

**METALÚRGICA GERDAU S.A. - Consolidated**  
BALANCE SHEET

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>19,332,303</b>	<b>18,791,956</b>
<b>Current assets</b>	<b>10,003,835</b>	<b>9,653,492</b>
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
<b>Long-term receivables</b>	<b>1,127,700</b>	<b>1,063,086</b>
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
<b>Permanent assets</b>	<b>8,200,768</b>	<b>8,075,378</b>
Investments	64,944	112,547
Fixed assets	8,103,198	7,928,973
Deferred	32,626	33,858

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>19,332,303</b>	<b>18,791,956</b>
<b>Current liabilities</b>	<b>4,679,233</b>	<b>5,345,258</b>
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
<b>Long-term liabilities</b>	<b>6,004,577</b>	<b>5,591,103</b>
Loans and Financing	3,823,797	3,490,374
Debentures	686,995	573,504
Deferred income tax & other	1,493,785	1,527,225
<b>Minority Shareholders</b>	<b>5,375,748</b>	<b>4,894,561</b>
<b>Shareholders' equity</b>	<b>3,272,745</b>	<b>2,961,034</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	<b>6,928,795</b>	<b>5,843,157</b>	<b>4,972,926</b>
Deductions of gross revenue	(1,096,890)	(948,743)	(799,920)
<b>Net sales revenue</b>	<b>5,831,905</b>	<b>4,894,414</b>	<b>4,173,006</b>
Cost of sales	(4,219,840)	(3,410,686)	(3,155,737)
<b>Gross profit</b>	<b>1,612,065</b>	<b>1,483,728</b>	<b>1,017,269</b>
<b>Operating result</b>	<b>(444,109)</b>	<b>(320,799)</b>	<b>(430,396)</b>
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
<b>Operating profit</b>	<b>1,167,956</b>	<b>1,162,929</b>	<b>586,873</b>
Non-operating income (expenses), net	172	166,171	(9,555)
<b>Profit before taxes/participation</b>	<b>1,168,128</b>	<b>1,329,100</b>	<b>577,318</b>
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)
<b>Net Profit for the period</b>	<b>809,668</b>	<b>869,132</b>	<b>422,509</b>
Controlling Shareholders	311,711	404,543	166,964
Minority Shareholders	497,957	464,589	255,545

**METALÚRGICA GERDAU S.A. - Consolidated**  
CASH FLOW

<b>Corporate Law - R\$ thousands</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>809,668</b>	<b>869,132</b>	<b>422,509</b>
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)
<b>Net cash provided by operating activities</b>	<b>1,196,276</b>	<b>459,637</b>	<b>576,267</b>
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)	-
<b>Cash (applied to) investing activities</b>	<b>(425,879)</b>	<b>(1,028,707)</b>	<b>(222,091)</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(524,827)</b>	<b>759,621</b>	<b>(242,380)</b>
<b>Net change in cash</b>	<b>245,570</b>	<b>190,551</b>	<b>111,796</b>
<b>Cash balance</b>			
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
<b>Cash composition</b>			
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

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>3,414,818</b>	<b>3,263,861</b>
<b>Current assets</b>	<b>33,645</b>	<b>231,356</b>
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
<b>Long-term receivables</b>	<b>20,167</b>	<b>12,891</b>
Accounts receivable	3,064	3,189
A/R with related parties	-	-
Deferred income tax & other	17,103	9,702
<b>Permanent assets</b>	<b>3,361,006</b>	<b>3,019,614</b>
Investments	3,359,449	3,018,021
Fixed assets	1,557	1,593

