemala and Honduras and distribution in El Salvador, Nicaragua and Belize. As a result of this alliance, the Gerdau Group takes over a 30% share of the company's social capital.
- Announced on April 21, 2008.
- Investment of approximately US$ 180 million.
- The steelmaking assets include a melt shop with an installed capacity of 500,000 tonnes of crude steel and rolling mills with an annual capacity of 690,000 tonnes for producing rebar, profiles, seamed tubes and flat bars, as well as drawn products and downstream operations to produce meshes, galvanized, annealed, and barbed wires, nails and metal roofs.



First quarter 2008 Performance

(International accounting standards, according to the declarations issued by the *International Accounting Standards Board – IASB*)

Production and Shipments

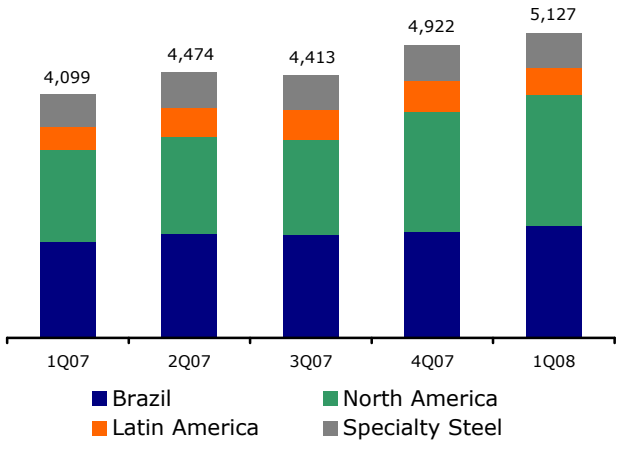
- In the 1st quarter 2008, crude steel production at Gerdau companies reached 5.1 million tonnes, 25.1% higher than the volume produced in the same period in 2007. This growth is partially due to the consolidation of the companies acquired in the United States and Latin America. Particularly in Brazil, the growth of 17.7% is due to the operation of the new blast furnace at Gerdau Açominas. Units in Brazil contributed with 36.9% for the volume in period; North American operations with 43.0%, Latin American operations with 8.8% and specialty steel operations with the remaining 11.3%.

Production (1,000 tonnes)	1Q08	1Q07	Variation 1Q08/1Q07	4Q07	Variation 1Q08/4Q07
Crude Steel (slabs, blooms and billets)					
Brazil [1]	1,893	1,609	17.7%	1,788	5.9%
North America [2]	2,202	1,567	40.5%	2,025	8.8%
Latin America [3]	453	371	22.0%	515	(12.2%)
Specialty Steel [4]	579	552	4.7%	594	(2.6%)
Total	**5,127**	**4,099**	**25.1%**	**4,922**	**4.2%**
Rolled Products					
Brazil [1]	1,185	940	26.0%	1,149	3.1%
North America [2]	2,089	1,572	32.9%	1,932	8.1%
Latin America [3]	548	420	30.4%	550	(0.3%)
Specialty Steel [4]	577	535	7.9%	574	0.5%
Total	**4,399**	**3,467**	**26.9%**	**4,205**	**4.6%**

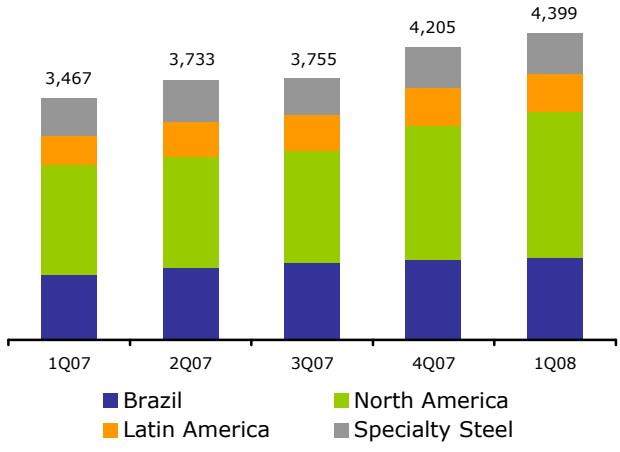
1 – Does not include specialty steel operations
2 – Does not include Mexico
3 - Does not include operations in Brazil
4 – Includes special steel operations in Brazil and Europe
Note: information above does not include data from shared controlled companies and *joint ventures*.

- In rolled products, the production reached 4.4 million tonnes in the 1st quarter of the year, exhibiting a growth of 26.9% when compared to the volume of the same period in 2007.

