

METALÚRGICA GERDAU S.A. - Consolidated
 BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|--|-------------------|-------------------|
| TOTAL ASSETS | 19,332,303 | 18,791,956 |
| Current assets | 10,003,835 | 9,653,492 |
| Cash and cash & equivalents | 295,984 | 337,767 |
| Trade accounts receivable | 2,670,828 | 2,564,192 |
| Taxes recoverable | 221,378 | 251,858 |
| Temporary cash investments | 1,966,608 | 1,666,178 |
| Inventories | 4,335,309 | 4,236,642 |
| Deferred income tax & other | 513,728 | 596,855 |
| Long-term receivables | 1,127,700 | 1,063,086 |
| A/R with related parties | 1,104 | 1,231 |
| Taxes recoverable | 142,673 | 69,992 |
| Judicial deposits and other | 191,014 | 185,983 |
| Deferred income tax | 609,852 | 623,722 |
| Advance payment for acquisition of invest. | 183,057 | 182,158 |
| Permanent assets | 8,200,768 | 8,075,378 |
| Investments | 64,944 | 112,547 |
| Fixed assets | 8,103,198 | 7,928,973 |
| Deferred | 32,626 | 33,858 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|-------------------|-------------------|
| TOTAL LIABILITIES | 19,332,303 | 18,791,956 |
| Current liabilities | 4,679,233 | 5,345,258 |
| Loans and financing | 1,629,910 | 2,027,865 |
| Debentures | 7,462 | 2,986 |
| Trade accounts payable | 1,927,324 | 1,921,424 |
| Taxes payable | 521,246 | 391,185 |
| Dividends payable | - | 338,972 |
| Deferred income tax & other | 593,291 | 662,826 |
| Long-term liabilities | 6,004,577 | 5,591,103 |
| Loans and Financing | 3,823,797 | 3,490,374 |
| Debentures | 686,995 | 573,504 |
| Deferred income tax & other | 1,493,785 | 1,527,225 |
| Minority Shareholders | 5,375,748 | 4,894,561 |
| Shareholders' equity | 3,272,745 | 2,961,034 |
| Capital stock | 1,664,000 | 1,664,000 |
| Capital reserves | 10,842 | 10,842 |
| Profit reserves | 1,285,632 | 1,285,632 |
| Retained earnings | 312,271 | 560 |

METALÚRGICA GERDAU S.A. - Consolidated
FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|------------------|------------------|------------------|
| GROSS SALES REVENUE | 6,928,795 | 5,843,157 | 4,972,926 |
| Deductions of gross revenue | (1,096,890) | (948,743) | (799,920) |
| Net sales revenue | 5,831,905 | 4,894,414 | 4,173,006 |
| Cost of sales | (4,219,840) | (3,410,686) | (3,155,737) |
| Gross profit | 1,612,065 | 1,483,728 | 1,017,269 |
| Operating result | (444,109) | (320,799) | (430,396) |
| Selling expenses | (117,343) | (127,439) | (97,082) |
| General and administrative expenses | (301,217) | (267,150) | (220,191) |
| Financial income | 69,886 | 50,906 | 54,942 |
| Financial expenses | (174,426) | 39,226 | (203,274) |
| Other operating income (expenses), net | 68,453 | 43,858 | 18,256 |
| Equity pick-up | 10,538 | (60,200) | 16,953 |
| Operating profit | 1,167,956 | 1,162,929 | 586,873 |
| Non-operating income (expenses), net | 172 | 166,171 | (9,555) |
| Profit before taxes/participation | 1,168,128 | 1,329,100 | 577,318 |
| Provision for income tax | (304,150) | (311,467) | (114,077) |
| Deferred income tax | (46,653) | (129,836) | (32,146) |
| Statutory participation | (7,657) | (18,665) | (8,586) |
| Net Profit for the period | 809,668 | 869,132 | 422,509 |
| Controlling Shareholders | 311,711 | 404,543 | 166,964 |
| Minority Shareholders | 497,957 | 464,589 | 255,545 |

