3Q2011 Conference Call
Gerdau S.A. Consolidated – IFRS

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November 10th, 2011

Global Crude Steel Production – 3Q11 x 3Q10

- ✓10% increase in global production of steel, reaching 375 million tonnes;
- ✓Excluding China, such growth reached 6%;
  - ✓Brazil: 5% increase, reaching 9 million tonnes;
  - ✓United States: 10% increase, reaching 22 million tonnes;
  - ✓Latin America (except Brazil): 9 million tonnes, an increase of 15%;
  - ✓India: 6% increase, reaching 18.3 million tonnes.

Source: worldsteel

Gerdau – Highlights

	Unit	3Q11	3Q10	Δ%	2Q11	Δ%
SHIPMENTS	Million tonnes	4.8	4.4	10%	4.9	-1%
NET SALES	R$ million	8,967	8,190	9%	9,010	-
EBITDA	R$ million	1,215	1,265	-4%	1,309	-7%
NET INCOME	R$ million	713	609	17%	503	42%
DIVIDENDS						
Metalúrgica Gerdau S.A.	R$ million	77	73		61	
Gerdau S.A.	R$ million	205	170		154	
CAPEX	R$ million	616	298		340	

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2011 Outlook

WORLD

✓Global GDP is expected to grow 4% in 2011 and 2012;

✓Steel consumption should grow 6,5% in 2011 and 5% in 2012.

BRAZIL

✓Civil construction: sector's GDP should grow 3.4%;

✓Manufacturing industry: should grow 1.5%.

✓Steel consumption should reach 26 million tonnes in 2011, in line with 2010.

A 12% growth is expected for 2012, reaching 29 million tonnes.

Source: worldsteel, IMF, Central Bank and Brazil Steel Institute.

2011 Outlook

NORTH AMERICA

- ✓U.S. GDP forecast: +1.5% in 2011 and +1.8% in 2012.
- ✓Canada GDP forecast: +2.1% in 2011 and 1.9% in 2012.
- ✓Steel consumption in the U.S.: +12% in 2011 (89 MM tonnes) and +5% in 2012 (94 MM tonnes);
- ✓Steel consumption in Canada: same as 2011 (14 MM tonnes) and +5% in 2012 (15 MM tonnes);
- ✓Industrial and energy sectors stand out.

LATIN AMERICA

- ✓Strong economic growth;
- ✓Steel consumption: +9% in 2011 (40 MM tonnes) and +5% in 2012 (42 MM tonnes).

Source: worldsteel, IMF, Latin American Iron and Steel Institute.

2011 Outlook

SPECIAL STEEL

NORTH AMERICA:

✓Light vehicles market should grow 8%;

✓Medium and heavy commercial vehicles production should grow 34%.

BRAZIL:

✓Vehicle production should reach 3.4 million units;

EUROPE:

✓Commercial light vehicles sector should grow 5%;

✓Medium and heavy commercial vehicles sector should grow 18%.

Source: ANFAVEA, ACEA

Final Comments

✓Growth outlook for the steel demand in 2012. Even though we keep cautious about the global economic scenario;

✓Our sales have kept a good pace, especially because of the rising demand in the emerging nations where we operate;

✓Concern about the deindustrialization of the metal-mechanical chain in Brazil and Latin America;