Crude Steel Production (Slabs, Blooms and Billets)
(1,000 tonnes)



Rolled Products Production
(1,000 tonnes)



- Consolidated sales of the 1st quarter 2008 totaled 4.9 million tonnes, 18.9% higher than the volume sold in the 1st quarter 2007. Similarly as for production, the consolidation of new companies also have an important participation in the shipments growth occurred in the period.

Consolidated Shipments [1] (1,000 tonnes)	1Q08	1Q07	Variation 1Q08/1Q07	4Q07	Variation 1Q08/4Q07
Brazil [2]					
Domestic market	1,175	857	37.1%	1,087	8.1%
Exports	446	584	(23.6%)	462	(3.4%)
Total	**1,621**	**1,441**	**12.5%**	**1,549**	**4.7%**
Abroad					
North America [3]	2,158	1,752	23.2%	1,976	9.2%
Latin America [4]	623	448	39.0%	614	1.4%
Total	**2,781**	**2,200**	**26.4%**	**2,590**	**7.3%**
Specialty Steel [5]	**539**	**516**	**4.5%**	**498**	**8.2%**
Total Consolidated	**4,941**	**4,157**	**18.9%**	**4,637**	**6.6%**

1 – Excluding shipments to controlled companies.
2 - Does not include special steel operations
3 - Does not include Mexico
4 - Does not include operations in Brazil
5 – Includes special steel operations in Brazil and Europe
Note: information above does not include data from shared controlled companies and *joint ventures*.

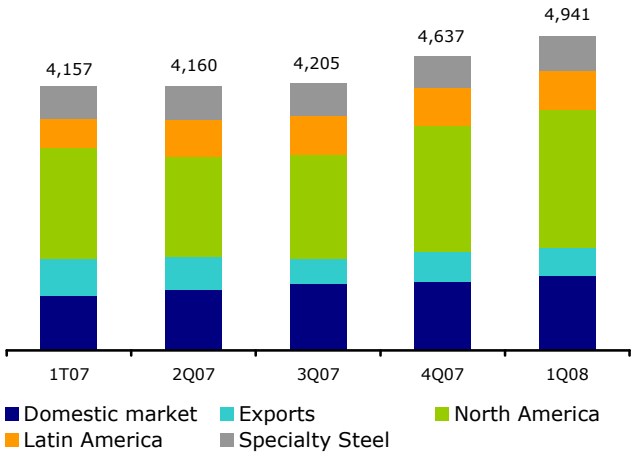
- The continuity in the strong demand in the several consuming segments for long steels, such as civil construction and automotive, enabled a growth of 37.1% in the Gerdau sales for the domestic market in this 1st quarter when compared to the same period in 2007.

- Exports from Brazil, including shipments to subsidiaries, totaled 616,9 thousands metric tones, thus generating revenues of US$ 362.9 million.

- In the United States and Canada, the consolidation of new units acquired throughout last year contributed for the growth of sales by 23.2% in the 1st quarter 2008 when compared to the same period in the previous year.

- In Latin America, sales amounted to 622,7 thousands tonnes in the 1st quarter, 39.0% higher than the sales in the same period in 2007. This growth is primarily due to the consolidation of operations in Mexico and Venezuela.

Consolidated Shipments [1]
(1,000 tonnes)



[1] Excluding shipments to subsidiaries

- In Specialty steel, sales totaled 539,5 thousands tonnes in the 1st quarter this year, 4.5% higher than in the 1st quarter 2007, as a result from the good demand in the automotive segment at regions where Gerdau operates.

Results

- Consolidated net revenue reached R$ 8.9 billion in the 1st quarter 2008, exhibiting a growth of 21.9% when compared to the 1st quarter 2007. The major demand for products of the Company in virtually all the regions where it has operations and the consolidation of the companies acquired in the United States and Latin America were in charge of the result achieved in the period.

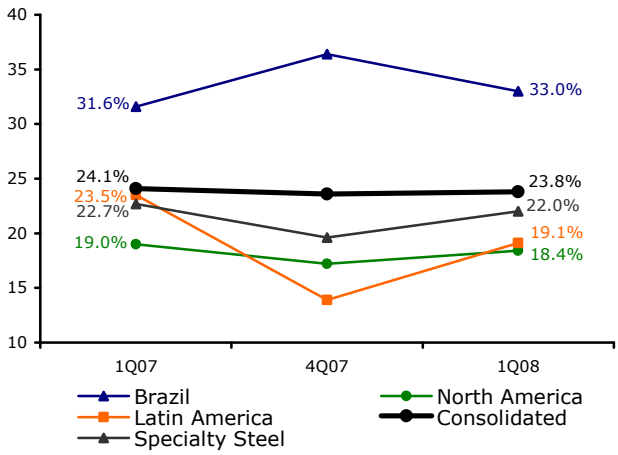
Net Revenue (R$ million)	1Q 08	1Q07	Variation 1Q08/1Q07	4Q07	Variation 1Q08/4Q07
Brazil [1]	2,906	2,300	26.4%	2,653	9.6%
North America [2]	3,509	2,831	24.0%	3,099	13.3%
Latin America [3]	950	687	38.3%	897	5.9%
Specialty Steel [4]	1,579	1,517	4.1%	1,424	10.9%
Total	**8,944**	**7,335**	**21.9%**	**8,073**	**10.8%**