METALÚRGICA GERDAU S.A. - Consolidated
CASH FLOW

| Corporate Law - R\$ thousands | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|--------------------|------------------|
| NET INCOME | 809,668 | 869,132 | 422,509 |
| Equity pick up | (10,538) | 60,200 | (16,953) |
| Provision for credit risk | (6,457) | (1,084) | 2,632 |
| Gain/Loss in fixed asset disposal | (42) | 2,840 | 5,274 |
| Gain/Loss in disposal of investment | - | (168,466) | 37 |
| Monetary and exchange variation | 39,351 | (137,534) | 56,427 |
| Depreciation and amortization | 212,963 | 191,186 | 171,574 |
| Income tax | 119,900 | (16,936) | 89,159 |
| Interest paid | 100,637 | 85,063 | 126,721 |
| Contingencies/legal deposits | 553 | (8,913) | 7,661 |
| Changes in trade account receivable | 29,401 | 263,383 | (384,623) |
| Changes in inventories | (61,884) | (453,209) | (186,067) |
| Changes in trade accounts payable | (92,794) | (26,323) | 347,568 |
| Other accounts in operating activities | 55,518 | (199,702) | (65,652) |
| Net cash provided by operating activities | 1,196,276 | 459,637 | 576,267 |
| Fixed assets acquisitions/ disposals | (388,086) | (470,634) | (219,451) |
| Deferred charges | (5,921) | (7,602) | (2,637) |
| Investments acquisitions/ disposals | (31,872) | 373,986 | (3) |
| Assets acquisition | - | (924,457) | - |
| Cash (applied to) investing activities | (425,879) | (1,028,707) | (222,091) |
| Fixed assets suppliers | (31,135) | 146,149 | (5,237) |
| Working capital financing | (184,824) | 76,637 | 276,599 |
| Debentures | 92,905 | 30,559 | 35,539 |
| Proceeds from fixed assets financing | 287,360 | 491,638 | 44,488 |
| Payments of fixed assets financing | (225,370) | (128,501) | (228,957) |
| Interest paid for financing | (110,032) | (49,471) | (137,576) |
| Inter companies loans | (747) | 4,673 | 10,632 |
| Capital increase/Treasury stock | 2,661 | 491,817 | (40,910) |
| Dividend/ interest & statutory particip, payment | (355,645) | (303,880) | (196,958) |
| Cash provided by (applied to) financing activities | (524,827) | 759,621 | (242,380) |
| Net change in cash | 245,570 | 190,551 | 111,796 |
| Cash balance | | | |
| At the beginning of the period | 2,003,945 | 1,900,675 | 1,015,726 |
| Effect of exchange rate changes on cash | 6,374 | (87,281) | 4,003 |
| Opening balance of incorporated companies for the year | 6,703 | - | - |
| At the end of the period | 2,262,592 | 2,003,945 | 1,131,525 |
| Cash composition | | | |
| Temporary cash investments | 1,966,608 | 1,666,178 | 906,111 |
| Cash | 295,984 | 337,767 | 225,414 |

METALÚRGICA GERDAU S.A. - Non consolidated

BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|------------------|------------------|
| TOTAL ASSETS | 3,414,818 | 3,263,861 |
| Current assets | 33,645 | 231,356 |
| Cash and cash & equivalents | 102 | 98 |
| Temporary cash investments | 21,498 | 95,702 |
| Dividends | - | 120,508 |
| Taxes recoverable | 9,419 | 11,247 |
| Other | 2,626 | 3,801 |
| Long-term receivables | 20,167 | 12,891 |
| Accounts receivable | 3,064 | 3,189 |
| A/R with related parties | - | - |
| Deferred income tax & other | 17,103 | 9,702 |
| Permanent assets | 3,361,006 | 3,019,614 |
| Investments | 3,359,449 | 3,018,021 |
| Fixed assets | 1,557 | 1,593 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|------------------|------------------|
| TOTAL LIABILITIES | 3,414,818 | 3,263,861 |
| Current liabilities | 14,552 | 175,798 |
| Debentures | - | - |
| Trade accounts payable | 300 | 63 |
| Taxes payable | 550 | 2,247 |
| Dividends payable | - | 158,374 |
| A/P with related parties | 1,948 | 266 |
| Other accounts payable | 11,754 | 14,848 |
| Long-term liabilities | 127,521 | 127,029 |
| Deferred income tax & other | 127,521 | 127,029 |
| Shareholders' equity | 3,272,745 | 2,961,034 |
| Capital stock | 1,664,000 | 1,664,000 |
| Capital reserves | 10,842 | 10,842 |
| Profit reserves | 1,285,632 | 1,285,632 |
| Retained earnings | 312,271 | 560 |