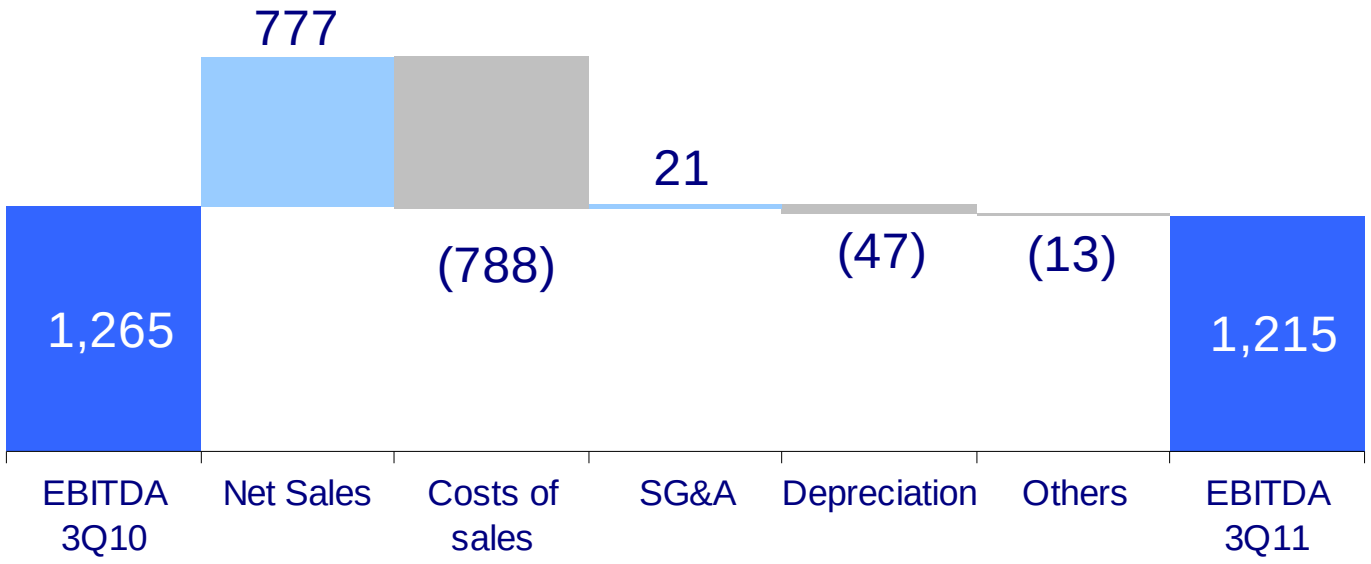
✓Ongoing efforts to improve our operations;

- ✓Efforts to reduce the impact of raw material costs:
  - Increase in iron ore production;
  - Monetization of the iron ore surplus;
  - Increase the use of coking coal from Colombia.

Performance of Gerdau 3Q11 x 3Q10 – Consolidated

In R$ million

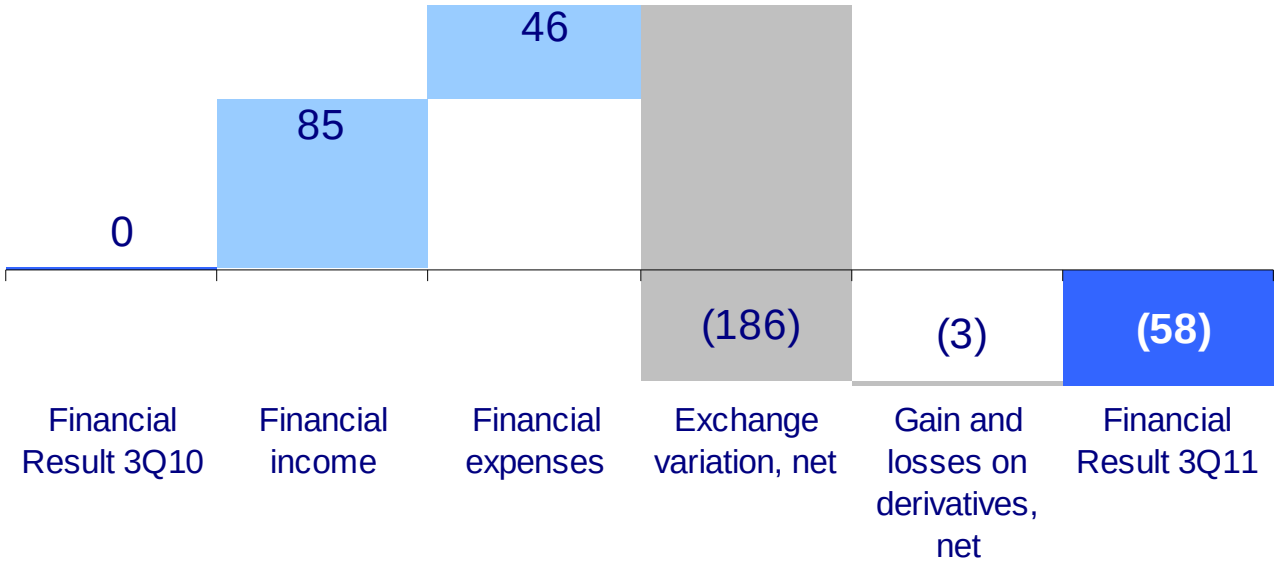
	3Q11	3Q10	Δ 3Q11/3Q10	2Q11	Δ 3Q11/2Q11
NET SALES	8.967	8.190	9%	9.010	0%
Cost of sales	(7.628)	(6.840)	12%	(7.606)	0%
SG&A	(591)	(612)	-3%	(589)	0%
Other operating income and expenses	24	49	-51%	18	33%
Equity in earnings of unconsolidated	5	(6)	-	45	-89%
Financial result, net	(58)	-	-	(217)	-73%
Income and social contribution taxes	(6)	(172)	-97%	(158)	-96%
NET INCOME	713	609	17%	503	42%
EBITDA	1.215	1.265	-4%	1.309	-7%
EBITDA Margin	14%	15%	-	15%	-
SHIPMENTS (thousand tonnes)	4.849	4.415	10%	4.897	-1%



