


# RANDON PROFILE

## INSTITUTIONAL PROFILE

RESULTS
**1Q16 / 1Q15**

RANDON®

# Significant Information

*We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officer.*

*Forward-looking statements also include information concerning our possible or assumed future results of operations as well as statements preceded by, followed by, or that include the words ''believes'', ''may'', ''will'', ''continues'', ''expects'', ''anticipates'', ''intends'', ''plans'', ''estimates'' or similar expressions.*

*Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.*

# Randon Profile

Foundation
1949

IPO
1971

Employees
8,198

*Market cap*
R$ 813.8
million
**1Q2016**




**LEADERSHIP**
| leader in the 4th biggest automotive market in the world
| among the 10 biggest manufacturers of towed vehicles
| leader in Brazil in all kinds of parts produced by itself

**GROWTH**
| fast and constant growing
| present in all Brazilian economy sectors
| international exposure through exports and foreign operations

**COMPETITIVE**
| one of the main suppliers in the Brazilian commercial vehicles chain
| complementary products and integrated industrial sites
| traditional partnerships and worldwide exposure

**RECOGNITION**
| one of the most respected brands in transportation in Latam
| elected among the best companies to work in Latam
| regular investments in R&D

# Randon Profile

**Consolidated Net Revenue Distribution by Segment | 1Q16**

## 51.3% VEHICLES AND TRAILERS

- Among the 10 biggest manufacturers of road equipment in the world;
- Second major manufacturer of railway wagons in Brazil;
- The largest manufacturer of specialty vehicles of up to 30 tons in Brazil.




## 43.9% AUTOPARTS

- One of the biggest friction material manufacturers in the Western hemisphere;
- The largest producer of air brakes for commercial vehicles in Brazil;
- Leader in production of friction material, air breaks, axles and suspension systems and coupling components for commercial vehicles.



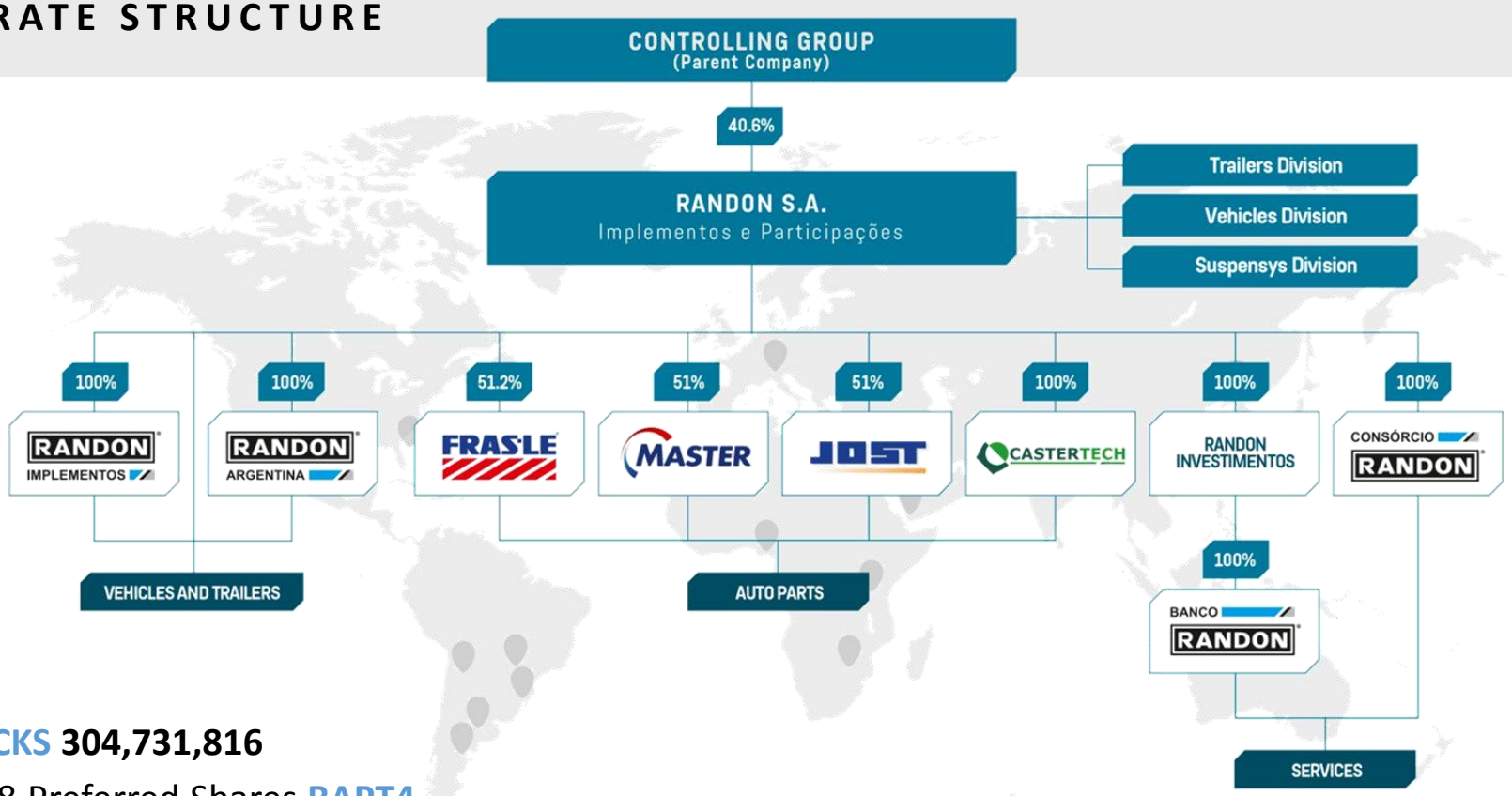
## 4.8% FINANCIAL SERVICES

- One of the biggest consortium companies for commercial vehicles in Brazil;
- In-house bank to finance clients and suppliers.



# Randon Profile

## CORPORATE STRUCTURE




**TOTAL STOCKS** **304,731,816**

202,371,448 Preferred Shares **RAPT4**

102,360,368 Common Shares **RAPT3**

**FREE FLOAT** 57.5%

**TAG ALONG** 80%

NÍVEL 1
BM&FBOVESPA

Índice Small Cap **SMLL**
Índice do Setor Industrial **INDX**
Índice Brasil **IBRX**
Índice de Ações com Tag Along Diferenciado **ITAG**
Índice de Ações com Governança Corporativa Diferenciada **IGC**

# Randon Profile

## OPERATIONAL STRUCTURE



RANDON COMPANIES **IN THE WORLD**

Industrial Parks | International offices | Assembly and CKD Units | Warehouses

BRAZIL | USA | MEXICO | CHILE | ARGENTINA | GERMANY | ALGERIA | KENYA | SOUTH AFRICA | CHINA | DUBAI | EGYPT

# Vehicles and Trailers




## Physical Volume Sales | Breakdown of Revenues by Segment

| | 1Q2016 | | 1Q2015 | | Δ% Un. | 1Q2016 | | 4Q2015 | | Δ% Un. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Un. | % CNR | Un. | % CNR | | Un. | % CNR | Un. | % CNR | |
| **Vehicles and Road Equipment** | | **51.3%** | | **41.9%** | | | **51.3%** | | **54.9%** | |
| *Trailers/Semi-Trailers (un.)* | 2,303 | 50.7% | 2,064 | 55.8% | 11.6% | 2,303 | 50.7% | 2,898 | 60.4% | -20.5% |
| *Specialty Vehicles (un.)* | 45 | 2.4% | 99 | 9.5% | -54.5% | 45 | 2.4% | 48 | 1.9% | -6.3% |
| *Rail Freight Cars (un.)* | 726 | 46.9% | 404 | 34.7% | 79.7% | 726 | 46.9% | 602 | 37.7% | 20.6% |

## Physical Volume Sold over the last 5 Years

| Products | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Trailers/Semi-Trailers | 25,678 | 21,106 | 25,489 | 16,619 | 10,584 |
| Specialty Vehicles | 832 | 1,085 | 1,316 | 580 | 355 |
| Rail Freight Cars | 913 | 862 | 322 | 1,356 | 1,999 |

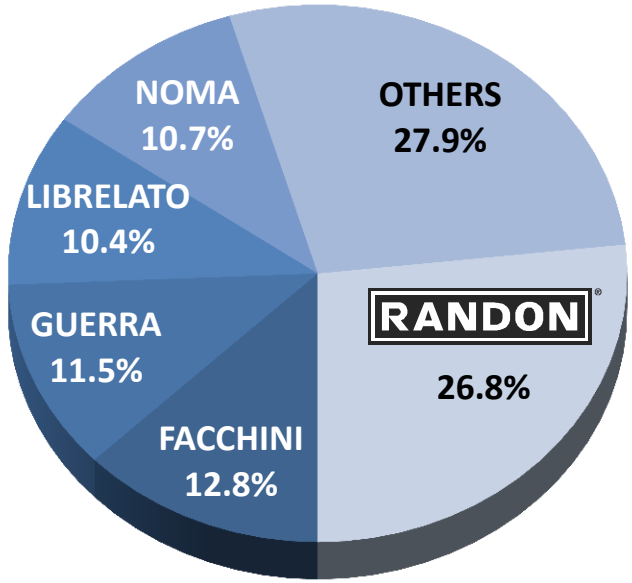
# Vehicles and Trailers

## LEADER IN THE DOMESTIC MARKET

### Trailers

Market Share | 1Q2016

| Period | Marketshare Randon |
|---|---|
| **2012** | 30.4% |
| **2013** | 28.8% |
| **2014** | 26.9% |
| **2015** | 26.2% |
| **1Q2015** | 23.9% |
| **1Q2016** | 26.8% |



