



Special Steels India Business Unit

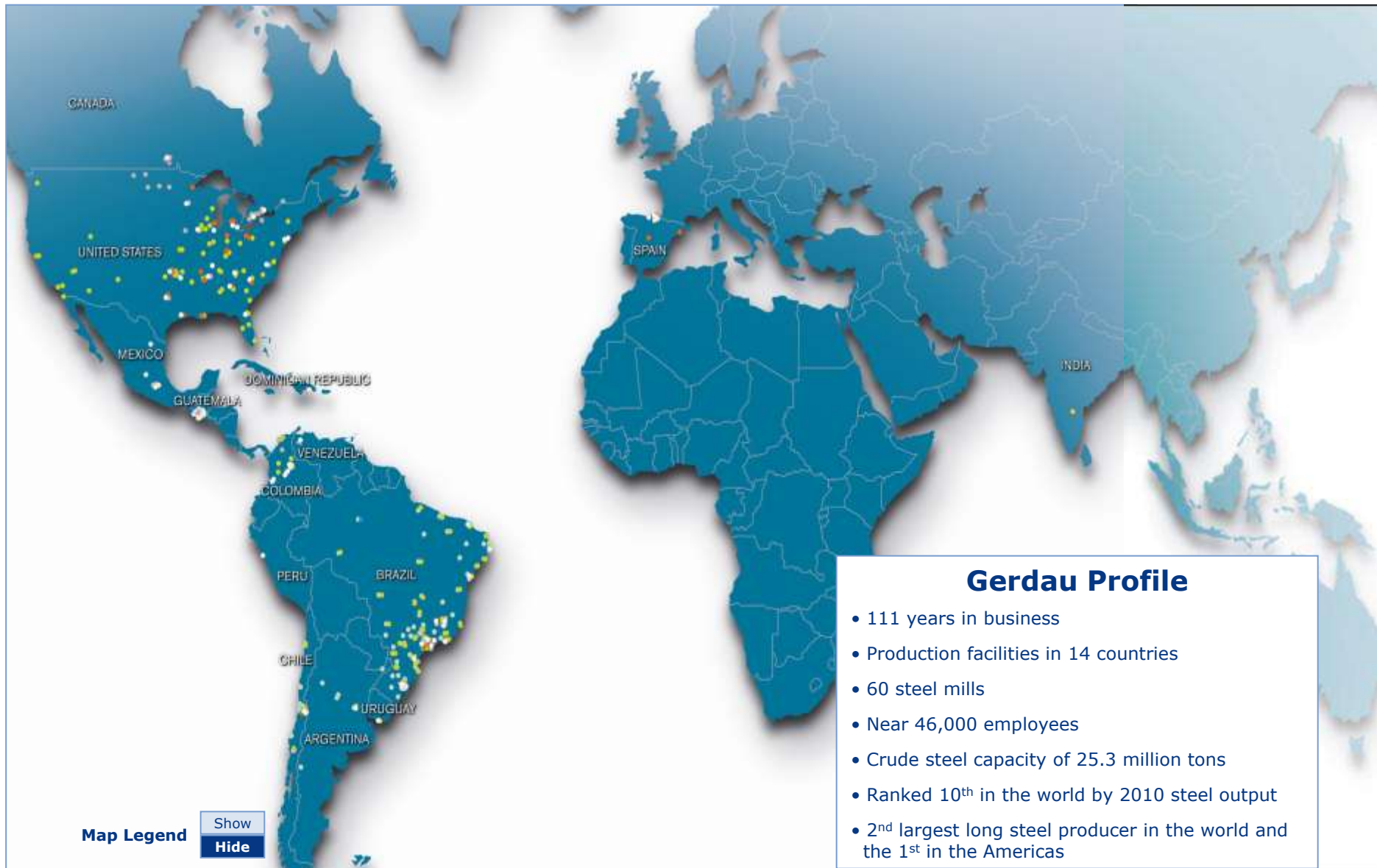


1. Gerdau Group

2. Special Steels Business Unit

3. India Business Unit

Global Presence



Company's Philosophy

Vision

To be a **GLOBAL ORGANIZATION** and a **BENCHMARK** in any business we conduct

Mission

To **CREATE VALUE** for our customers, shareholders, employees, and communities by operating as a **SUSTAINABLE** steel business

Values

Be the **CUSTOMERS** choice

SAFETY above all

Respected, engaged and fulfilled **EMPLOYEES**

Pursuing **EXCELLENCE** with **SIMPLICITY**

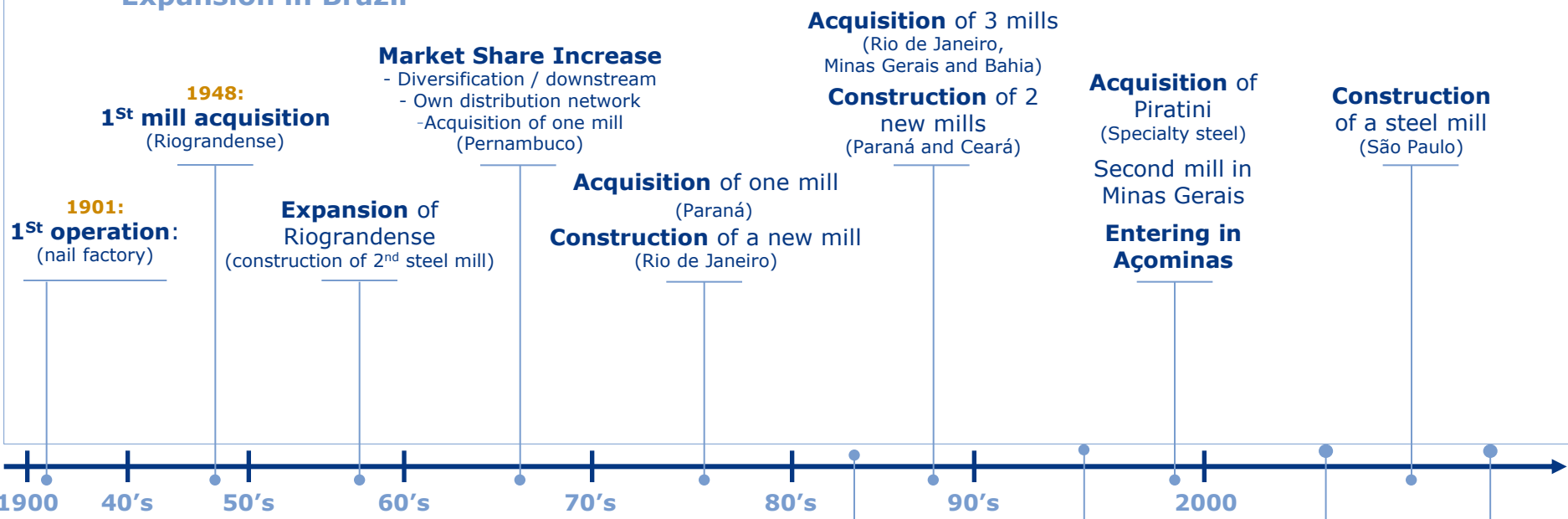
Focus on **RESULTS**

INTEGRITY with all stakeholders

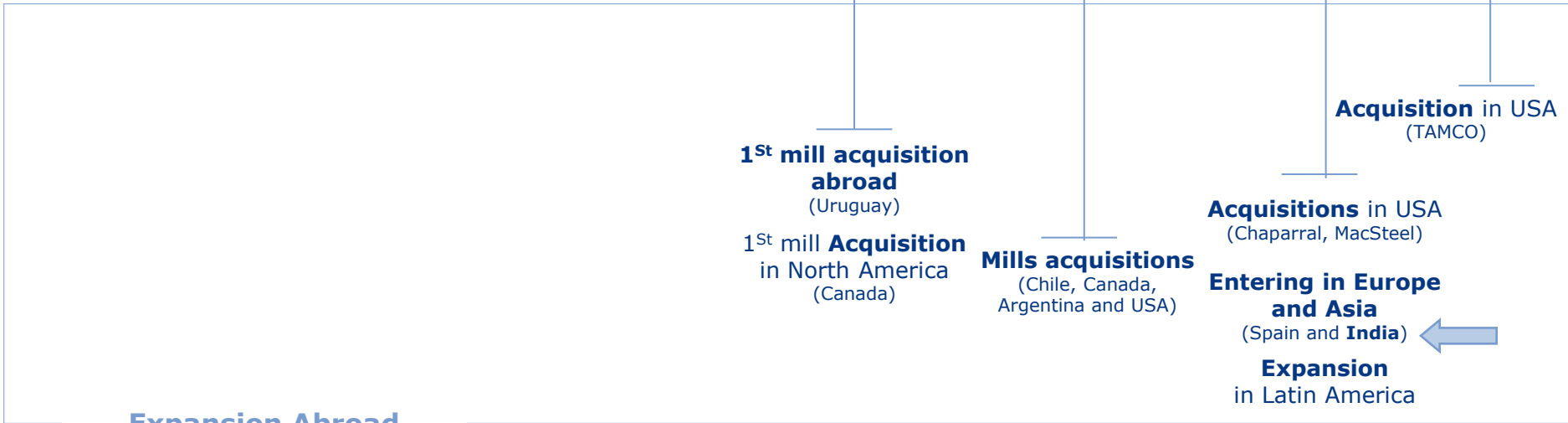
Economic, social and environmental **SUSTAINABILITY**