Financial Result 3Q11 x 3Q10

In R$ million

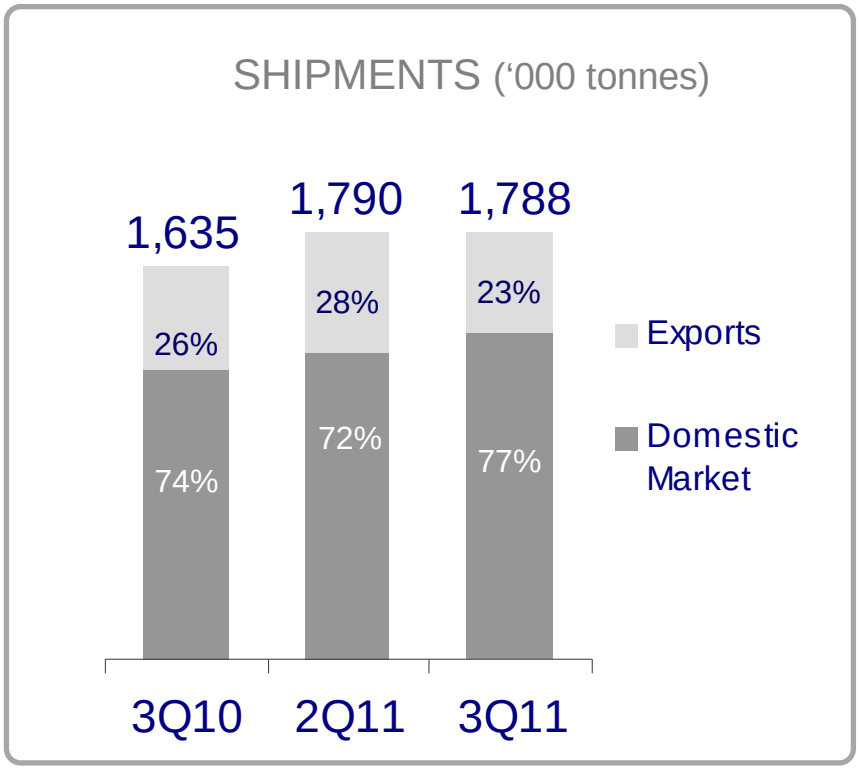
	3Q11	3Q10	Δ 3Q11/3Q10	2Q11	Δ 3Q11/2Q11
FINANCIAL RESULT	(58)	-	-	(217)	-73%
Financial income	159	74	115%	107	49%
Financial expenses	(230)	(276)	-17%	(254)	-9%
Exchange variations, net	12	198	-94%	-	-
Gain and losses on derivatives, net	1	4	-75%	(70)	-

