

RESULTS
2Q15 / 1H15

RANDON®

Disclaimer

This presentation contains forward-looking statements that are subject to risks and uncertainties. These statements are based on Management's beliefs and assumptions, as well as on currently available information. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Company's Board of Directors and Board of Executive Officers.

The reservations as to forward looking statements and information also include information on possible or presumed operating results, as well as any statements preceded, followed or including words such as "believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions.

Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward-looking statements. Many of the factors which will determine these results and figures are beyond our ability to control or predict.

Agenda

- Period Highlights
- Market Overview
- Operating Results
- Financial Results
- Capital Markets
- Outlook

Highlights – 2Q15

	2Q2015	2Q2014	Δ%	1H2015	1H2014	Δ%
PRODUCTION	**33,102**	**58,026**	**-43.0%**	**71,613**	**125,642**	**-43.0%**
Trucks (*)	18,317	33,201	-44.8%	41,630	75,995	-45.2%
Buses (*)	6,179	9,318	-33.7%	13,865	19,199	-27.8%
Trailers/ Semi-Trailers (***)	8,606	15,507	-44.5%	16,118	30,448	-47.1%
SALES (DOMESTIC MARKET)	**30,171**	**55,309**	**-45.5%**	**61,636**	**106,657**	**-42.2%**
Trucks (*)	17,987	34,181	-47.4%	37,295	64,627	-42.3%
Buses (*)	4,458	6,445	-30.8%	9,665	13,397	-27.9%
Trailers/ Semi-Trailers (**)	7,726	14,683	-47.4%	14,676	28,633	-48.7%

Highlights – 2Q15

	2Q2015	2Q2014	Δ%	1H2015	1H2014	Δ%
Total Gross Revenue (*)	1,015,785	1,438,832	-29.4%	2,010,537	2,892,614	-30.5%
Domestic market	898,930	1,329,207	-32.4%	1,777,214	2,657,185	-33.1%
Foreign market	116,855	109,625	6.6%	233,323	235,429	-0.9%
Foreign market in *US$*	37,895	48,635	-22.1%	77,650	101,608	-23.6%
Consolidated Net Revenue	734,727	1,014,377	-27.6%	1,431,549	1,980,309	-27.7%
Consolidated Gross Profit	156,283	261,272	-40.2%	308,277	522,849	-41.0%
Gross Margin (%)	21.3%	25.8%	-4.5 p.p.	21.5%	26.4%	-4.9 p.p.
Consolidated Net Profit	274	67,410	-99.6%	832	129,651	-99.4%
Net Margin (%)	0.0%	6.6%	-6.6 p.p.	0.1%	6.5%	-6.5 p.p.
Consolidated EBITDA	47,025	140,740	-66.6%	97,994	291,099	-66.3%
EBITDA Margin (%)	6.4%	13.9%	-7.5 p.p.	6.8%	14.7%	-7.9 p.p.
Adjusted EBITDA	54,300	140,740	-61.4%	134,352	291,099	-53.8%
Adjusted EBITDA Margin(%)	7.4%	13.9%	-6.5 p.p.	9.4%	14.7%	-5.3 p.p.

(*) Without elimination of inter-company sales.

Values in thousands of Reais

Highlights – 2Q15 / 1H15

NON-RECURRING EFFECTS

2T15

Restructuring and structure adjustments-related Expenses

R$ 7.3 million

Adjustment of Non-Recurring Impacts to 2Q15 EBITDA.

R$ 54.3 million (7.4% of Net Revenue)

1H15

Restructuring, structure adjustments-related Expenses and hedge accounting

R$ 36.4 million

Adjustment of Non-Recurring Impacts to 1H15 EBITDA.

R$ 134.4 million (9,4% of Net Revenue)

Overview – 2Q15

Business Environment

- Diversification in products, markets and geography have reduced the negative impact on revenues and results;
- Efforts in reducing costs during prior periods are reflecting positively in the company`s figures;
- Internal adjustment actions towards achieving greater efficiency and competitiveness remain;
- Focus on generating value, reducing the need for working capital, preserving results and resuming economic activity.

Overview – 2Q15

BUSINESS SEGMENTS – TRAILERS/SEMI-TRAILERS

Trailers/Semi-Trailers



- *MARKETSHARE* = 24.83% DURING 1H15;
- DROP IN PRICES AND IMPACT ON MARGINS DUE TO COMPETITION;
- MARKET WITH NO PROSPECTS OF IMPROVEMENT IN THE SHORT AND LONG TERM.