1 - Does not include specialty steel operations
2 - Does not include Mexico
3 - Does not include operations in Brazil
4 – Includes specialty steel operations in Brazil and Europe
Note: information above does not include data from shared controlled companies and *joint ventures*.

- Gross margin was 23.8% in the 1st quarter 2008, virtually at the same level of the 1st quarter 2007. Sales cost totaled R$ 6.8 billion from January to March this year, which, when deducted from the net revenue, resulted in a gross profit of R$ 2.1 billion, 20.6% higher than that in the 1st quarter 2007.

- Sales, general and administrative expenses exhibited increase of 13.8% in the 1st quarter 2008, proportionally lower than that in net revenue, which was 21.9%. Thus, these expenses, which represented 7.9% of net revenue in the 1st quarter 2007, now represent 7.3% in the 1st quarter 2008.

Gross Margin
(%)



EBITDA (R$ million)	1Q08	1Q07	Variation 1Q08/1Q07	4Q07	Variation 1Q08/4Q07
Brazil [1]	821	560	46.5%	736	11.5%
North America [2]	683	520	31.2%	535	27.7%
Latin America [3]	156	123	26.9%	112	39.3%
Specialty steel [4]	325	319	2.0%	232	40.1%
Total	**1,985**	**1,522**	**30.4%**	**1,615**	**22.9%**

1 - Does not include specialty steel operations
2 - Does not include Mexico
3 - Does not include operations in Brazil
4 – Includes specialty steel operations in Brazil and Europe

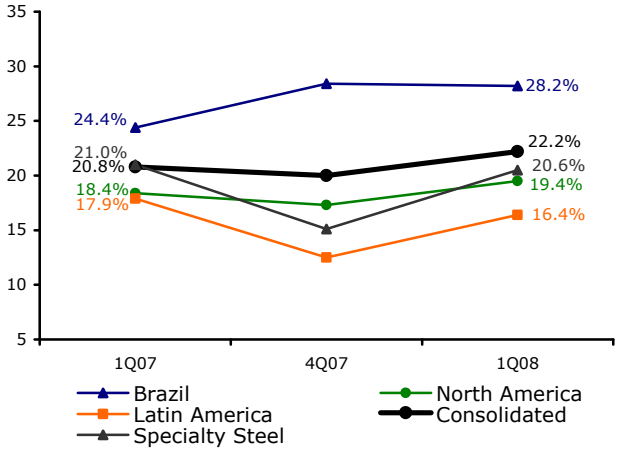
EBITDA Composition (R$ million)	1Q08	1Q07	Variation 1Q08/1Q07	4Q07	Variation 1Q08/4Q07
Net profit	1,090	1,178	(7.5%)	951	14.6%
Provision for Income Tax and Social Contribution	308	304	1.3%	145	112.6%
Net financial result	164	(246)	-	119	37.4%
Depreciation and amortization	423	286	47.9%	400	5.7%
EBITDA	**1,985**	**1,522**	**30.4%**	**1,615**	**22.9%**

- EBITDA (earnings before interests, taxes, depreciation and amortization), which represents generation of operating cash flow, reached R$ 2.0 billion from January to March this year, 30.4% above the value achieved in the same period in 2007.

- EBITDA margin reached 22.2% versus 20.8% in the 1st quarter last year.

- The result from the equity equivalence on the investments at non-consolidated companies reached R$ 60.8 million in the quarter versus R$ 35.1 million in the 1st quarter 2007.

EBITDA Margin
(%)



- In the 1st quarter this year, net financial expenses (financial income minus financial expenses) totaled R$ 164.3 million, while in the 1st quarter 2007 there was a positive financial result of R$ 245.9 million. This reversion results from a lower exchange gain on the financing contracts in foreign currency executed by the companies in Brazil, and also from the acquisitions carried out in this period.

- As a consequence from the change in the financial result, the consolidated net profit was 7.5% lower in the 1st quarter 2008 when compared to the same period in 2007, reaching R$ 1.1 billion versus R$ 1.2 billion. However, when comparing to the profit achieved in the 4th quarter 2007, we observe a growth of 14.6%.