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>3,414,818</b>	<b>3,263,861</b>
<b>Current liabilities</b>	<b>14,552</b>	<b>175,798</b>
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
<b>Long-term liabilities</b>	<b>127,521</b>	<b>127,029</b>
Deferred income tax & other	127,521	127,029
<b>Shareholders' equity</b>	<b>3,272,745</b>	<b>2,961,034</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	-	-	-
Deductions of gross revenue	-	-	-
<b>Net sales revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
<b>Operating result</b>	<b>306,595</b>	<b>286,871</b>	<b>165,262</b>
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
<b>Operating profit</b>	<b>306,595</b>	<b>286,871</b>	<b>165,262</b>
Non-operating income (expenses), net	-	170,990	(37)
<b>Profit before taxes/participation</b>	<b>306,595</b>	<b>457,861</b>	<b>165,225</b>
Provision for income tax	-	(2,624)	-
Deferred income tax	5,780	(49,749)	2,489
Statutory participation	(664)	(945)	(750)
<b>Net Profit for the period</b>	<b>311,711</b>	<b>404,543</b>	<b>166,964</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>311,711</b>	<b>404,543</b>	<b>166,964</b>
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)
<b>Net cash provided by operating activities</b>	<b>(14,243)</b>	<b>(33,850)</b>	<b>(17,595)</b>
Investments acquisitions/ disposals	(31,603)	155,926	-
Interest on Equity/Distribution of Profit Received	131,908	131,637	79,475
<b>Investments acquisitions/ disposals</b>	<b>100,305</b>	<b>287,563</b>	<b>79,475</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(160,262)</b>	<b>(157,993)</b>	<b>(86,980)</b>
<b>Net change in cash</b>	<b>(74,200)</b>	<b>95,720</b>	<b>(25,100)</b>
<b>Cash balance</b>			
At the beginning of the period	95,800	80	25,186
At the end of the period	21,600	95,800	86
<b>Cash composition</b>			
Temporary cash investments	21,498	95,702	80
Cash	102	98	6

**GERDAU S.A. - Consolidated**  
BALANCE SHEET

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>19,221,501</b>	<b>18,663,822</b>
<b>Current assets</b>	<b>9,931,457</b>	<b>9,556,265</b>
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
<b>Long-term receivables</b>	<b>1,091,380</b>	<b>1,034,319</b>
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
<b>Permanent assets</b>	<b>8,198,664</b>	<b>8,073,238</b>
Investments	64,413	112,017
Fixed assets	8,101,625	7,927,363
Deferred	32,626	33,858

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>19,221,501</b>	<b>18,663,822</b>
<b>Current liabilities</b>	<b>4,645,400</b>	<b>5,247,668</b>
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
<b>Long-term liabilities</b>	<b>6,150,314</b>	<b>5,803,107</b>
Loans and Financing	3,823,797	3,490,374
Debentures	962,167	915,086
Deferred income tax & other	1,364,350	1,397,647
<b>Minority Shareholders</b>	<b>1,657,117</b>	<b>1,539,191</b>
<b>Shareholders' equity</b>	<b>6,768,670</b>	<b>6,073,856</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	<b>6,928,795</b>	<b>5,843,157</b>	<b>4,972,926</b>
Deductions of gross revenue	(1,096,890)	(948,743)	(799,920)
<b>Net sales revenue</b>	<b>5,831,905</b>	<b>4,894,414</b>	<b>4,173,006</b>
Cost of sales	(4,219,840)	(3,410,686)	(3,155,738)
<b>Gross profit</b>	<b>1,612,065</b>	<b>1,483,728</b>	<b>1,017,268</b>
<b>Operating result</b>	<b>(442,902)</b>	<b>(320,546)</b>	<b>(424,609)</b>
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
<b>Operating profit</b>	<b>1,169,163</b>	<b>1,163,182</b>	<b>592,659</b>
Non-operating income (expenses), net	172	(2,383)	(9,518)
<b>Profit before taxes/participation</b>	<b>1,169,335</b>	<b>1,160,799</b>	<b>583,141</b>
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)
<b>Net Profit for the period</b>	<b>810,497</b>	<b>749,092</b>	<b>427,295</b>
Controlling Shareholders	694,814	635,778	381,959
Minority Shareholders	115,683	113,314	45,336

**GERDAU S.A. - Consolidated**  
CASH FLOW

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>810,497</b>	<b>749,092</b>	<b>427,295</b>
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)
<b>Net cash provided by operating activities</b>	<b>1,205,402</b>	<b>496,968</b>	<b>615,404</b>
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)	-
<b>Cash (applied to) investing activities</b>	<b>(394,276)</b>	<b>(1,430,046)</b>	<b>(222,091)</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(539,885)</b>	<b>1,114,708</b>	<b>(263,464)</b>
<b>Net change in cash</b>	<b>271,241</b>	<b>181,630</b>	<b>129,849</b>
<b>Cash balance</b>			
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
<b>Cash composition</b>			
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

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>7,801,478</b>	<b>7,373,150</b>
<b>Current assets</b>	<b>28,908</b>	<b>195,987</b>
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
<b>Long-term receivables</b>	<b>123,619</b>	<b>76,699</b>
Taxes recoverable	50,030	-
Judicial deposits and other	34,403	34,403
Deferred income tax	39,186	42,296
<b>Permanent assets</b>	<b>7,648,951</b>	<b>7,100,464</b>
Investments	7,648,951	7,100,464