110 Years in Business

Expansion in Brazil

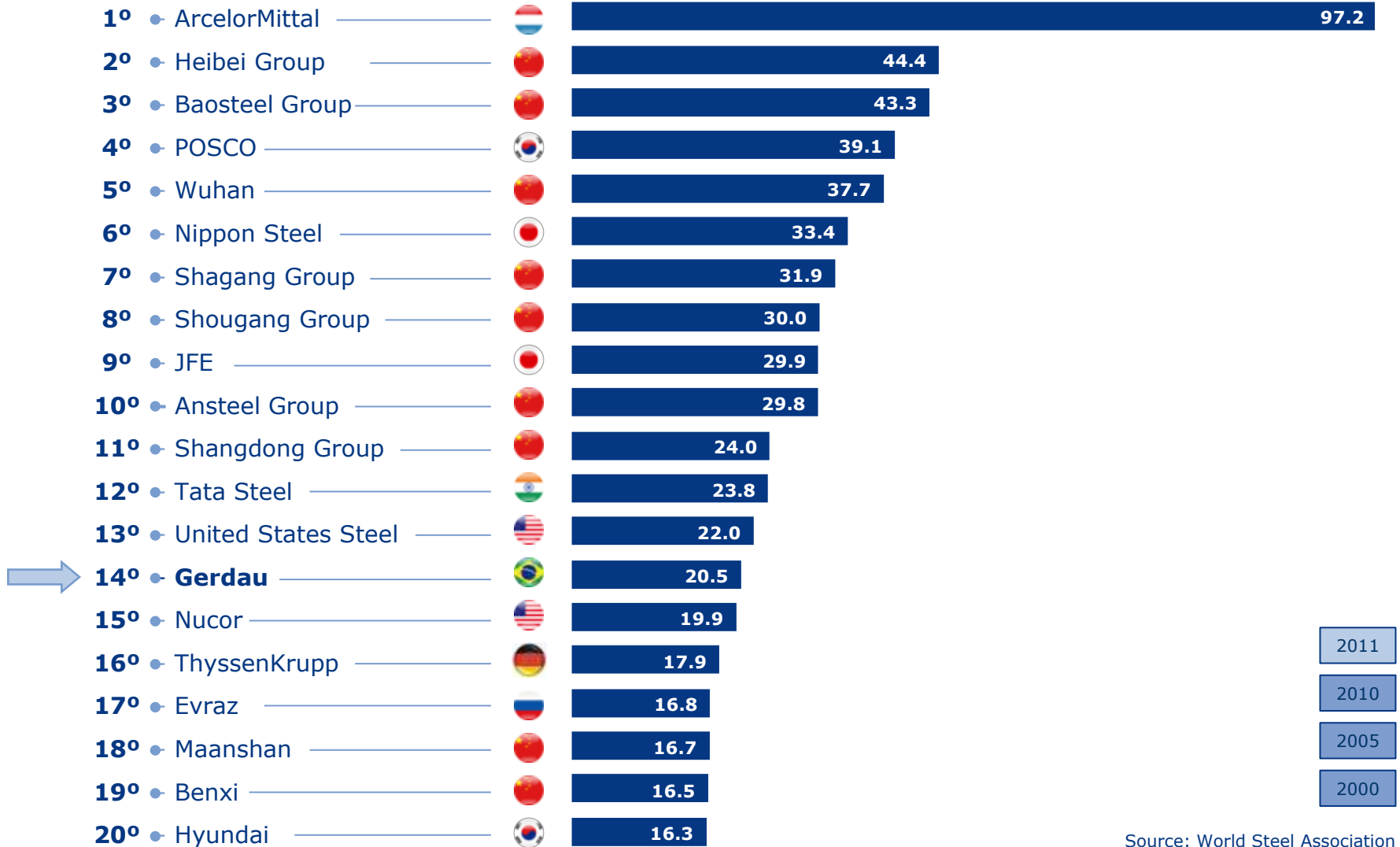


Expansion Abroad



2011 Top Steel Producers

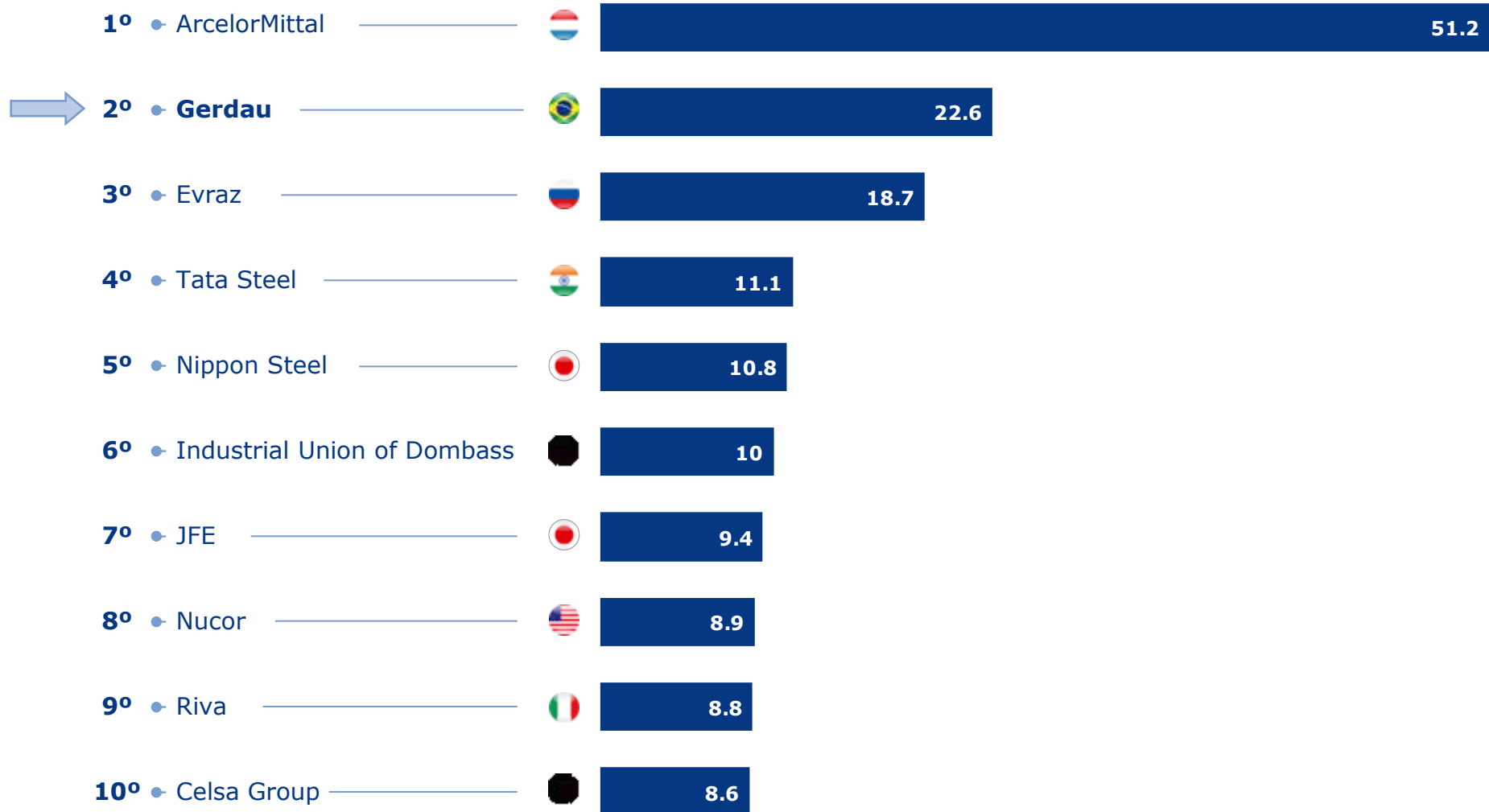
Million metric tons crude steel production



