

May 1, 2003

D E P O S I T A R Y R E C E I P T S**ATTENTION: LATIN AMERICAN RESEARCH, SALES,
TRADING AND OPERATIONS STAFF****BOOKS CLOSED NOTICE, RATIO CHANGE
AND STOCK DISTRIBUTION*****GERDAU, S.A.***

Please be advised that effective May 7, 2003, The Bank of New York, as depositary for Gerdau, S.A., will change the ADR ratio from the current one (1) ADR representing (1,000) preferred shares to one (1) ADR representing one (1) preferred share. The ratio change is a result of a simultaneous reverse-split and an offsetting change in the trading lot in the home market of Brazil. Below please find the pertinent details:

	<u>OLD</u>	<u>NEW</u>
RATIO:	1 ADR: 1,000 Shares	1 ADR: 1 Share
CUSIP:	373737105	UNCHANGED

In addition, there will be a 30% stock distribution as follows:

US Record Date:	April 30, 2003
US Payable Date:	May 12, 2003
US Ex-Distribution Date:	May 13, 2003

Price will be adjusted accordingly due to the 30% stock distribution and The Bank of New York will close the books for deposits of preferred shares from May 7, 2003 through May 15, 2003 inclusive. Our books remain open for pre-releases, cancellations and transfers.

If you require any additional information please visit our website at **www.adrbny.com** or feel free to contact:

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