3Q13 Conference Call
Gerdau S.A. Consolidated – IFRS

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Industry Overview

- ✓ World steel production of 396.4 million tonnes in 3Q13, up 4.1% from 3Q12;
  - ✓ Brazil: output of 8.9 million tonnes, up 2.5% from 3Q12;
  - ✓ Latin America (ex Brazil): production of 8.6 million tonnes, up 11%;
  - ✓ United States: output of 22.0 million tonnes, up 1.2% from 3Q12.
- ✓ World Outlook:
  - ✓ World GDP growth forecast at 2.9% for 2013 and 3.6% for 2014;
  - ✓ Steel consumption expected to grow by 3.1% in 2013 and 3.3% in 2014.

Note: Comparisons of 3Q13 vs. 3Q12.

Source: worldsteel, Instituto Aço Brasil and Alacero.

Gerdau – Highlights

	Unit	3Q13	3Q12	Δ%	2Q13	Δ%
SHIPMENTS	Million tonnes	4,775	4,774	0.0%	4,634	3.0%
CREDU STEEL PRODUCTION	Million tonnes	4,507	4,747	-5.1%	4,646	-3.0%
NET SALES	R$ million	10,494	9,819	6.9%	9,882	6.2%
EBITDA	R$ million	1,413	1,033	36.8%	1,196	18.1%
NET INCOME	R$ million	642	408	57.4%	401	60.1%
CAPEX	R$ million	715	904		635	

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2013 Outlook

BRAZIL

- ✓ Economy: GDP growth forecast at 2.5%;
- ✓ Steel consumption: growth of 3.2% compared to the prior year, to 26.0 million tonnes;
- ✓ Construction Industry: growth of 1.9% in construction GDP;
- ✓ Manufacturing Industry: industrial GDP estimated to grow 1.4%;
- ✓ Agriculture: growth of 9.9% in agriculture GDP.

Source: Instituto Aço Brasil, Focus e BACEN.

2013 Outlook

NORTH AMERICA

- ✓ Indicators show gradual recovery in the economy;
- ✓ Forecast for U.S. GDP growth: 1.6%;
- ✓ U.S. steel consumption: growth of 0.7% to 96.9 million tonnes;

LATIN AMERICA

- ✓ Healthy economic growth in the region, led by Peru (GDP +5.4%), Chile (GDP +4.4%) and Colombia (GDP +3.7%);
- ✓ Steel consumption: expected consumption of 42.4 million tonnes, growing 0.7% compared to 2012.

Source: worldsteel, FMI, Bloomberg e Alacero.

2013 Outlook

SPECIAL STEEL

BRAZIL:

✓ Total vehicle production expected to grow, driven mainly by a recovery in truck production;

✓ Light vehicle production should set a new record with projected growth of 12%;

NORTH AMERICA:

✓ Prospect of maintaining good demand in the auto industry.

EUROPE:

✓ Prospect for slight recovery in late 2013 driven by the implementation of Euro 6 in early 2014.

INDIA:

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

Closing Remarks

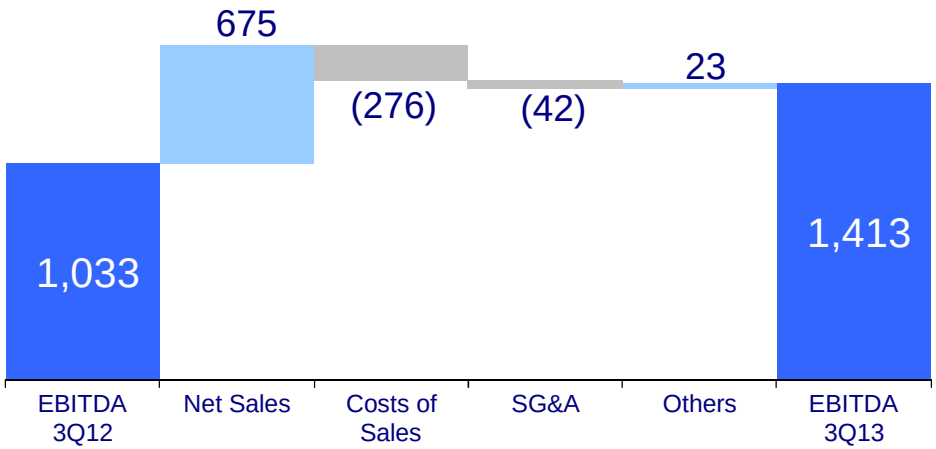
- ✓ We continue to focus our efforts on increasing efficiency throughout Gerdau's operations:
  - ✓ Higher EBITDA generation;
  - ✓ Improvement in liquidity and debt indicators;
  - ✓ Working Capital reduction: over R$700 million in 12 months;
- ✓ The challenge posed by excess installed capacity in the world steel industry remains a source of concern for 2014;
- ✓ Gerdau continues to pursue higher levels of efficiency and competitiveness.