Net Profit (R$ million)	**1Q08**	**1Q07**	**Variation 1Q08/1Q07**	**4Q07**	**Variation 1Q08/4Q07**
Brazil [1]	523	595	(12.1%)	526	(0.6%)
North America [2]	310	307	0.9%	223	39.0%
Latin America [3]	95	123	(23.1%)	12	691.7%
Specialty Steel [4]	162	153	6.5%	190	(14.7%)
Total	**1,090**	**1,178**	**(7.5%)**	**951**	**14.6%**

1 - Does not include specialty steel operations
2 - Does not include Mexico
3 - Does not include operations in Brazil
4 – Includes specialty steel operations in Brazil and Europe

Investments

- Investments in fixed assets totaled US$ 247.0 million in the 1st quarter 2008, 56.7% of them applied in companies in Brazil and the remaining 43.3% in companies abroad.

- Gerdau applied this year in company acquisitions (both announced and closed) US$ 2.3 billion, highlighting MacSteel, of Quanex Corporation, which operation costed US$ 1.7 billion, including the debts assumed.

Financial Liabilities

- Net debt (loans and financing, plus debentures, minus cash and cash equivalents) on March 31 this year, totaled R$ 11.3 billion, representing 1,7 times the EBITDA generated in the last twelve months.

- By considering only the gross debt (loans and financing, plus debentures), 13.9% were short term (R$ 2.1 billion) and 86.1% long term (R$ 13.3 billion).

- On March 31, gross debt was comprised by 21.5% in Brazilian reais, 19.9% in foreign currency contracted by the companies in Brazil, and 58.6% in different currencies contracted by the subsidiaries abroad.

- On March 31, cash and cash equivalents amounted to R$ 4.1 billion, with 84.6% in foreign currency, primarily American dollars.

Indebtedness (R$ million)	**03.31.2008**	**12.31.2007**
Short Term		
Local currency (Brazil)	733	1,163
Foreign currency (Brazil)	588	496
Companies abroad	821	880
Total	**2,142**	**2,539**
Long Term		
Local currency (Brazil)	2,589	2,555
Foreign currency (Brazil)	2,472	2,570
Companies abroad	8,226	8,239
Total	**13,287**	**13,364**
Gross Debt	**15,429**	**15,903**
Cash and cash equivalents	4,084	5,139
Net Debt	**11,345**	**10,764**

- The long term debt amortization schedule, including debentures, on March 31 was:

Year	**R$ million**
2009	1,205
2010	1,222
2011	2,913
2012 and later	7,947
Total	**13,287**

- The main rations of Gerdau companies at the end of March are shown below:

Ratios	**03.31.2008**	**12.31.2007**
Net debt / Total net capitalization	39.9%	39.3%
Gross debt / EBITDA[1]	2.3x	2.5x
Net debt / EBITDA[1]	1.7x	1.7x

1 – EBITDA of the last 12 months

Results from non-consolidated companies

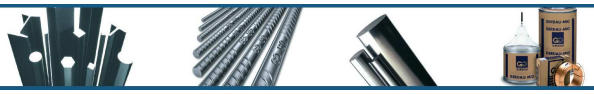
- In the quarter, the companies listed below, on which Gerdau has shared control or *joint ventures*, or are associated companies, were not consolidated and their results were evaluated by equity equivalence:
  Gallatin Steel Company, USA;
  Bradley Steel Processors and MRM Guide Rail, Canada;
  Armacero Industrial y Comercial S.A., Chile;
  Multisteel Business Holdings Corp. and subsidiaries, Dominican Republic;
  Corsa Controladora, S.A. de C.V. and subsidiaries, Mexico;
  Dona Francisca Energética S.A., Brazil.

- By considering the respective shareholding interests, these companies traded 286,3 thousands tonnes of steel products in the quarter, which resulted in a net revenue of R$ 453.2 million. The equity equivalence of these interests was R$ 60.8 million in the 1st quarter 2008.



APIMEC Meeting

- By proceeding with the policy of transparency and relationship with the Capital Market, Gerdau will conduct a Meeting with the Investment Analysts and Professionals of the Capital Market (APIMEC) on May 27-28, in state of Minas Gerais. The event will occur at the Hotel Mercure (Belo Horizonte) and includes visits to the industrial facilities at Gerdau Açominas and the two Mineral Reserves. The agenda will start on May 26 with a welcome dinner and will be closed on March 28, with a lecture on the performance of Gerdau companies in the 1st quarter this year.



By considering the change of the accounting standards, the Consolidated Financial Statements in IFRS are filed at CVM and Bovespa via IPE System, in the "Economical-Financial Data" category, and thus, there is no information consolidated by the Brazilian accounting standards in the Groups 6 to 8 of the Quarterly Information - ITR.