# Vehicles and Trailers

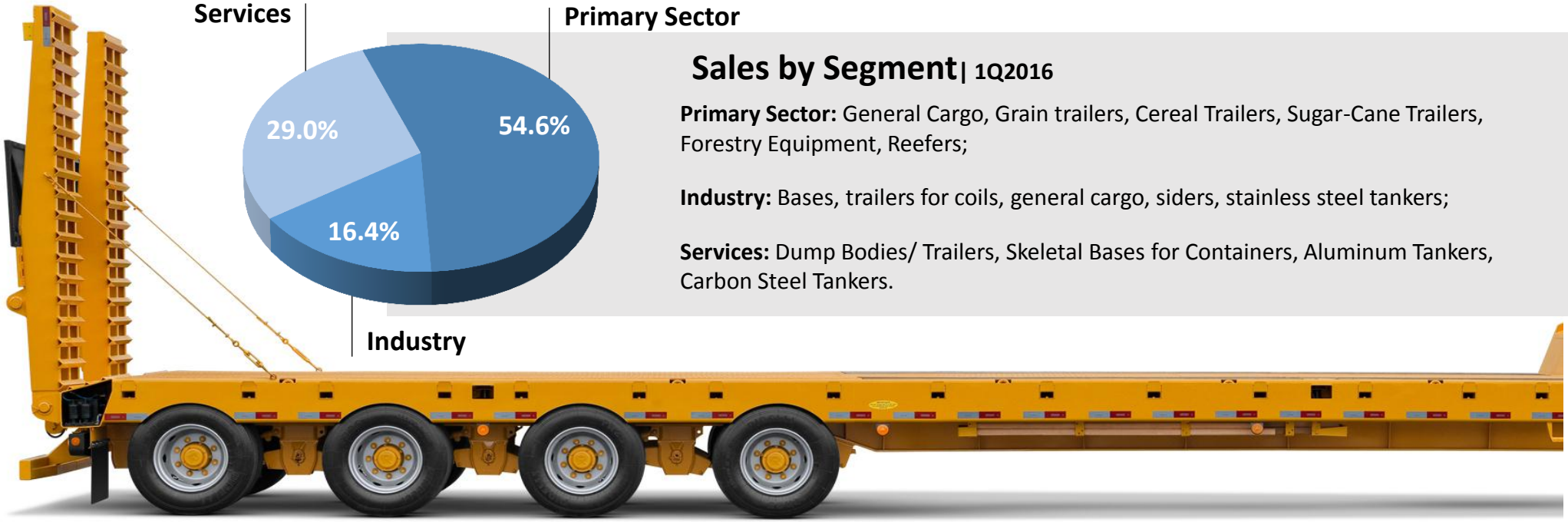
## MARKET CHARACTERISTICS

**Fragmented base of clients** strong distribution representatives in all main markets

**Import Barriers** logistics costs | regulation | import tax | financing

**Exposure to all economy segments** direct relation with Brazilian GDP

**Exports concentrated in Latam and African markets**




### Sales by Segment| 1Q2016

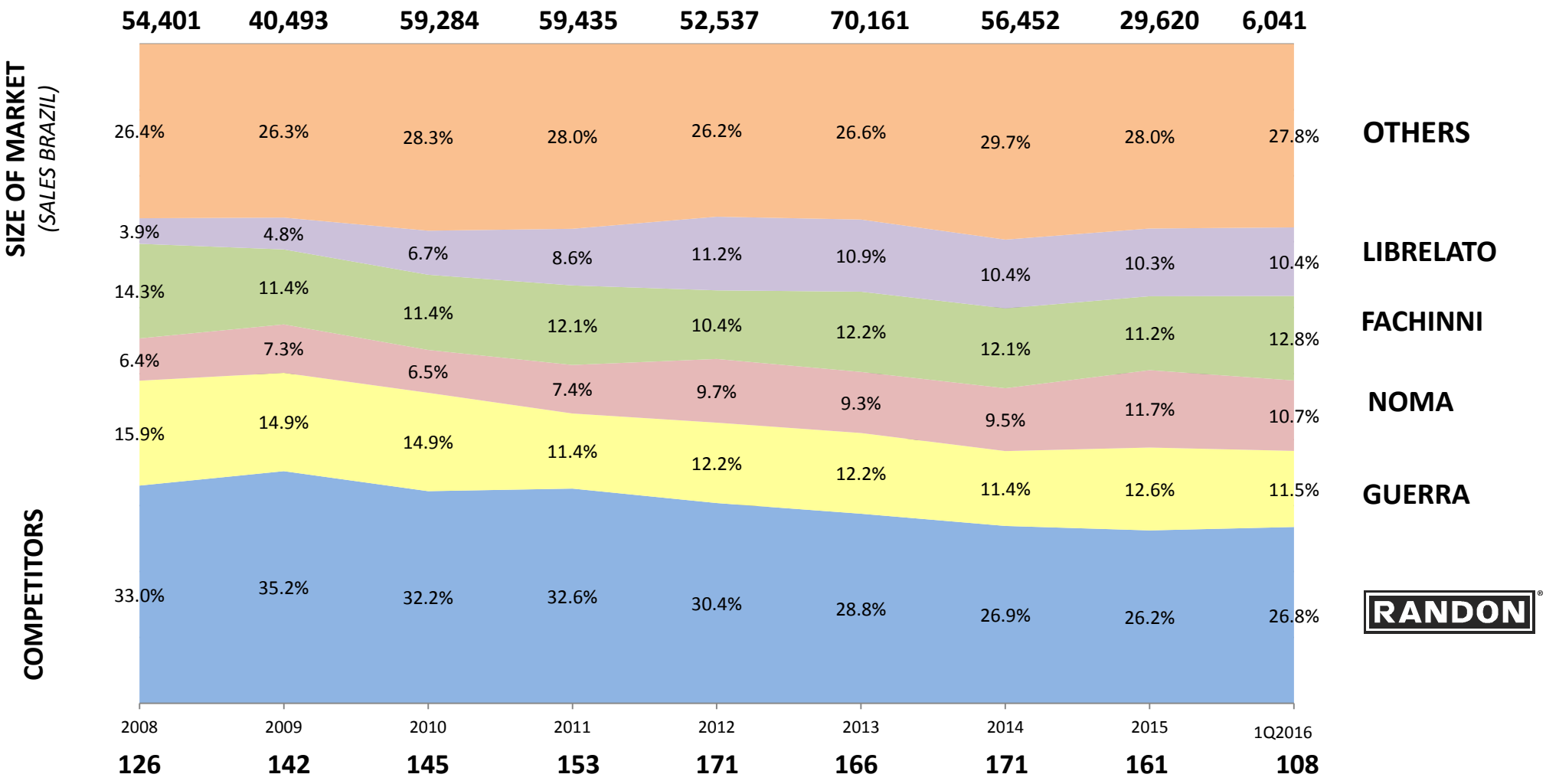
**Primary Sector:** General Cargo, Grain trailers, Cereal Trailers, Sugar-Cane Trailers, Forestry Equipment, Reefers;

**Industry:** Bases, trailers for coils, general cargo, siders, stainless steel tankers;

**Services:** Dump Bodies/ Trailers, Skeletal Bases for Containers, Aluminum Tankers, Carbon Steel Tankers.

# Vehicles and Trailers

## LEADER IN THE DOMESTIC MARKET



# Autoparts

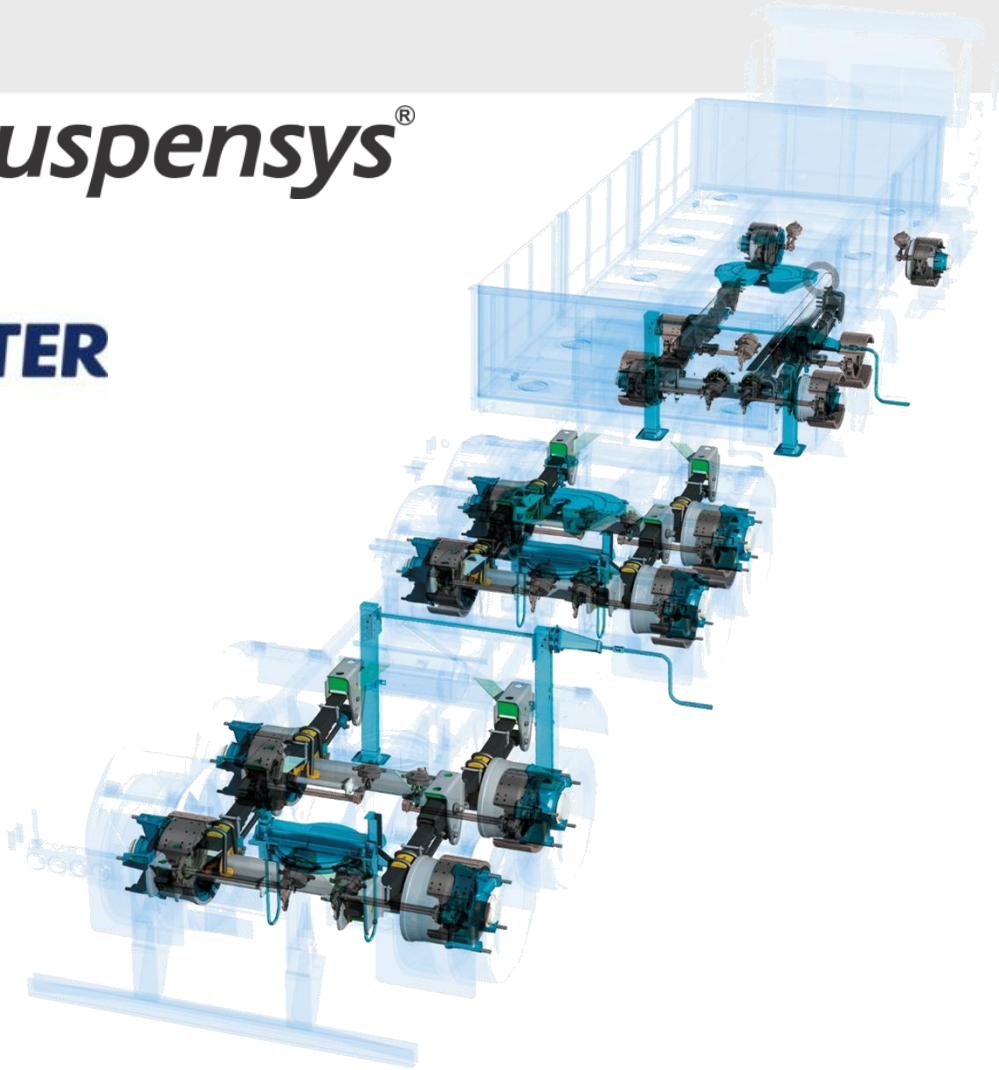
Suspensys®

MASTER

JOST

FRAS-LE®

CASTERTECH
Uma Empresa Randon

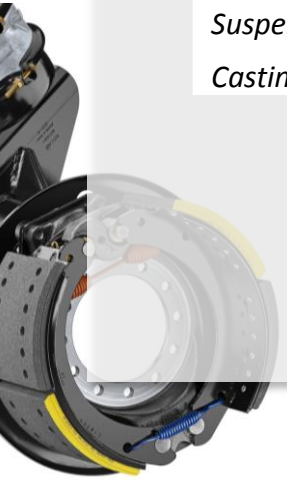


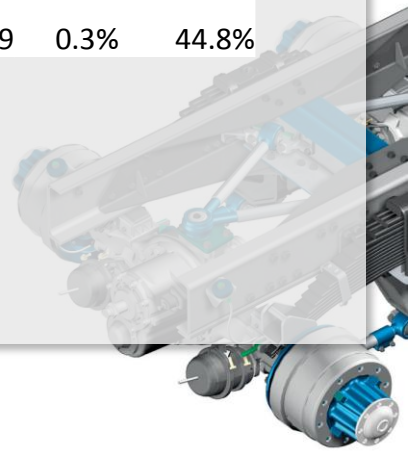
# Autoparts

## Physical Volume Sales | Breakdown of Revenues by Segment

| | 1Q2016 | | 1Q2015 | | Δ% Un. | 1Q2016 | | 4Q2015 | | Δ% Un. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Un. | % CNR | Un. | % CNR | | Un. | % CNR | Un. | % CNR | |
| **Autoparts** | | **43.9%** | | **53.4%** | | | **43.9%** | | **42.1%** | |
| *Friction Material (ton.)* | 16,476 | 62.1% | 17,117 | 52.5% | -3.7% | 16,476 | 62.1% | 16,416 | 68.3% | 0.4% |
| *Brakes (un.)* | 97,933 | 13.0% | 135,750 | 15.0% | -27.9% | 97,933 | 13.0% | 68,488 | 10.0% | 43.0% |
| *Coupling Systems (un.)* | 12,979 | 6.6% | 14,449 | 5.8% | -10.2% | 12,979 | 6.6% | 12,126 | 5.4% | 7.0% |
| *Suspension and Undercarriage Systems (un.)* | 28,029 | 17.9% | 50,102 | 26.5% | -44.1% | 28,029 | 17.9% | 26,466 | 16.0% | 5.9% |
| *Castings (ton.)* | 3,967 | 0.3% | 5,189 | 0.2% | -23.5% | 3,967 | 0.3% | 2,739 | 0.3% | 44.8% |