Performance Gerdau 3Q13 x 3Q12 – Consolidated

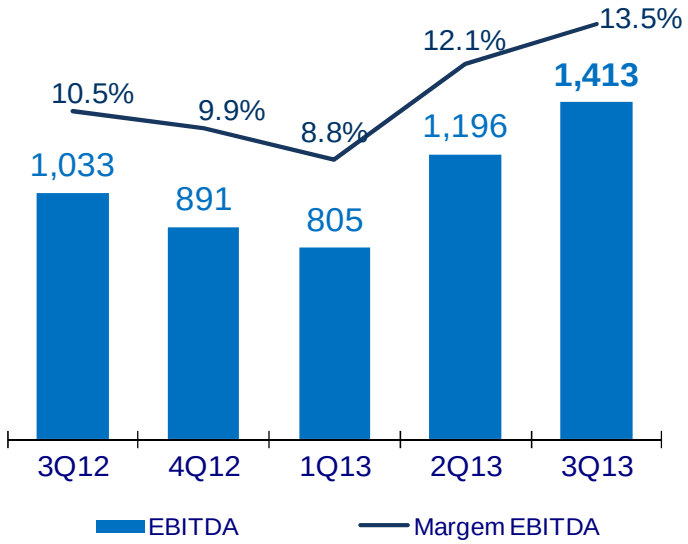
In R$ million

	3Q13	3Q12	Δ 3Q13/3Q12	2Q13	Δ 3Q13/2Q13
NET SALES	10,494	9,819	6.9%	9,882	6.2%
Costs of Sales	(8,960)	(8,621)	3.9%	(8,540)	4.9%
SG&A	(672)	(630)	6.7%	(636)	5.7%
Other operating income and expenses	5	3	66.7%	13	-61.5%
Equity in earnings of unconsolidated companies	18	(3)	-	-	-
Financial result, net	(206)	(134)	53.7%	(548)	-62.4%
Income and Social Contribution taxes	(37)	(26)	42.3%	230	-
NET INCOME	642	408	57.4%	401	60.1%
EBITDA	1,413	1,033	36.8%	1,196	18.1%
EBITDA Margin	13.5%	10.5%	-	12.1%	-
SHIPMENTS (thousand tonnes)	4,775	4,774	0.0%	4,634	3.0%

EBITDA Evolution (R$ million)