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>7,801,478</b>	<b>7,373,150</b>
<b>Current liabilities</b>	<b>147,874</b>	<b>457,267</b>
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
<b>Long-term liabilities</b>	<b>884,934</b>	<b>842,027</b>
Debentures	735,383	692,476
A/P with related parties	-	-
Provision for contingencies & other	149,551	149,551
<b>Shareholders' equity</b>	<b>6,768,670</b>	<b>6,073,856</b>
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	-

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FINANCIAL STATEMENT

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	-	-	-
Deductions of gross revenue	-	-	-
<b>Net sales revenue</b>	-	-	-
Cost of sales	-	-	-
<b>Gross profit</b>	-	-	-
<b>Operating result</b>	<b>701,733</b>	<b>641,412</b>	<b>373,937</b>
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
<b>Operating profit</b>	<b>701,733</b>	<b>641,412</b>	<b>373,937</b>
Non-operating result, net	-	(1,065)	-
<b>Profit before taxes/participation</b>	<b>701,733</b>	<b>640,347</b>	<b>373,937</b>
Provision for income tax	(3,536)	3	-
Deferred income tax	(3,110)	(4,204)	8,316
Statutory participation	(273)	(368)	(294)
<b>Net Profit for the period</b>	<b>694,814</b>	<b>635,778</b>	<b>381,959</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>694,814</b>	<b>635,778</b>	<b>381,959</b>
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)
<b>Net cash provided by operating activities</b>	<b>(1,930)</b>	<b>(7,314)</b>	<b>(17,569)</b>
Investments acquisitions/ disposals	-	(522,496)	-
Interest on Equity/Distribution of Profit Received	283,683	272,246	243,060
<b>Investments acquisitions/ disposals</b>	<b>283,683</b>	<b>(250,250)</b>	<b>243,060</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(294,375)</b>	<b>47,805</b>	<b>(213,649)</b>
<b>Net change in cash</b>	<b>(12,622)</b>	<b>(209,759)</b>	<b>11,842</b>
<b>Cash balance</b>			
At the beginning of the period	15,709	225,468	177,684
At the end of the period	3,087	15,709	189,526
<b>Cash composition</b>			
Temporary cash investments	2,626	14,362	189,482
Cash	461	1,347	44



**GERDAU AÇOMINAS S.A. - Consolidated**  
BALANCE SHEET

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>10,032,210</b>	<b>9,619,530</b>
<b>Current assets</b>	<b>4,626,489</b>	<b>4,371,823</b>
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
<b>Long-term receivables</b>	<b>248,339</b>	<b>249,638</b>
A/R with related parties	-	21,804
Deferred income tax & other	248,339	227,834
<b>Permanent assets</b>	<b>5,157,382</b>	<b>4,998,069</b>
Investments	39,548	43,669
Fixed assets	5,088,441	4,924,735
Deferred	29,393	29,665

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>10,032,210</b>	<b>9,619,530</b>
<b>Current liabilities</b>	<b>2,351,461</b>	<b>2,674,073</b>
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
<b>Long-term liabilities</b>	<b>2,358,246</b>	<b>2,179,411</b>
Loans and Financing	2,262,363	2,083,176
Provision for contingencies & other	95,883	96,235
<b>Minority Shareholders</b>	<b>-</b>	<b>-</b>
<b>Shareholders' equity</b>	<b>5,322,503</b>	<b>4,766,046</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	<b>3,478,105</b>	<b>3,478,926</b>	<b>2,596,702</b>
Deductions of gross revenue	(815,117)	(754,381)	(589,649)
<b>Net sales revenue</b>	<b>2,662,988</b>	<b>2,724,545</b>	<b>2,007,053</b>
Cost of sales	(1,594,546)	(1,627,816)	(1,262,154)
<b>Gross profit</b>	<b>1,068,442</b>	<b>1,096,729</b>	<b>744,899</b>
<b>Operating result</b>	<b>(319,515)</b>	<b>(153,610)</b>	<b>(310,222)</b>
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)
<b>Operating profit</b>	<b>748,927</b>	<b>943,119</b>	<b>434,677</b>
Non-operating income, net	(150)	390	(5,296)
<b>Profit before taxes/participation</b>	<b>748,777</b>	<b>943,509</b>	<b>429,381</b>
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)
<b>Net Profit for the period</b>	<b>506,716</b>	<b>624,772</b>	<b>312,854</b>
Controlling Shareholders	506,716	624,772	312,854
Minority Shareholders	-	-	-

