2Q13 Conference Call
Gerdau S.A. Consolidated – IFRS

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Industry Overview

- ✓ World steel production of 401.1 million metric tons in 2Q13, growing by 1.8% from 2Q12;
  - ✓ Brazil: production of 8.6 million metric tons, in line with 2Q12;
  - ✓ Latin America (ex-Brazil): production of 8.3 million metric tons, up 3.9%;
  - ✓ United States: production of 21.8 million metric tons, down 5.3%.
- ✓ World Outlook:
  - ✓ World GDP growth forecast at 3.1%;
  - ✓ Steel consumption forecast to grow 2.9% to 1.45 billion metric tons.

Note: Comparisons of 2Q13 vs. 2Q12.

Source: worldsteel, Instituto Aço Brasil and Alacero.

Gerdau – Highlights

	Unit	2Q13	2Q12	Δ%	1Q13	Δ%
SHIPMENTS	Million tonnes	4.6	4.8	-4.2%	4.6	0.0%
CRUDE STEEL PRODUCTION	Million tonnes	4.6	5.0	-8.0%	4.4	4.5%
NET SALES	R$ million	9,882	9,975	-0.9%	9,166	7.8%
EBITDA	R$ million	1,196	1,244	-3.9%	805	48.6%
NET INCOME	R$ million	401	549	-27.0%	160	150.6%
CAPEX	R$ million	635	850		557	

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2013 Outlook

BRAZIL

- ✓ Economy: GDP growth forecast at 2.3%;
- ✓ Steel consumption: growth forecast of 4.3% to 26.2 million metric tons;
- ✓ Construction industry: expected growth in Construction GDP of 1.1%;
- ✓ Manufacturing industry: Industrial GDP projected to grow 1.2%;
- ✓ Agriculture: growth of 7.6% in Agriculture GDP.

Source: Central Bank and Instituto Aço Brasil.

2013 Outlook

NORTH AMERICA

- ✓ Gradual economic recovery, driving demand for our products;
- ✓ U.S. GDP growth forecast: 1.7%;
- ✓ U.S. steel consumption growth forecast: 2.7% to 99.3 million metric tons.

LATIN AMERICA

- ✓ Healthy economic growth in the region, with expected GDP growth rates of 4% to 6% in certain countries;
- ✓ Steel consumption growth forecast: 6.4% to 44.5 million metric tons.

Source: worldsteel, IMF, Bloomberg and Alacero.

2013 Outlook

SPECIAL STEEL

BRAZIL:

✓ Outlook for 2013 still positive, although lower economic growth in Brazil could curb industry performance.

NORTH AMERICA:

✓ Outlook for auto industry remains positive.

EUROPE:

✓ Sales projected to decline due to the region's slower economic growth.

INDIA:

✓ Growing market, though at a more moderate pace than in previous years.

Closing Remarks

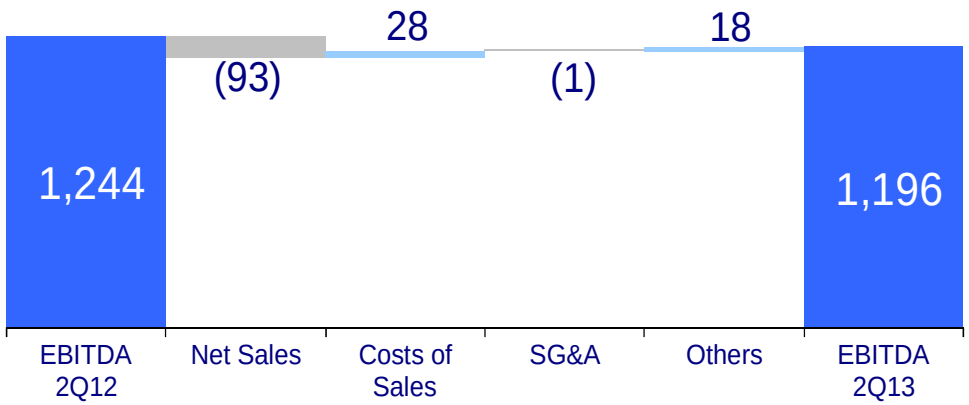
- ✓ Challenges facing the industry:
  - ✓ slowing world economic growth;
  - ✓ crisis in Europe;
  - ✓ supply/demand imbalance;
  - ✓ growing steel imports in the United States; and
  - ✓ deindustrialization of the steel chain in Brazil and other Latin America countries.
- ✓ Gerdau has the experience and management capacity to emerge even stronger from the current moment in the steel industry.