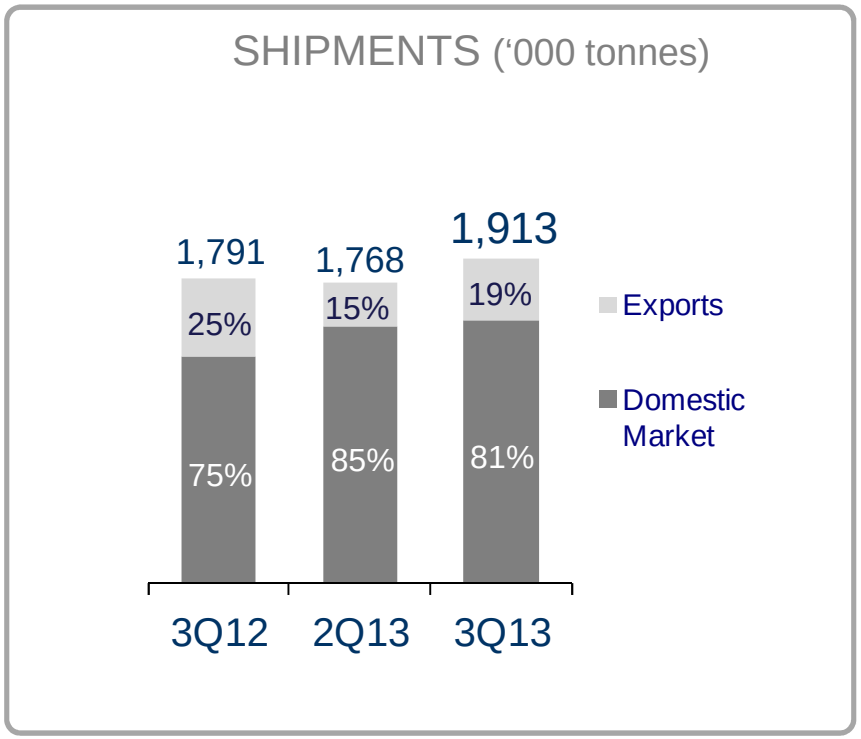
EBITDA (R$ million) and EBITDA Margin

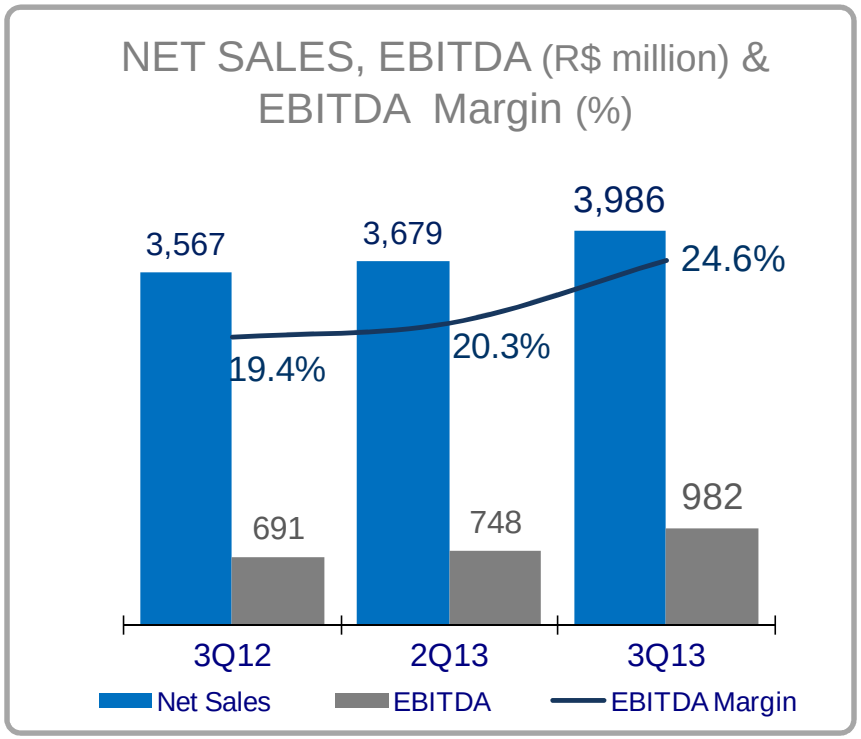


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Performance Gerdau 3Q13 x 3Q12 – Brazil BO[1]

Shipments: +6.8%	• Stronger domestic demand (+15.3%). • Lower exports (-18.4%).
Net sales: +11.7%	• Improved mix of markets. • Higher net sales per tonne shipped.
Costs: +4.6%	• Higher shipments.