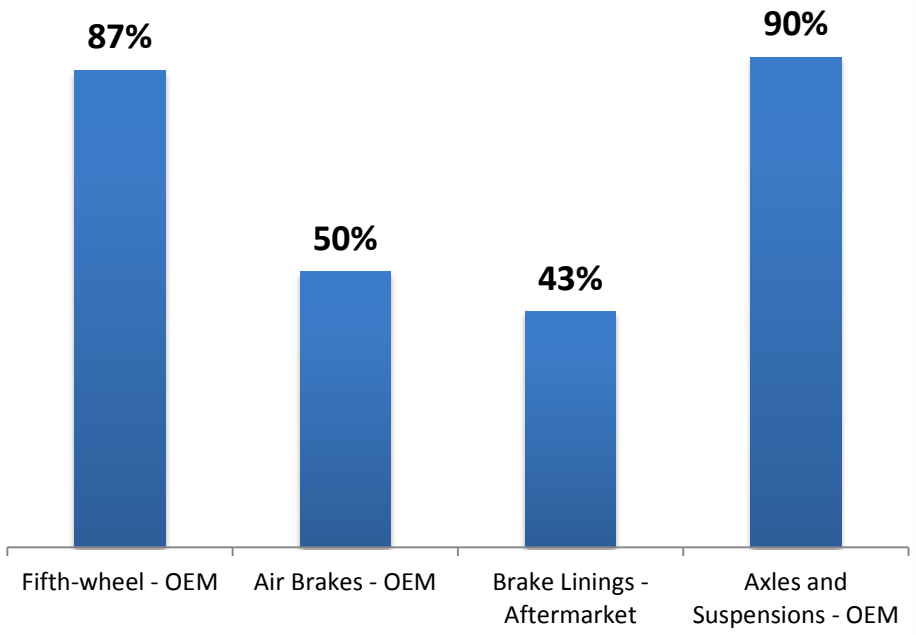


# Autoparts

## LEADER IN THE DOMESTIC MARKET

### Marketshare

main component in each controlled company
1Q2016




### Main Competitors

| | |
|---|---|
| **Brakes** | Knorr (Germany) – Unit in São Paulo<br>Wabco (USA) – Unit in São Paulo<br>Boechat (Brazil/RJ)<br>Silpa (Brazil/RS)<br>Captive Market (MB, Scania) |
| **Axles and Suspensions** | Hendrickson (USA) – KLL in RS<br>BPW (Germany)<br>SAF Holland (USA and Germany) – Unit in São Paulo<br>Fuwa (China)<br>HBZ (Brazil/SP)<br>Guerra (Brazil/RS) |
| **Articulation Systems** | Fontaine (USA) – Unit in Paraná<br>Amstead Maxion (USA and Brazil) – Unit in São Paulo<br>GF – George Fischer (Switzerland) – Office in Brazil/RS<br>Fuwa (China) |
| **Friction Materials** | Bendix (USA)<br>Cobreq (TMD Friction/ Germany) – Unit in São Paulo<br>Thermoid (Brazil/SP)<br>Duroline (Brazil/RS) |

# Autoparts

## MARKET CHARACTERISTICS AND SALES BY SEGMENTS

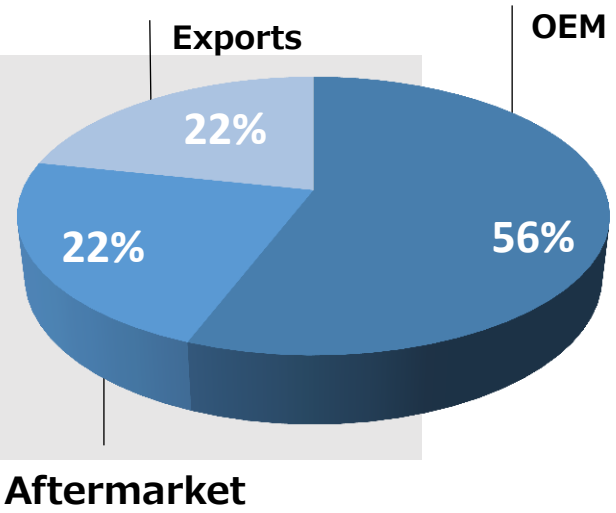
| | |
|---|---|
| **Concentrated base of clients** | big clients play a major role in sales |
| **Moderated imports** | simultaneous engeneering \| import tax \| financing |
| **Exposure to the OEMs demand** | direct relation with the Brazilian GDP |
| **Exports concentrated in NAFTA** | mainly USA market |

### Sales by Segments| 1Q2016

**OEM:** Original Equipment Manufacturer of commercial vehicles – trucks, buses and towed.

**Aftermarket:** replacement parts.

**Exports:** Parts for OEMs abroad as well as for the international aftermarket.






# Market Overview

## BUSINESS ENVIRONMENT

- ✓ **1Q16 was "more of the same" when comparing to the 4Q15. Low volumes of production and sales reflect the lack of confidence in the economy.**
- ✓ **Volumes of truck sales: 13,111 units in 1Q16 (-32.1%/1Q15 and -18.7%/4Q15). Trailers/Semi-trailers: 6,041 units in 1Q16 (-13.1%/1Q15 and -14.7%/4Q15).**
- ✓ **The adjustments the Company made throughout 2015 and on the first months of 2016 are starting to show results.**
- ✓ **Rail Freight Cars, Exports and Aftermarket are the positive highlights in the company's performance.**

# Highlights – 1Q16

| | 1Q2016 | 1Q2015 | Δ% | 1Q2016 | 4Q2015 | Δ% |
|---|---|---|---|---|---|---|
| **PRODUCTION** | **26,291** | **38,511** | **-31.7%** | **26,291** | **25,723** | **2.2%** |
| **Trucks (*)** | 15,113 | 23,313 | -35.2% | 15,113 | 14,731 | 2.6% |
| **Buses (*)** | 4,339 | 7,686 | -43.5% | 4,339 | 2,818 | 54.0% |
| **Trailers/ Semi-Trailers (***)** | 6,839 | 7,512 | -9.0% | 6,839 | 8,174 | -16.3% |
| **SALES (DOMESTIC MARKET)** | **21,872** | **31,462** | **-30.5%** | **21,872** | **26,288** | **-16.8%** |
| **Trucks (*)** | 13,111 | 19,306 | -32.1% | 13,111 | 16,131 | -18.7% |
| **Buses (*)** | 2,720 | 5,207 | -47.8% | 2,720 | 3,073 | -11.5% |
| **Trailers/ Semi-Trailers (**)** | 6,041 | 6,949 | -13.1% | 6,041 | 7,084 | -14.7% |

* Dada from Anfavea Newsletter.

** Dada from ANFIR Statistics.

*** Dada from ANFIR+Aliceweb

# Highlights – 1Q16

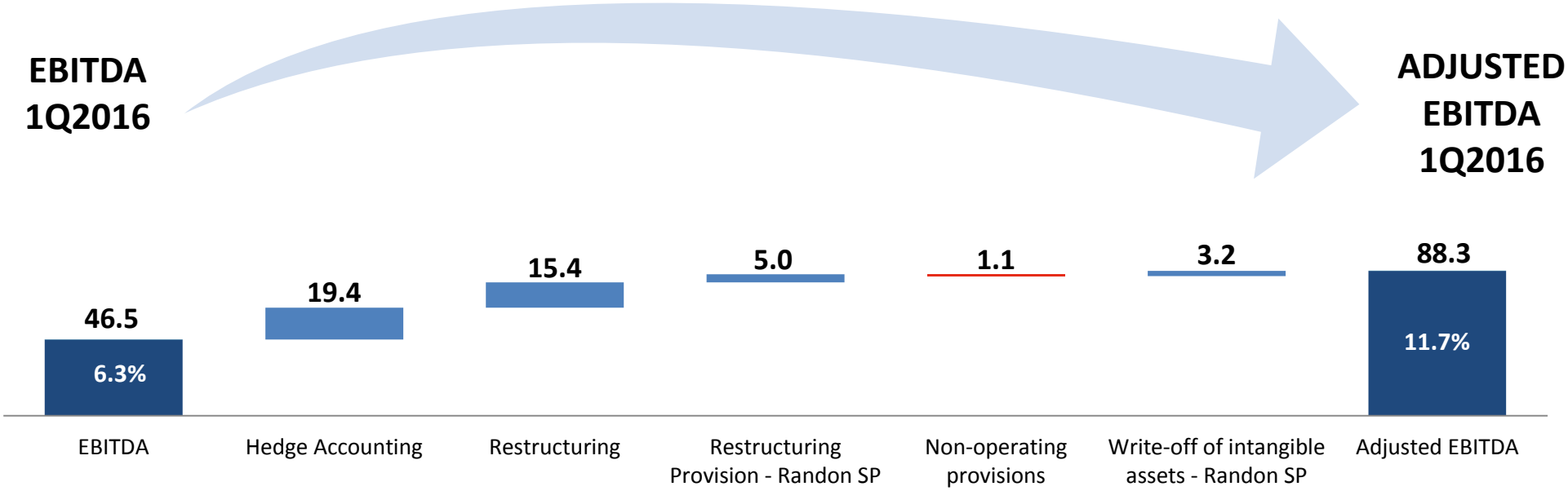
| | 1Q2016 | 1Q2015 | Δ% | 1Q2016 | 4Q2015 | Δ% |
|---|---|---|---|---|---|---|
| **Total Gross Revenue (*)** | 1,020,513 | 994,752 | 2.6% | 1,020,513 | 1,091,579 | -6.5% |
| Domestic market | 898,488 | 878,265 | 2.3% | 898,488 | 951,623 | -5.6% |
| Foreign market | 122,025 | 116,487 | 4.8% | 122,025 | 139,956 | -12.8% |
| Foreign market in *US$* | 32,185 | 39,761 | -19.1% | 32,185 | 36,802 | -12.5% |
| **Consolidated Net Revenue** | 734,614 | 696,823 | 5.4% | 734,614 | 814,872 | -9.8% |
| Consolidated Gross Profit | 131,017 | 151,994 | -13.8% | 131,017 | 159,087 | -17.6% |
| Gross Margin (%) | 17.8% | 21.8% | -4.0 p.p. | 17.8% | 19.5% | -1.7 p.p. |
| **Consolidated Net Profit** | -9,556 | 557 | -1815.2% | -9,556 | -20,999 | -54.5% |
| Net Margin (%) | -1.3% | 0.1% | -1.4 p.p. | -1.3% | -2.6% | 1.3 p.p. |
| **Consolidated EBITDA** | 46,481 | 50,969 | -8.8% | 46,481 | 21,430 | 116.9% |
| EBITDA Margin (%) | 6.3% | 7.3% | -1.0 p.p. | 6.3% | 2.6% | 3.7 p.p. |
| Adjusted EBITDA | 88,315 | 80,084 | 10.3% | 88,315 | 44,162 | 100.0% |
| Adjusted EBITDA Margin (%) | 11.7% | 11.3% | 0.4 p.p. | 11.7% | 5.4% | 6.3 p.p. |

*Without elimination of intercompany sales.

