1Q12 Conference Call
Gerdau S.A. Consolidated – IFRS

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Crude Steel Global Production – 1Q12 x 1Q11

- ✓ World steel production totaled 377 million tonnes in 1Q12;
  - ✓ Brazil: 2% increase, totaling 8.7 million tonnes;
  - ✓ United States: 8% increase, totaling 23 million tonnes;
  - ✓ Latin America (except Brazil): 7.9 million tonnes; 2% decrease;

Source: worldsteel, IABr and Alacero.

Gerdau – Highlights

	Unit	1Q12	1Q11	Δ%	4Q11	Δ%
SHIPMENTS	Million tonnes	4.7	4.7	-	4.7	-
CRUDE STEEL PRODUCTION	Million tonnes	4.9	4.7	4%	4.7	4%
NET SALES	R$ million	9,199	8,364	10%	9,066	1%
EBITDA	R$ million	1,008	1,102	-9%	1,025	-2%
NET INCOME	R$ million	397	409	-3%	472	-16%
DIVIDENDS						
Metalúrgica Gerdau S.A.	R$ million	33	41		45	
Gerdau S.A.		102	102		136	
CAPEX	R$ million	691	333		674	

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2012 Outlook

WORLD

- ✓ The global GDP is expected to increase by 3.5% in 2012;
- ✓ Apparent steel use is expected to increase by 3.6% in 2012.

BRAZIL

- ✓ Economy: GDP is expected to increase by 3.2%;
- ✓ Civil construction: GDP should present a 5% increase.
- ✓ Industry: GDP of the segment is expected to increase by 2%.
- ✓ Apparent steel use should grow 5.4% in 2012.

Source: worldsteel, FMI, Banco Central and Instituto Aço Brasil.

2012 Outlook

NORTH AMERICA

- ✓ Highlight on the manufacturing and energy segments;
- ✓ USA GDP forecast: 2.1% increase in 2012;
- ✓ USA apparent steel use: +5.7% in 2012 (94 MM t);
- ✓ Canada GDP projection: +2.1% in 2012;
- ✓ Canada apparent steel use: +2.3% in 2012 (15 MM t).

LATIN AMERICA

- ✓ Solid economic growth;
- ✓ Apparent steel use: +6.4% in 2012 (42 MM t).

Source: worldsteel, FMI and Alacero.

2012 Outlook

SPECIAL STEEL

NORTH AMERICA:

- ✓ Mid-sized and heavy commercial vehicle production is expected to increase by 10.3%;
- ✓ Light vehicle production should increase by 9.6%.

BRAZIL:

- ✓ Light vehicle production should increase by 3.5%.
- ✓ Reduction of 16% in heavy vehicle production.

EUROPE:

- ✓ Adjusting production to demand in the coming months.

INDIA:

- ✓ Mid-sized and light commercial vehicle production is expected to increase by 13%.

Source: ANFAVEA, IHS and SIAM

Investments

✓ Investment Plan 2012-2016: R$ 10.3 billion.

✓ A total of R$ 691 million was invested in 1Q12.

✓ Increase of iron ore production capacity to 11.5 MM ton.

✓ Expansion in continuous slab casting capacity at the St. Paul mill, Minnesota, USA.

✓ New bar inspection line at the Monroe mill, Michigan, USA.

✓ Expansion of crude steel and rolled capacity in Colombia.

Final Remarks

✓ Demand remains high in markets that are relevant for Gerdau;

✓ Concerns with high production costs and the de-industrialization of the Brazilian and Latin America steel chain;

✓Item of concern: European economy and the increase in oil prices;