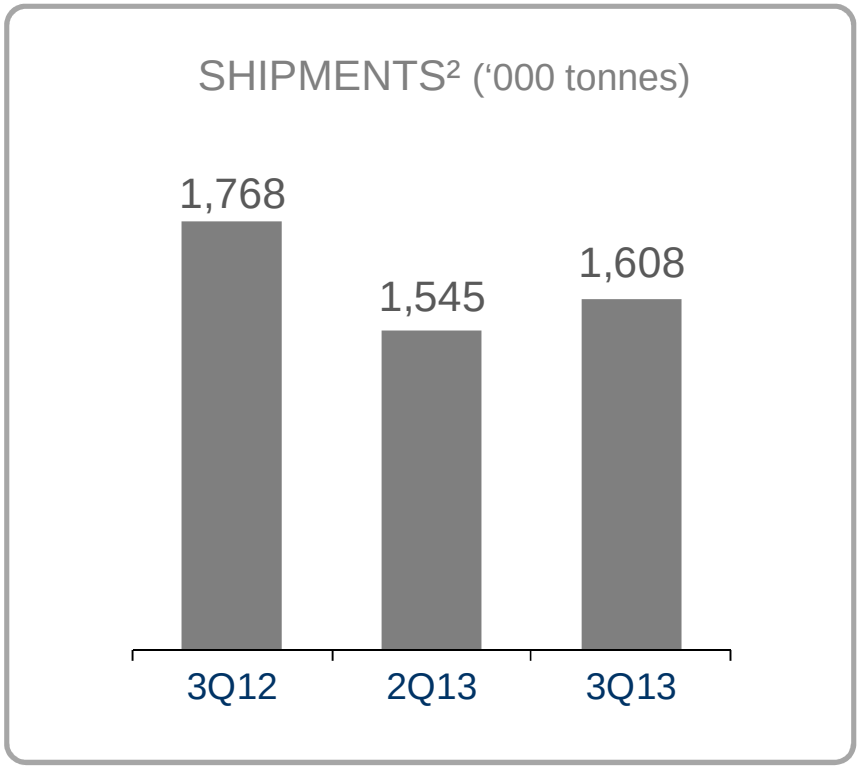


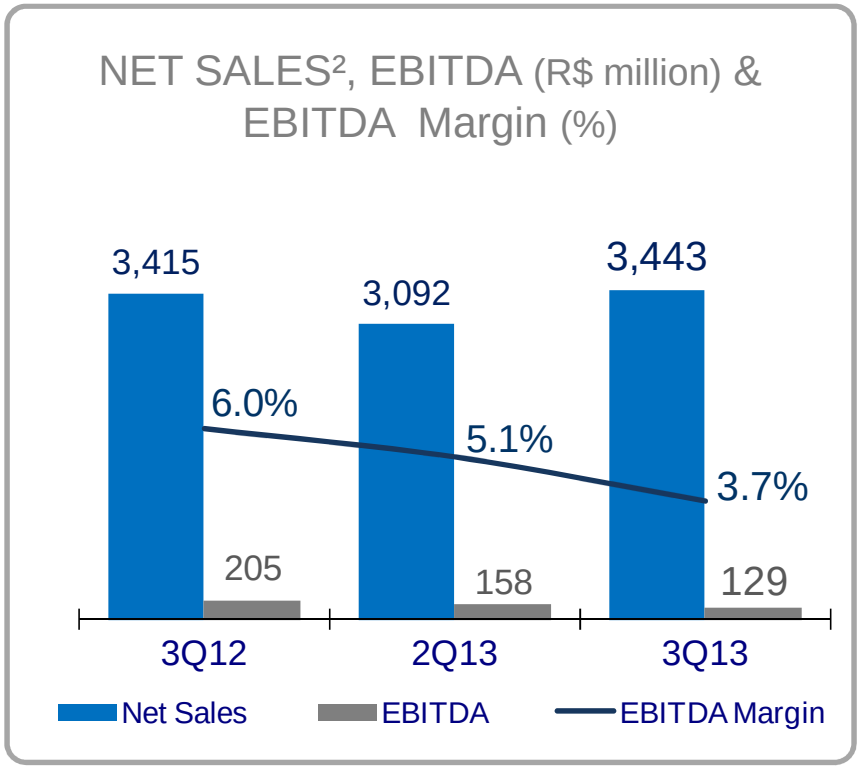
Note1: includes all operations in Brazil (except special steel) and the Colombia metallurgical coal and coke operation.