METALÚRGICA GERDAU S.A. - Non consolidated
 FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|----------------|----------------|----------------|
| GROSS SALES REVENUE | - | - | - |
| Deductions of gross revenue | - | - | - |
| Net sales revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit | - | - | - |
| Operating result | 306,595 | 286,871 | 165,262 |
| General and administrative expenses | (5,296) | (4,176) | (8,338) |
| Financial income | 3,312 | 844 | 2,981 |
| Financial expenses | (1,247) | (1,294) | (2,144) |
| Other operating income (expenses), net | 1 | 32 | 45 |
| Equity pick-up | 309,825 | 291,465 | 172,718 |
| Operating profit | 306,595 | 286,871 | 165,262 |
| Non-operating income (expenses), net | - | 170,990 | (37) |
| Profit before taxes/participation | 306,595 | 457,861 | 165,225 |
| Provision for income tax | - | (2,624) | - |
| Deferred income tax | 5,780 | (49,749) | 2,489 |
| Statutory participation | (664) | (945) | (750) |
| Net Profit for the period | 311,711 | 404,543 | 166,964 |
| Profit per share - R\$ | 3.78 | 4.90 | 4.05 |
| Book value per share - R\$ | 39.68 | 35.90 | 50.42 |
| Outstanding shares (thousand) | 82,487 | 82,487 | 41,243 |

METALÚRGICA GERDAU S.A. - Non Consolidated
 CASH FLOW

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|------------------|-----------------|
| NET INCOME | 311,711 | 404,543 | 166,964 |
| Equity pick up | (309,825) | (291,465) | (172,718) |
| Gain/Loss in disposal of investment | - | (170,990) | 37 |
| Monetary and exchange variation | 1,126 | 1,172 | 1,591 |
| Depreciation and amortization | 36 | 37 | 36 |
| Income tax | (15,871) | 52,989 | (8,960) |
| Interest paid | 1 | - | 64 |
| Contingencies/legal deposits | - | (32) | (911) |
| Changes in trade account payable | 237 | 37 | 69 |
| Other operating activities accounts | (1,658) | (30,141) | (3,767) |
| Net cash provided by operating activities | (14,243) | (33,850) | (17,595) |
| Investments acquisitions/ disposals | (31,603) | 155,926 | - |
| Interest on Equity/Distribution of Profit Received | 131,908 | 131,637 | 79,475 |
| Investments acquisitions/ disposals | 100,305 | 287,563 | 79,475 |
| Working capital financing | (2,063) | (2,014) | (1,876) |
| Debentures | - | - | (13) |
| Inter companies loans | 1,682 | (20,419) | 11,251 |
| Capital increase/Treasury stock | - | - | (14,441) |
| Dividend/ interest & statutory particip. payment | (159,881) | (135,560) | (81,901) |
| Cash provided by (applied to) financing activities | (160,262) | (157,993) | (86,980) |
| Net change in cash | (74,200) | 95,720 | (25,100) |
| Cash balance | | | |
| At the beginning of the period | 95,800 | 80 | 25,186 |
| At the end of the period | 21,600 | 95,800 | 86 |
| Cash composition | | | |
| Temporary cash investments | 21,498 | 95,702 | 80 |
| Cash | 102 | 98 | 6 |

GERDAU S.A. - Consolidated
BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|--|-------------------|-------------------|
| TOTAL ASSETS | 19,221,501 | 18,663,822 |
| Current assets | 9,931,457 | 9,556,265 |
| Cash and cash & equivalents | 292,256 | 333,720 |
| Trade accounts receivable | 2,606,374 | 2,496,808 |
| Taxes recoverable | 209,102 | 240,462 |
| Temporary cash investments | 2,034,030 | 1,708,247 |
| Inventories | 4,335,309 | 4,236,642 |
| Deferred income tax & other | 454,386 | 540,386 |
| Long-term receivables | 1,091,380 | 1,034,319 |
| A/R with related parties | - | 1,448 |
| Taxes recoverable | 142,673 | 69,992 |
| Judicial deposits and other | 187,945 | 182,790 |
| Deferred income tax | 577,705 | 597,931 |
| Advance payment for acquisition of invest. | 183,057 | 182,158 |
| Permanent assets | 8,198,664 | 8,073,238 |
| Investments | 64,413 | 112,017 |
| Fixed assets | 8,101,625 | 7,927,363 |
| Deferred | 32,626 | 33,858 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|-------------------|-------------------|
| TOTAL LIABILITIES | 19,221,501 | 18,663,822 |
| Current liabilities | 4,645,400 | 5,247,668 |
| Loans and Financing | 1,604,231 | 1,968,397 |
| Debentures | 7,462 | 2,986 |
| Trade accounts payable | 1,933,444 | 1,935,953 |
| Taxes payable | 516,477 | 386,238 |
| Dividends payable | - | 306,771 |
| A/P with related parties | 2,616 | - |
| Deferred income tax & other | 581,170 | 647,323 |
| Long-term liabilities | 6,150,314 | 5,803,107 |
| Loans and Financing | 3,823,797 | 3,490,374 |
| Debentures | 962,167 | 915,086 |
| Deferred income tax & other | 1,364,350 | 1,397,647 |
| Minority Shareholders | 1,657,117 | 1,539,191 |
| Shareholders' equity | 6,768,670 | 6,073,856 |
| Capital stock | 3,471,312 | 3,471,312 |
| Capital reserves | 376,672 | 376,672 |
| Profit reserves | 2,225,872 | 2,225,872 |
| Retained earnings | 694,814 | - |