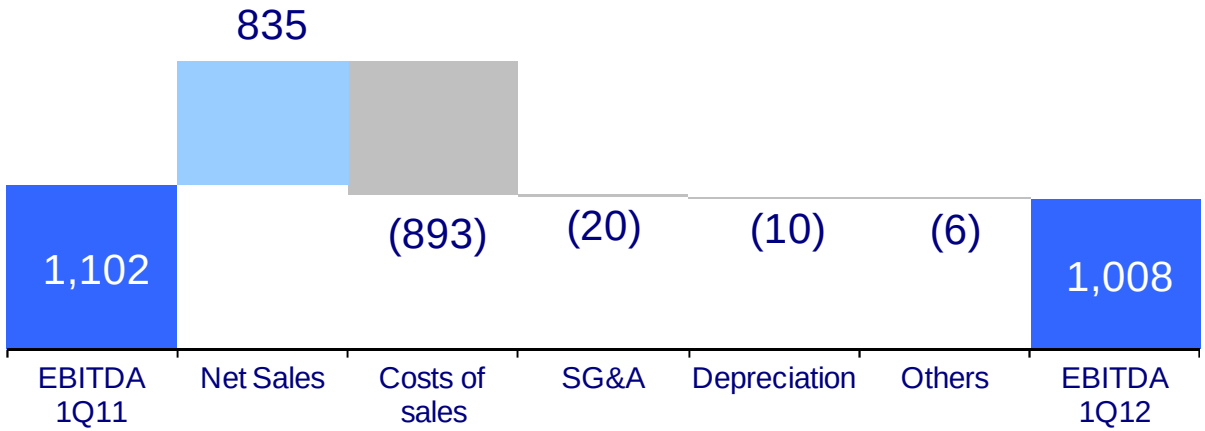
✓ Continuous strive to improve cost management measures

✓Iron ore and coal self-sufficiency.

Performance of Gerdau 1Q12 x 1Q11 – Consolidated

In R$ million

	1Q12	1Q11	Δ 1Q12/1Q11	4Q11	Δ 1Q12/4Q11
NET SALES	9,199	8,364	10%	9,066	1%
Cost of sales	(8,092)	(7,199)	12%	(7,865)	3%
SG&A	(599)	(579)	3%	(642)	-7%
Other operating income and expenses	31	35	-11%	32	-3%
Equity in earnings of unconsolidated companies	31	34	-9%	(22)	-
Financial result, net	(97)	(171)	-43%	(82)	18%
Income and social contribution taxes	(76)	(74)	3%	(16)	375%
NET INCOME	397	409	-3%	472	-16%
EBITDA	1,008	1,102	-9%	1,025	-2%
EBITDA Margin	11%	13%	-	11%	-
SHIPMENTS (thousand tonnes)	4,725	4,710	0%	4,709	0%

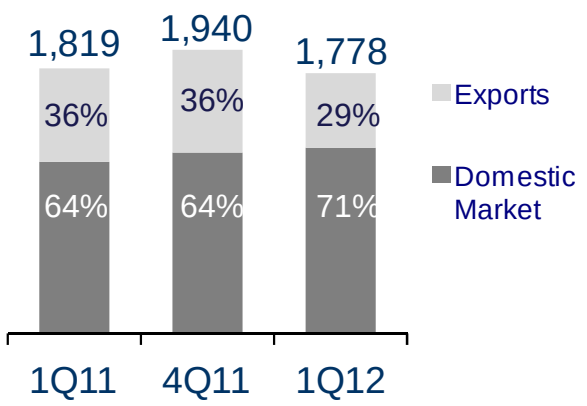


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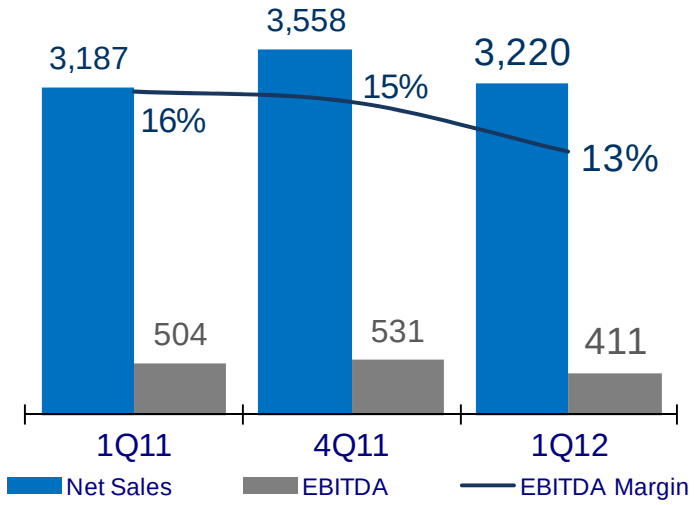
Gerdau Performance in 1Q12 x 1Q11 – Brazil BO[1]

Shipments: -2%	• Decrease in exports. • Solid demand in the domestic market.
Net sales: +1%	• Higher shipments to the domestic market.
Costs: +3%	• Higher raw material costs. • Rain's effects in Gerdau Açominas.