Source: World Steel Association
www.worldsteel.org

2010 Top Long Steel Producer's Capacities

Million metric tons long steel capacity



Source: Steel on the Net
www.steelonthenet.com

Products and End Users

Products

- Billets, blooms & slabs



- Merchant bars



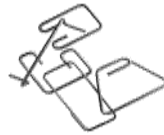
- SBQ



- Rebars



- Fabricated steel



- Heavy structural shapes



- Wire-rod



- Wires



- Nails



End Users

- Housing
- Infrastructure
- Agricultural sector
- Automotive industry
- Oil and gas sector
- Shipbuilding
- Wind power generation
- Mining
- Other industrial sectors

Key Financial Figures

	1 st Quarter 2012	2011	2010	2009	2008
Net Revenues (US\$ million)	4,972	20,233	18,798	13,408	22,618
Net Income (US\$ million)	215	1,199	1,471	577	2,832
Total assets (US\$ million)	26,826	28,499	25,683	25,605	33,914
Total shipments (thousand tonnes)	4,725	19,164	17,363	13,987	19,118
Total Output (thousand tonnes)	4,940	19,623	17,852	13,509	19,599
EBITDA (US\$ million)	545	2,658	3,114	1,999	5,488
EBITDA Margin (%)	11%	13%	17%	14%	24%
Gross Margin (%)	12%	14%	18%	17%	26%

Investment Plan (2011 – 15)

USD 6.05 billion in five years

Heavy plate rolling mill at Ouro Branco unit

Investment	USD 1.0 billion
Installed capacity	1 million tons by the end of 2012
Goal	grow in oil and gas, shipbuilding and construction sectors

Structural beam rolling mill expansion at Ouro Branco unit

Investment	USD 57 million
Future capacity	700 thousand tons in 2011

Commercialization of iron ore resources

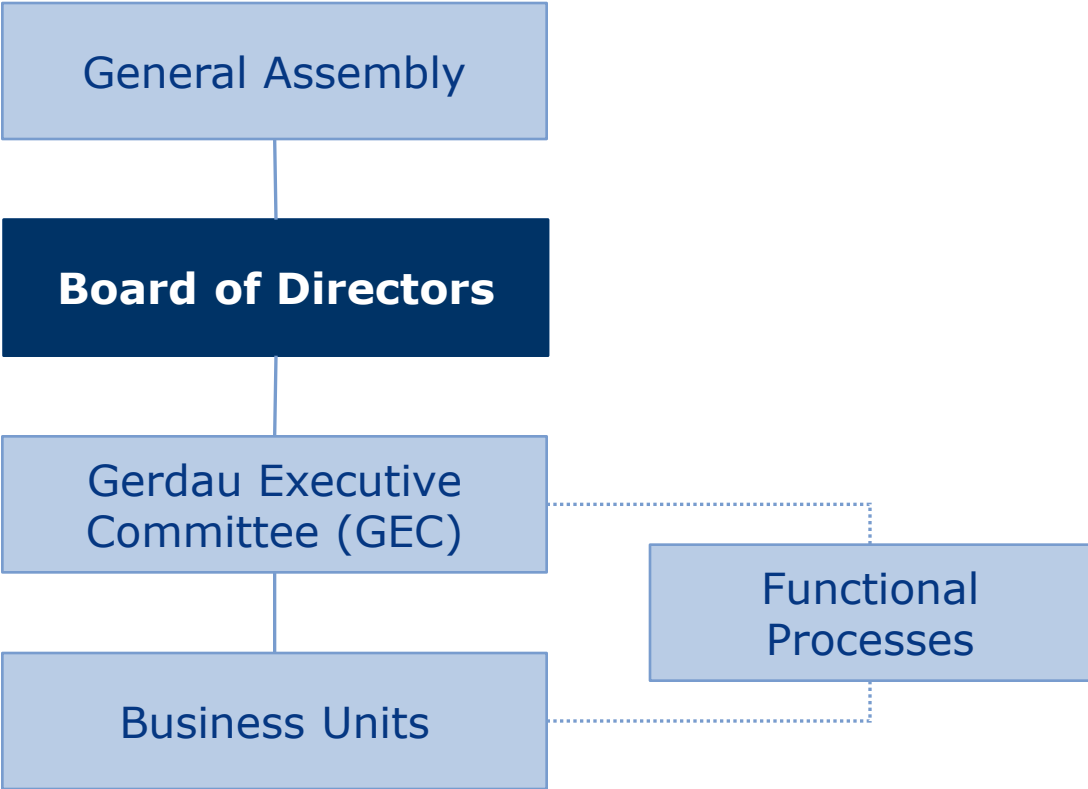
Annual Production	Expansion of mining capacity to 7 million tons
Goal	Self sufficiency for 100% of Ouro Branco unit iron ore needs

Wire rod and rebar rolling mills in Santa Cruz unit

Investment	USD 1.5 billion
Installed capacity	Additional 600 thousand tons in 2013
Goal	Participate in demand due to FIFA World Cup and Rio Olympics



Corporate Governance



Board of Directors

President



Dr. Jorge Gerdau
Johannpeter

Vice-Presidents



Germano H. Gerdau
Johannpeter



Klaus Gerdau
Johannpeter



Frederico C. Gerdau
Johannpeter

Counselors



Affonso Celso
Pastore



André Pinheiro de
Lara Resende



Oscar de Paula
Bernardes Neto



Cláudio Gerdau
Johannpeter



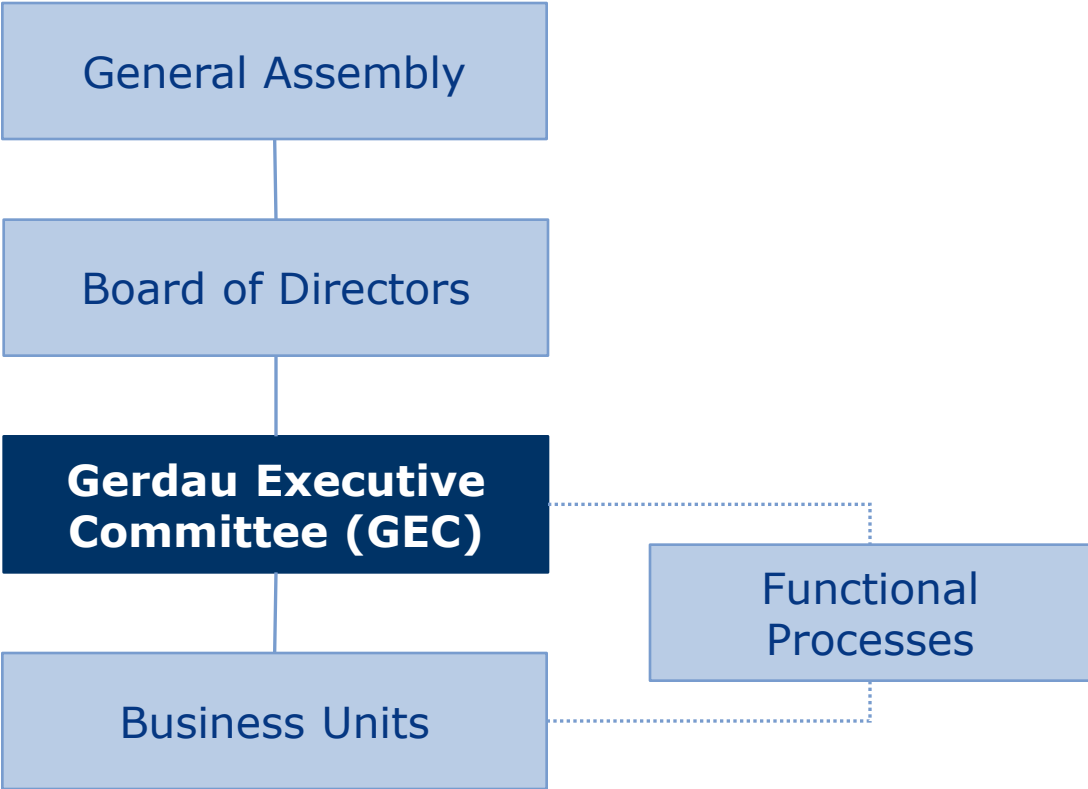
André Gerdau
Johannpeter



Alfredo
Huallem

General Secretary: Expedito Luz

Corporate Governance



Gerdau Executive Committee (GEC)