Performance of Gerdau 2Q13 x 2Q12 – Consolidated

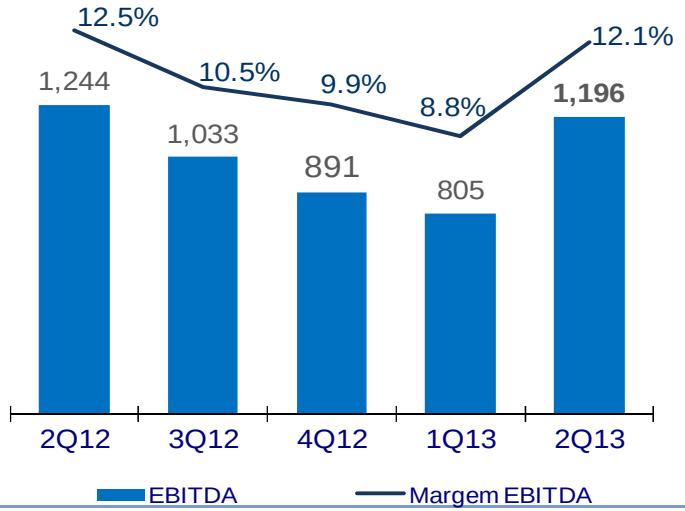
In R$ million

	2Q13	2Q12	Δ 2Q13/2Q12	1Q13	Δ 2Q13/1Q13
NET SALES	9,882	9,975	-0.9%	9,166	7.8%
Costs of Sales	(8,540)	(8,550)	-0.1%	(8,257)	3.4%
SG&A	(636)	(636)	0.0%	(635)	0.2%
Other operating income and expenses	14	9	55.6%	50	-72.0%
Equity in earnings of unconsolidated companies	-	(13)	-	17	-
Financial result, net	(548)	(335)	63.6%	(192)	185.4%
Income and Social Contribution taxes	229	99	131.3%	11	1981.8%
NET INCOME	401	549	-27.0%	160	150.6%
EBITDA	1,196	1,244	-3.9%	805	48.6%
EBITDA Margin	12.1%	12.5%	-	8.8%	-
SHIPMENTS (thousand tonnes)	4,633	4,778	-3.0%	4,555	1.7%

EBITDA Evolution (R$ million)



EBITDA (R$ million) and EBITDA Margin

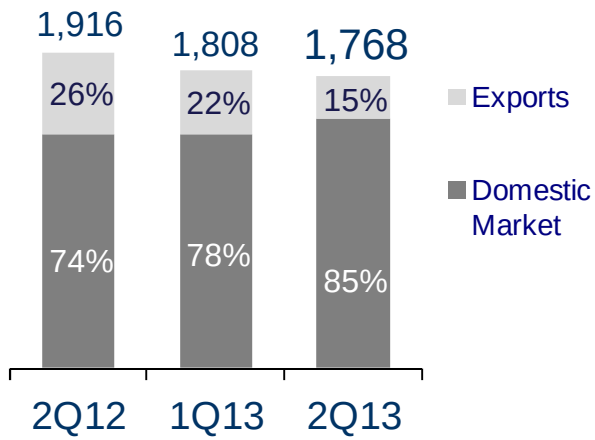


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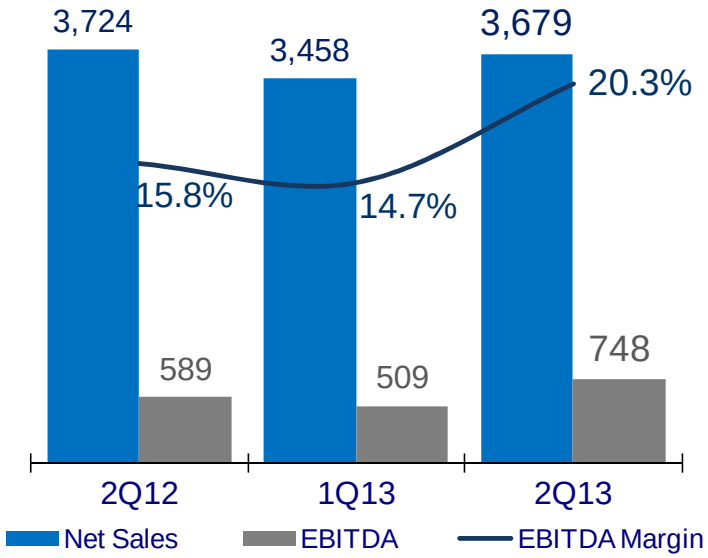
Performance Gerdau 2Q13 vs. 2Q12 – Brazil BO

Shipments: -7.7%	• Higher domestic demand (+6.2%). • Lower exports (-47.4%).
Net sales: -1.2%	• Lower sales volume, although with a better mix. • Higher net sales per metric tonne shipped.
Costs: -6.8%	• Reduction in shipments.