Overview – 2Q15

BUSINESS SEGMENTS – VEHICLES AND ROAD EQUIPMENT

RAILWAY WAGONS



- IMPORTANT SHARE IN THE COMPANY`S RESULT IN 2Q15;
- SIGNIFICANT INCREASE IN PRODUCTION VOLUMES FOR 2H15.

SPECIALTY VEHICLES



- SALES VOLUME MAINTAINED;
- BALANCED DIVISION IN CUSTOMERS`PROFILE (PUBLIC/PRIVATE);
- COMPANY`S STRCTURE IS READY FOR VOLUMES EXPECTED FOR 2H15.

Overview – 2Q15

BUSINESS SEGMENTS – AUTO PARTS

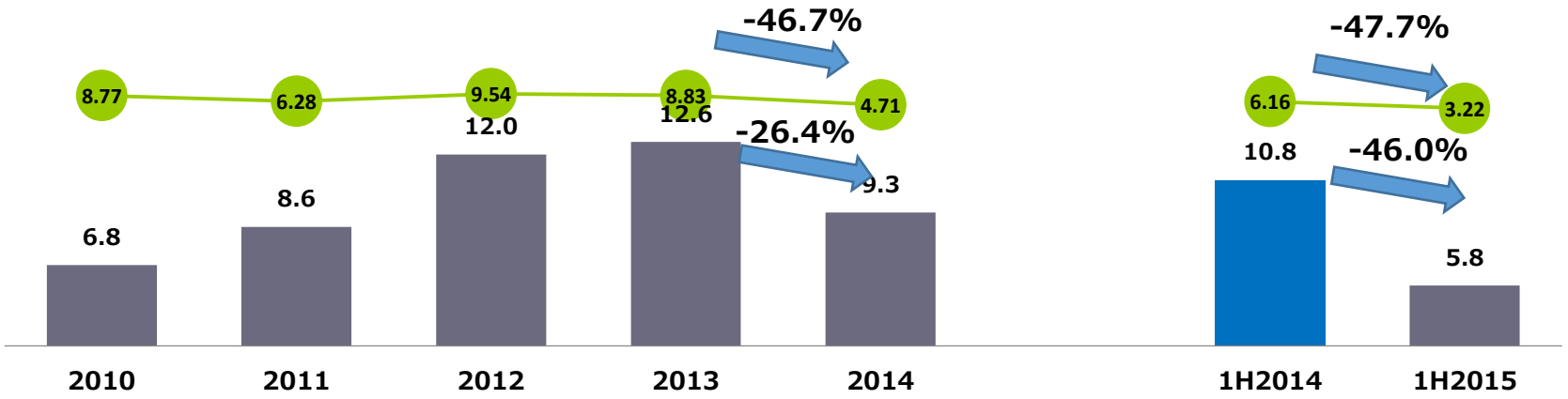
AUTO PARTS



- PRODUCTION HALTS PLANNED FOR 3Q15, BY OEM COMPANIES, ARE AFFECTING THE PRODUCTION OF AUTO PARTS;
- ACTIONS TO ADJUST PRODUCTION, SUCH AS VACATIONS TAKEN IN ADVANCE AND PRODUCTION IN SINGLE SHIFTS;
- FRAS-LE STANDS OUT FOR ITS POSITIVE FIGURES; JOST AND MASTER STAND OUT FOR MAINTAINING MARGINS, DESPITE MARKET DOWNTURN;
- FOCUS ON EXPORTS AND INCREASED ACTIONS IN THE AFTERMARKET.

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



Outlook

- **Brazilian economic growth forecast: -**1.97% in 2015 and 0% in 2016.*

- **Crops -** National production of grains is estimated at 206.34 million tons (6.6% higher than in prior cycle). **

- **Economy**:
  - Increase on SELIC;
  - National currency depreciation;
  - Change in Brazil`s Rating.

- **Manufacturing Installed Capacity for 2H15 :**
  - Prospects of improvement for the segment of Equipment due to increase in the production of rail wagons;
  - Demand for autoparts should remain weak due to lower sales volumes for OEMs.