GERDAU S.A. - Consolidated
FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|------------------|------------------|------------------|
| GROSS SALES REVENUE | 6,928,795 | 5,843,157 | 4,972,926 |
| Deductions of gross revenue | (1,096,890) | (948,743) | (799,920) |
| Net sales revenue | 5,831,905 | 4,894,414 | 4,173,006 |
| Cost of sales | (4,219,840) | (3,410,686) | (3,155,738) |
| Gross profit | 1,612,065 | 1,483,728 | 1,017,268 |
| Operating result | (442,902) | (320,546) | (424,609) |
| Selling expenses | (117,343) | (127,439) | (97,082) |
| General and administrative expenses | (292,629) | (258,476) | (208,452) |
| Financial income | 60,879 | 42,106 | 45,536 |
| Financial expenses | (183,843) | 40,327 | (199,111) |
| Other operating income (expenses), net | 67,580 | 43,136 | 17,547 |
| Equity pick-up | 22,454 | (60,200) | 16,953 |
| Operating profit | 1,169,163 | 1,163,182 | 592,659 |
| Non-operating income (expenses), net | 172 | (2,383) | (9,518) |
| Profit before taxes/participation | 1,169,335 | 1,160,799 | 583,141 |
| Provision for income tax | (300,394) | (307,676) | (113,375) |
| Deferred income tax | (51,451) | (86,310) | (34,636) |
| Statutory participation | (6,993) | (17,721) | (7,835) |
| Net Profit for the period | 810,497 | 749,092 | 427,295 |
| Controlling Shareholders | 694,814 | 635,778 | 381,959 |
| Minority Shareholders | 115,683 | 113,314 | 45,336 |

GERDAU S.A. - Consolidated
CASH FLOW

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|--------------------|------------------|
| NET INCOME | 810,497 | 749,092 | 427,295 |
| Equity pick up | (22,454) | 60,200 | (16,953) |
| Provision for credit risk | (6,608) | (1,125) | 2,514 |
| Gain/Loss in fixed asset disposal | (42) | 2,840 | 5,274 |
| Gain/Loss in disposal of investment | - | 11 | - |
| Monetary and exchange variation | 38,225 | (138,706) | 54,836 |
| Depreciation and amortization | 212,924 | 191,147 | 171,535 |
| Income tax | 135,917 | (64,539) | 99,211 |
| Interest paid | 111,301 | 85,264 | 124,623 |
| Contingencies/legal deposits | 517 | (8,880) | 8,575 |
| Changes in trade account receivable | 26,622 | 263,955 | (374,381) |
| Changes in inventories | (61,884) | (453,209) | (186,067) |
| Changes in trade accounts payable | (101,202) | (15,886) | 348,634 |
| Other accounts in operating activities | 61,589 | (173,196) | (49,692) |
| Net cash provided by operating activities | 1,205,402 | 496,968 | 615,404 |
| Fixed assets acquisitions/ disposals | (394,144) | (470,634) | (219,451) |
| Deferred charges | 137 | (7,602) | (2,637) |
| Investments acquisitions/ disposals | (269) | (27,353) | (3) |
| Assets acquisition | - | (924,457) | - |
| Cash (applied to) investing activities | (394,276) | (1,430,046) | (222,091) |
| Fixed assets suppliers | (31,136) | 146,150 | (5,237) |
| Working capital financing | (149,245) | 66,360 | 272,972 |
| Debentures | 13,285 | 369,291 | 10,050 |
| Proceeds from fixed assets financing | 287,360 | 491,638 | 44,488 |
| Payments of fixed assets financing | (225,370) | (128,501) | (228,957) |
| Interest paid for financing | (107,211) | (46,926) | (136,068) |
| Inter companies loans | 3,190 | 25,004 | 262 |
| Capital increase/Treasury stock | 2,661 | 491,819 | (26,469) |
| Dividend/ interest & statutory particip, payment | (333,419) | (300,127) | (194,505) |
| Cash provided by (applied to) financing activities | (539,885) | 1,114,708 | (263,464) |
| Net change in cash | 271,241 | 181,630 | 129,849 |
| Cash balance | | | |
| At the beginning of the period | 2,041,968 | 1,947,618 | 1,017,006 |
| Effect of exchange rate changes on cash | 6,374 | (87,281) | 4,003 |
| Opening balance of incorporated companies for the year | 6,703 | - | - |
| At the end of the period | 2,326,286 | 2,041,967 | 1,150,858 |
| Cash composition | | | |
| Temporary cash investments | 2,034,030 | 1,708,247 | 929,281 |
| Cash | 292,256 | 333,720 | 221,577 |