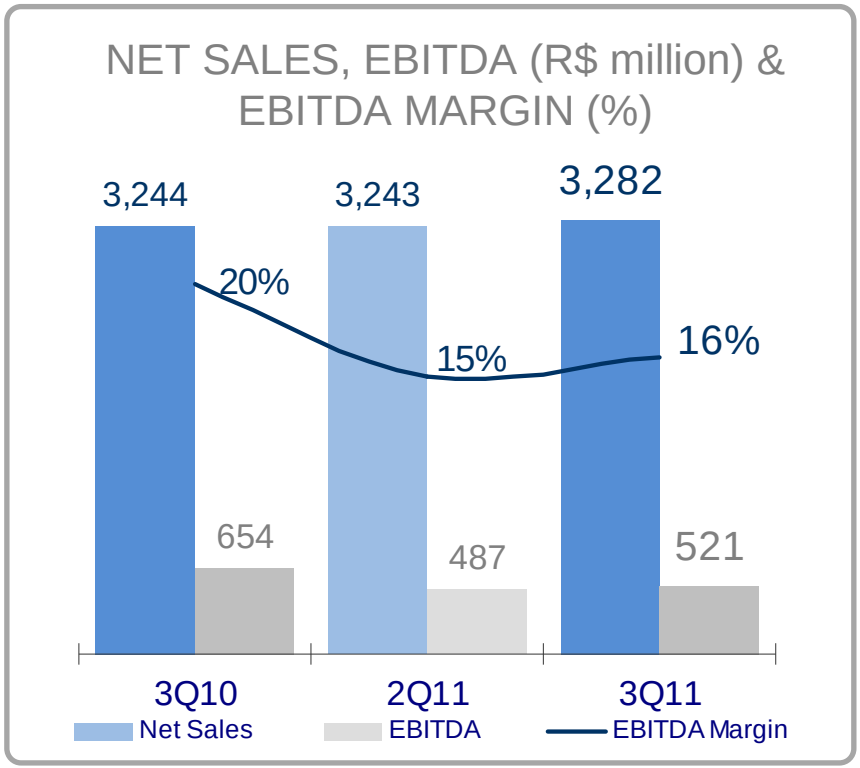


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Gerdau Performance 3Q11 x 3Q10 – Brazil BO1

Shipments: +9%	• Good demand in the domestic market.
Net Sales: +1%	• Net sales affected by the discounts granted in the domestic market during the 2H10.
Costs: +5%	• Higher raw materials costs.