SHIPMENTS (´000 tonnes)



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



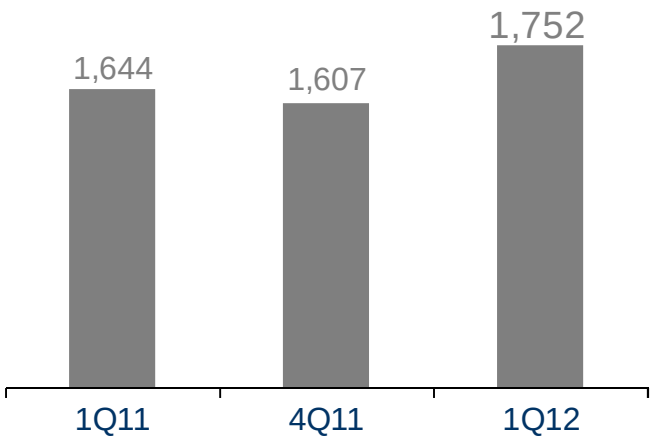
Note1: includes all operations in Brazil (except special steel) and the Colombia metallurgical coal and coke operation.

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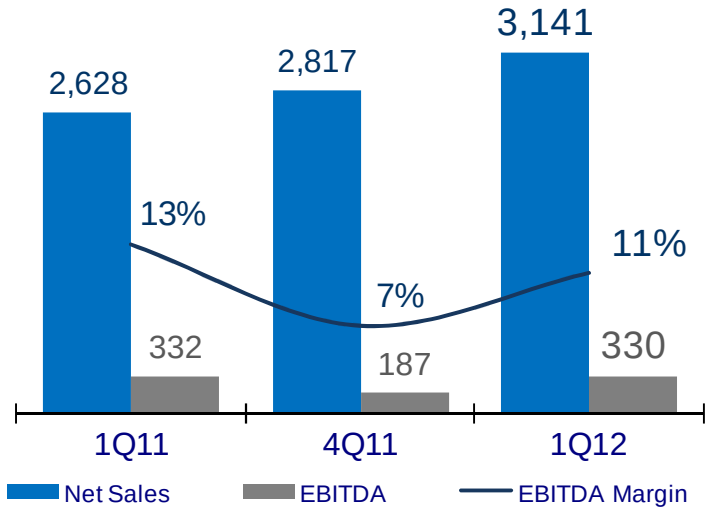
Gerdau Performance in 1Q12 x 1Q11– North America BO[1]

Shipments: +7%	• Higher demand in the industry and energy sectors. • Begginig of recovery in the non-residential segment.
Net sales: +20%	• Higher shipments. • Higher net sales per tonne sold.
Costs: +21%	• Increase in shipments. • Higher raw material costs.

SHIPMENTS[2] ('000 tonnes)



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



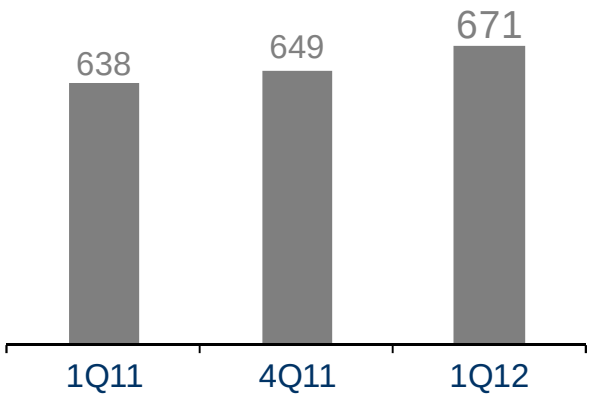
Note 1: Includes all operations in North America, except Mexico and specialty steel
Note 2: Excludes data from associated companies and jointly controlled entities.