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Performance Gerdau 3Q13 x 3Q12 – North America BO[1]

Shipments: -9.0%	• High levels of imports in the period.
Net sales: +0.8%	• Lower price in USD, offset by exchange variation in the period.
Costs: +3.2%	• Exchange variation in the period.



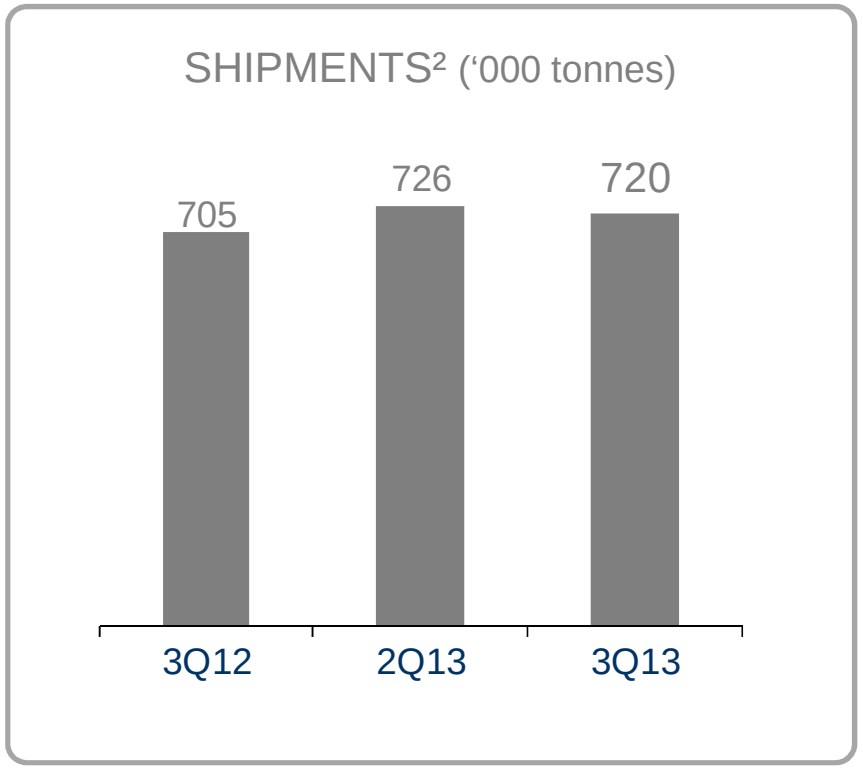


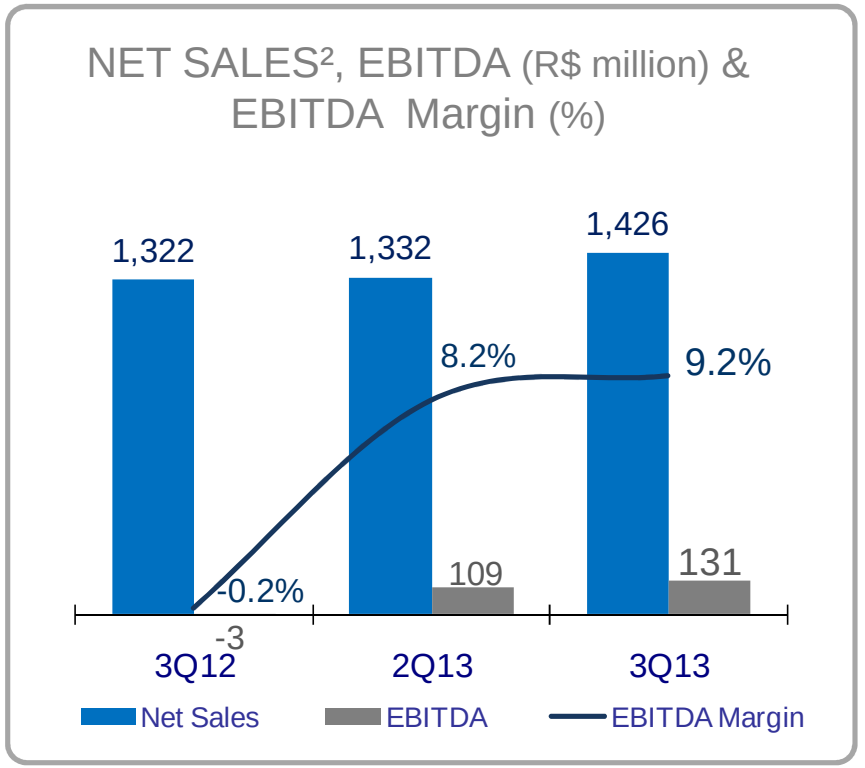
Note 1: Includes all operations in North America, except Mexico and specialty steel
Note 2: Excludes data from associated companies and jointly controlled entities.

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Performance Gerdau 3Q13 x 3Q12 – Latin America BO[1]

Shipments: +2.1%	• Strong demand in the region.
Net sales: +7.9%	• Higher net sales per tonne shipped.
Costs: 0%	• Higher dilution of fixed costs.