**GERDAU AÇOMINAS S.A. - Consolidated**  
CASH FLOW

<b>Corporate Law - R\$ thousands</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>506,716</b>	<b>624,772</b>	<b>312,854</b>
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
<b>Net cash provided by operating activities</b>	<b>847,727</b>	<b>506,109</b>	<b>516,081</b>
Fixed assets acquisitions/ disposals	(293,686)	(417,796)	(142,957)
Deferred charges	(5,921)	(7,602)	(2,637)
Investments acquisitions/ disposals	-	-	(2)
<b>Cash (applied to) investing activities</b>	<b>(299,607)</b>	<b>(425,398)</b>	<b>(145,596)</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(282,135)</b>	<b>3,291</b>	<b>(323,660)</b>
<b>Net change in cash</b>	<b>265,985</b>	<b>84,002</b>	<b>46,825</b>
<b>Cash balance</b>			
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
<b>Cash composition</b>			
Temporary cash investments	936,787	713,906	165,015
Cash	93,754	49,915	140,661

**GERDAU AÇOMINAS S.A.- Non consolidated**  
BALANCE SHEET

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL ASSETS</b>	<b>9,926,688</b>	<b>9,589,967</b>
<b>Current assets</b>	<b>4,483,715</b>	<b>4,320,660</b>
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
<b>Long-term receivables</b>	<b>236,879</b>	<b>224,657</b>
A/R with related parties	-	8,178
Deferred income tax & other	236,879	216,479
<b>Permanent assets</b>	<b>5,206,094</b>	<b>5,044,650</b>
Investments	153,418	154,372
Fixed assets	5,023,283	4,866,670
Deferred	29,393	23,608

<b>Corporate Law - R\$ thousand</b>	<b>Mar. 2005</b>	<b>Dec. 2004</b>
<b>TOTAL LIABILITIES</b>	<b>9,926,688</b>	<b>9,589,967</b>
<b>Current liabilities</b>	<b>2,249,233</b>	<b>2,647,960</b>
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
<b>Long-term liabilities</b>	<b>2,354,952</b>	<b>2,175,961</b>
Loans and Financing	2,259,065	2,079,721
Provision for contingencies & other	95,887	96,240
<b>Shareholders' equity</b>	<b>5,322,503</b>	<b>4,766,046</b>
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

<b>Corporate Law - R\$ thousand</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>GROSS SALES REVENUE</b>	<b>3,464,854</b>	<b>3,439,446</b>	<b>2,574,020</b>
Deductions of gross revenue	(813,975)	(752,270)	(588,811)
<b>Net sales revenue</b>	<b>2,650,879</b>	<b>2,687,176</b>	<b>1,985,209</b>
Cost of sales	(1,584,378)	(1,605,316)	(1,242,771)
<b>Gross profit</b>	<b>1,066,501</b>	<b>1,081,860</b>	<b>742,438</b>
<b>Operating result</b>	<b>(317,898)</b>	<b>(141,579)</b>	<b>(307,706)</b>
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)
<b>Operating profit</b>	<b>748,603</b>	<b>940,281</b>	<b>434,732</b>
Non-operating income (expenses), net	(150)	(265)	(5,226)
<b>Profit before taxes/participation</b>	<b>748,453</b>	<b>940,016</b>	<b>429,506</b>
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)
<b>Net Profit for the period</b>	<b>506,716</b>	<b>624,771</b>	<b>312,854</b>
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

<b>Corporate Law - R\$ thousands</b>	<b>1Q2005</b>	<b>4Q2004</b>	<b>1Q2004</b>
<b>NET INCOME</b>	<b>506,716</b>	<b>624,771</b>	<b>312,854</b>
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
<b>Net cash provided by operating activities</b>	<b>640,630</b>	<b>526,747</b>	<b>451,784</b>
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
<b>Cash (applied to) investing activities</b>	<b>(297,431)</b>	<b>(423,127)</b>	<b>(144,923)</b>
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)
<b>Cash provided by (applied to) financing activities</b>	<b>(267,862)</b>	<b>(8,500)</b>	<b>(331,051)</b>
<b>Net change in cash</b>	<b>75,337</b>	<b>95,120</b>	<b>(24,190)</b>
<b>Cash balance</b>			
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
<b>Cash composition</b>			
Temporary cash investments	633,007	548,192	81,765
Cash	40,280	49,758	73,311