ANDRÉ Gerda
Johannpeter

CEO



CLÁUDIO Gerda
Johannpeter

COO



Osvaldo Burgos
SCHIRMER

CFO



EXPEDITO
Luz

Executive VP



Manoel **VITOR** de
Mendonça Filho

Executive VP



Ricardo Giuseppe
MASCHERONI

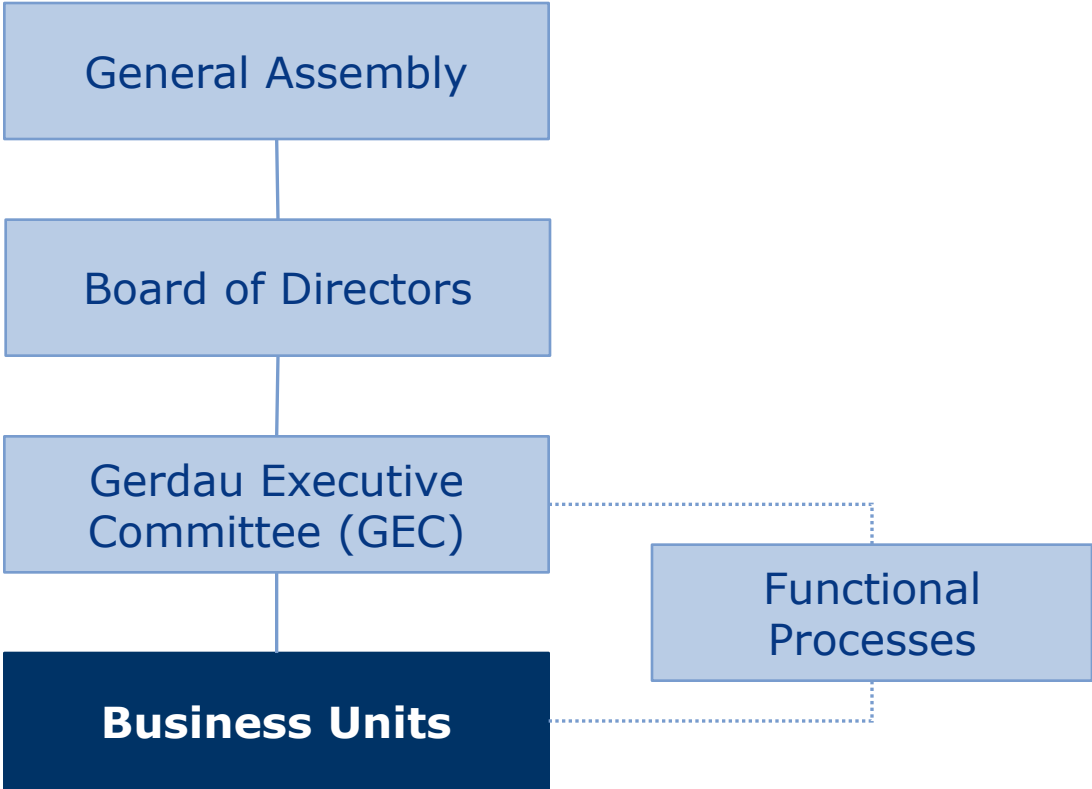
Executive VP



FRANCISCO
Deppermann Fortes

Executive VP

Corporate Governance



Business Operations

GERDAU

Long Steel

North America

34%

Latin America North

6%

Latin America South

6%

Brazil

Long and Flat Steel

34%

Special Steels

20%

Rebars



Fabricated Steel



Wire rod



Merchant Bars



SBQ - Bar



SBQ - Wire rod



Nails



Billets, blooms & slabs



Heavy Structural Shapes



Wires



Rolling Mill Rolls



New

Hot Rolled Heavy Plates



New

Hot Rolled Coils



Forged and Cast Parts



% of 2011 net sales

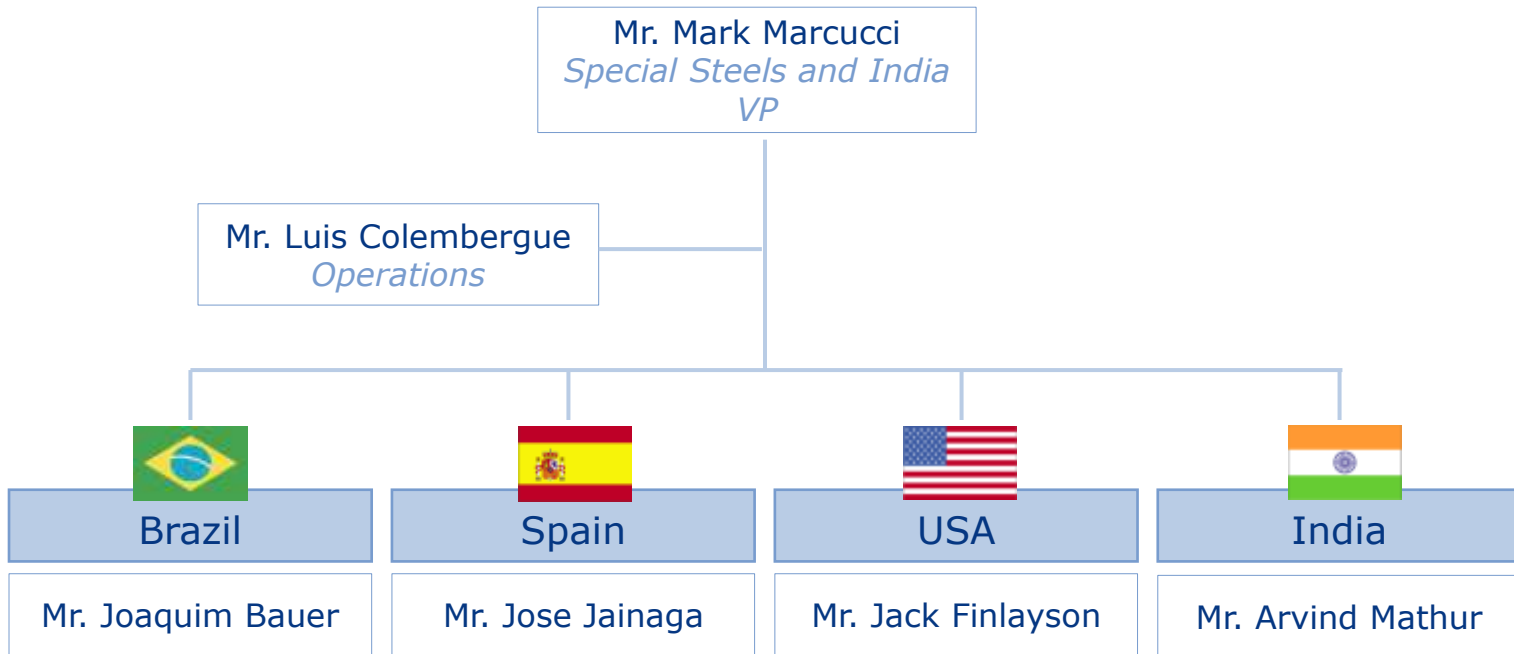
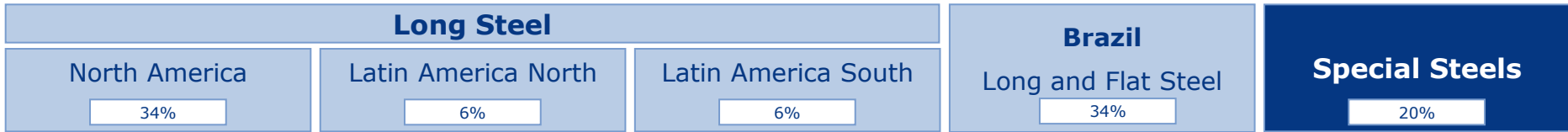
1. Gerdau Group

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3. India Business Unit

Organizational Chart

GERDAU



% of 2011 net sales

Locations



Special Steels Profile

- 12 steel mills in 3 countries + 1 joint venture steel mill under construction in India
- Ranked 2nd in 2008 SBQ global sales
- **Largest supplier of SBQ to the automotive industry in the world**
- Installed capacity over 3.7 million metric tons of crude steel
- Near 8,100 employees

20+ Years of Special Steel Expertise

Expansion in Brazil

Improvements in the continuous caster at Piratini

Installation of new rolling mill at Piratini

Mordernization of melt shop at Piratini

Installation of downstream facilities at Piratini

Increase in production capacity of melt shop at Piratini

Acquisition of Aços Villares

Increase in rolling mill L1 capacity at Piratini

Control of Aços Villares

Construction of a new rolling mill in Pindamonhangaba

Piratini mill acquisition



Entry in Europe
Acquisition of **Sidenor**

Entry in North America
Acquisition of **MacSteel**

Entry in India
Kalyani Gerdau Steel Ltd. Established
(JV Kalyani Group)

Monroe Melt Shop Improvements

US\$ 1.5 billion in 2011 - 13

Expansion Abroad



Investment Plan (2012 – 14)

USD 1.5 billion in three years

Special steel rolling mill in Brazil

Investment	USD 205 million
Installed capacity	500,000 tons by the end of 2012
Goal	Accompany growth of the automotive sector in Brazil



Improvement in melt shop with new continuous caster in USA

Investment	USD 67 million
Future capacity	Additional capacity of 200,000 tons by end of 2013