Values in thousands of Reais

# Highlights – 1Q16

## NON-RECURRING EFFECTS



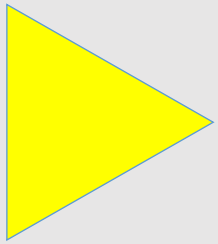
# Adjusted Statements of Income

| | 1Q2016 | AV% | 1Q2016 ADJ | AV% |
|---|---|---|---|---|
| *(+) Hedge Accounting* | - | 0.0% | 19,415 | 2.6% |
| **Consolidated Net Revenue** | **734,614** | **100,0%** | **754,028** | **100.0%** |
| (+) COGS Restructuring | - | 0.0% | 12,447 | 1.7% |
| (+) COGS Restructuring Provision | - | 0.0% | 3,430 | 0.5% |
| **Cost of Sales and Services** | **-603,596** | **-82.2%** | **-587,719** | **-77.9%** |
| **Gross Profit** | **131,017** | **17.8%** | **166,309** | **22.1%** |
| Operating Expenses | -116,061 | -15.8% | -116,061 | -15.4% |
| (+) SG&A Restructuring | - | 0.0% | 2,922 | 0.4% |
| (+) SG&A Restructuring Provision | - | 0.0% | 1,567 | 0.2% |
| (+) Write-off of intangible assets | - | 0.0% | 3,183 | 0.4% |
| (+) Non-operating provisions | - | 0.0% | -1,130 | -0.1% |
| **Operating Expenses** | **-116,061** | **-15.8%** | **-109,518** | **-14.5%** |
| **EBIT** | **14,957** | **2.0%** | **56,791** | **7.5%** |
| **EBITDA** | **46,481** | **6.3%** | **88,315** | **11.7%** |

# Overview – 1Q16

## BUSINESS SEGMENTS – TRAILERS/SEMI-TRAILERS

### TRAILERS/SEMI-TRAILERS



- *MARKETSHARE* = 26.8% IN 1Q2016 – 26.2% IN 2015;
- SLOW PRICE RECOVERY;
- MORE RATIONAL COMMERCIAL COMPETITION;
- NO SIGN OF MARKET RECOVERY IN THE SHORT/MEDIUM TERM.

# Overview – 1Q16

## BUSINESS SEGMENTS – VEHICLES AND ROAD EQUIPMENT

### RAIL FREIGHT CARS



- IMPORTANT SHARE OF THE COMPANY'S REVENUE IN THE QUARTER;
- VOLUMES REACHED 726 UNITS IN 1Q16;
- QUOTATION AND NEGOTIATION OF NEW ORDERS.

### SPECIALTY VEHICLES



- THE HEAVY AND CIVIL CONSTRUCTION EQUIPMENT IS ONE OF THE MOST AFFECTED SEGMENTS BY WEAK ECONOMIC PERFORMANCE;
- SALES DROPPED 54.5% IN 1Q16.

# Overview – 1Q16

## BUSINESS SEGMENTS – AUTOPARTS

### AUTOPARTS



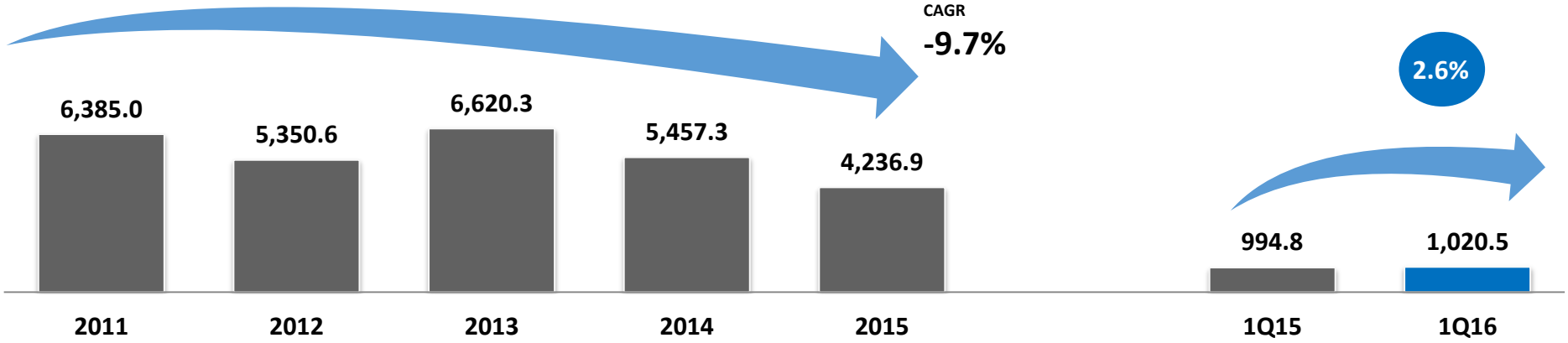
- THE LACK OF CONFIDENCE REFLECTS THE LOW LEVELS OF PRODUCTION AND SALES OF TRUCKS;
- EXPORTS AND THE AFTERMARKET REINFORCE RESULTS OF THE CONTROLLED COMPANY FRAS-LE;
- FOCUS ON EXPORTS AND AN INCREASE IN THE NUMBER OF ACTIONS FOR THE AFTERMARKET.

# Financial Results

## Total Gross Revenue

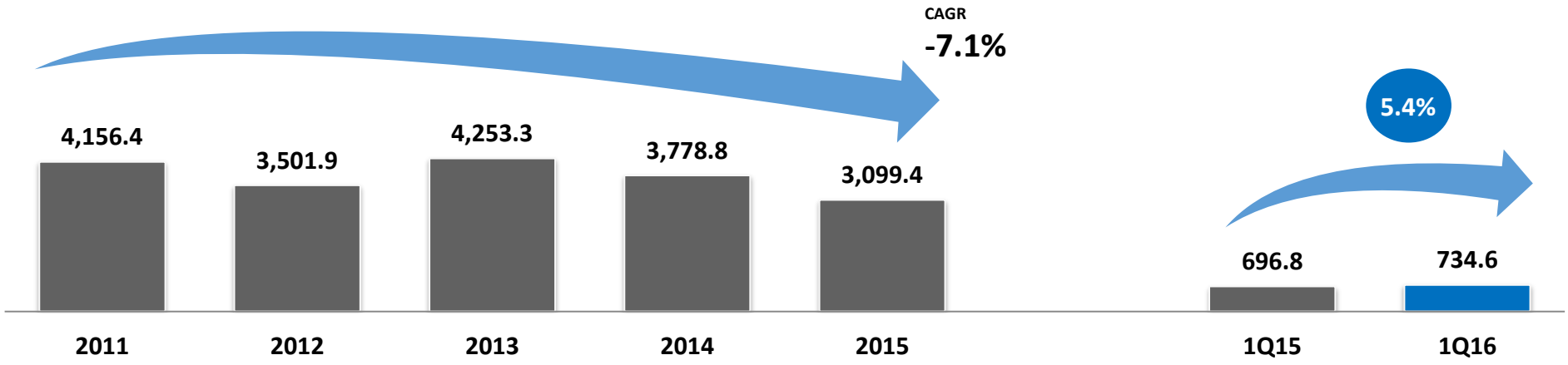
Including intercompany sales

R$ million




## Consolidated Net Revenue

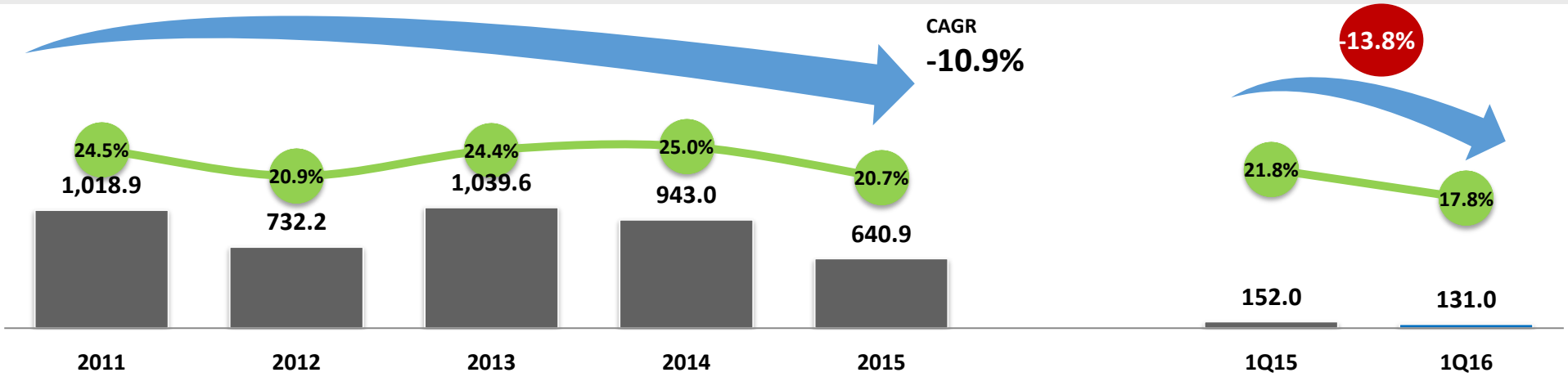
R$ million



# Financial Results

## Gross Profit| Gross Margin

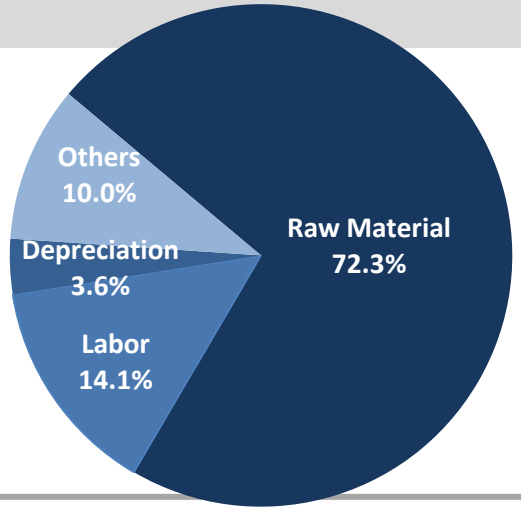
R$ million




## Consolidated Breakdown of COGS

1Q2016| R$ million

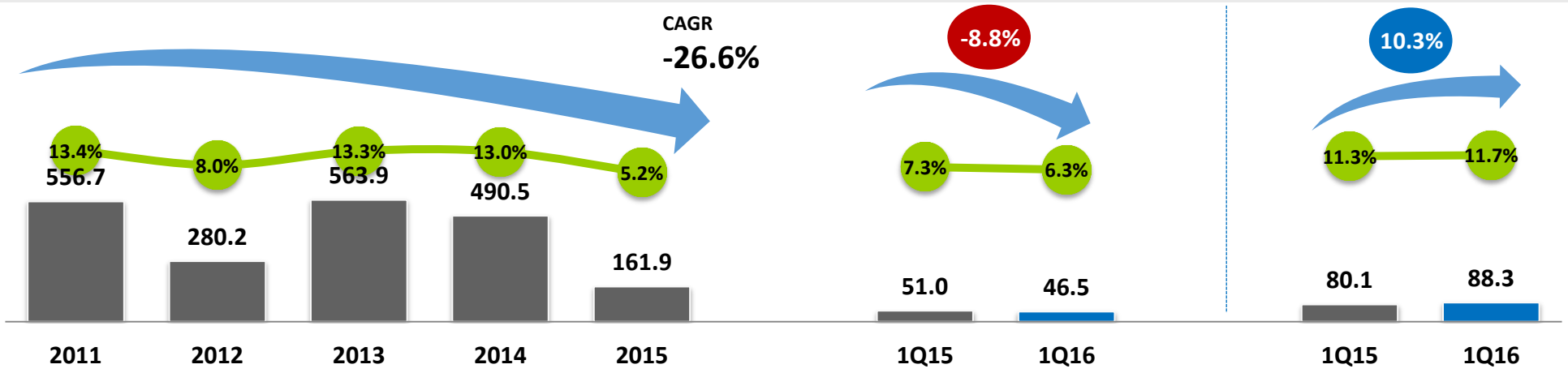
**COGS 1Q2016**
R$ 603.6 million
(82.2% of CNR)