GERDAU S.A.- Non consolidated

BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|------------------|------------------|
| TOTAL ASSETS | 7,801,478 | 7,373,150 |
| Current assets | 28,908 | 195,987 |
| Cash and cash & equivalents | 461 | 1,347 |
| Taxes recoverable | 24,702 | 32,038 |
| Temporary cash investments | 2,626 | 14,362 |
| Dividends receivable & other | 1,119 | 148,240 |
| Long-term receivables | 123,619 | 76,699 |
| Taxes recoverable | 50,030 | - |
| Judicial deposits and other | 34,403 | 34,403 |
| Deferred income tax | 39,186 | 42,296 |
| Permanent assets | 7,648,951 | 7,100,464 |
| Investments | 7,648,951 | 7,100,464 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|------------------|------------------|
| TOTAL LIABILITIES | 7,801,478 | 7,373,150 |
| Current liabilities | 147,874 | 457,267 |
| Taxes payable | 2,863 | 6,808 |
| Dividends payable | - | 280,378 |
| A/T with related parties | 138,277 | 164,549 |
| Other accounts payable | 6,734 | 5,532 |
| Long-term liabilities | 884,934 | 842,027 |
| Debentures | 735,383 | 692,476 |
| A/P with related parties | - | - |
| Provision for contingencies & other | 149,551 | 149,551 |
| Shareholders' equity | 6,768,670 | 6,073,856 |
| Capital stock | 3,471,312 | 3,471,312 |
| Capital reserves | 376,672 | 376,672 |
| Profit reserves | 2,225,872 | 2,225,872 |
| Retained earnings | 694,814 | - |

GERDAU S.A. - Non consolidated
FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|----------------|----------------|----------------|
| GROSS SALES REVENUE | - | - | - |
| Deductions of gross revenue | - | - | - |
| Net sales revenue | - | - | - |
| Cost of sales | - | - | - |
| Gross profit | - | - | - |
| Operating result | 701,733 | 641,412 | 373,937 |
| Selling expenses | - | - | - |
| General and administrative expenses | (5,733) | (5,770) | (9,315) |
| Financial income | 960 | 3,407 | 12,290 |
| Financial expenses | (32,664) | (19,204) | (9,173) |
| Other operating income (expenses), net | 57,683 | 25,859 | 694 |
| Equity pick-up | 681,487 | 637,120 | 379,441 |
| Operating profit | 701,733 | 641,412 | 373,937 |
| Non-operating result, net | - | (1,065) | - |
| Profit before taxes/participation | 701,733 | 640,347 | 373,937 |
| Provision for income tax | (3,536) | 3 | - |
| Deferred income tax | (3,110) | (4,204) | 8,316 |
| Statutory participation | (273) | (368) | (294) |
| Net Profit for the period | 694,814 | 635,778 | 381,959 |
| Profit per share - R\$ | 2.35 | 2.15 | 2.59 |
| Book value per share - R\$ | 22.93 | 20.58 | 29.74 |
| Outstanding shares (thousand) | 295,135 | 295,135 | 147,567 |

GERDAU S.A. - Non Consolidated
CASH FLOW

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|------------------|------------------|
| NET INCOME | 694,814 | 635,778 | 381,959 |
| Equity pick up | (681,487) | (637,120) | (379,441) |
| Gain/Loss in fixed asset disposal | - | 1,065 | - |
| Monetary and exchange variation | 777 | (6,008) | (1,239) |
| Depreciation and amortization | - | - | - |
| Income tax | 3,429 | 3,808 | (19,398) |
| Interest paid | 30,311 | 23,307 | 8,902 |
| Contingencies/legal deposits | - | (46) | 21 |
| Changes in trade account payable | 539 | 72 | (12) |
| Other operating activities accounts | (50,313) | (28,170) | (8,361) |
| Net cash provided by operating activities | (1,930) | (7,314) | (17,569) |
| Investments acquisitions/ disposals | - | (522,496) | - |
| Interest on Equity/Distribution of Profit Received | 283,683 | 272,246 | 243,060 |
| Investments acquisitions/ disposals | 283,683 | (250,250) | 243,060 |
| Debentures | 13,285 | 368,527 | 13,475 |
| Inter companies loans | (27,740) | (46,324) | (42,050) |
| Capital increase/Treasury stock | - | - | (27,036) |
| Dividend/ interest & statutory particip, payment | (279,920) | (274,398) | (158,038) |
| Cash provided by (applied to) financing activities | (294,375) | 47,805 | (213,649) |
| Net change in cash | (12,622) | (209,759) | 11,842 |
| Cash balance | | | |
| At the beginning of the period | 15,709 | 225,468 | 177,684 |
| At the end of the period | 3,087 | 15,709 | 189,526 |
| Cash composition | | | |
| Temporary cash investments | 2,626 | 14,362 | 189,482 |
| Cash | 461 | 1,347 | 44 |