SHIPMENTS ('000 tonnes)



NET SALES, EBITDA (R$ millions) & EBITDA Margin (%)



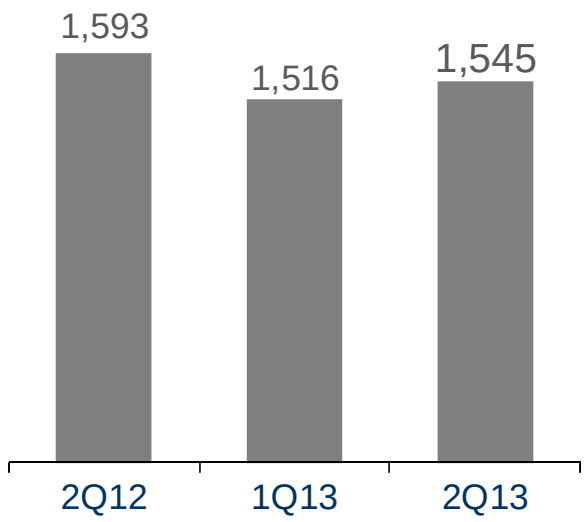
Note1: includes all operations in Brazil (except special steel) and the Colombia metallurgical coal and coke operation.

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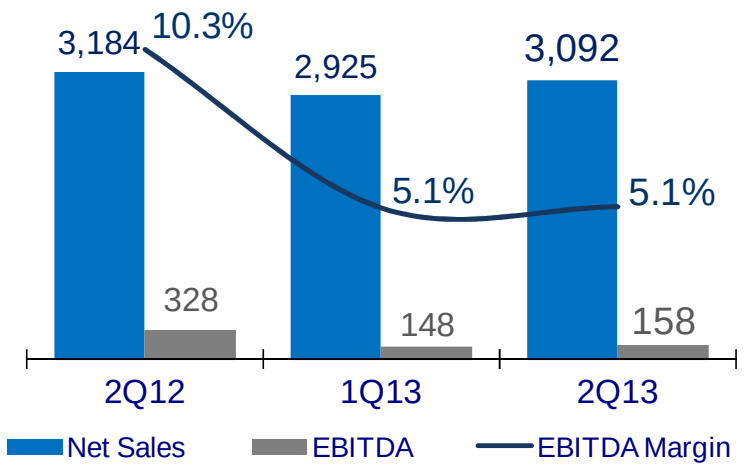
Performance Gerdau 2Q13 vs. 2Q12 – North America BO[1]

Shipments: -3.0%	• Installation of new management software and higher imports in the period.
Net sales: -2.9%	• Lower sales volume and lower price in USD.
Costs: +2.5%	• Exchange variation in the period.

SHIPMENTS[2] ('000 tonnes)



NET SALES[2], EBITDA (R$ millions) & EBITDA Margin (%)