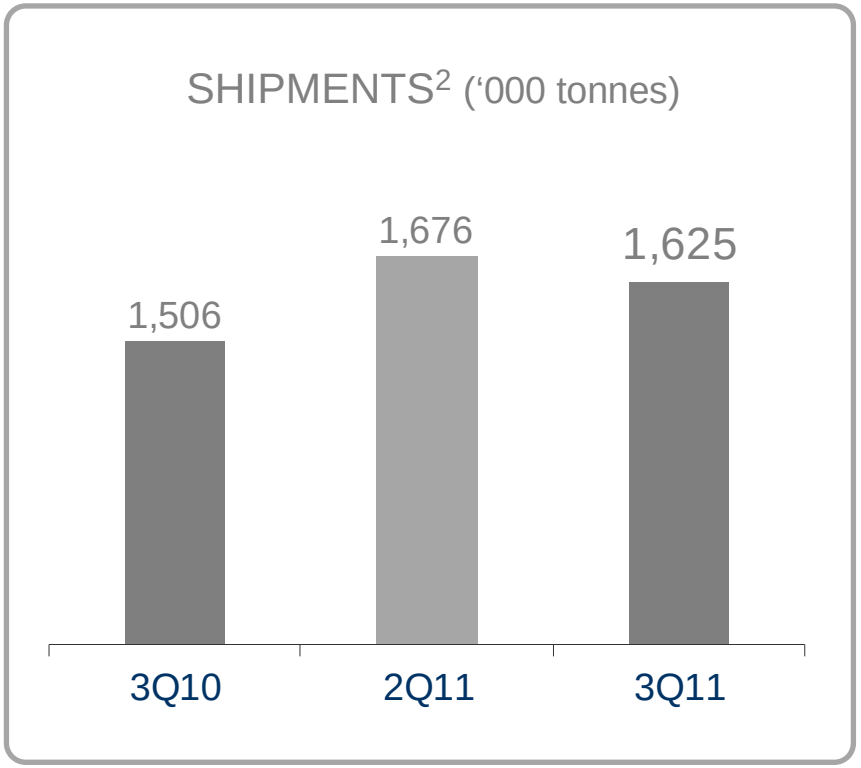


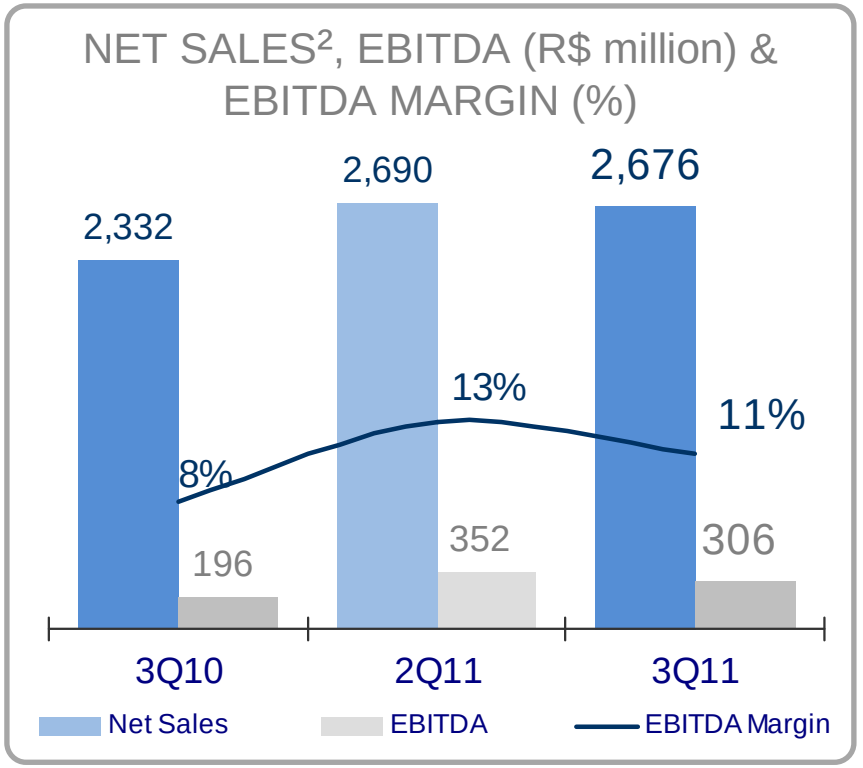
Note1: Includes all operations in Brazil, except specialty steel.

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Gerdau Performance 3Q11 x 3Q10 – North America BO[1]

Shipments: +8%	• Greater demand from the manufacturing and energy sectors.
Net Sales: +15%	• Higher shipments and higher net sales per tonne sold.
Costs: +13%	• Higher shipments and higher raw materials costs.