# Financial Results

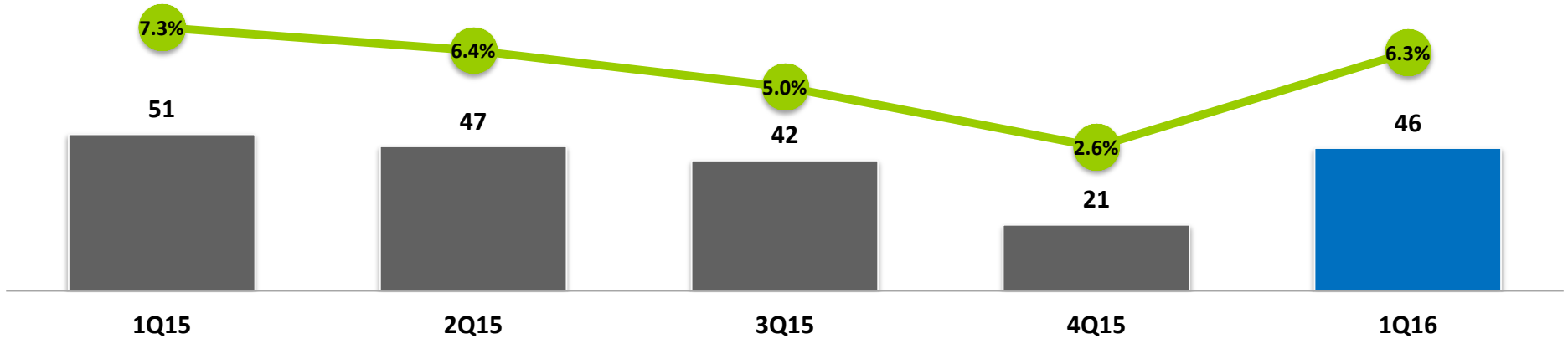
## EBITDA | EBITDA Margin

R$ million



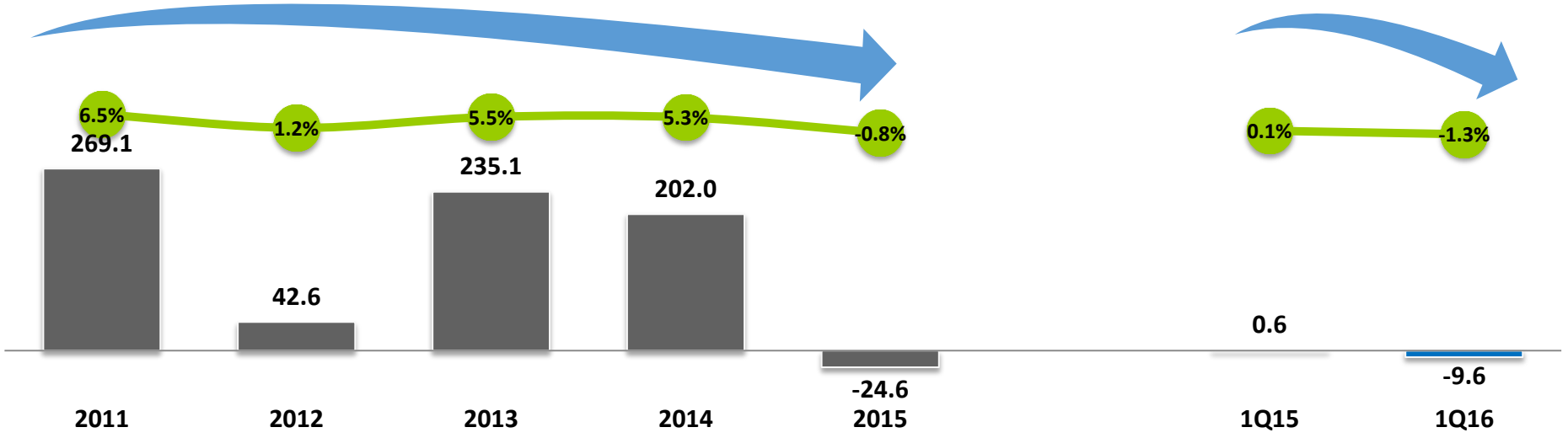

## EBITDA | EBITDA Margin – Quarterly

R$ million

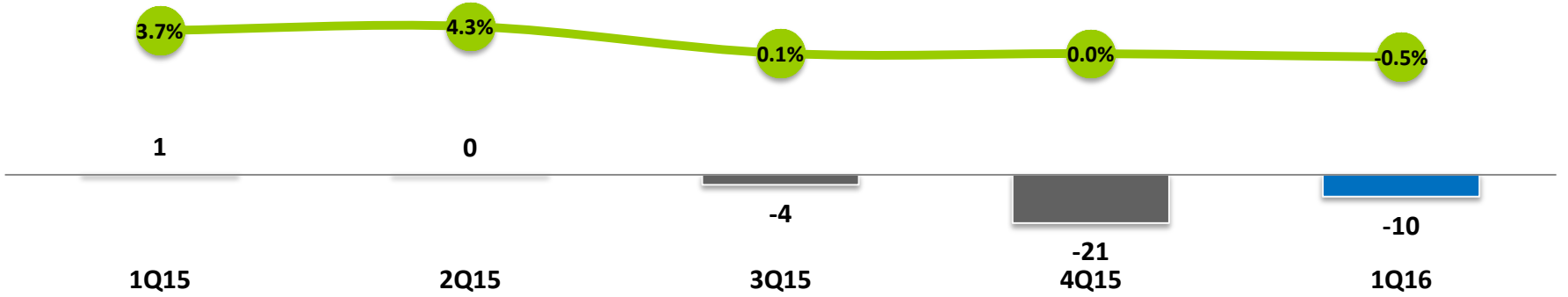


# Financial Results

**Net Income| Net Margin**
R$ million




**Net Income| Net Margin – Quarterly**
R$ million



# Financial Results

## Consolidated Income Statement – Segment

R$ Million/%

| | Vehicles and Trailers/Semi-Trailers | | | Autoparts | | | Financial Services | | | Consolidated | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q2016 | 1Q2015 | Δ% | 1Q2016 | 1Q2015 | Δ% | 1Q2016 | 1Q2015 | Δ% | 1Q2016 | 1Q2015 | Δ% |
| **Gross Revenue** | 471,022 | 351,478 | 34.0% | 409,851 | 479,451 | -14.5% | 38,437 | 35,370 | 8.7% | 919,310 | 866,299 | 6.1% |
| Deduction in Gross Revenue | -94,287 | -59,672 | 58.0% | -87,251 | -107,065 | -18.5% | -3,159 | -2,739 | 15.3% | -184,696 | -169,477 | 9.0% |
| **Net Revenue** | **376,735** | **291,806** | 29.1% | **322,600** | **372,385** | -13.4% | **35,279** | **32,631** | 8.1% | **734,614** | **696,823** | 5.4% |
| **Cost of Sales and Services** | -353,025 | -250,765 | 40.8% | -248,114 | -289,811 | -14.4% | -2,458 | -4,251 | -42.2% | -603,596 | **-544,828** | 10.8% |
| **Gross Profit** | **23,710** | **41,041** | -42.2% | **74,487** | **82,574** | -9.8% | **32,821** | **28,380** | 15.6% | **131,017** | **151,994** | -13.8% |
| **GROSS MARGIN (%)** | **6.3%** | **14.1%** | -7.8 p.p. | **23.1%** | **22.2%** | 0.9 p.p. | **93.0%** | **87.0%** | 6.1 p.p. | **17.8%** | **21.8%** | -4.0 p.p. |
| Operating Expenses | -48,707 | -54,288 | -10.3% | -44,807 | -57,566 | -22.2% | -22,546 | -20,033 | 12.5% | -116,061 | -131,887 | -12.0% |
| **EBIT** | **-24,997** | **-13,247** | 88.7% | **29,679** | **25,008** | 18.7% | **10,275** | **8,347** | 23.1% | **14,957** | **20,108** | -25.6% |
| **EBITDA** | **-14,712** | **-3,238** | 354.3% | **50,795** | **45,713** | 11.1% | **10,397** | **8,494** | 22.4% | **46,481** | **50,969** | -8.8% |
| **EBITDA MARGIN (%)** | **-3.9%** | **-1.1%** | -2.8 p.p. | **15.7%** | **12.3%** | 3.5 p.p. | **29.5%** | **26.0%** | 3.4 p.p. | **6.3%** | **7.3%** | -1.0 p.p. |
| | | | | | | | | | | | | |
| **Adjusted EBITDA** | **19,958** | **15,992** | 24.8% | **57,630** | **55,486** | 3.9% | **10,727** | **8,605** | 24.7% | **88,315** | **80,084** | 10.3% |
| **Adjusted EBITDA Margin (R$)** | **5.1%** | **5.3%** | -0.2 p.p. | **17.7%** | **14.8%** | 2.9 p.p. | **30.4%** | **26.4%** | 4.0 p.p. | **11.7%** | **11.3%** | 0.4 p.p. |

# Financial Results

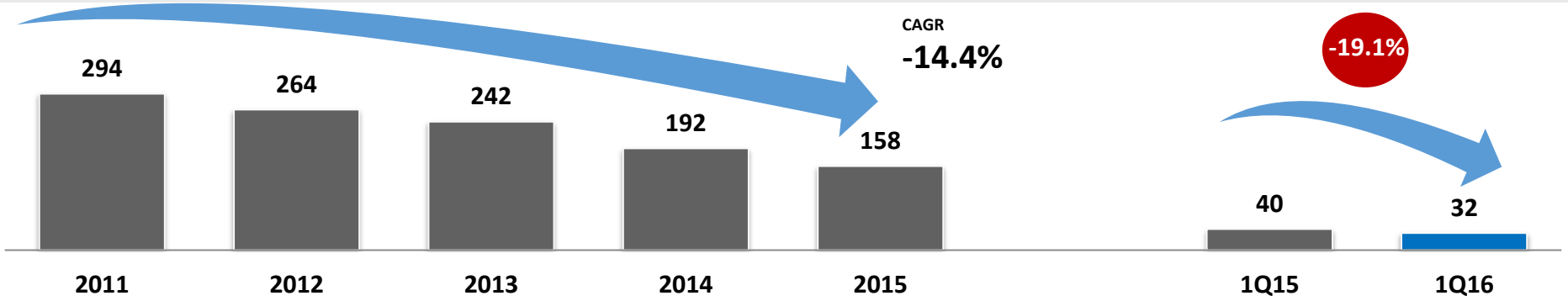
## Consolidated Income Statement – by Segment/Quarterly