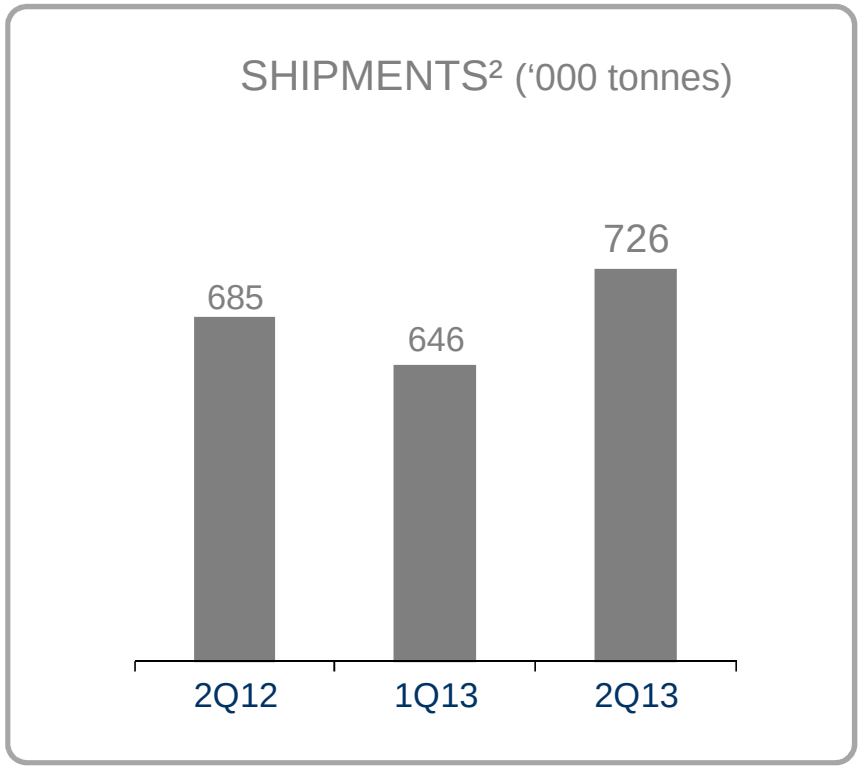


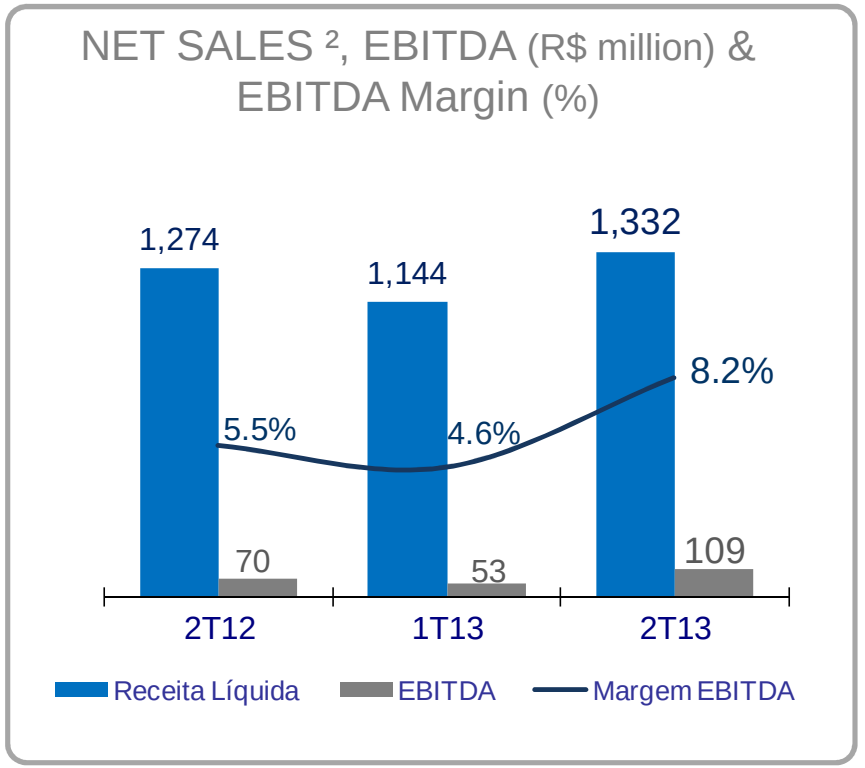
Note 1: Includes all operations in North America, except Mexico and specialty steel
Note 2: Excludes data from associated companies and jointly controlled entities.

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Performance Gerdau 2Q13 vs. 2Q12 – Latin America BO

Shipments: +6.0%	• Stronger demand in the region.
Net sales: +4.6%	• Higher sales volume.
Costs: +2.8%	• Higher sales volume and greater dilution of fixed costs.



