



Gerdau completes sale of four U.S. rebar mills and downstream locations

Tampa, Fla. Nov. 5, 2018 – Gerdau is announcing the completion of the sale to Commercial Metals Company (CMC) of four U.S. rebar mills and rebar fabrication locations. The sale includes the steel mills in Jacksonville, FL, Knoxville, TN, Rancho Cucamonga, CA, and Sayreville, NJ, as well as all of Gerdau’s U.S. rebar fabrication facilities. The transaction was originally announced on January 2, 2018, for US\$ 600 million, as well as an approximately \$100 million estimated working capital adjustment. The purchase price is subject to a further customary purchase price adjustment as described in the Purchase Agreement. The cash received will be used to reduce financial leverage.

Gerdau maintains a strong presence in North America. With 13 steel mills located throughout the U.S. and Canada, Gerdau continues to be a leading producer of structural steel, merchant bar, and special bar quality products, as well as rebar.

According to Gustavo Werneck, CEO of Gerdau, “the completion of this transaction represents an important milestone in our strategy to reduce financial leverage and to focus on better return opportunities. We will accelerate growth in attractive segments in North America, one of our core markets, and will continue to serve and create value for customers in the construction, industrial equipment, transportation and energy markets”.

Cautionary Statement Relevant to Forward-Looking Information

This press release includes forward-looking statements regarding future events. These forward-looking statements are based on Gerdau’s current plans and expectations, and involve some risks and uncertainties that could cause actual results and events to vary materially from the results and events anticipated or implied by such forward-looking statements.

About Gerdau

Gerdau is a leading producer of long steel in the Americas and one of the largest suppliers of special steel in the world. It is the largest recycler in Latin America, and around the world it transforms, each year, millions of metric tons of scrap into steel, reinforcing its commitment to sustainable development in the regions where it operates. The Company is listed on the stock exchanges of São Paulo, New York and Madrid. For more information, visit gerdau.com.

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