Capacity expansion at 2 different mills in USA

Investment	USD 322 million
Future Capacity	Additional capacity of 400,000 tons by 2014
Goal	Competitive special steel solutions to a fast recovering industry



Investments in Kalyani Gerdau JV in India

Investment	USD 169 million approved
Future Capacity	300,000 tons/year
Goal	Strategic unit: first in Asia



General Info

• Company Name:	Gerdaul
• Steel Mills:	4
• Downstream Units:	0
• Representative Offices:	1
• Employees:	4,200
• Crude Steel Capacity (1,000 metric t):	1,380
• Rolled Steel Capacity (1,000 metric t):	1,340
• Rolling Mill Rolls Capacity (1,000 metric t):	40
• Product Portfolio:	SBQ, Stainless and Rolling Mill Rolls



● - Steel Mills

● - Representative Offices



Steel Mills

Pindamonhangaba

- Crude Steel Capacity: 620,000 t
- Rolled Steel Capacity: 570,000 t
- Rolling Mill Rolls Capacity: 40,000 t



Sorocaba

- Rolled Steel Capacity: 30,000 t



Mogi das Cruzes

- Crude Steel Capacity: 360,000 t
- Rolled Steel Capacity: 190,000 t



Charqueadas

- Crude Steel Capacity: 400,000 t
- Rolled Steel Capacity: 550,000 t
- Forged Steel Capacity: 25,000 t



● - Steel Mills

● - Representative Offices

Industrial Capabilities – SBQ and Stainless



• Pindamonhangaba

• Charqueadas

• Mogi das Cruzes

• Sorocaba

Melt Shop

EAF

95 t/heat

65 t/heat

70 t/heat

Degassing

VD

VD/VOD

VD

Ingot casting

3.2 to 6.9 t

1.3 to 7.3 t

Billet casting

■ 155 mm

■ 150 and 240 mm

■ 155 and 185 mm

Bloom casting

Rolling Mill

Round bars

17.4 to 228.6 mm

15.8 to 203 mm

50 to 88.9 mm

Square bars

66.7 to 450 mm

76.2 to 129 mm

50 to 82.5 mm

Flat bars

5.4 to 32 x 70 to 102 mm

4.4 to 60 x 17 to 145 mm

Wire Rod

5.5 to 33.3 mm

5.5 to 30.1 mm

Other (special profile)

4.7 to 8.2 x 60 to 90 mm

Forging Mill

Round bars

152.4 to 560 mm

Square bars

63.5 to 410 mm

Cold Finishing

Turning

10 to 125 mm

18 to 80 mm

Drawing

2 to 31 mm

4 to 30 mm

Grinding

10 to 100 mm

15 to 52 mm

Heat Treatment

Types

Q+T, Annealing and Spheroidizing

Q+T, Annealing and Spheroidizing

Q+T, Annealing and Spheroidizing

Inspection Lines

Sizes

10 to 76 mm

10 to 105 mm

14 to 130 mm

Number of lines

8

5

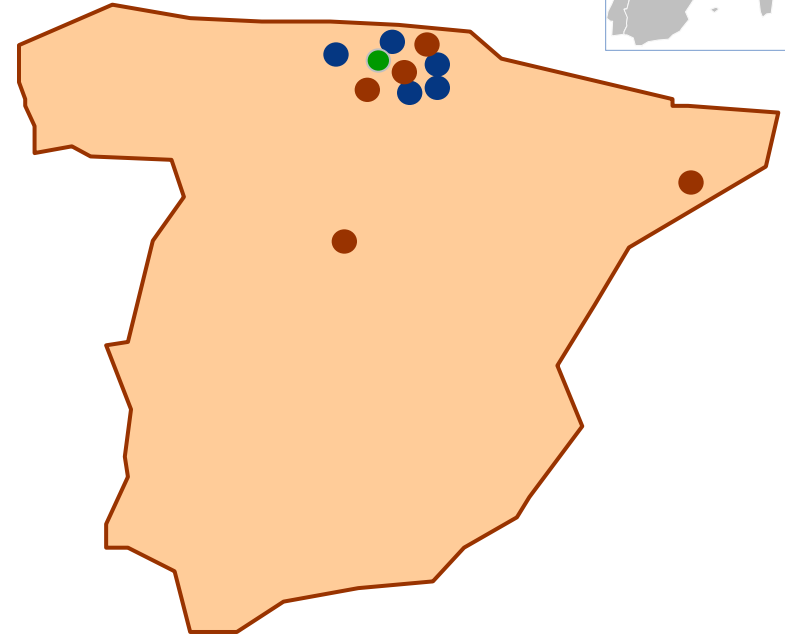
2

Spain



General Info

- Company Name: Gerdau Sidenor
- Steel Mills: 5
- Downstream Units: 5
- Representative Offices: 5
- Employees: 2,600
- Crude Steel Capacity (1,000 metric t): 1,080
- Rolled Steel Capacity (1,000 metric t): 1,040
- Forged and Casted Parts Capacity (1,000 metric t): 70
- Product Portfolio:
SBQ, Stainless, Rolling Mill Rolls and Forged and Cast Parts



● - Steel Mills ● - Representative Offices ● - Downstream units

Spain



Steel Mills

Basauri

- Crude Steel Capacity: 690,000 t
- Rolled Steel Capacity: 360,000 t



Reinosa

- Crude Steel Capacity: 250,000 t
- Rolled Steel Capacity: 150,000 t
- Parts Capacity: 70,000 t



Azkoitia

- Rolled Steel Capacity: 340,000 t



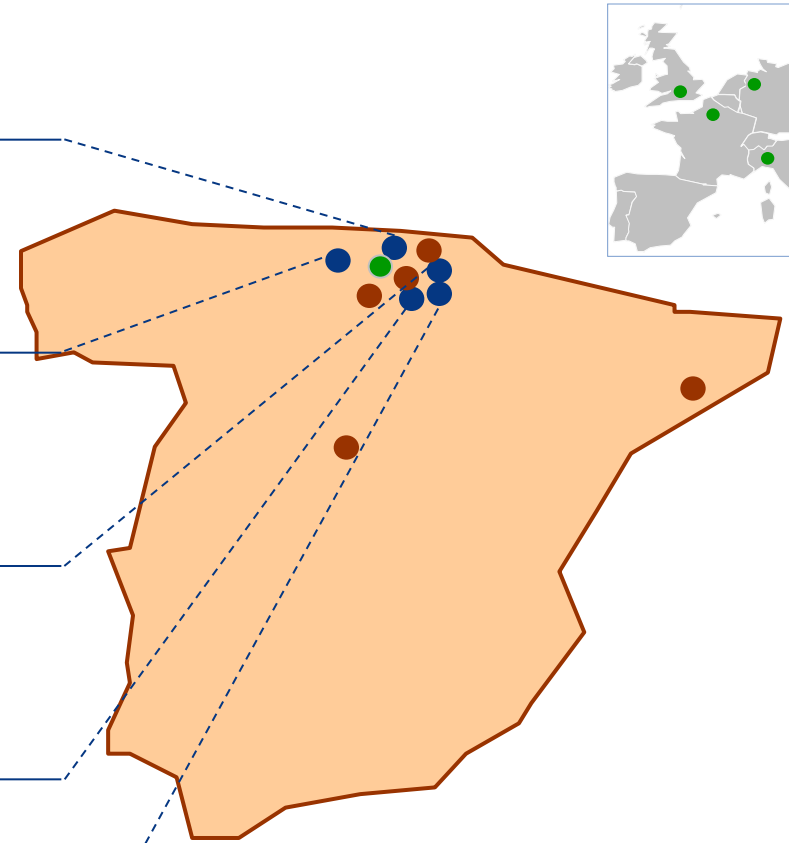
Vitoria

- Rolled Steel Capacity: 180,000 t



Legazpi

- Crude Steel Capacity: 140,000 t
- Rolled Steel Capacity: 10,000 t



● - Steel Mills ● - Representative Offices ● - Downstream units

Industrial Capabilities – SBQ and Stainless



• Basauri

• Reinosa

• Vitoria

• Azkoitia

• Legazpi

Melt Shop

EAF

145 t/heat

70 t/heat

50 t/heat

Degassing

VD/VOD

VD/AD

VD/AD

Ingot casting

3.1 t

2.5 t

Billet casting

155 and 180 mm

Bloom casting

300 x 400 mm

310 x 240 mm

Rolling Mill

Round bars

25 to 100 mm

100 to 230 mm

20 to 200 mm

Square bars

70 to 170 mm

65 to 200 mm

Flat bars

6 to 92 x 50 to 350 mm

Wire Rod

5.5 to 38 mm

Other (flat steel)