R$ Million/%

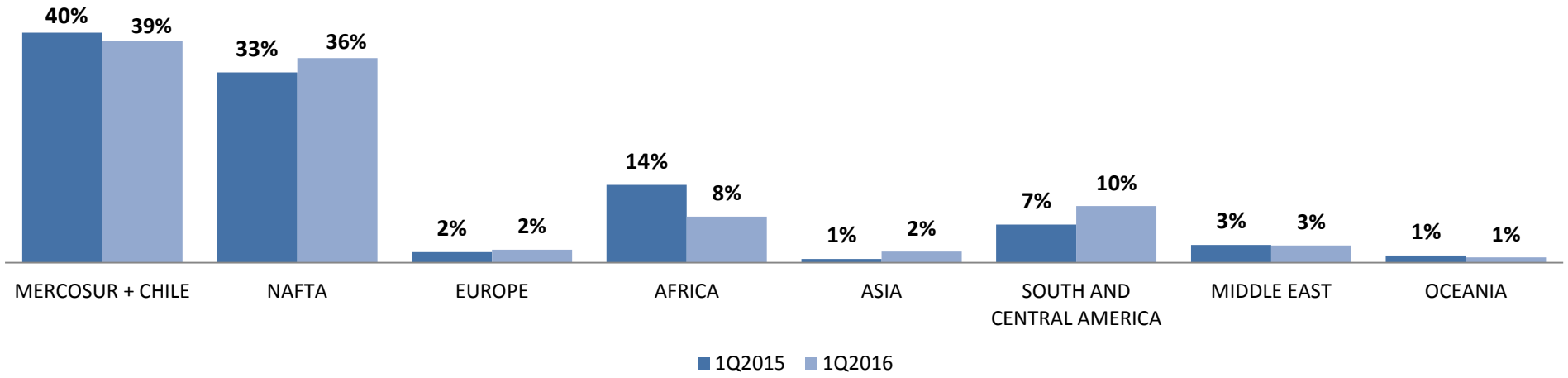
| | 1Q2015 | 2Q2015 | 3Q2015 | 4Q2015 | 2015 | 1Q2016 |
|---|---|---|---|---|---|---|
| **Consolidated Net Revenue** | **696.8** | **734.7** | **853.0** | **814.9** | **3,099.4** | **734.6** |
| % Vehicles and trailers/semi-trailers | 41.9% | 46.8% | 53.7% | 54.9% | 50.0% | 51.3% |
| % Autoparts | 53.4% | 47.1% | 41.9% | 42.1% | 45.8% | 43.9% |
| % Financial Services | 4.7% | 6.1% | 4.4% | 3.0% | 4.2% | 4.8% |
| **Consolidated Gross Profit** | **152.0** | **156.3** | **173.6** | **159.1** | **640.9** | **131.0** |
| % Gross Margin | 21.8% | 21.3% | 20.3% | 19.5% | 20.7% | 17.8% |
| **EBITDA** | **51.0** | **47.0** | **42.5** | **21.4** | **161.9** | **46.5** |
| % EBITDA Margin | 7.3% | 6.4% | 5.0% | 2.6% | 5.2% | 6.3% |
| **Net Income** | **0.6** | **0.3** | **-4.5** | **-21.0** | **-24.6** | **-9.6** |
| % Net Income | 0.1% | 0.0% | -0.5% | -2.6% | -0.8% | -1.3% |

# Operating Results

**Exports**
US$ Million



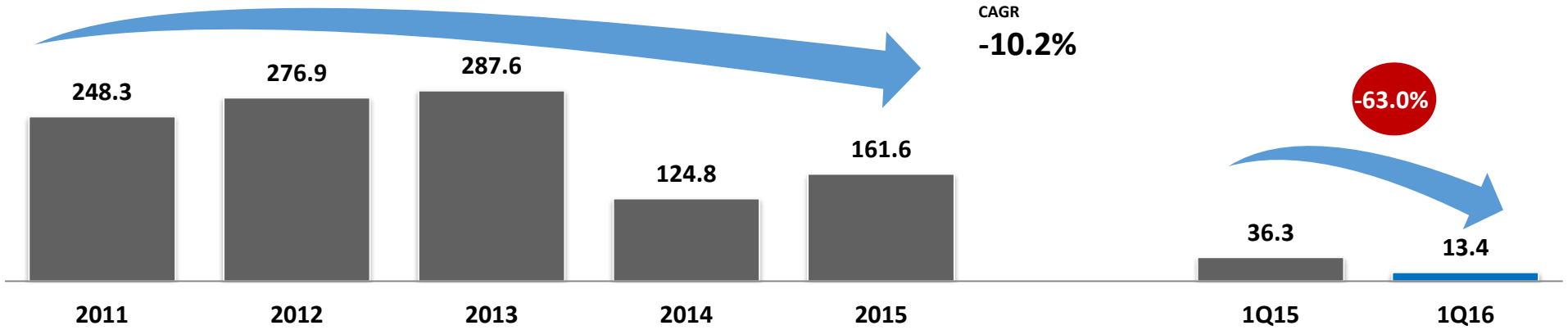

**Exports - Destination by economic bloc**
1Q2016| US$ Million



# Financial Results

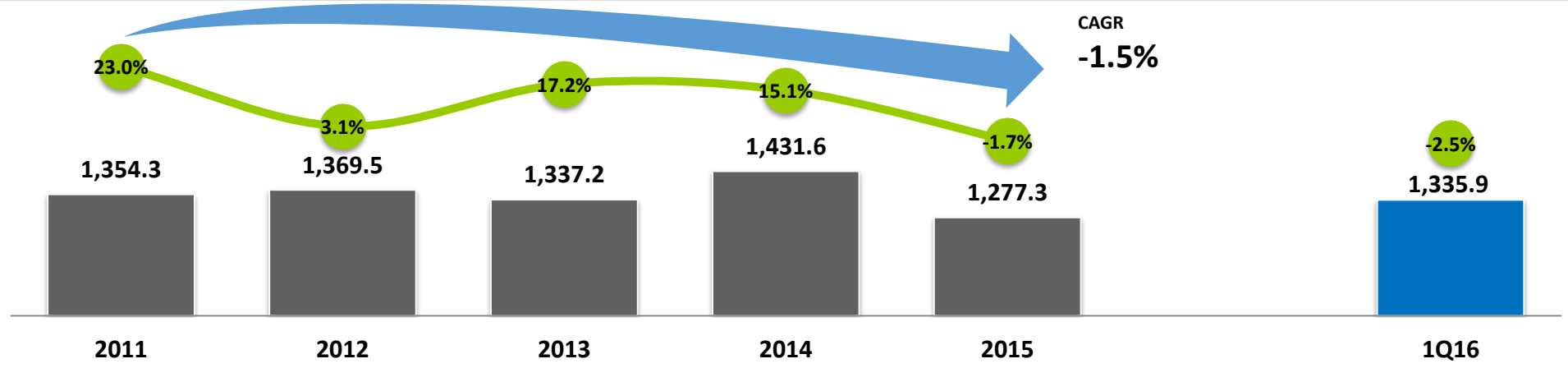
## INVESTMENTS

R$ million




## Shareholders' Equity | ROE

R$ million

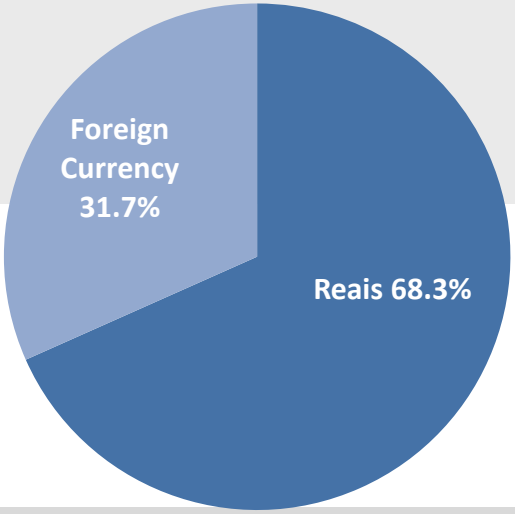


# Financial Results

## Gross Debt Breakdown 1Q2016

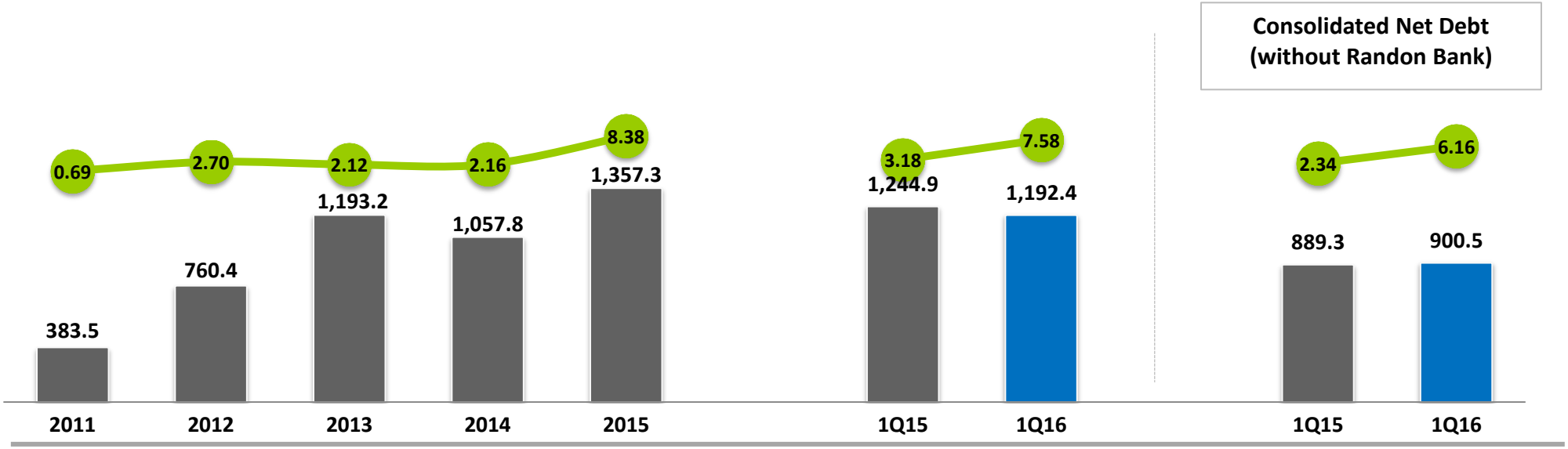
R$ '000 | %

| | |
|---|---|
| Total gross debt | R$ 2,634,389,589 |
| Gross debt in BR currency | R$ 1,800,184,351 |
| Gross debt in foreign currency | R$ 834,205,238 |
| USD rate (Mar. 31,2016) | R$ 3.5589 |