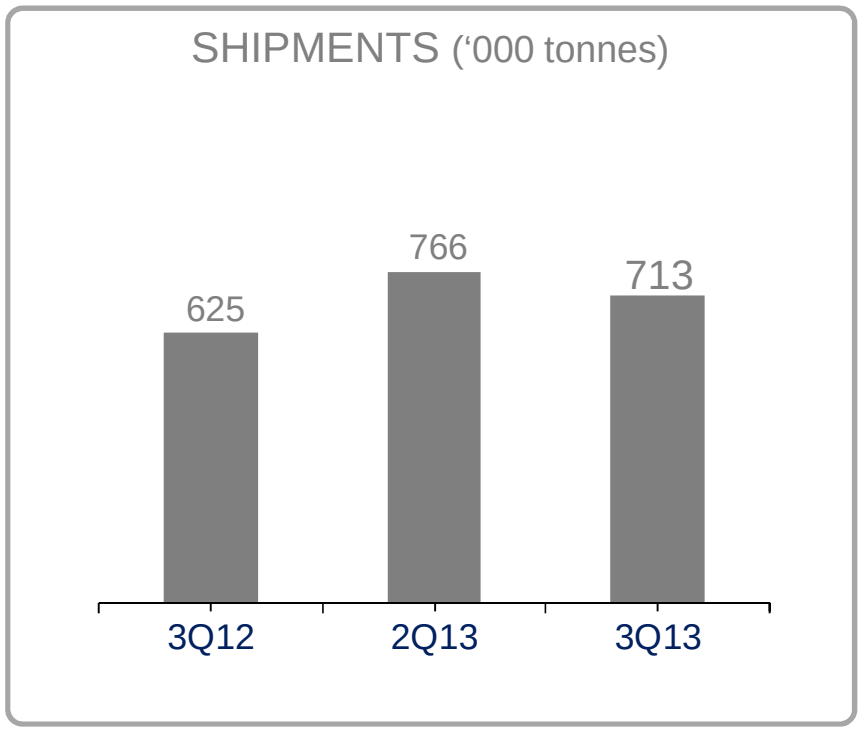


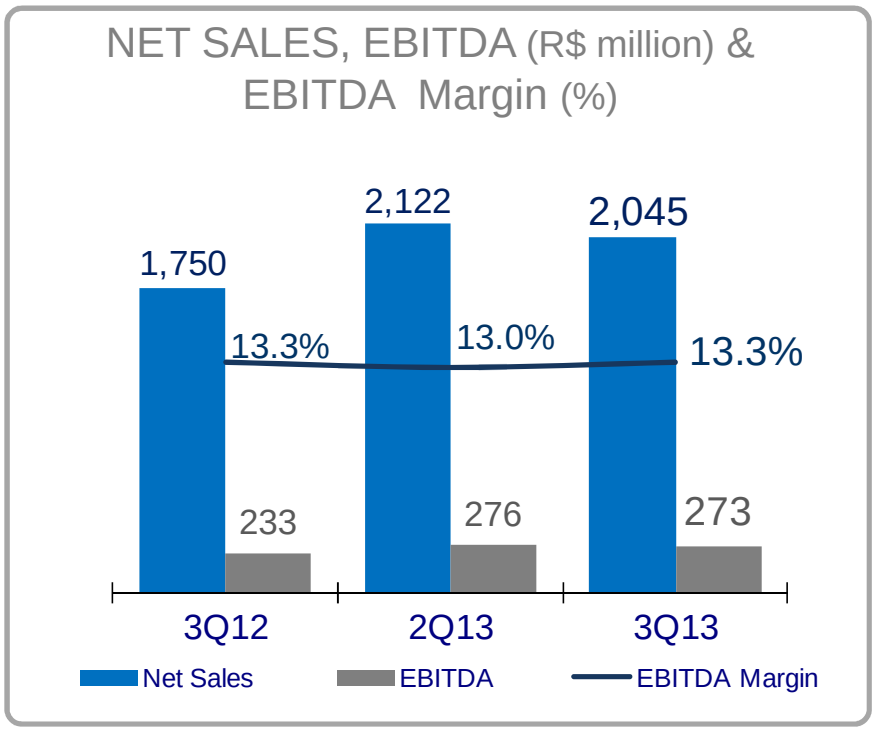
Note 1: Includes all operations in Latin American, except Brazilian operations and Colombian metallurgical coal and coke operation.
Note 2: Excludes data from associated companies and jointly controlled entities

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Performance Gerdau 3Q13 x 3Q12 – Special Steel BO[1]

Shipments: +14.1%	• Higher volumes in Brazil and India.
Net sales: +16.9%	• Higher shipments.
Costs: +18.1%	• Higher shipments.