1.5 to 15 x 1000 x 2000 mm

Forging Mill

Round bars

220 to 1500 mm

Square bars

350 to 2500 mm

Cold Finishing

Turning

20 to 100 mm

95 to 300 mm

19 to 30 mm

20 to 45 mm

20 to 82 mm

Drawing

5 to 36 mm

Grinding

35 to 88,9 mm

7 to 40 mm

Heat Treatment

Types

Q+T and Annealing

Q+T and Annealing

Q+T and Annealing

Q+T and Annealing

Q+T and Annealing

Inspection Lines

Sizes

25 to 100 mm

10 to 220 mm

20 to 200 mm

20 to 80 mm

Number of lines

4

1

5

4

Spain



Downstream Units

Maltzaga

- Business:
Cold drawing and turning



Legutiano

- Business:
Cold drawing



Forjanor Elgeta

- Business:
Forging



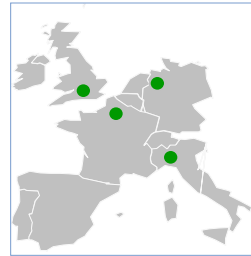
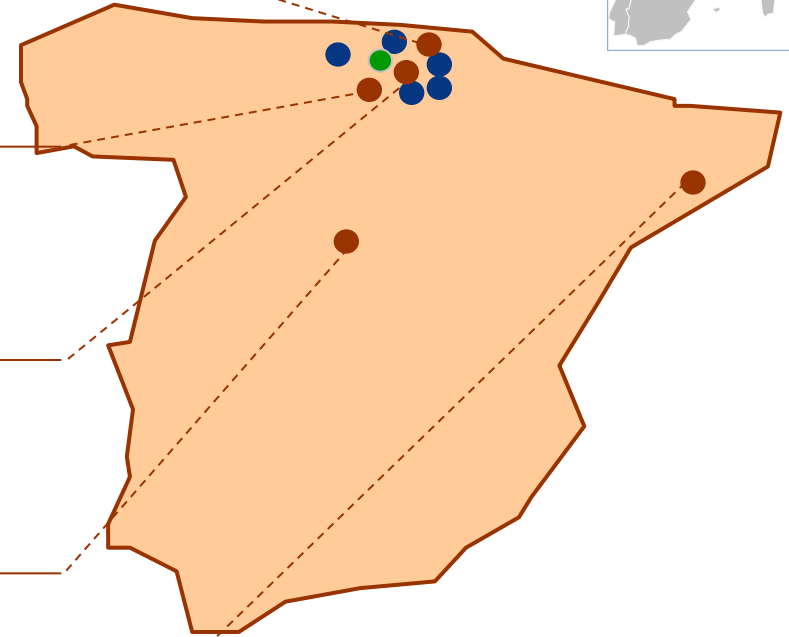
Forjanor Villalba

- Business:
Forging



Polinya

- Business:
Cold drawing and turning

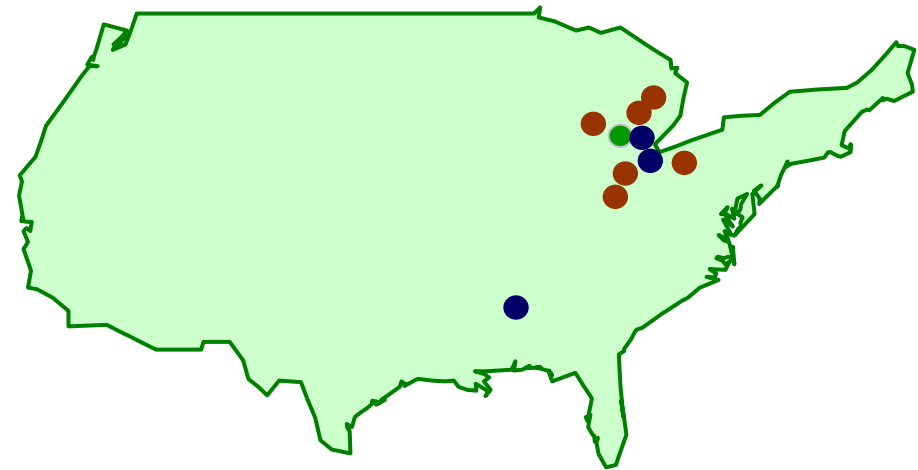


● - Steel Mills ● - Representative Offices ● - Downstream units



General Info

• Company Name:	Gerdau MacSteel
• Steel Mills:	3
• Downstream Units:	6
• Representative Offices:	2
• Employees:	1,700
• Crude Steel Capacity (1,000 metric t):	1,180
• Rolled Steel Capacity (1,000 metric t):	1,100
• Product Portfolio:	SBQ



● - Steel Mills ● - Representative Offices ● - Downstream units



Steel Mills

Jackson

- Crude Steel Capacity: 250,000 t
- Rolled Steel Capacity: 230,000 t



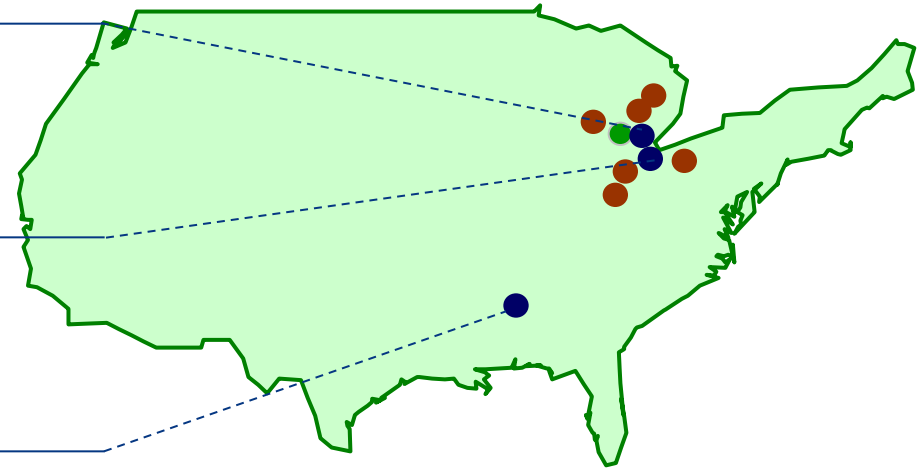
Monroe

- Crude Steel Capacity: 470,000 t
- Rolled Steel Capacity: 430,000 t



Fort Smith

- Crude Steel Capacity: 460,000 t
- Rolled Steel Capacity: 440,000 t



● - Steel Mills ● - Representative Offices ● - Downstream units

Industrial Capabilities – SBQ



• Fort Smith

• Jackson

• Monroe

Melt Shop	EAF	54 t/heat	46 t/heat	128 t/heat
	Degassing	VD	VAD	VAD
	Ingot casting			
	Billet casting	● 178 and 237 mm	● 160 and 195 mm	■ 152 mm
	Bloom casting			
Rolling Mill	Round bars	44.4 to 153 mm	25.4 to 108 mm	14.2 to 82.55 mm
	Square bars			
	Flat bars			
	Wire Rod			
	Other			
Forging Mill	Round bars			
	Square bars			
Cold Finishing	Turning	28 to 132 mm	25.4 to 88.9 mm	19.05 to 82.5 mm
	Drawing			
	Grinding			
Heat Treatment	Types	Annealing and Spheroidizing	Annealing and Spheroidizing	Annealing and Spheroidizing
Inspection Lines	Sizes	31.8 to 127 mm	22 to 85 mm	25 to 82.5 mm
	Number of lines	3	2	2



Downstream Units

Lansing - Basset

- Business:
Forged parts coating and heat treating



Lansing - Mt. Hope

- Business:
Forged parts coating and heat treating



Pleasant Prairie

- Business:
Surface treatment (Nitrosteel)



Huntington

- Business:
Heat treatment (Quench & temper)