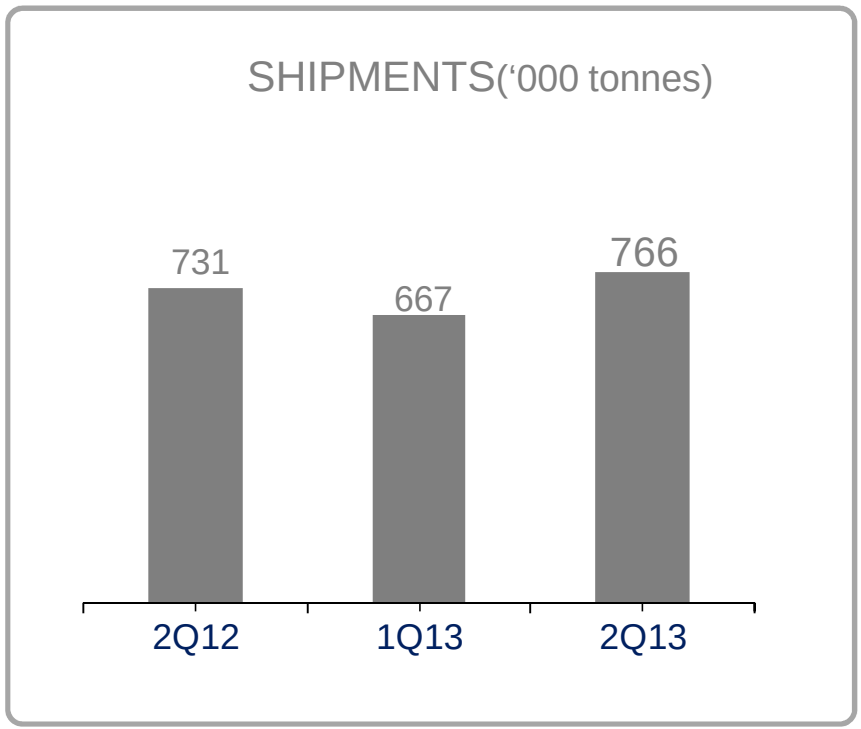


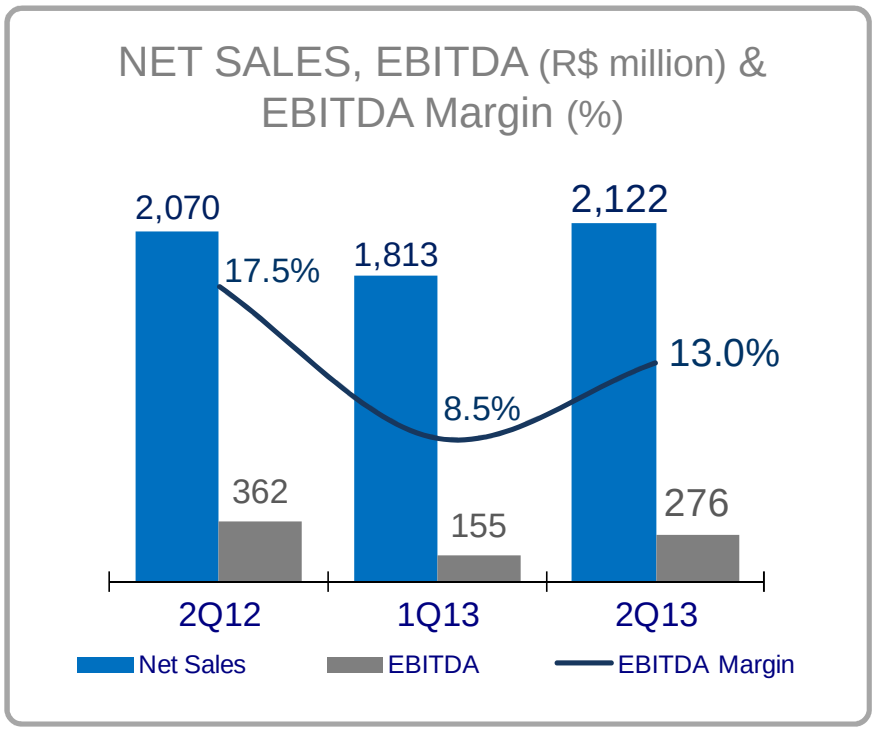
Note 1: Includes all operations in Latin American, except Brazilian operations and Colombian metallurgical coal and coke operation.
Note 2: Excludes data from associated companies and jointly controlled entities

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Performance Gerdau 2Q13 vs. 2Q12 – Special Steel BO[1]

Shipments: +4.8%	• Higher volumes in Brazil.
Net sales: +2.5%	• Higher sales volumes and lower net sales per tonne in Spain and United States.
Costs: +8.7%	• Higher sales volume and exchange variation.