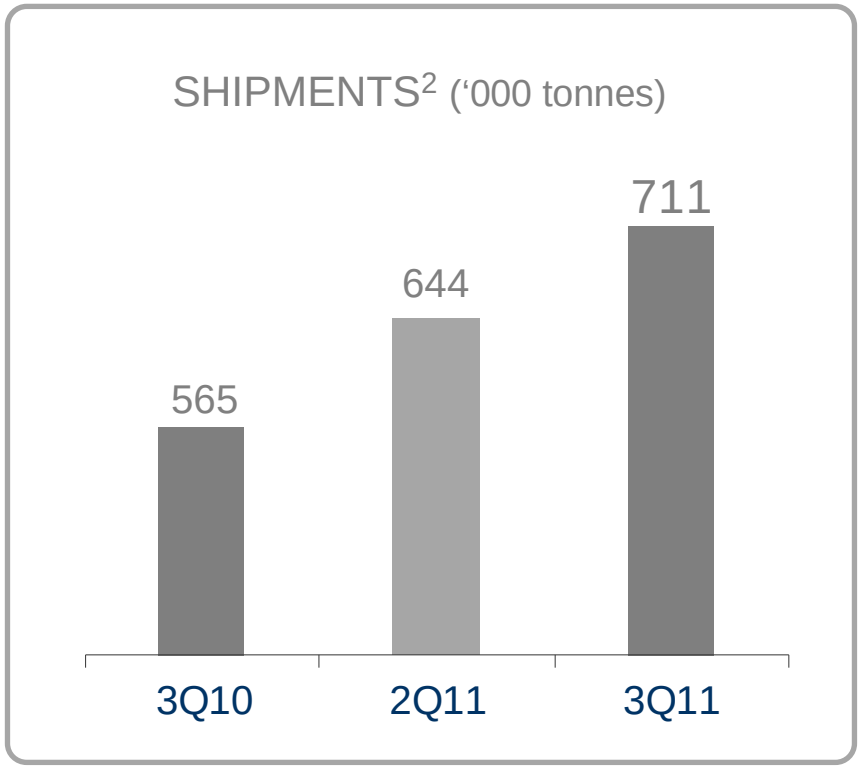


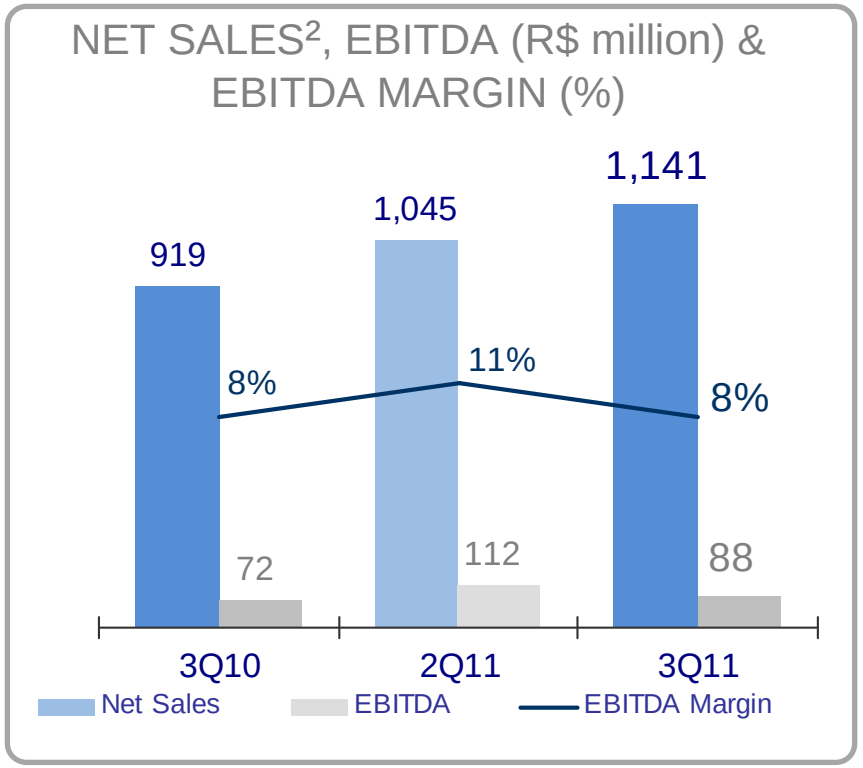
Note 1: Includes all operations in North America, except Mexico and specialty steel.
Note 2: Excludes data from associated and shared controlled companies.

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Gerdau Performance 3Q11 x 3Q10 – Latin America BO[1]

Shipments: +26%	• Higher shipments from Colombia, Mexico and Argentina, with good demand from the construction sector in these countries.
Net Sales: +24%	• Higher shipments.
Costs: +23%	• Higher shipments.





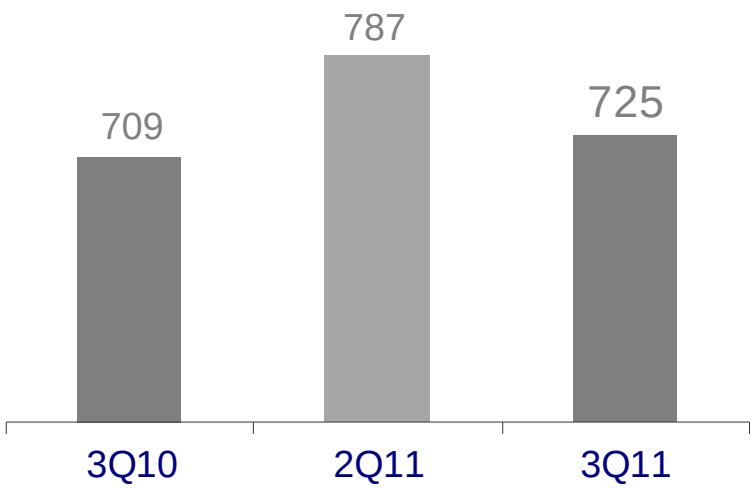
Note 1: Includes all operations in Latin America, except Brazil.
Note 2: Excludes data from associated and shared controlled companies.