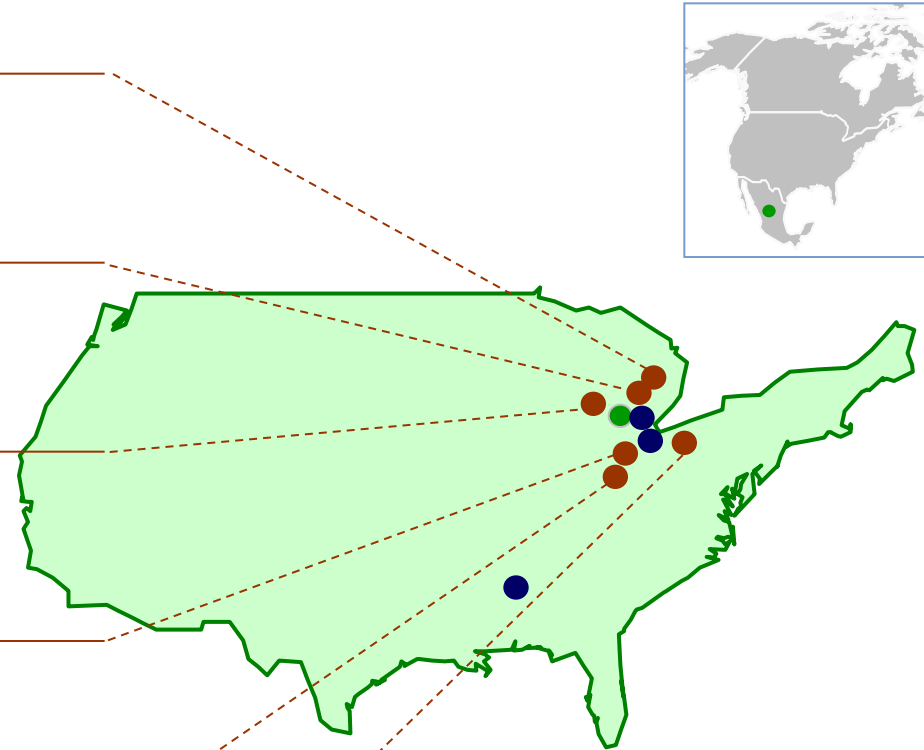
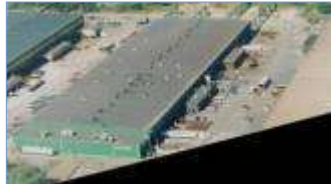
North Vernon

- Business:
Forged parts coating and heat treating



Canton

- Business:
Forged parts coating and heat treating



● - Steel Mills ● - Representative Offices ● - Downstream units

Product Portfolio: SBQ

Products



Hot Rolled Bars

- Rounds
- RCS
- Flats
- Special Profiles



Wire Rod

- Coils



Forged Bars

- Rounds
- RCS
- Flats

Grades

- Carbon
- Alloyed
- Micro alloyed
- Free cutting

- International specifications (SAE, DIN, AFNOR and others)
- Customers specifications

Applications

Automotive

Powertrain

Conrods



Gears



Crankshafts



- Camshafts
- Bearings
- Fasteners
- Shafts

Suspension

Coil springs



Leaf springs



Stabilizer bars



- Shock absorbers
- Clamps
- Fasteners

Steering

Gear racks



Wheel hubs



- Bearings
- Shafts
- Fasteners

Non-Automotive

- Agricultural equipment

- Energy (oil and gas; wind power)

- Mining

- Trains

- Heavy machinery

Some of Our Valued Customers

ArvinMeritor.

MAHLE



**BROCK
HAUS**



CIE Automotive

NEUMAYER TEKFOR

SEW

NTN

TRW



FRIEDBERG



BOSCH
Invented for life



MUSASHI

NSK

JTEKT

TENNECO



**Hirschvogel
Automotive Group**



**SANLUIS
RASSINI**

EAT•N

LUK INA FAG
SCHAEFFLER GRUPPE

DELPHI

Jatco



**VICINAY
CADENAS, S.A.**



GERDAU

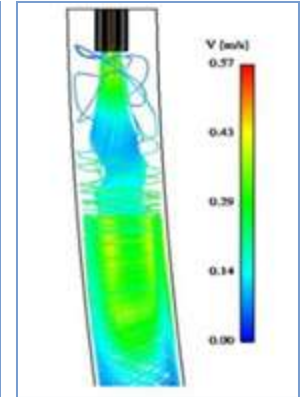
Vehicles in Which Gerdau Steel Can be Found



Research and Development

General Info

- 3 research centers (Brazil, Spain and USA)
- The second best research center in the steel industry in Europe
- The best research center in the long steel industry in the Americas
- 200 engineers working with product and process development
- 3,000 different steel grades every year
- 100 process development projects developed in 2007
- 1,000 product development projects in 2007 (PPAP - Production Part Approval Process)



Areas of Expertise

Steel for Automotive Components



Areas of Expertise

Steel for Non-Automotive Sectors



Projects and Partnerships with Think Tanks

	BFI-VDEH Fraunhofer-Institut IMA GmbH Dresden	CSM Istituto Nazionale Galileo Ferraris	
	IAS	Instytut Metallurgii Zelaza	
	Senai Cetemp	ISQ	
	CRM	Institutet För Metallfrskning AB IVL Kimab Mefos	
	Vitkovice R&D	ASPPRC NCMC AISI AIST FIERF FIA ASPEX	
	CEIT Inasmet Labein		
	Irsid Leces Pole Univesitaire Leonard de Vinci		

Projects and Partnerships with Universities



Univ. Aachen
Univ. Freiberg



Univ. BRNO



UFRGS
Unisinos
USP
Unicamp
UFSCar

Univ. Mondragon
Univ. Oviedo



Univ. Pisa



Colorado School of Mines
Carnegie Mellon
Univ. of Toledo



Univ. Bristol



Projects and Partnerships with Companies

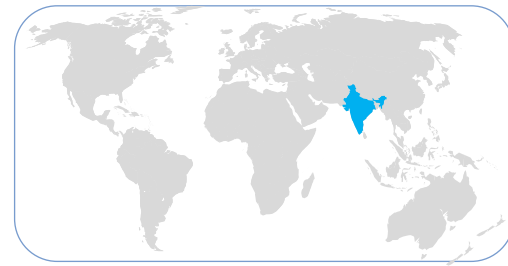


1. Gerdau Group

2. Special Steels Business Unit

3. India Business Unit

Gerdau Steel India Ltd.



General Info



- Company Name: Gerdau Steel India Ltd.
- Mill Location: Tadipatri
- Office Location: Bangalore
- Product Portfolio: SBQ



● - Steel Mill ● - Office

Steel Mill

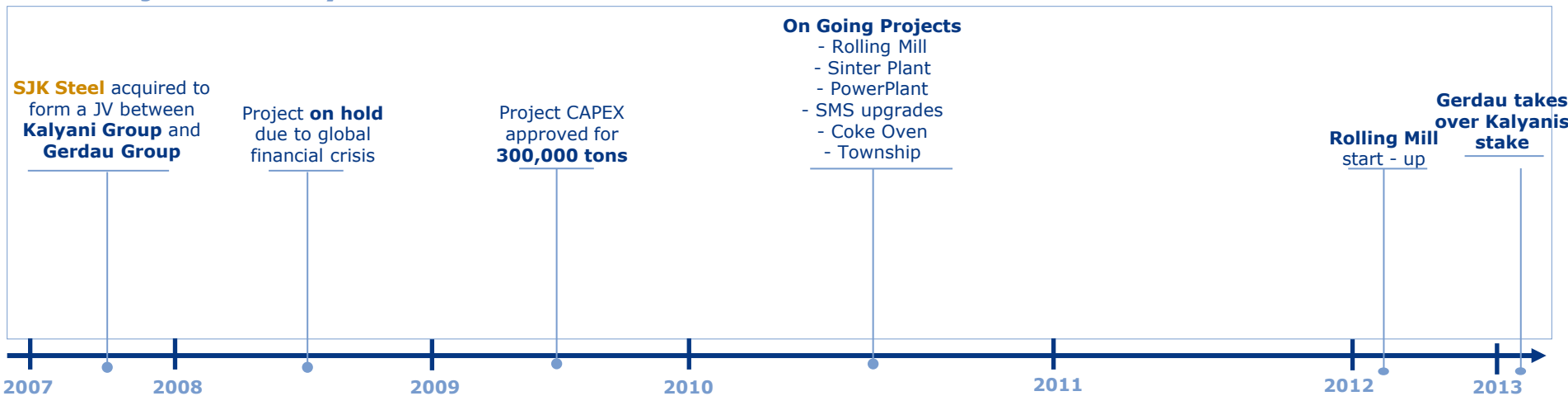
Tadipatri

- Crude Steel Capacity: 300,000 t
- Rolled Steel Capacity: 300,000 t



Gerdau Steel India Ltd.