GERDAU AÇOMINAS S.A. - Consolidated
BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|-------------------|------------------|
| TOTAL ASSETS | 10,032,210 | 9,619,530 |
| Current assets | 4,626,489 | 4,371,823 |
| Cash and cash & equivalents | 93,754 | 49,915 |
| Trade accounts receivable | 1,172,196 | 1,269,716 |
| Taxes recoverable | 151,173 | 176,067 |
| Temporary cash investments | 936,787 | 713,906 |
| Inventories | 1,917,152 | 1,742,064 |
| Deferred income tax & other | 355,427 | 420,155 |
| Long-term receivables | 248,339 | 249,638 |
| A/R with related parties | - | 21,804 |
| Deferred income tax & other | 248,339 | 227,834 |
| Permanent assets | 5,157,382 | 4,998,069 |
| Investments | 39,548 | 43,669 |
| Fixed assets | 5,088,441 | 4,924,735 |
| Deferred | 29,393 | 29,665 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|---|-------------------|------------------|
| TOTAL LIABILITIES | 10,032,210 | 9,619,530 |
| Current liabilities | 2,351,461 | 2,674,073 |
| Loans and Financing | 832,918 | 895,067 |
| Trade accounts payable | 925,165 | 848,906 |
| Taxes payable | 336,248 | 291,106 |
| Dividends/Interest on capital stock payable | - | 306,197 |
| A/P with related parties | 10,978 | - |
| Deferred income tax & other | 246,152 | 332,797 |
| Long-term liabilities | 2,358,246 | 2,179,411 |
| Loans and Financing | 2,262,363 | 2,083,176 |
| Provision for contingencies & other | 95,883 | 96,235 |
| Minority Shareholders | - | - |
| Shareholders' equity | 5,322,503 | 4,766,046 |
| Capital stock | 2,340,576 | 2,340,576 |
| Capital reserves | 339,408 | 289,667 |
| Profit reserves | 2,135,803 | 2,135,803 |
| Retained earnings | 506,716 | - |

GERDAU AÇOMINAS S.A. - Consolidated
FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|------------------|------------------|------------------|
| GROSS SALES REVENUE | 3,478,105 | 3,478,926 | 2,596,702 |
| Deductions of gross revenue | (815,117) | (754,381) | (589,649) |
| Net sales revenue | 2,662,988 | 2,724,545 | 2,007,053 |
| Cost of sales | (1,594,546) | (1,627,816) | (1,262,154) |
| Gross profit | 1,068,442 | 1,096,729 | 744,899 |
| Operating result | (319,515) | (153,610) | (310,222) |
| Selling expenses | (106,407) | (114,039) | (87,820) |
| General and administrative expenses | (162,415) | (162,490) | (140,575) |
| Financial income | 27,791 | 12,405 | 17,417 |
| Financial expenses | (85,488) | 100,153 | (111,045) |
| Other operating income (expenses), net | 11,024 | 11,160 | 12,405 |
| Equity pick-up | (4,020) | (799) | (604) |
| Operating profit | 748,927 | 943,119 | 434,677 |
| Non-operating income, net | (150) | 390 | (5,296) |
| Profit before taxes/participation | 748,777 | 943,509 | 429,381 |
| Provision for income tax | (187,152) | (164,132) | (82,007) |
| Deferred income tax | (48,189) | (137,751) | (26,978) |
| Statutory participation | (6,720) | (16,854) | (7,542) |
| Net Profit for the period | 506,716 | 624,772 | 312,854 |
| Controlling Shareholders | 506,716 | 624,772 | 312,854 |
| Minority Shareholders | - | - | - |