Source: * BACEN / FOCUS Report (07/08/2015)
** 10º Safra 2014/2015 - Conab

Overview – 2Q15

BUSINESS SEGMENTS – EXPECTED VOLUMES

TRAILERS/ SEMI-TRAILERS - PRODUCTION

30/35 thousand units

TRUCKS - PRODUCTION

80/85 thousand units

Guidance Review

	Guidance 2015 (released on 03/30)	Guidance Review 2015
Total Gross Revenue	R$ 4.4 bn	R$ 4.2 bn
Consolidated Net Revenue	R$ 3.2 bn	R$ 3.0 bn
Investiments	R$ 120 mn	R$ 120 mn
Foreign Revenues	US$ 300 mn	US$ 265 mn
Imports	US$ 80 mn	US$ 60 mn

Investors Relation

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NÍVEL 1
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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



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RESULTS

2Q15 / 1H15

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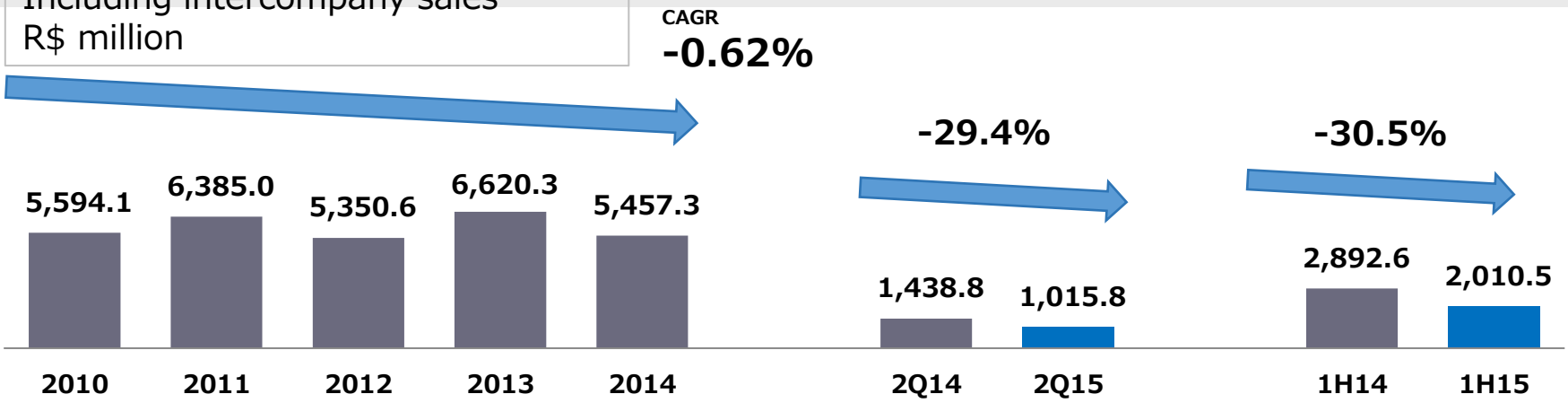
Operating Results