## Debt | Net Debt / EBITDA

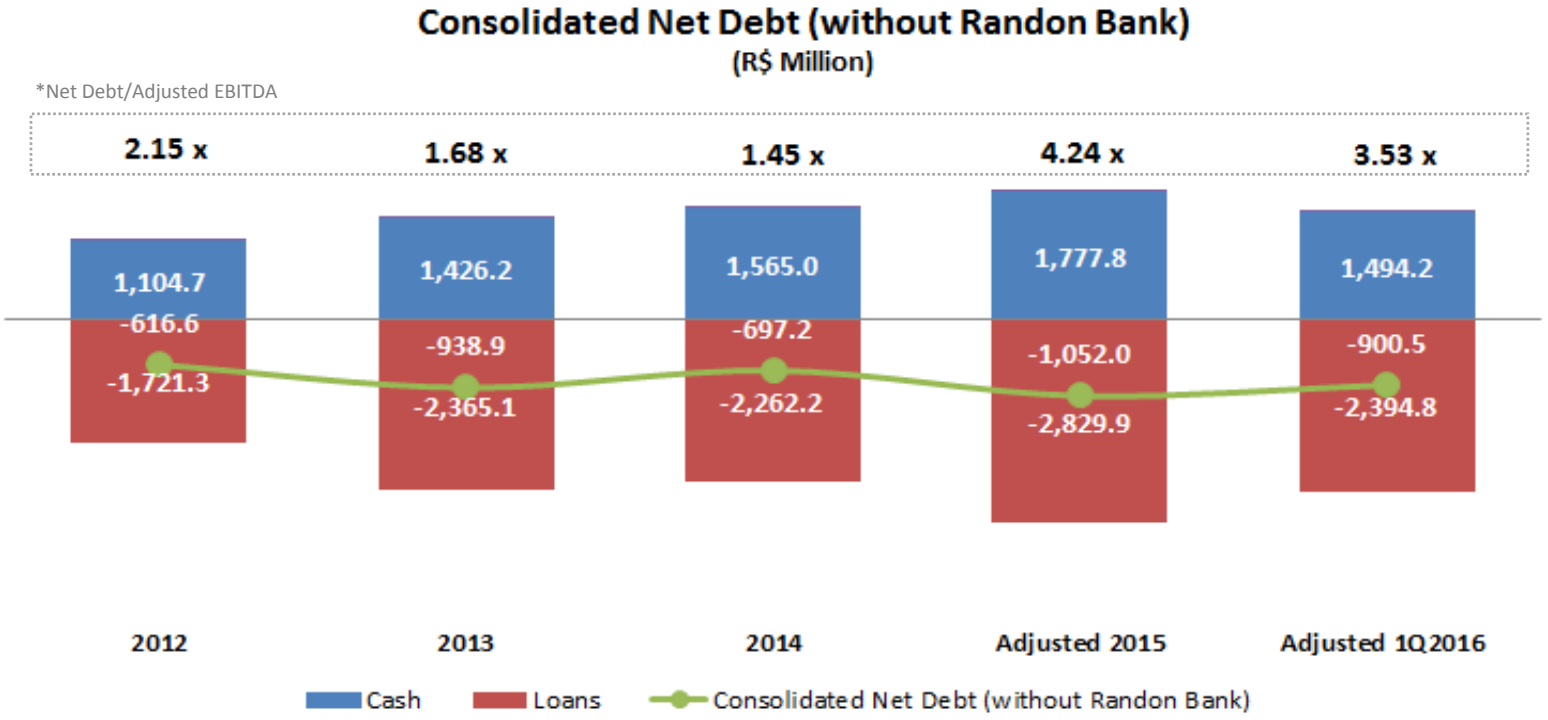
R$ million



# Financial Results

## Consolidated Net Debt (without Randon Bank)

R$ Million – 1Q2016

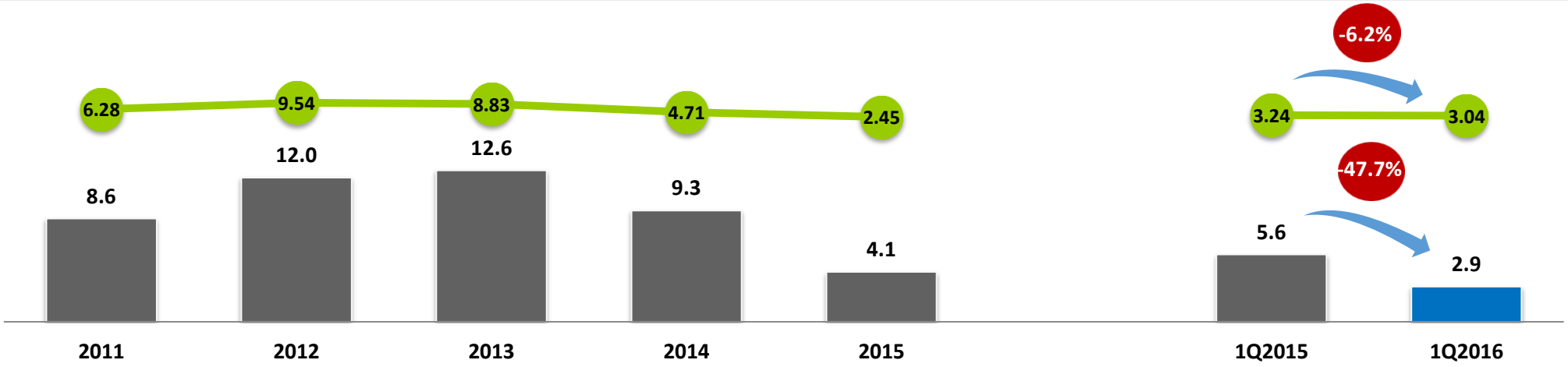



*The chart above shows the company's debt, without the cash and debt indicators of the Randon Bank.*
*The comparative EBITDA used to calculate debt is adjusted to the non-recurring effects of the period.*
*Consolidated net debt at the end of 1Q2016 amounts to R$ 1.2 billion, a multiple of 7.58x EBITDA over the last 12 Months (4.48x if considering the EBITDA adjusted to the non-recurring effects of the period).*
*Consolidated net debt (without Randon Bank) at the end of 1Q2016 amounts to R$ 900.5 million, a multiple of 6.16x EBITDA over the last 12 Months (3.53x if considering the EBITDA adjusted to the non-recurring effects of the period).*

# Capital Markets

## RAPT4 Price/Daily Liquidity

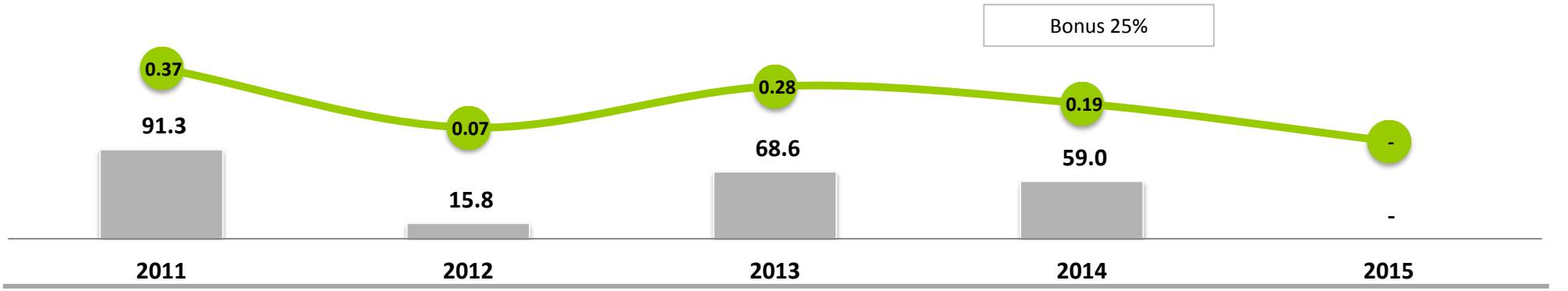
R$ per share | R$'000




Note: When comparing results with prior years, we have already taken into account the updated quotation with regard to the effect of bonus and payment of dividends.

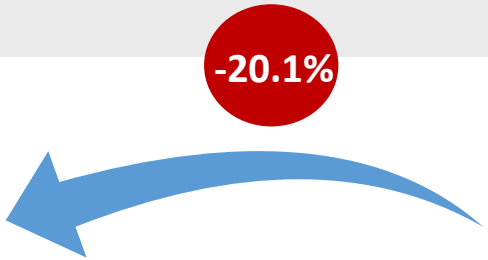
## Dividends and Interest on Equity

R$ million | R$ per share



# Sustainability

**Employment | 1Q2016**




**8,198**

Employees

**10,261**

**1Q2015**

**Social Investments| 2015**

**R$ 77** million

## Benefits

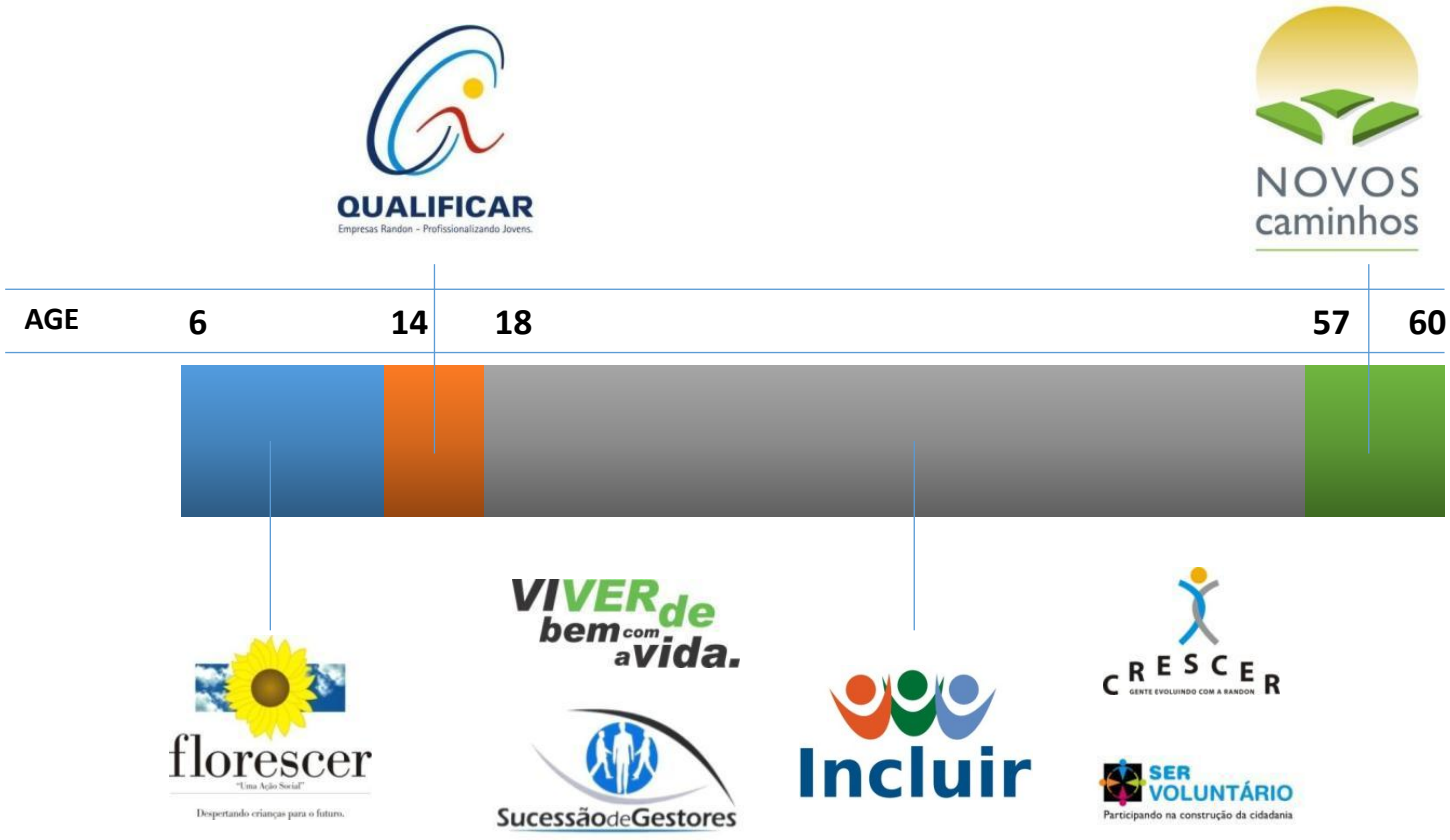
**education, food, private retirement plan, healthcare, transport, social responsability**