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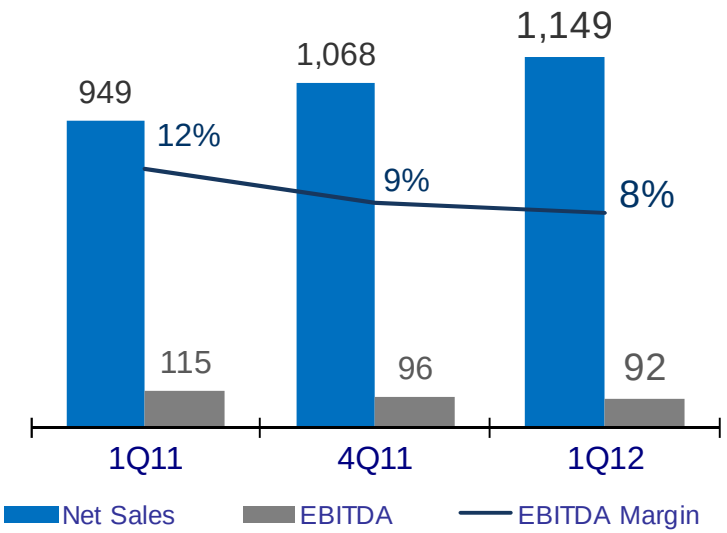
Gerdau Performance in 1Q12 x 1Q11 – Latin America BO[1]

Shipments: +5%	• Highlights were on the higher sales in Colômbia, Peru and Chile, with solid demand from the construction sector.
Net sales: +21%	• Higher shipments. • Higher net sales per ton.
Costs: +27%	• Increase in shipments. • Higher raw material costs.

SHIPMENTS[2] ('000 tonnes)



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



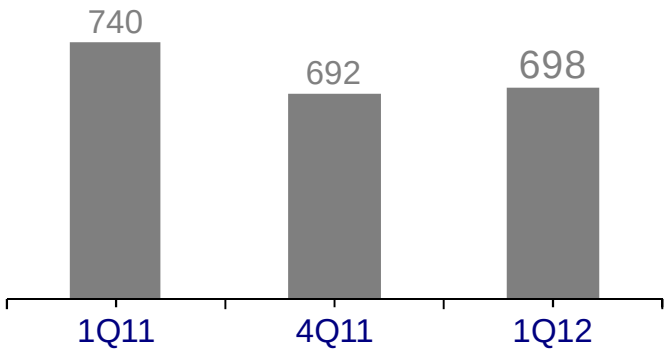
Note 1: Includes all operations in Latin American, except Brazilian operations and Colombian metallurgical coal and coke operation.
Note 2: Excludes data from associated companies and jointly controlled entities

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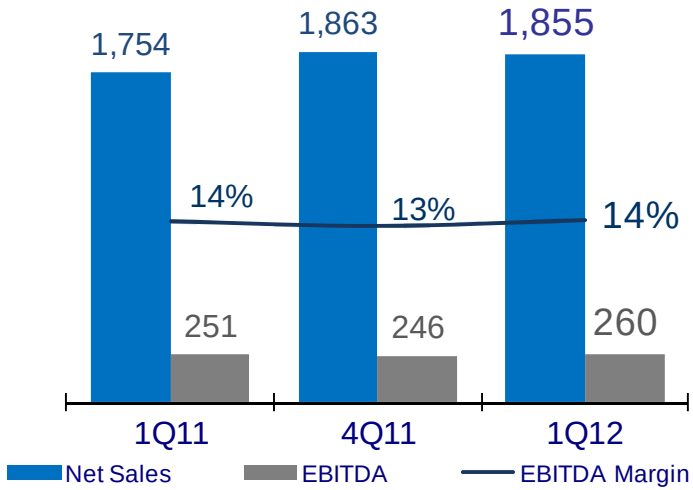
Gerdau Performance 1Q12 x 1Q11 – Special Steel BO[1]

Shipments: -6%	• Lower shipments in the Brazil units.
Net sales: +6%	• Higher net sales per ton.
Costs: +7%	• Higher raw material costs.