Physical Volume Sales|Breakdown of Revenues by Segment

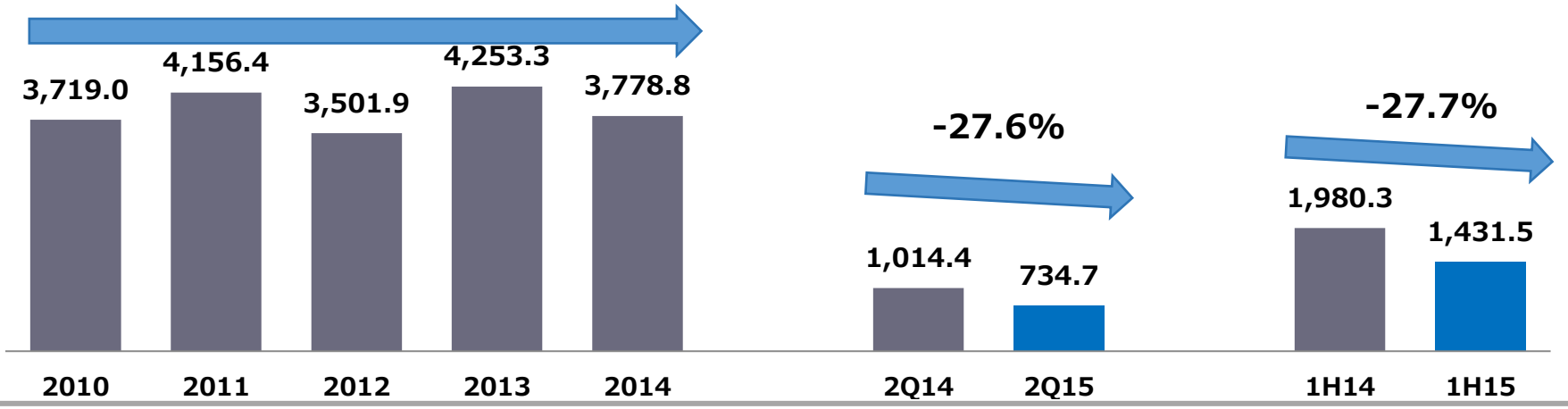
	2Q2015		2Q2014		Δ% Un.	1H2015		1H2014		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Vehicles and Road Equipment		**46.8%**		**56.0%**			**44.4%**		**51.5%**	
Trailers/ Semi-Trailers (un.)	2,633	58.3%	4,851	72.3%	-45.7%	4,697	56.6%	8,649	74.6%	-45.7%
Specialty Vehicles (un.)	107	4.5%	152	5.5%	-29.6%	206	7.3%	283	5.7%	-27.2%
Rail freight cars (un.)	382	37.1%	526	22.2%	-27.4%	786	36.0%	834	19.6%	-5.8%
Auto parts		**47.1%**		**41.1%**			**50.2%**		**45.6%**	
Friction Material (ton.)	18,412	56.9%	19,032	42.9%	-3.3%	35,529	54.6%	40,305	39.8%	-11.8%
Brakes (un.)	123,687	14.6%	178,081	17.2%	-30.5%	264,280	14.8%	394,276	17.2%	-33.0%
Coupling Systems (un.)	12,015	5.1%	19,799	7.3%	-39.3%	26,464	5.4%	46,704	7.9%	-43.3%
Suspension and Undercarriage Systems (un.)	51,675	23.1%	50,492	32.5%	2.3%	101,777	24.9%	116,313	34.8%	-12.5%
Castings (ton.)	4,025	0.3%	5,501	0.2%	-26.8%	9,214	0.2%	12,710	0.2%	-27.5%
Financial Services		**6.1%**		**2.9%**			**5.4%**		**2.9%**	
Coop-payment plan quotas sold	3,617	55.2%	3,287	76.1%	10.0%	5,999	59.9%	5,332	75.1%	12.5%
Randon Investimentos (Randon Bank)	-	26.2%	-	23.9%	-	-	29.3%	-	24.9%	-
Holding	-	18.6%	-	-	-	-	10.8%	-	-	-