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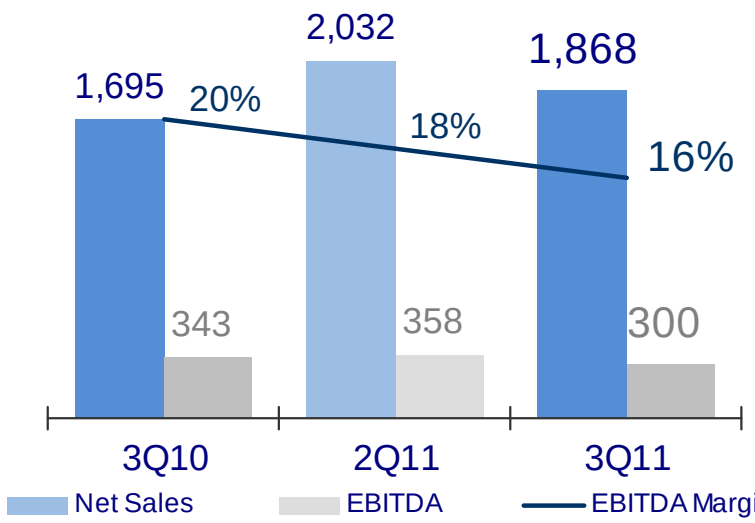
Gerdau Performance 3Q11 x 3Q10 – Special Steel BO[1]

Shipments: +2%	• Brazil and USA: stability due to the high level already reached. • Spain: higher exports to Germany and France.
Net Sales: +10%	• Better prices.
Costs: +15%	• Higher raw materials costs.

SHIPMENTS[2] ('000 tonnes)



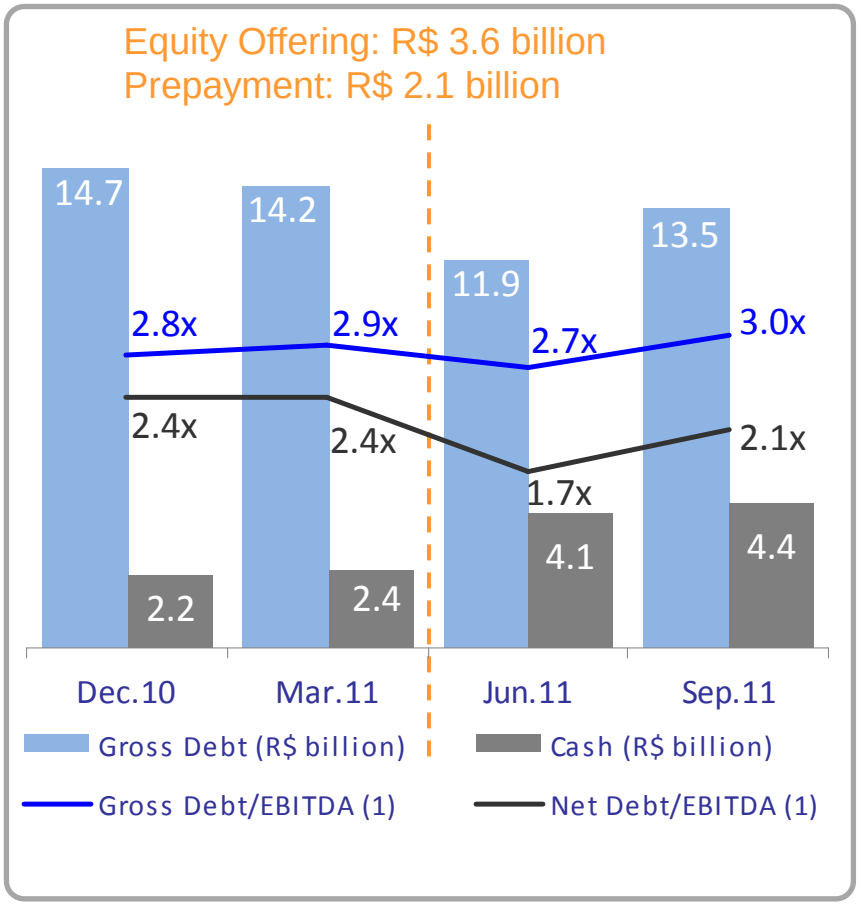
NET SALES[2], EBITDA (R$ million) & EBITDA MARGIN (%)

