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**Preferred Shares**

**American Depositary Shares, each representing one Preferred Share**

**Gerdau Trade II Inc.**

**Guaranteed Debt Securities**

**PROSPECTUS**

**December 29, 2010**

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**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 8. *Indemnification of Directors and Officers***

**Cayman Islands Law**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Under Gerdau Trade II's Memorandum and Articles of Association, it may indemnify its current and former directors and officers against any liability, action, proceeding, claim, demand, costs, damages or expenses including legal expenses, whatsoever which any such director or officer may incur as a result of any act or failure to act, other than in relation to any liability incurred by reason of actual fraud or willful default of such person.

**Brazilian Corporate Law**

Neither the laws of Brazil nor Gerdau's bylaws or other constitutive documents provide for indemnification of directors and officers. Under the Brazilian Civil Code, a person engaged in an illegal action must indemnify any third person that incurred losses or damages arising from such illegal action. Gerdau maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (b) to Gerdau itself with respect to payments which may be made by Gerdau to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

**Item 9. *Exhibits***

<b>Exhibit Number</b>	<b>Description</b>
1.1	Underwriting Agreement Basic Provisions for debt securities issued by Gerdau
1.2	Underwriting Agreement Basic Provisions for guaranteed debt securities issued by Gerdau Trade II
1.3	Form of Underwriting Agreement for Preferred Shares*
4.1	Form of indenture for debt securities issued by Gerdau
4.2	Form of indenture for debt securities issued by Gerdau Trade II

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- 4.3 Form of debt security (included in Exhibits 4.1 and 4.2)
- 4.4 Form of guaranty (included in Exhibit 4.2)
- 5.1 Opinion of Expedito Luz, General Counsel of Gerdau S.A.
- 5.2 Opinion of Maples and Calder
- 5.3 Opinion of Greenberg Traurig, LLP
- 12.1 Calculation of Ratio of earnings to fixed charges
- 23.1 Consent of Deloitte Touche Tohmatsu Auditores Independentes
- 23.2 Consent of Expedito Luz, General Counsel of Gerdau S.A. (included in exhibit 5.1)
- 23.3 Consent of Maples and Calder (included in exhibit 5.2)
- 23.4 Consent of Greenberg Traurig LLP (included in exhibit 5.3)
- 24.1 Powers of Attorney (included in pages II-5 to II-6 of this Registration Statement)
- 25.1 Statement of Eligibility of The Bank of New York Mellon with respect to the Gerdau and Gerdau Trade II indentures

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\*To be filed by amendment or incorporated by reference to a subsequently filed Report on Form 6-K.

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**Item 10. Undertakings**

(a) Each of the undersigned registrants hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however,* that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this item do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act of 1933 need not be furnished, provided that the registrant includes in the prospectus, by means of a

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post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Securities Act of 1933 or Item 8.A. of Form 20-F if such financial statements and information are contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement;

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

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(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of the registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section (10)(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; and

(6) That, for the purpose of determining liability of the registrants under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the registrant undertakes that in a primary offering of securities of a registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, such registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser: (i) any preliminary prospectus or prospectus of the registrant relating to the offering required to be filed pursuant to Rule 424; (ii) any free writing prospectus relating to the offering prepared by or on behalf of the registrant or used or referred to by the registrant; (iii) the portion of any other free writing prospectus relating to the offering containing material information about the registrant or its securities provided by or on behalf of the registrant; and (iv) any other communication that is an offer in the offering made by the registrant to the purchaser.

(b) Each of the undersigned registrants hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of each of the registrants pursuant to the foregoing provisions, or otherwise, each of the registrants has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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#### **SIGNATURES OF GERDAU S.A.**

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Porto Alegre, State of Rio Grande do Sul, Brazil, on December 29, 2010.

GERDAU S.A.

By: /s/ André Bier Gerdau Johannpeter  
Name: André Bier Gerdau Johannpeter  
Title: Chief Executive Officer

By: /s/ Osvaldo Burgos Schirmer  
Name: Osvaldo Burgos Schirmer  
Title: Chief Financial Officer

#### **POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS**, that each person whose signature appears below constitutes and appoints Mr. Osvaldo Burgos Schirmer and Mr. André Bier Gerdau Johannpeter, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this registration statement and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>
/s/ André Bier Gerdau Johannpeter	André Bier Gerdau Johannpeter President and Chief Executive Officer	December 29, 2010
/s/ Osvaldo Burgos Schirmer	Osvaldo Burgos Schirmer Vice President and Chief Financial Officer	December 29, 2010
By: /s/ Donald J. Puglisi	Puglisi & Associates Authorized Representative of Gerdau S.A. in the United States	December 29, 2010
/s/ Jorge Gerdau Johannpeter	Jorge Gerdau Johannpeter	December 29, 2010

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Chairman of the Board of Directors

/s/ Germano Hugo Gerdau Johannpeter

Germano Hugo Gerdau Johannpeter  
Vice-Chairman

December 29, 2010

/s/ Klaus Gerdau Johannpeter

Klaus Gerdau Johannpeter  
Vice-Chairman

December 29, 2010

/s/ Frederico Carlos Gerdau Johannpeter

Frederico Carlos Gerdau Johannpeter  
Vice-Chairman

December 29, 2010

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	André Pinheiro de Lara Resende Director	
	Affonso Celso Pastore Director	
	Oscar de Paula Bernardes Neto Director	
/s/ André Bier Gerdau Johannpeter	André Bier Gerdau Johannpeter Director	December 29, 2010
/s/ Claudio Johannpeter	Claudio Johannpeter Director	December 29, 2010
/s/ Expedito Luz	Expedito Luz Secretary-General	December 29, 2010

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#### **SIGNATURES OF GERDAU TRADE II INC.**

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Porto Alegre, State of Rio Grande do Sul, Brazil, on December 29, 2010.

#### GERDAU TRADE II INC.

By: /s/ André Bier Gerdau Johannpeter  
Name: André Bier Gerdau Johannpeter  
Title: Director

By: /s/ Osvaldo Burgos Schirmer  
Name: Osvaldo Burgos Schirmer  
Title: Director

#### **POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS**, that each person whose signature appears below constitutes and appoints Osvaldo Burgos Schirmer and André Bier Gerdau Johannpeter, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this registration statement and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<b>SIGNATURE</b>	<b>TITLE</b>	<b>DATE</b>
/s/ André Bier Gerdau Johannpeter	André Bier Gerdau Johannpeter Director	December 29, 2010
/s/ Osvaldo Burgos Schirmer	Osvaldo Burgos Schirmer Director	December 29, 2010
/s/ Claudio Johannpeter	Claudio Johannpeter Director	December 29, 2010
/s/ Geraldo Toffanello	Geraldo Toffanello Director	December 29, 2010

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/s/ Expedito Luz

Expedito Luz  
Director

December 29, 2010

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