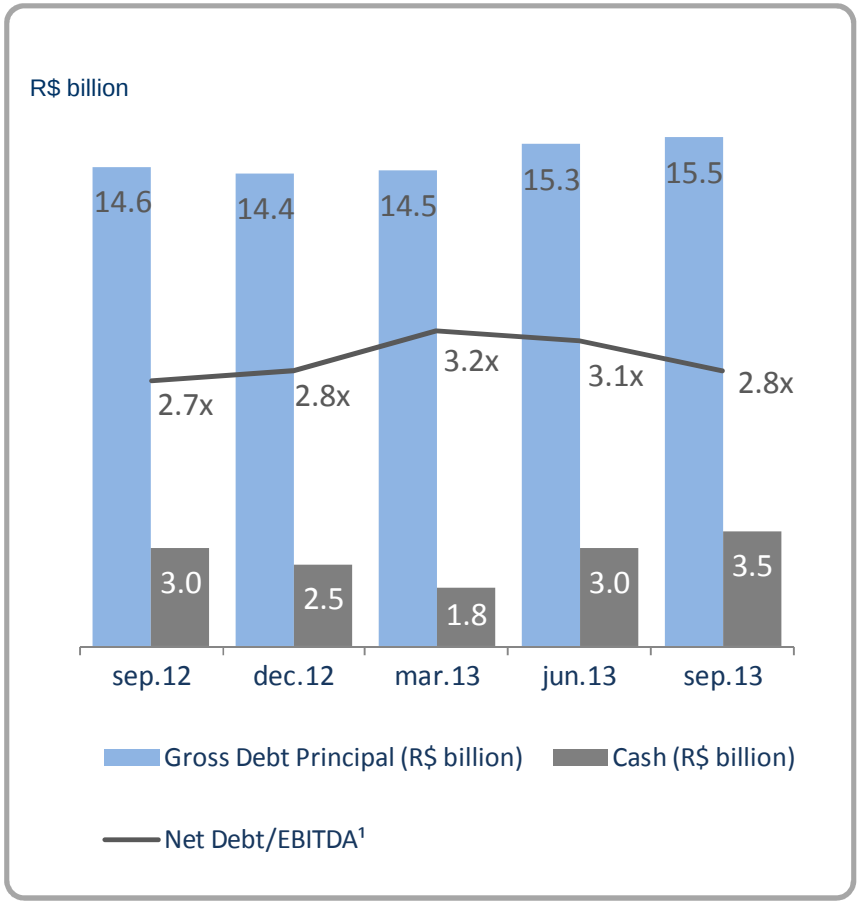




Note 1: Includes all Special Steel operations in Brazil, Spain, USA and India.

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Indebtedness and Liquidity



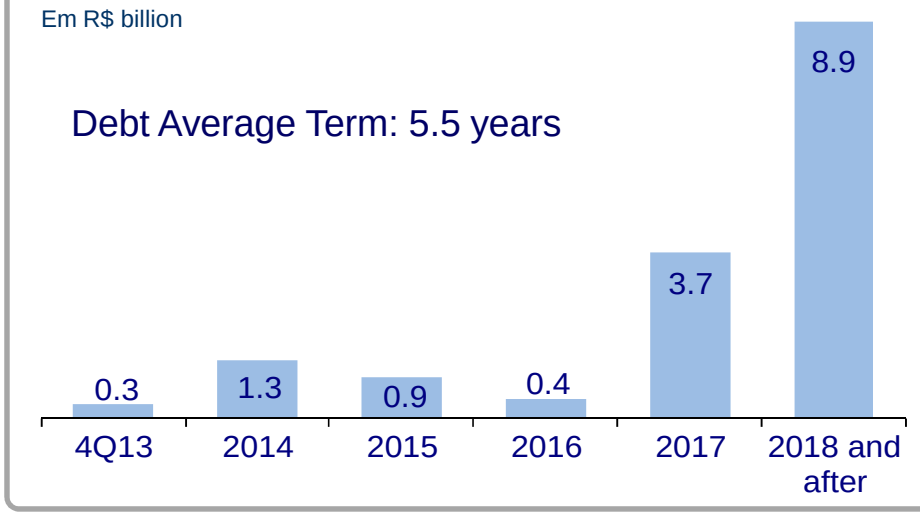