Project History



Current Status

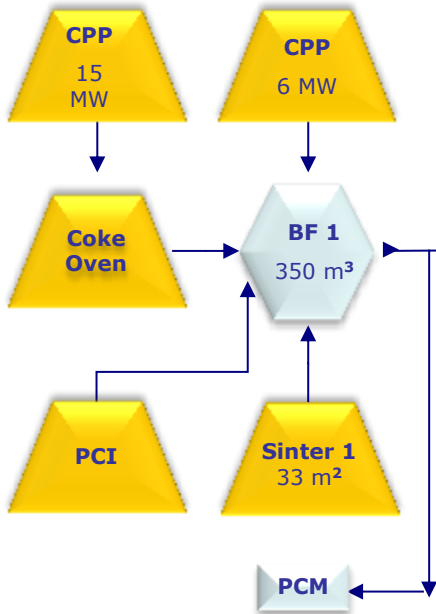
Project	2012										2013											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Sinter Plant		●																				
Power Plant						●																
Blast Furnace Improvements					●																	
SMS Upgrades						●																
Modification of Billet Caster (EMS)						●																
Modification of Billet Caster (Closed Casting)						●																
Dedusting System for Cast House														●								
Rolling Mill									●													
Inspection Line 2																			●			

Project Scope

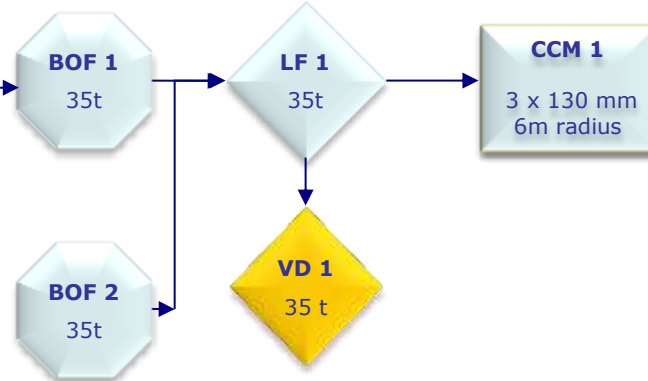
Configuration: 300,000 tons liquid metal



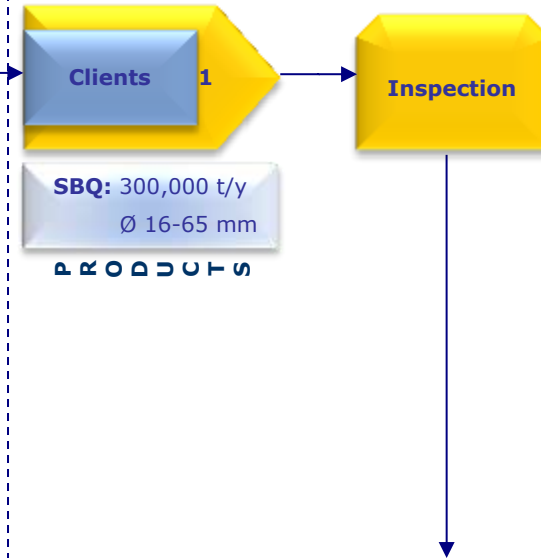
Iron Making



Melt Shop



Rolling Mill

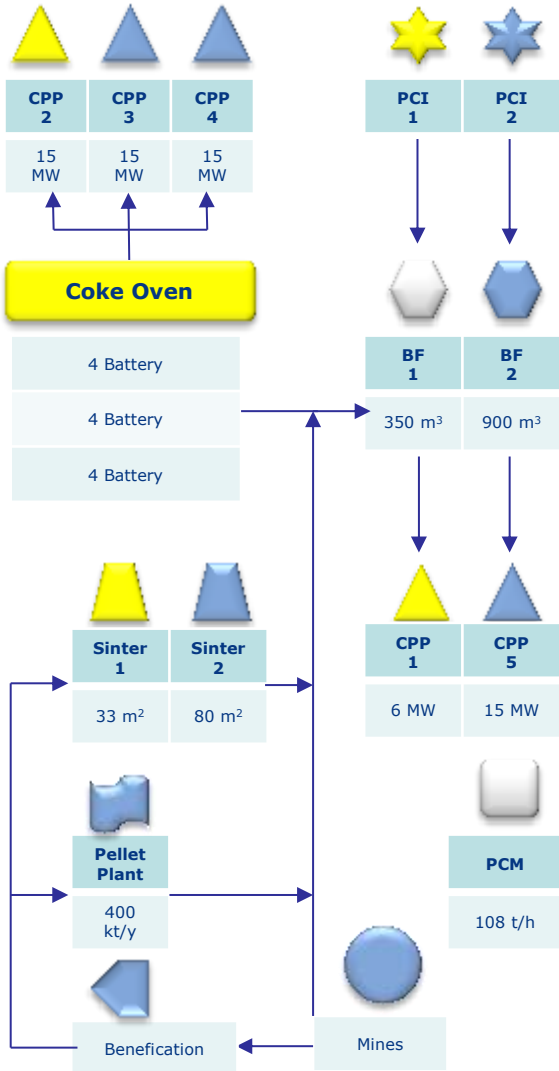


Existing Approved Projects

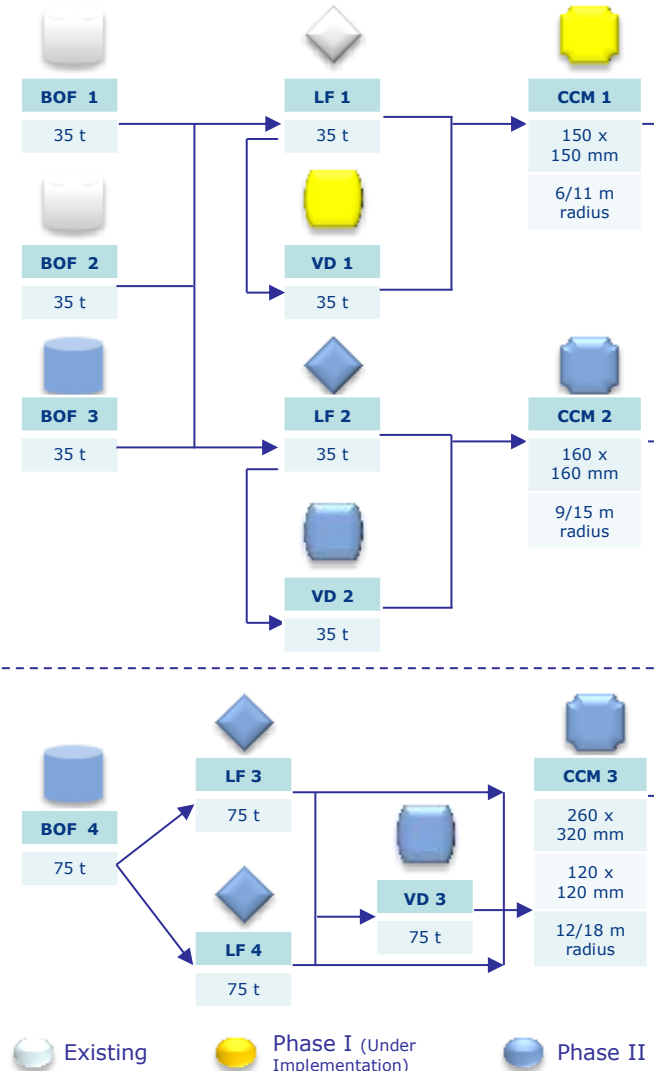
Phase II Expansion Configuration: 1.2 million tons liquid steel



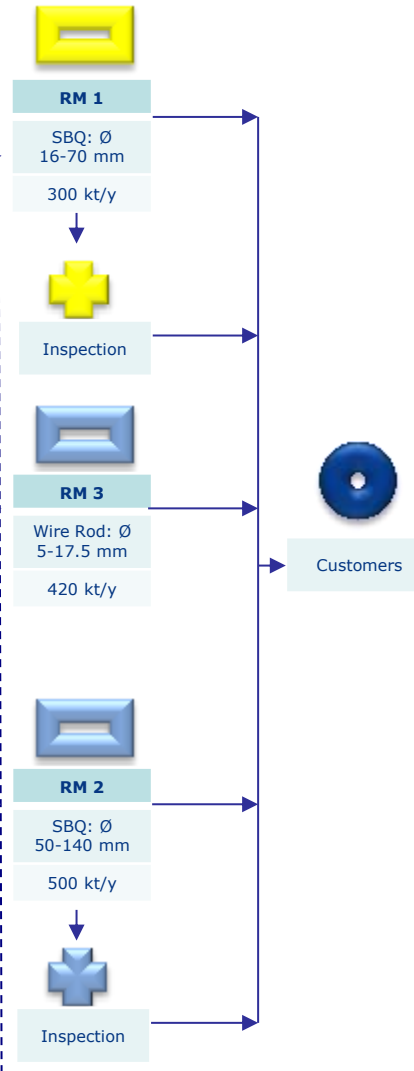
Iron Making



Melt Shop



Rolling Mill



Special Steel: Long-Term Vision

To be the global supplier of choice in special steel business

- **Quality of products and services**
 - **Proximity to customers**
 - **Product development**
 - **World-Class operation**
 - **Management technology**

Special Steel Business Operation is core in Gerdau's strategy



GERDAU

Is proud to announce
‘LK Group’
of companies as their
distributors for marketing
their products.



GERDAU

Thanks