GERDAU AÇOMINAS S.A. - Consolidated
CASH FLOW

| Corporate Law - R\$ thousands | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|------------------|------------------|
| NET INCOME | 506,716 | 624,772 | 312,854 |
| Equity pick up | 4,020 | 799 | 604 |
| Provision for credit risk | 1,401 | (1,524) | 1,888 |
| Gain/Loss in fixed asset disposal | 180 | (375) | 5,289 |
| Gain/Loss in disposal of investment | - | - | - |
| Monetary and exchange variation | 36,331 | (126,510) | 50,725 |
| Depreciation and amortization | 128,287 | 128,924 | 100,932 |
| Income tax | 78,231 | 78,081 | 75,867 |
| Interest paid | 48,253 | 35,910 | 50,041 |
| Contingencies/legal deposits | 125 | (8,485) | 8,547 |
| Changes in trade account receivable | 196,915 | (81,079) | (88,663) |
| Changes in inventories | (177,484) | (207,368) | (62,186) |
| Changes in trade accounts payable | (1,130) | 37,504 | 44,089 |
| Other accounts in operating activities | 25,882 | 25,460 | 16,094 |
| Net cash provided by operating activities | 847,727 | 506,109 | 516,081 |
| Fixed assets acquisitions/ disposals | (293,686) | (417,796) | (142,957) |
| Deferred charges | (5,921) | (7,602) | (2,637) |
| Investments acquisitions/ disposals | | - | (2) |
| Cash (applied to) investing activities | (299,607) | (425,398) | (145,596) |
| Fixed assets suppliers | (27,999) | 145,915 | (1,813) |
| Working capital financing | (108,512) | 22,618 | 105,080 |
| Proceeds from fixed assets financing | 276,831 | 171,525 | 44,488 |
| Payments of fixed assets financing | (83,396) | (91,038) | (188,896) |
| Interest paid for financing | (40,498) | (40,402) | (45,880) |
| Inter companies loans | 32,775 | 92,584 | 56,324 |
| Dividend/ interest & statutory particip. payment | (331,336) | (297,911) | (292,963) |
| Cash provided by (applied to) financing activities | (282,135) | 3,291 | (323,660) |
| Net change in cash | 265,985 | 84,002 | 46,825 |
| Cash balance | | | |
| At the beginning of the period | 763,821 | 685,337 | 258,327 |
| Effect of exchange rate changes on cash | 735 | (5,518) | 524 |
| At the end of the period | 1,030,541 | 763,821 | 305,676 |
| Cash composition | | | |
| Temporary cash investments | 936,787 | 713,906 | 165,015 |
| Cash | 93,754 | 49,915 | 140,661 |

GERDAU AÇOMINAS S.A.- Non consolidated

BALANCE SHEET

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|-------------------------------------|------------------|------------------|
| TOTAL ASSETS | 9,926,688 | 9,589,967 |
| Current assets | 4,483,715 | 4,320,660 |
| Cash and cash & equivalents | 40,280 | 49,758 |
| Trade accounts receivable | 1,410,832 | 1,398,760 |
| Taxes recoverable | 146,116 | 169,655 |
| Temporary cash investments | 633,007 | 548,192 |
| Inventories | 1,895,924 | 1,732,128 |
| Deferred income tax & other | 357,556 | 422,167 |
| Long-term receivables | 236,879 | 224,657 |
| A/R with related parties | - | 8,178 |
| Deferred income tax & other | 236,879 | 216,479 |
| Permanent assets | 5,206,094 | 5,044,650 |
| Investments | 153,418 | 154,372 |
| Fixed assets | 5,023,283 | 4,866,670 |
| Deferred | 29,393 | 23,608 |

| Corporate Law - R\$ thousand | Mar. 2005 | Dec. 2004 |
|---|------------------|------------------|
| TOTAL LIABILITIES | 9,926,688 | 9,589,967 |
| Current liabilities | 2,249,233 | 2,647,960 |
| Loans and Financing | 832,268 | 877,613 |
| Trade accounts payable | 814,096 | 844,851 |
| Taxes payable | 335,640 | 287,503 |
| Dividends/Interest on capital stock payable | - | 306,197 |
| A/T with related parties | 22,278 | - |
| Deferred income tax & other | 244,951 | 331,796 |
| Long-term liabilities | 2,354,952 | 2,175,961 |
| Loans and Financing | 2,259,065 | 2,079,721 |
| Provision for contingencies & other | 95,887 | 96,240 |
| Shareholders' equity | 5,322,503 | 4,766,046 |
| Capital stock | 2,340,576 | 2,340,576 |
| Capital reserves | 339,408 | 289,667 |
| Profit reserves | 2,135,803 | 2,135,803 |
| Retained earnings | 506,716 | - |