Financial Results

Total Gross Revenue
Including intercompany sales
R$ million

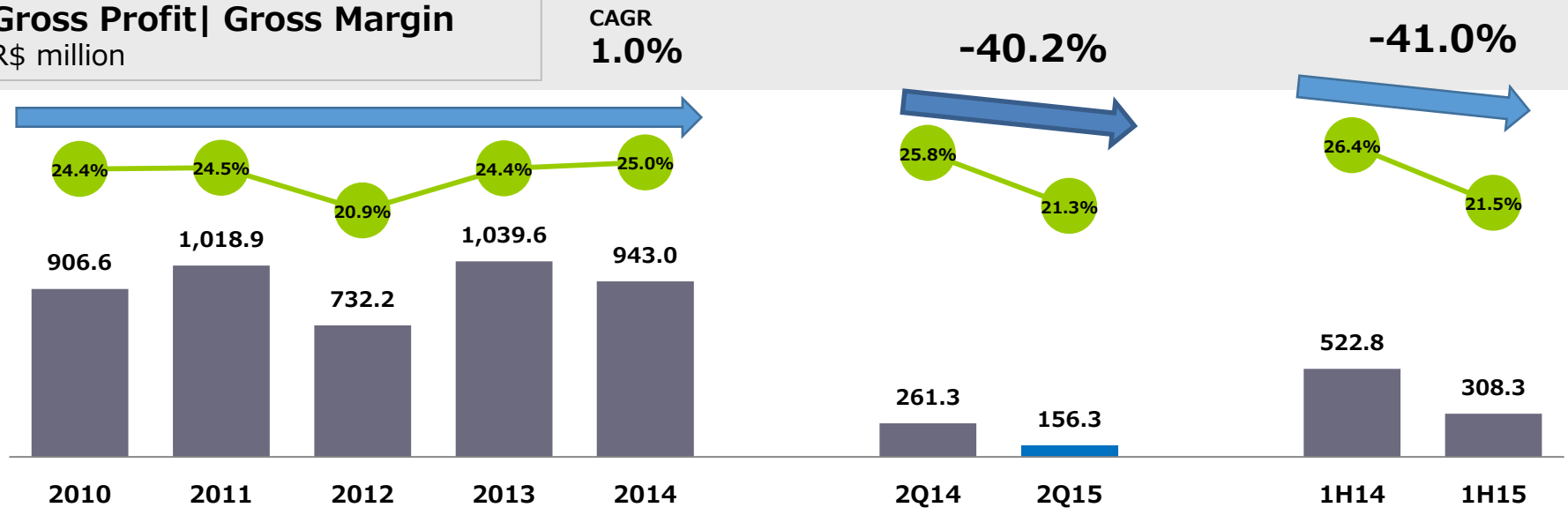


Consolidated Net Revenue
R$ million

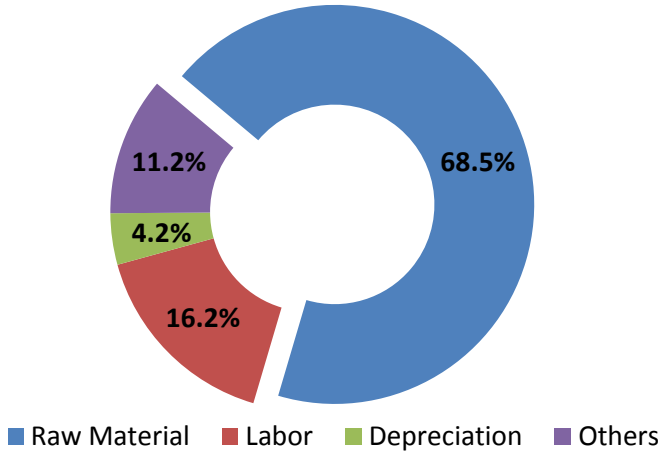


Financial Results

Gross Profit| Gross Margin
R$ million

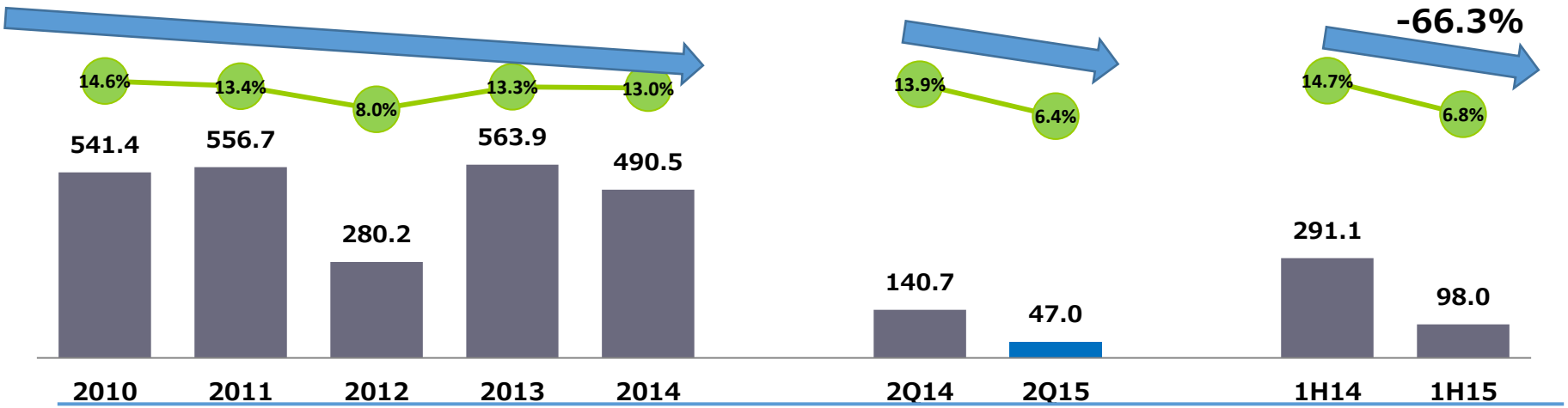


Consolidated Breakdown of COGS
1H15 R$ million

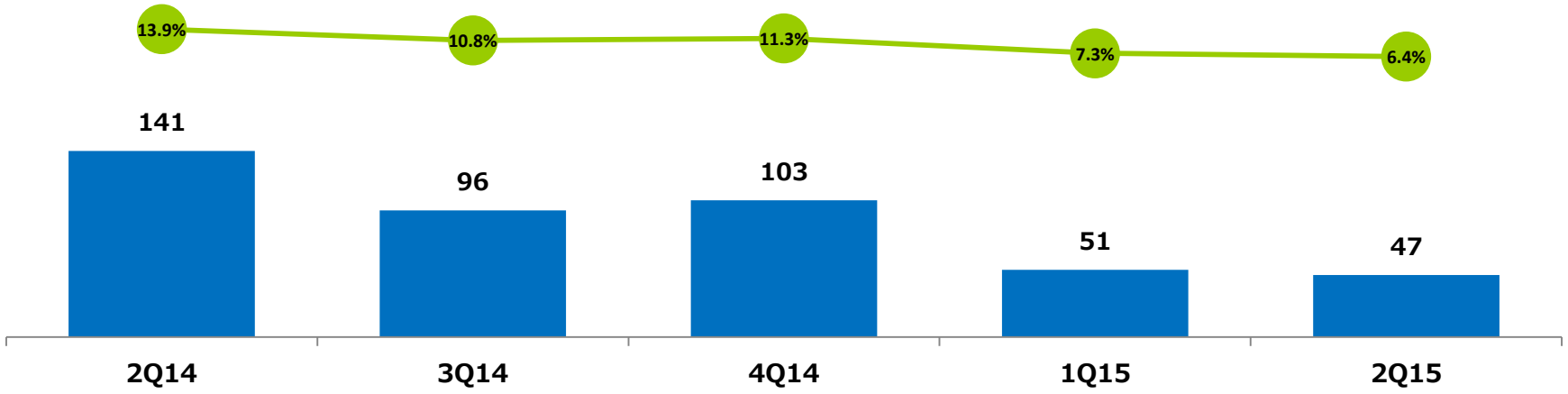


Financial Results

EBITDA | EBITDA Margin
R$ million

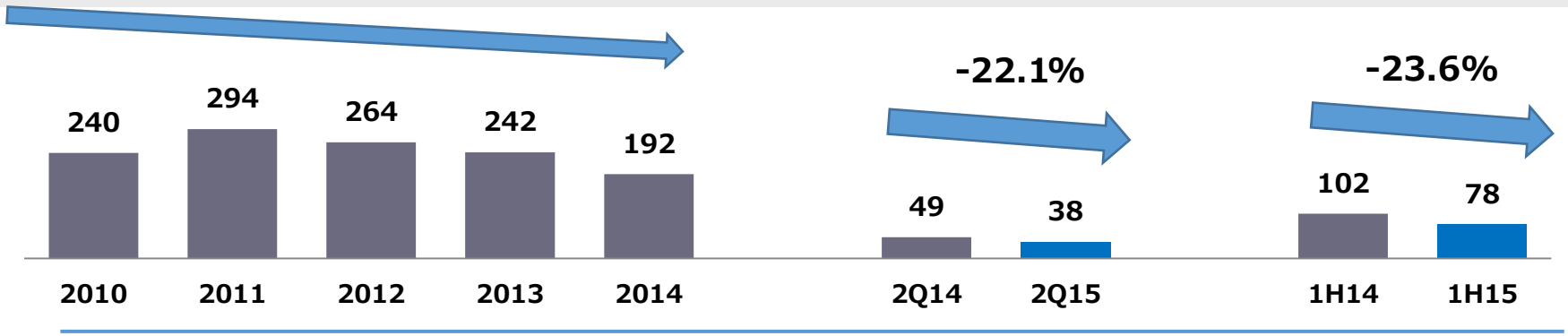


EBITDA | EBITDA Margins – Quarterly
R$ million

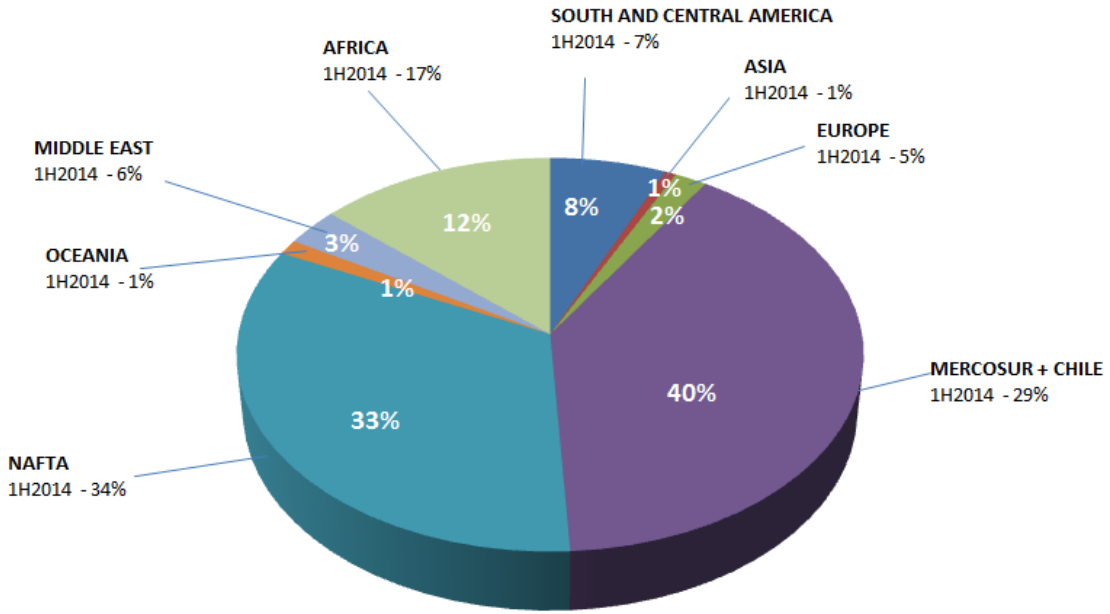


Operating Results

Exports
