

## <Translation of Japanese Release >

March 27, 2006

### **Yen Equivalent of US\$267 million Term Loan Facility for Gerdau Acominas S.A. in Brazil/ NEXI Overseas Untied Loan Insurance**

Citibank, N.A. Tokyo Branch ("Citibank") arranged the Yen equivalent of US\$267 million term loan facility for Gerdau Acominas S.A., on March 24, 2006. This facility is fully underwritten by Citibank as a lead arranger, and successfully syndicated to 6 commercial banks, including Sumitomo Mitsubishi Banking Corporation as Co-Arranger and other financial institutions located in Japan. The facility is insured by Nippon Export and Import Insurance under its Overseas Untied Loan Insurance facility.

Gerdau Acominas S.A. is one of the largest steel manufacturers in Brazil. The company has the long-stand relationship with Japanese steel manufacturer in terms of technical transfer. The company plans to expand its production capacity throughout the year of 2005 to 2007, and this facility will be used for such modernization project aiming at the increase of operational capacity, improvement of operational efficiency, and reduction of operational costs.

Backed by affluent natural resources, Brazilian economy has been expanded in recent years. Together with Petrochemical Industry, Automobile Industry and Public Services, Steel industry is viewed as one of the four major key industries, and historically promoted economic growth in Brazil. Gerdau Acominas aims at enhancing its competitiveness in the global market by achieving production increase and production efficiency by implementing the project.

Citibank has been focusing on supporting business in "BRICs" countries. In January 2006, Citibank lead arranged JBIC Buyer's Credit Facility for Open Joint Stock Company MegaFon, one of the major cellular operators located in Moscow, Russia, to import microwave radio systems from NEC in Japan. Using the strong global network, Citibank further supports to promote Japanese companies' business opportunity in BRICs, in collaboration with NEXI and JBIC.