GERDAU S.A. and subsidiaries
CONSOLIDATED BALANCE SHEET
In thousands of R$

	March 31, 2008	December 31, 2007
CURRENT ASSETS		
Cash and cash equivalents	2,079,378	2,026,096
Short-term investments		
Held for Trading	1,765,214	2,836,903
Available for sale	239,223	276,374
Trade accounts receivable	3,678,196	3,172,316
Inventories	6,483,776	6,056,661
Tax credits	547,700	598,317
Prepaid expenses	108,187	108,690
Unrealized gains on derivatives	8,833	14
Other current assets	247,213	237,602
	15,157,720	15,312,973
NON CURRENT ASSETS		
Tax credits	579,299	594,894
Deferred income taxes	946,775	933,851
Unrealized gains on derivatives	40,950	1,553
Prepaid expenses	103,626	110,207
Judicial deposits	230,128	223,735
Other non-current assets	292,728	290,783
Prepaid pension cost	433,285	417,723
Equity investments	870,312	613,112
Other investments	33,983	33,753
Goodwill	6,210,576	6,043,396
Intangible	1,036,667	1,073,715
Property, plant and equipment, net	16,065,331	15,827,944
	26,843,660	26,164,666
TOTAL ASSETS	42,001,380	41,477,639

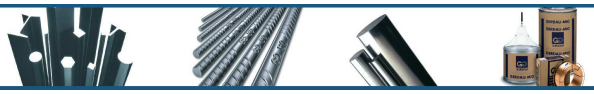
GERDAU S.A. and subsidiaries
CONSOLIDATED BALANCE SHEET
In thousands of R$

	March 31, 2008	December 31, 2007
CURRENT LIABILITIES		
Trade accounts payable	2,768,765	2,586,634
Short-term debt	2,047,467	2,500,985
Debentures	94,744	38,125
Taxes payable	734,233	462,311
Payroll and related liabilities	427,064	518,098
Dividends payable	70,847	392
Unrealized losses on derivatives	12,359	1,964
Other current liabilities	404,179	478,639
	6,559,658	6,587,148
NON CURRENT LIABILITIES		
Long-term debt	12,384,762	12,461,128
Debentures	902,125	903,151
Deferred income taxes	2,310,720	2,315,771
Unrealized losses on derivatives	40,116	16,106
Provision for contingencies	431,156	489,103
Employees benefits	816,603	794,125
Put options on minority interest	1,072,866	889,440
Other non-current liabilities	386,325	379,589
	18,344,673	18,248,413
SHAREHOLDERS' EQUITY		
Capital stock	7,810,453	7,810,453
Treasury stocks	(126,451)	(106,667)
Equity evaluation adjustment	10,160	13,723
Legal reserve	273,525	278,713
Retained earnings	6,325,749	5,765,616
Cumulative translation adjustment	(938,996)	(1,049,333)
	13,354,440	12,712,505
MINORITY INTEREST	3,742,609	3,929,573
SHAREHOLDERS' EQUITY INCLUDING MINORITY INTEREST	17,097,049	16,642,078
TOTAL LIABILITIES	42,001,380	41,477,639



GERDAU S.A. and subsidiaries
CONSOLIDATED STATEMENT OF INCOME
In thousands of R$

	Three Months Ended		
	March 31, 2008	**March 31, 2007**	**December 31, 2007**
NET SALES	8,944,510	7,335,141	8,072,837
Cost of sales	(6,812,177)	(5,566,401)	(6,168,889)
GROSS PROFIT	2,132,333	1,768,740	1,903,948
Sales expenses	(151,483)	(142,818)	(161,318)
General and administrative expenses	(505,866)	(434,877)	(511,474)
Other operating income (expenses), net	26,243	10,093	(38,666)
OPERATING INCOME	1,501,227	1,201,138	1,192,490
Equity in earnings of unconsolidated companies	60,833	35,056	22,900
INCOME BEFORE FINANCIAL RESULT AND TAXES	1,562,060	1,236,194	1,215,390
Financial income	119,719	244,374	193,808
Financial expenses	(353,544)	(236,273)	(412,238)
Foreign exchange gains and losses, net	43,622	177,841	131,361
Gain and losses on derivatives, net	25,906	59,927	(32,500)
INCOME BEFORE TAXES	1,397,763	1,482,063	1,095,821
Provision for Income Tax			
Current	(333,872)	(294,129)	(64,788)
Deferred	26,226	(9,869)	(79,927)
	(307,646)	(303,998)	(144,715)
NET INCOME	1,090,117	1,178,065	951,106
ATTRIBUTED TO:			
Equity holders of the parent company	874,382	996,913	979,056
Minority interests	215,735	181,152	(27,950)
	1,090,117	1,178,065	951,106
Basic earnings per share - preferred and common	1.32	1.50	5.36
Diluted earnings per share - preferred and common	1.32	1.49	5.32