**R$ 7,1** million

## Environment

# Sustainability

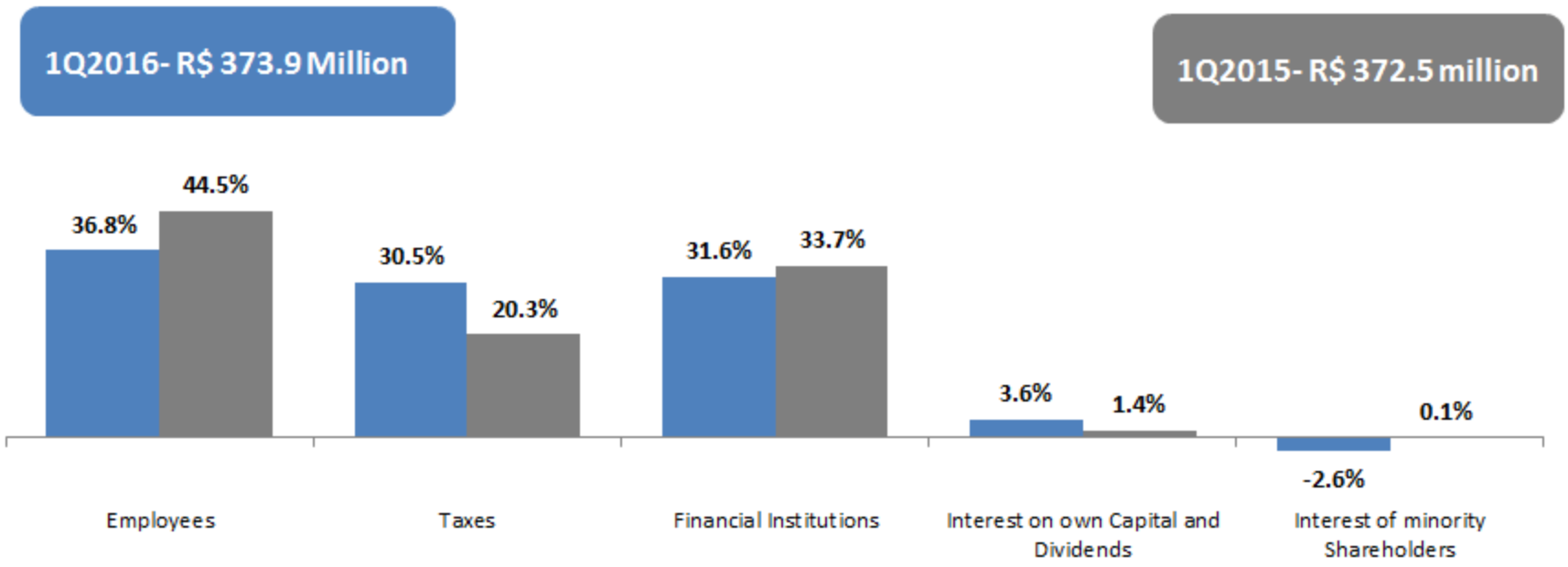
## Social Responsability – Implemented Programs



# Sustainability

**Added Value Consolidated**

Distribuition 1Q2016 – R$ 373.9 million



# Outlook

## GUIDANCE 2016

| | Guidance 2016 |
|---|---|
| Total Gross Revenue | R$ 4.2 bn |
| Consolidated Net Revenue | R$ 3.2 bn |
| Investments | R$ 60 mn |
| Foreign Revenues | US$ 290 mn |
| Imports | US$ 55 mn |

# Outlook

- **Brazilian economic growth forecast:**
- -3.86% in 2016 and +0.50% in 2017.*

- **Harvest –** National production of grains is estimated in 209.0 million tons, 0.6% higher than that in prior cycle. **

- **Economy**:
  - Low available and more expensive credit for investments;
  - Low confidence and credibility;
  - Political instability and its effects in the economy.

- **Results 2Q16:**
  - Non recurring expenses still affecting results;
  - Still low, but stable volume levels;
  - Focus on debt reduction and recovery of price margins.

Source: * BACEN / FOCUS (05/06/2016) report;
** 7TH SAFRA-survey 2015/2016 - Conab

# Vehicles and Trailers




Regional Business

Focus on primary sector, manufacturing and services

Trailers Domestic Fleet: 590,000 units (Source: ANTT )

Average Age Trailers Domestic Fleet: 12 years
(Source: ANTT)

# Vehicles and Trailers

RANDON IMPLEMENTOS






Rail Wagons



Trailers



**Product Line:**

*Road Equipments: General Cargo, Grain trailers, Cereal Trailers, Sugar-Cane Trailers, Forestry Equipment, Reefers, Bases, trailers for coils, general cargo, siders and stainless steel tankers. Rail Equipment: hopper, telescopic, gondola, tanker, sider and platform freight cars. Factories in Caxias do Sul/RS, Chapecó/SC, São Paulo/SP and Rosário/Argentina.*

# Vehicles and Trailers

RANDON ARGENTINA



**Product Line:**
*Road Equipment: Grain trailers, Dump Bodies/ Trailers and General Cargo.*

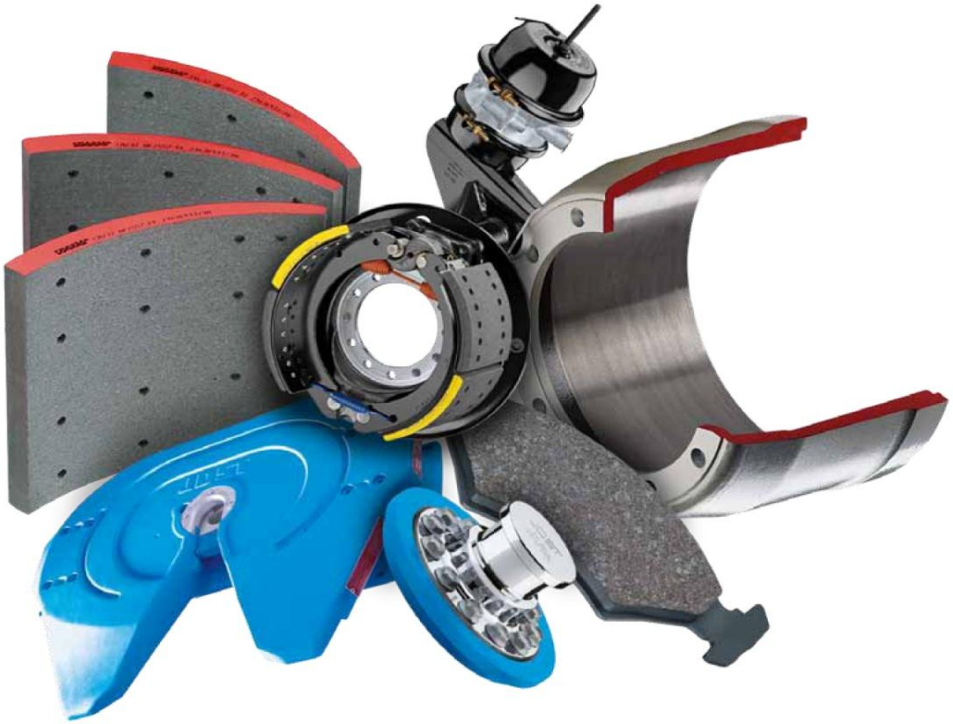
RANDON VEÍCULOS



**Product Line:**
*Off-road Trucks , Forestry Equipment and Backhoe loaders.*

**INCORPORATED RANDON IMPLEMENTOS IN JUN/09**

# Autoparts



5 plants in Caxias do Sul;

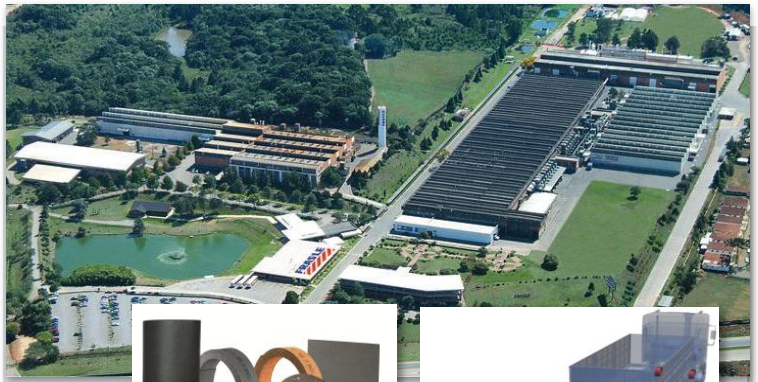
Plants in the USA and China;

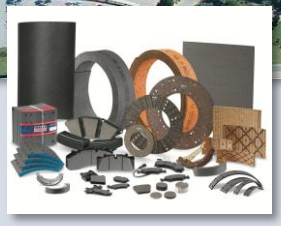
Distribution centers in the USA, Europe e Argentina;

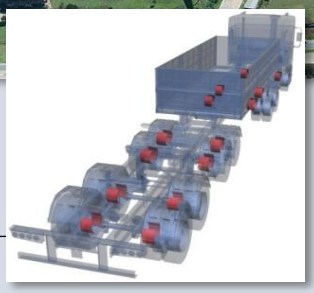
Joint Ventures with World Class partners.

# Autoparts

FRAS-LE®





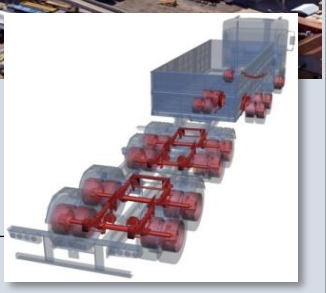


**Product Line:**
Friction materials.

Suspensys®







**Product Line:**
Hubs, drums, axles and suspension systems.

**INCORPORATED RANDON IMPLEMENTOS IN DEC. 2013**

# Autoparts







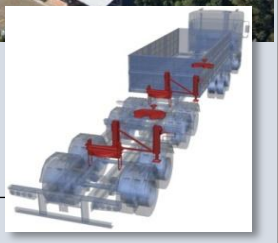



**Product Line:**
*Brakes for commercial vehicles*.







**Product Line:**
*Articulation Systems, Fifth-wheel , King-Pin and landing gear.*

# Autoparts

CASTERTECH
Uma Empresa Randon

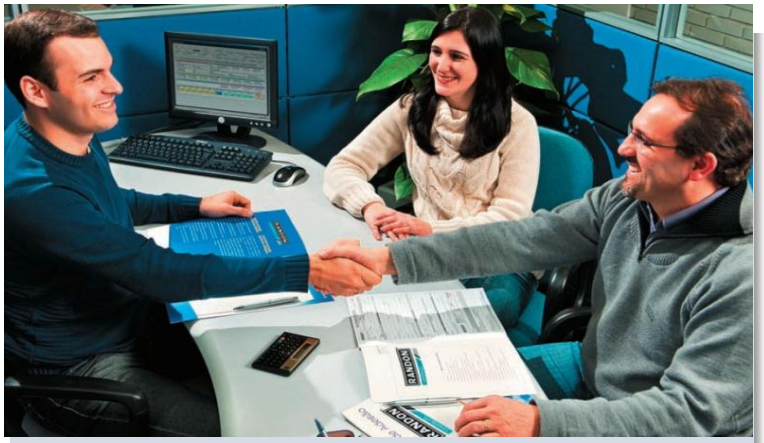




**Product Line:**
*Cast iron.*

# Financial Services

CONSÓRCIO RANDON



**Product Line:**
*Operates throughout the country through renowned partners in the sectors of automobiles, real estate, trailers/semi-trailers, trucks, buses, minibuses, agricultural machinery and implements.*

BANCO RANDON



**Product Line:**
*Lines of financing for customers and suppliers.*