US$ Million

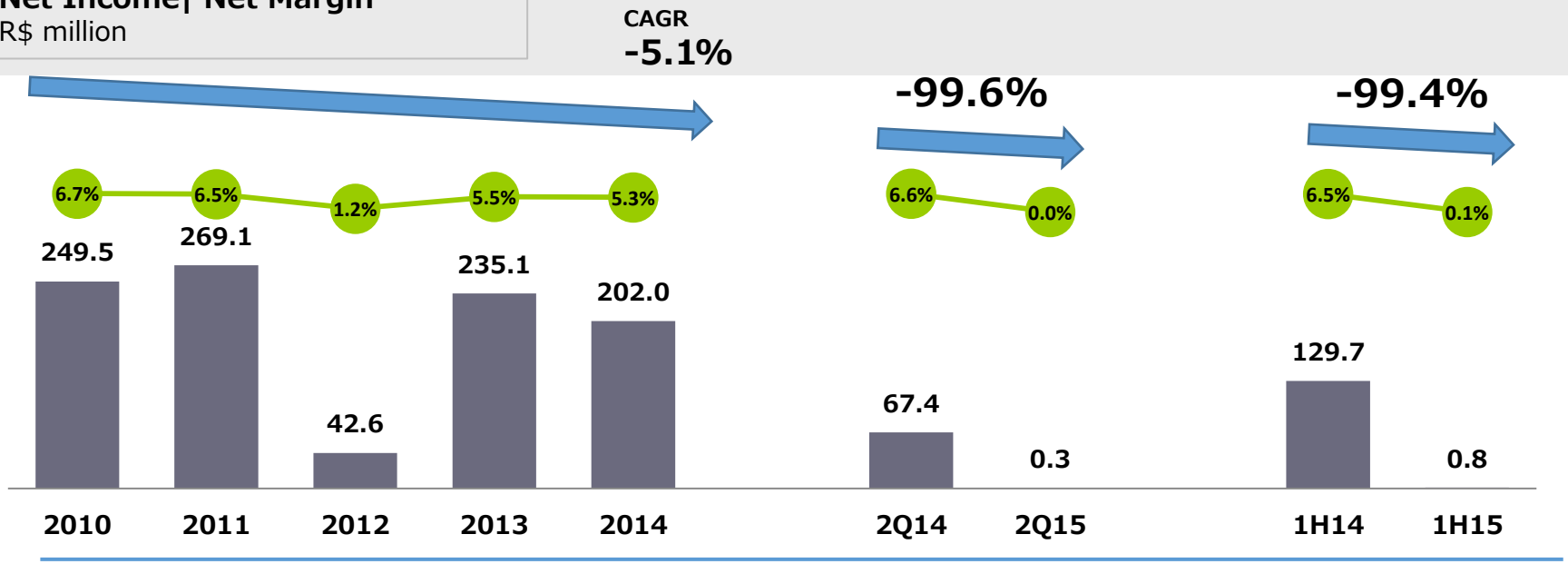


Exports
Destination by economic bloc
1H15| US$ Million

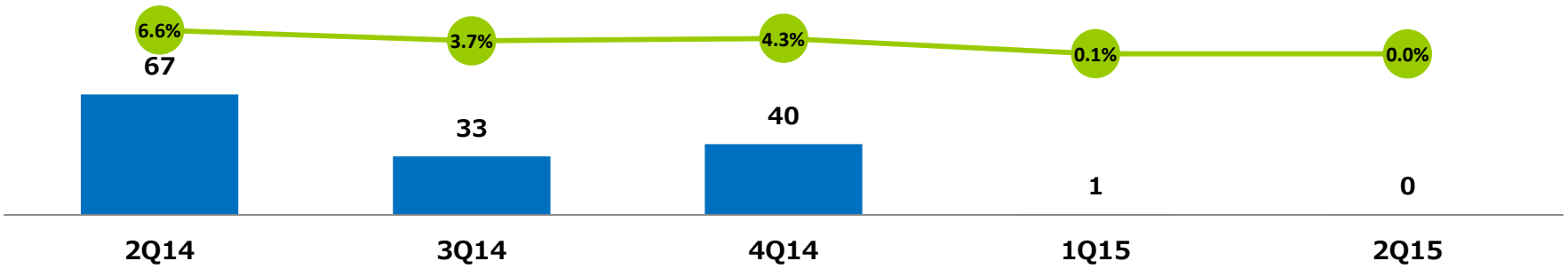


Financial Results

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		
	2Q2015	2Q2014	Δ%	2Q2015	2Q2014	Δ%	2Q2015	2Q2014	Δ%	2Q2015	2Q2014	Δ%
Gross Revenue	416,265	689,194	-39.6%	443,745	540,161	-17.8%	48,040	32,299	48.7%	908,049	1,261,654	-28.0%
Deduction in Gross Revenue	-72,482	-121,439	-40.3%	-97,514	-123,005	-20.7%	-3,327	-2,832	17.5%	-173,323	-247,276	-29.9%
Net Revenue	**343,782**	**567,755**	-39.4%	**346,231**	**417,156**	-17.0%	**44,713**	**29,467**	51.7%	**734,727**	**1,014,377**	-27.6%