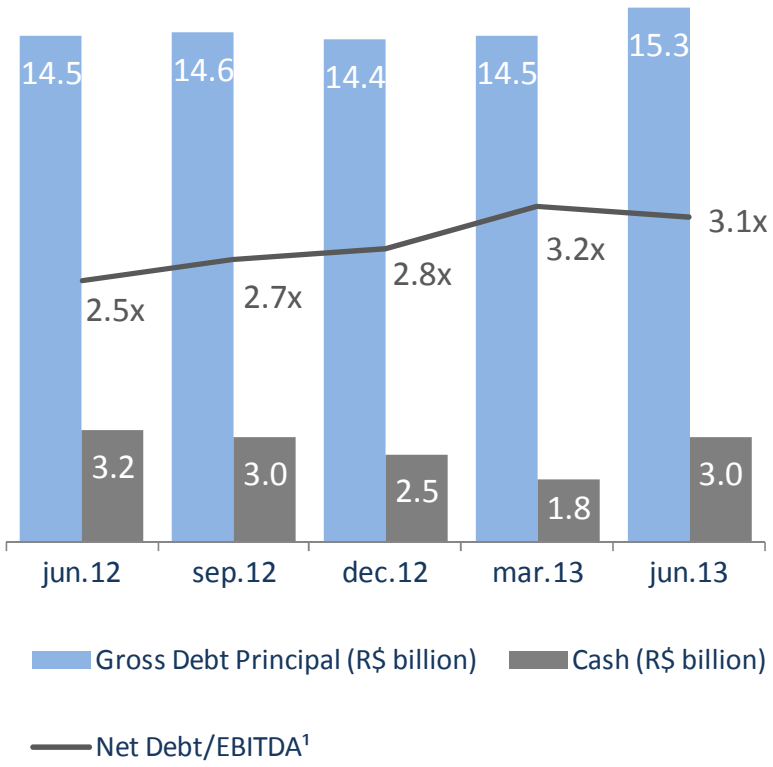




Note 1: Includes all Special Steel operations in Brazil, Spain, USA and India.

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Indebtedness and Liquidity



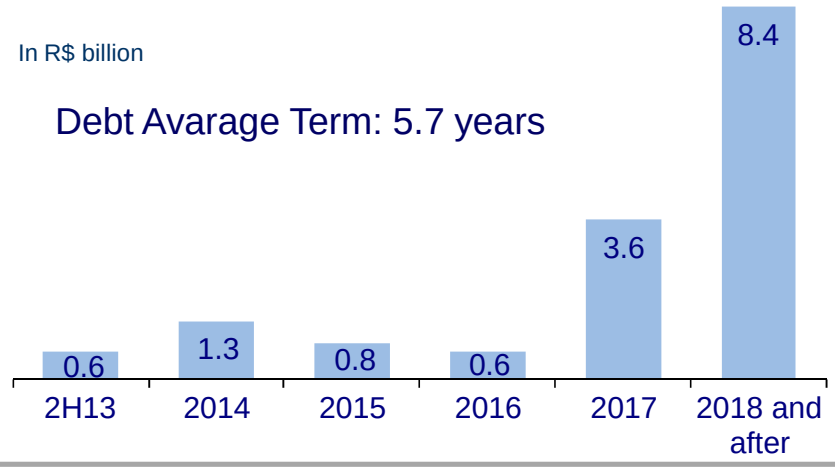
COST OF DEBT: 6.1%

Local Currency: 7.4%

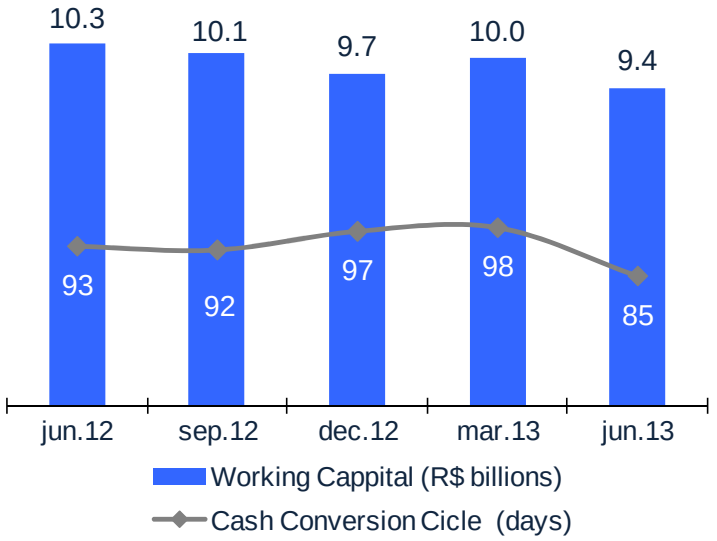
Foreing Currency: 5.8% + FX

Companies Abroad: 6.1%

AMORTIZATION SCHEDULE



WORKING CAPITAL AND CASH CONVERSION CICLE



(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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