GERDAU S.A. and subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
In thousands of R$

	Three Months Ended	
	March 31, 2008	**March 31, 2007**
Cash flows from operating activities		
Net income (including minority interest)	1,090,117	1,178,065
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	422,542	286,216
Equity in earnings of unconsolidated companies, net	(60,833)	(35,056)
Foreign exchange gains and losses, net	(43,622)	(184,652)
Gains/losses on derivative instruments, net	(25,906)	(59,927)
Pension plan and stock option expense	(1,921)	31,869
Deferred income taxes	(26,226)	9,869
Loss on disposal of property, plant and equipment and investments	(5,399)	2,697
Realized loss on writedown of short-term investments	39,647	-
Provision for doubtful accounts	3,467	4,529
Provision for contingencies	(58,947)	105,227
Distributions from joint ventures	18,197	42,578
Interest income	(85,419)	(217,069)
Interest expense	238,784	167,159
	1,504,481	1,331,505
Changes in assets and liabilities:		
Increase in accounts receivable	(423,272)	(460,826)
Increase in inventories	(251,201)	163,084
Increase in accounts payable and accrued liabilities	135,600	220,417
Increase in other assets	190,822	172,641
Increase in other liabilities	(207,136)	(38,171)
Purchases of held for trading securities	(1,363,558)	(1,920,112)
Proceeds from maturities and sales of held for trading securities	2,437,386	2,394,561
Cash provided by operating activities	2,023,122	1,863,099
Interest paid	(272,504)	(165,405)
Income tax paid	(130,514)	(89,339)
Net cash provided by operating activities	1,620,104	1,608,355
Cash flows from investing activities		
Additions to property, plant and equipment	(470,275)	(735,332)
Payment for acquisitions	(369,861)	(532,047)
Interest received over short term investments	33,745	194,317
Net cash used in investing activities	(806,391)	(1,073,062)
Cash flows from financing activities		
Cash dividends and interest on equity paid	(319,047)	(415,094)
Debt issuance	368,353	452,579
Repayment of debt	(834,585)	(739,000)
Net related party debt loans and repayments	(7,110)	18,171
Net cash provided by (used in) financing activities	(792,389)	(683,344)
Effect of exchange rate changes on cash and cash equivalents	31,958	(86,940)
Increase in cash and cash equivalents	53,282	(234,991)
Cash and cash equivalents at beginning of period	2,026,096	1,070,524
Cash and cash equivalents at end of period	2,079,378	835,533



- Company information (non-consolidated) listed below are compliant with the corporate legislation and the Brazilian accounting standards. The Financial Statements of these companies will proceed being used as the basis for paying dividends or interests on capital.

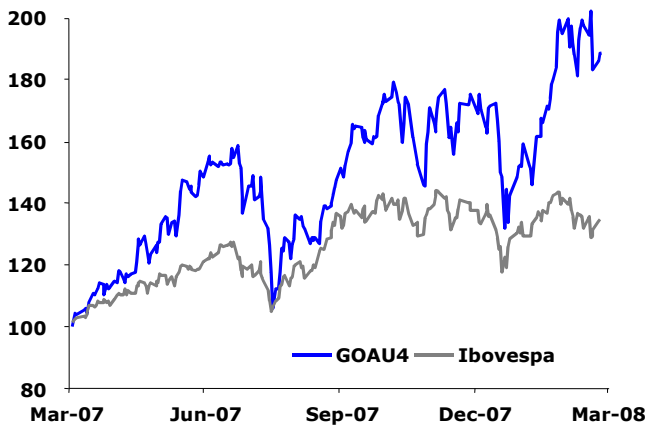
Metalúrgica Gerdau S.A.

- Dividends (as interest on capital stock) in the 1st quarter 2008.
  - Payment on June 03, 2008, based on the positions on May 21 (ex-dividends on May 23).
  - Shareholders will receive R$ 130.1 million (R$ 0.64 per share).
  - Return to shareholders (dividends per share/preferred share price on May 09), by considering dividends and interests on capital paid in the last four quarters, was 2.1%.

- The Board of Metalúrgica Gerdau S.A. in meeting held today (May 12) approved and submitted to the Shareholders Meeting to take place on May 30 a stock split of 100%, result from capitalization of Capital and Profit Reserves. The amount of reserves to be capitalized will be R$ 1.7 billion. As a result of the Stock Split, the Capital Stock will increase to R$ 6.9 billion.