SHIPMENTS[2] ('000 tonnes)



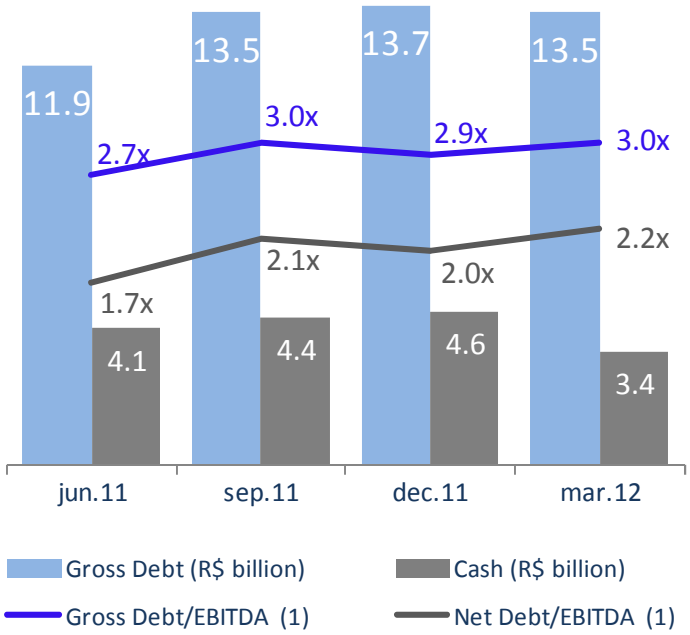
NET SALES[2], EBITDA (R$ millon) & EBITDA MARGIN (%)



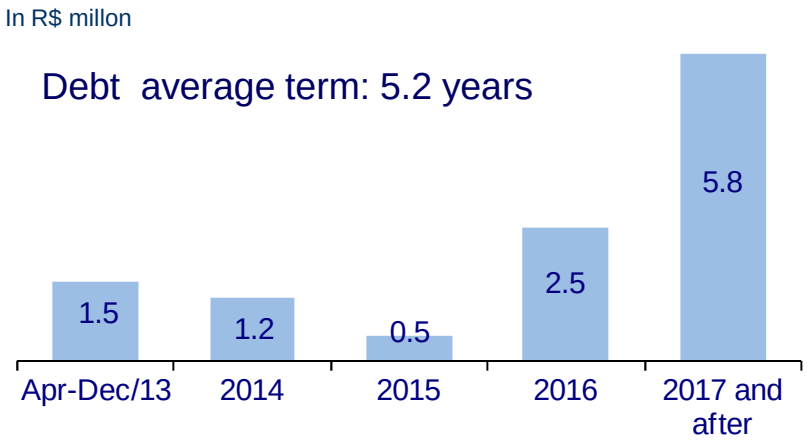
Note 1: Includes all Special Steel operations in Brazil, Spain and USA.
Note 2: Excludes data from associated companies and jointly controlled entities.

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Indebtedness and Liquidity



AMORTIZATION SCHEDULE



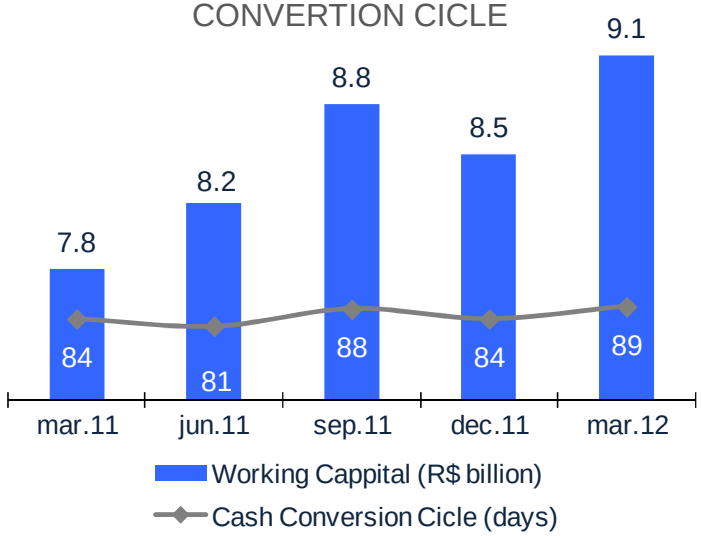
COST OF DEBT: 6,1%

Local currency: 7,6%

Foreing currency: 5,7% + VC

Companies abroad: 5,7%

WORKING CAPITAL AND CASH CONVERTION 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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