

Santo Domingo, Dominican Republic, December 2018

To whom it may concern:

**Gerdau** is a leader in the long steel market in the Americas and one of the main suppliers of specialized long steel products in the world, as well as being the largest recycler in Latin America and the world. Gerdau has over 45,000 employees and industrial plants in 14 countries across the Americas, Europe and Asia.

Between January and August 2018, we developed the "**Atrevete**" (Go For it) project in conjunction with **London Consulting Group**. The project focused on the operative areas of the business and it generated major impacts for **Gerdau Metaldom** in the Dominican Republic, and **Gerdau Diaco** in Colombia. To give the project continuity, between January and November 2018, initiatives were developed which focused on the **Joint Venture's** Organizational Structure. The following are some accomplishments and results we achieved:

- 7% reduction in the SG&A generated by the accounts affected by the Joint Venture salaries.
- 2% reduction in the COGS generated by the accounts affected by the Joint Venture salaries.
- Evaluating and Balancing workloads for over 530 employees.
- Surveying and Analyzing 2580 processes 15310 activities.
- Designing the organizational structure at a macro and micro level for both operations.
- Defining the work plan for the development and implementation of the functional and structural changes.
- Designing and updating the job roles in the impacted areas to include new roles and functions.

The project was successfully concluded within the established time frame, generating a return on investment at the end of October of **1.6 to 1**, with a forecasted return of **6.6 to 1** after 12 months' time. These results have surpassed our expectations, thanks to the professional work carried out by both the Gerdau Metaldom and Diaco personnel, and London Consulting Group's team.

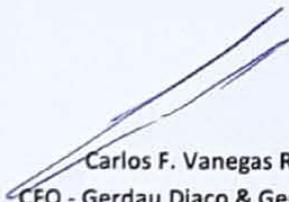
The way change was managed, the dedication displayed by the team members, the methodology and the way it was applied according to the different stages of the project, allowed us to achieve both qualitative and quantitative results.

We are happy to recommend London Consulting Group as a professional and committed firm which generates positive cultural changes through the implementation of practical solutions, their leadership skills, and their commitment towards achieving tangible results in a short period of time.

Sincerely:



**Rodrigo Belloc Soares**  
CEO - Gerdau Diaco & Gerdau Metaldom



**Carlos F. Vanegas Ramirez**  
CFO - Gerdau Diaco & Gerdau Metaldom



**Ingrid Lapaix**  
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