COST OF DEBT: 6.4%

Local Currency: 8.1%

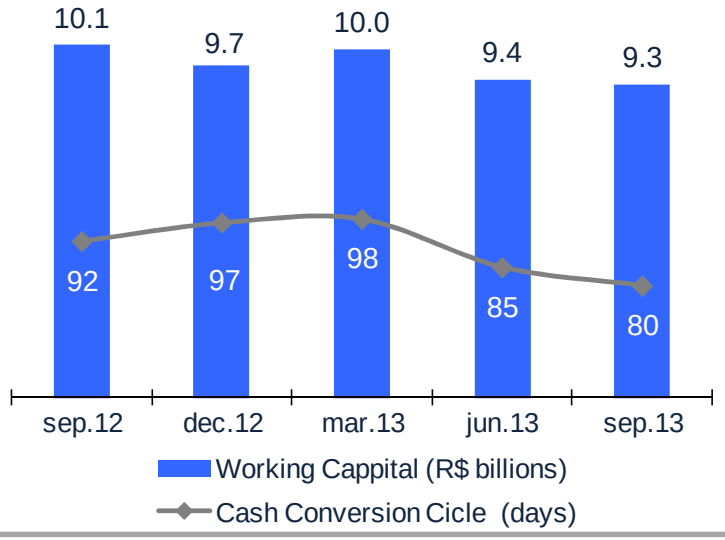
Foreing Currency: 6.0% + FX

Companies Abroad: 5.9 %

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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