- Share liquidity
  - Metalúrgica Gerdau S.A. (GOAU) stock trade transactions totaled R$ 2.1 billion at the São Paulo Stock Exchange during the first three months this year, 64.6% above the same period in 2007.
  - The average daily trade value for preferred stocks was R$ 33.7 million this year.
  - In the period, 57,966 transactions were carried out with the Company stocks, 25.8% higher than in the period from January to March 2007.
  - The number of traded stocks reached 31.9 million until March this year versus 28.8 million in the same period in 2007 (+10.8%).

BOVESPA (Base 100)



- In the first three months of 2008, the preferred stocks of the Company had an appreciation of 3.7% versus a devaluation of IBOVESPA in 4.6%.

- In the first quarter 2008, net profit of Metalúrgica Gerdau S.A. reached R$ 357.0 million, equivalent to R$ 1.94 per share. This profit was basically originated from the equity equivalence on the investments in controlled/associated companies, and was 11.8% higher than that in the 1st quarter 2007.

- On March 31, 2008, the net equity of the Company was R$ 5.7 billion, representing a book value of R$ 31.13 per share.

Gerdau S.A.

- Dividends (as interest on capital stock) in the 1st quarter 2008.
  - Payment on June 03, 2008, based on the positions on May 21 (ex-dividends on May 23).
  - Shareholders will receive R$ 291.1 million (R$ 0.41 per share).
  - Return to shareholders (dividends per share/preferred share price on May 09), by considering dividends and interests on capital paid in the last four quarters, was 1.7%.

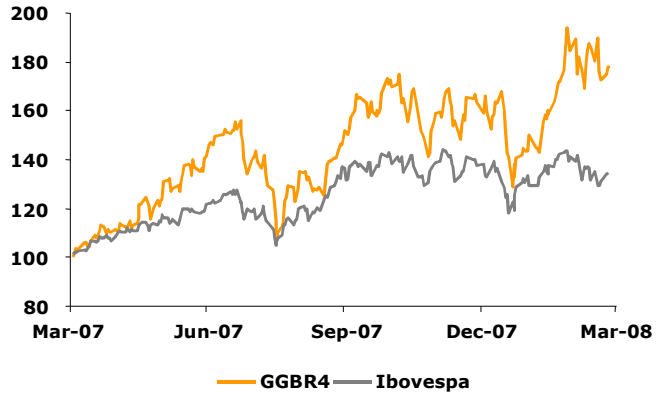
- The Board of Gerdau S.A. in meeting held today (May 12) approved submitted to the Shareholders Meeting to take place on May 30 a Stock Split of 100%, result from capitalization of Capital and

Profit Reserves. The amount of reserves to be capitalized will be R$ 3.5 billion. As a result of the Stock Split, the Capital Stock will increase to R$ 14.2 billion, respectively.

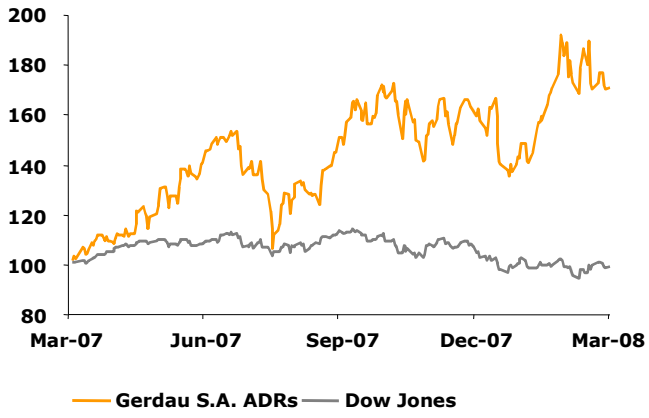
- Share liquidity
  - São Paulo Stock Exchange
    In the first three month of 2008, Gerdau S.A. (GGBR) stock trade transactions totaled R$ 7.1 billion, 91.6% higher than the value in the same period in 2007.
    The average daily trade value for preferred stocks was R$ 106.6 million.
    241,979 stock trade transactions were made until March this year, 77.8% higher than in the three months of the previous year.
    The number of stocks traded totaled 140.8 million from January to March 2008, 32.7% higher than that in the same period in 2007.
    Until March, preferred stocks had an appreciation of 4.7% versus a devaluation of IBOVESPA in 4.6%.
  - New York Stock Exchange (NYSE)
    Gerdau S.A. (GGB) ADRs trade transactions totaled US$ 6.0 billion in the first three months of 2008, 217.7% higher than that in the same period in 2007.
    The average daily trade value for ADRs was US$ 96.1 million versus US$ 30.9 million from January to March 2007.
    203.7 million securities were traded until March this year (110.7 million in the first three months of 2007).
    Until March, ADRs had an appreciation of 5.4% versus a devaluation of 8.3% of Dow Jones.
  - Madrid Stock Exchange (Latibex)
    From January to March 2008, 1.2 million Gerdau S.A. (XGGB) preferred stocks were traded, raising funds of € 23.8 million in the period.