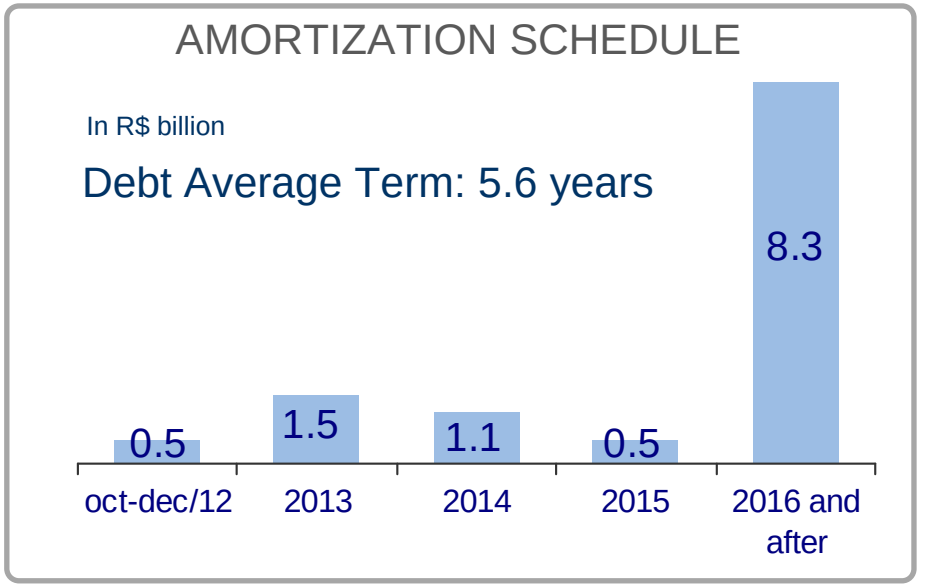


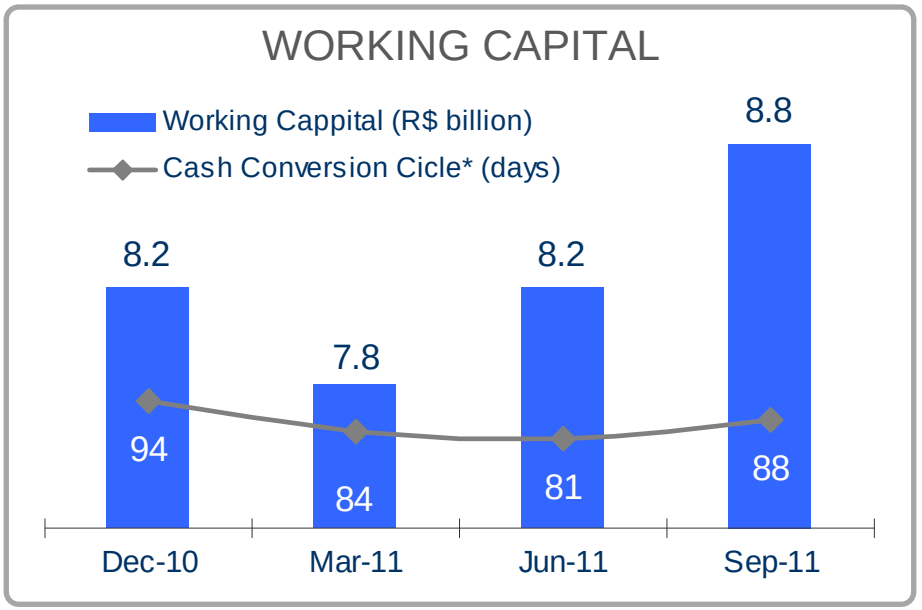
Note 1: Includes all Specialty Steel operations in Brazil, Spain and USA.
Note 2: Excludes data from associated and shared controlled companies.

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Indebtedness and Liquidity







COST OF DEBT: 6.3%

Local currency: 8.3%

Foreign currency: 5.7% + VC

Companies abroad: 5.9%

(1) EBITDA in last 12 months

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Statement

This presentation may contain forward-looking statements. These forward-looking statements rely upon estimates, information or methods that may be incorrect or inaccurate and may not actually occur. These estimates are also subject to risks, uncertainties and assumptions, including, among others: general economic, political and commercial conditions in Brazil and in the markets where we operate and existing and future government regulations. Potential investors are hereby informed that these estimates do not constitute a guarantee of future performance as they involve risks and uncertainties. The Company does not undertake, and specifically denies, any obligation to update any estimate, which only speak as of the date they are made.

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