GERDAU AÇOMINAS S.A. - Non consolidated
FINANCIAL STATEMENT

| Corporate Law - R\$ thousand | 1Q2005 | 4Q2004 | 1Q2004 |
|--|------------------|------------------|------------------|
| GROSS SALES REVENUE | 3,464,854 | 3,439,446 | 2,574,020 |
| Deductions of gross revenue | (813,975) | (752,270) | (588,811) |
| Net sales revenue | 2,650,879 | 2,687,176 | 1,985,209 |
| Cost of sales | (1,584,378) | (1,605,316) | (1,242,771) |
| Gross profit | 1,066,501 | 1,081,860 | 742,438 |
| Operating result | (317,898) | (141,579) | (307,706) |
| Selling expenses | (106,245) | (112,975) | (87,032) |
| General and administrative expenses | (161,821) | (161,848) | (139,403) |
| Financial income | 25,531 | 11,825 | 17,558 |
| Financial expenses | (85,300) | 100,084 | (110,815) |
| Other operating income (expenses), net | 10,891 | 10,622 | 12,362 |
| Equity pick-up | (954) | 10,713 | (376) |
| Operating profit | 748,603 | 940,281 | 434,732 |
| Non-operating income (expenses), net | (150) | (265) | (5,226) |
| Profit before taxes/participation | 748,453 | 940,016 | 429,506 |
| Provision for income tax | (186,854) | (160,661) | (81,595) |
| Deferred income tax | (48,163) | (137,730) | (27,515) |
| Statutory participation | (6,720) | (16,854) | (7,542) |
| Net Profit for the period | 506,716 | 624,771 | 312,854 |
| Profit per share - R\$ | 3.19 | 3.94 | 1.97 |
| Book value per share - R\$ | 33.55 | 30.04 | 20.63 |
| Outstanding shares (thousand) | 158,652 | 158,652 | 158,652 |

GERDAU AÇOMINAS S.A. - Non Consolidated
CASH FLOW

| Corporate Law - R\$ thousands | 1Q2005 | 4Q2004 | 1Q2004 |
|---|------------------|------------------|------------------|
| NET INCOME | 506,716 | 624,771 | 312,854 |
| Equity pick up | 954 | (10,713) | 376 |
| Provision for credit risk | 1,401 | (1,524) | 1,888 |
| Gain/Loss in fixed asset disposal | 180 | (387) | 5,248 |
| Gain/Loss in disposal of investment | - | 666 | - |
| Monetary and exchange variation | 36,388 | (125,998) | 50,513 |
| Depreciation and amortization | 127,146 | 127,942 | 98,650 |
| Income tax | 78,592 | 77,160 | 77,396 |
| Interest paid | 48,138 | 35,731 | 49,593 |
| Contingencies/legal deposits | 254 | (8,451) | 8,549 |
| Changes in trade account receivable | (18,559) | (41,181) | (181,766) |
| Changes in inventories | (166,189) | (209,401) | (58,784) |
| Changes in trade accounts payable | (1,335) | 33,937 | 70,012 |
| Other operating activities accounts | 26,944 | 24,195 | 17,255 |
| Net cash provided by operating activities | 640,630 | 526,747 | 451,784 |
| Fixed assets acquisitions/ disposals | (291,510) | (417,386) | (139,992) |
| Deferred charges | (5,921) | (5,741) | (2,111) |
| Investments acquisitions/ disposals | - | - | (3,002) |
| Interest on Equity/Distribution of Profit Received | - | - | 182 |
| Cash (applied to) investing activities | (297,431) | (423,127) | (144,923) |
| Fixed assets suppliers | (28,224) | 145,930 | (1,811) |
| Working capital financing | (91,961) | 8,007 | 109,585 |
| Proceeds from fixed assets financing | 276,831 | 171,525 | 44,159 |
| Payments of fixed assets financing | (83,239) | (90,594) | (187,660) |
| Interest paid for financing | (40,382) | (40,220) | (45,542) |
| Inter companies loans | 30,449 | 94,763 | 43,662 |
| Dividend/ interest & statutory particip. payment | (331,336) | (297,911) | (293,444) |
| Cash provided by (applied to) financing activities | (267,862) | (8,500) | (331,051) |
| Net change in cash | 75,337 | 95,120 | (24,190) |
| Cash balance | | | |
| At the beginning of the period | 597,950 | 502,788 | 179,266 |
| Opening balance of incorporated companies for the year | - | 42 | - |
| At the end of the period | 673,287 | 597,950 | 155,076 |
| Cash composition | | | |
| Temporary cash investments | 633,007 | 548,192 | 81,765 |
| Cash | 40,280 | 49,758 | 73,311 |