- From April 2007 to March 2008, the quotation evolution of preferred stocks at Bovespa and NYSE is shown below:

BOVESPA
(Base 100)



NYSE
(Base 100)



- In the 1st quarter 2008, net profit of Gerdau S.A. reached R$ 818.8 million, equivalent to R$ 1.24 per share. This profit was basically originated from the equity equivalence on the investments in controlled/associated companies, and was 18.7% higher than that in the 1st quarter 2007.

- On March 31, 2008, the net equity of the Company was R$ 12.0 billion, representing a book value of R$ 18.20 per share.

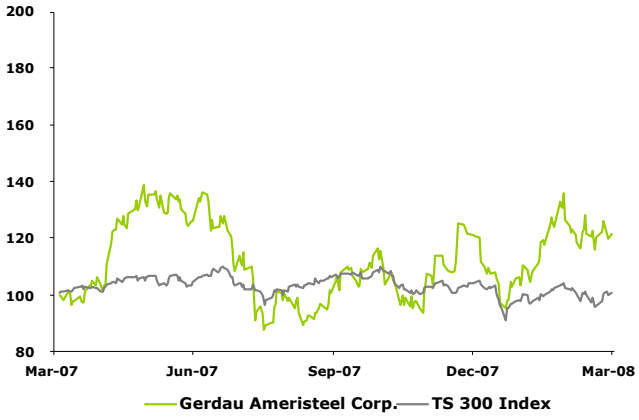
Gerdau Ameristeel Corporation

- On June 13, the shareholders of the Company will receive dividends related to the 1st quarter 2008 at the value of US$ 0.02 per share, based on the positions held by the shareholders on May 29.

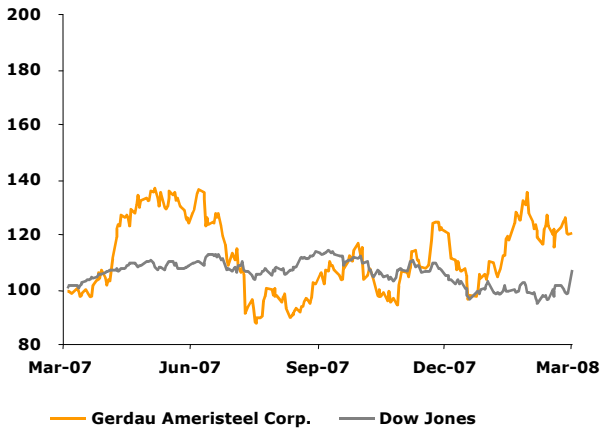
- Share liquidity
  - Toronto Stock Exchange
  - Gerdau Ameristeel (GNA) stock trade transactions totaled Cnd$ 570.1 million in the first three months of 2008. 44.3 million securities were traded in the period.
  - The average daily trade value was Cnd$ 9.0 million.
  - New York Stock Exchange (NYSE)
    Gerdau Ameristeel (GNA) stock trade transactions totaled US$ 867.2 million from January to March 2008, 141.2% above the same period in 2007.
    The average daily trade value was US$ 13.8 million until March this year.
    67.7 million securities were traded in the period.

- From April 2007 to March 2008, the quotation evolution of stocks at Toronto Stock Exchange and New York Stock Exchange (NYSE) is shown below:

TORONTO STOCK EXCHANGE
(Base 100)



NYSE
(Base 100)



- Results
  - Net revenue reached R$ 3.5 billion in the 1st quarter 2008 versus R$ 2.8 billion in the 1st quarter 2007, with growth of 24.0%.
  - EBITDA reached R$ 682.6 millions in the quarter (+31.2%), with margin of 19.5%.
  - Net profit was R$ 309.7 million in the 1st quarter, at the same level as for the 1st quarter 2007.

ADMINISTRATION

This document may include statements that comprise future expectations. These expectations depend on estimates, information or methods that may be incorrect or inaccurate and might not be achieved. These estimates are also subject to risks, uncertainties and assumptions, which include, among others: general economic, political and commercial conditions in Brazil and the markets where we operate, and existing and future governmental regulations. The potential investors are alerted herein that none of these expectations means a guarantee of future performance, because they involve risks and uncertainties. The company will not assume, and specifically denies, any obligation to update any expectations, since they make sense only on the date when they were prepared.