Cost of Sales and Services	-301,366	-433,608	-30.5%	-272,576	-315,879	-13.7%	-4,502	-3,619	24.4%	-578,444	**-753,106**	-23.2%
Gross Profit	**42,417**	**134,147**	-68.4%	**73,655**	**101,277**	-27.3%	**40,211**	**25,848**	55.6%	**156,283**	**261,272**	-40.2%
GROSS MARGIN (%)	**12.3%**	**23.6%**	-11.3 p.p.	**21.3%**	**24.3%**	-3.0 p.p.	**89.9%**	**87.7%**	2.2 p.p.	**21.3%**	**25.8%**	-4.5 p.p.
Operating Expenses	-42,341	-64,628	-34.5%	-61,134	-65,965	-7.3%	-36,822	-19,855	85.5%	-140,297	-150,448	-6.7%
EBIT	**76**	**69,520**	-99.9%	**12,521**	**35,312**	-64.5%	**3,389**	**5,993**	-43.4%	**15,986**	**110,824**	-85.6%
EBITDA	**9,225**	**77,683**	-88.1%	**33,271**	**56,917**	-41.5%	**4,529**	**6,139**	-26.2%	**47,025**	**140,740**	-66.6%
EBITDA MARGIN (%)	**2.7%**	**13.7%**	-11.0 p.p.	**9.6%**	**13.6%**	-4.0 p.p.	**10.1%**	**20.8%**	-10.7 p.p.	**6.4%**	**13.9%**	-7.5 p.p.
Adjusted EBITDA	**14,942**	**77,683**	-80.8%	**34,829**	**56,917**	-38.8%	**4,529**	**6,139**	-26.2%	**54,300**	**140,739**	-61.4%
Adjusted EBITDA Margin (%)	**4.3%**	**13.7%**	-9.3 p.p.	**10.1%**	**13.6%**	-3.6 p.p.	**10.1%**	**20.8%**	-10.7 p.p.	**7.4%**	**13.9%**	-6.5 p.p.

Financial Results

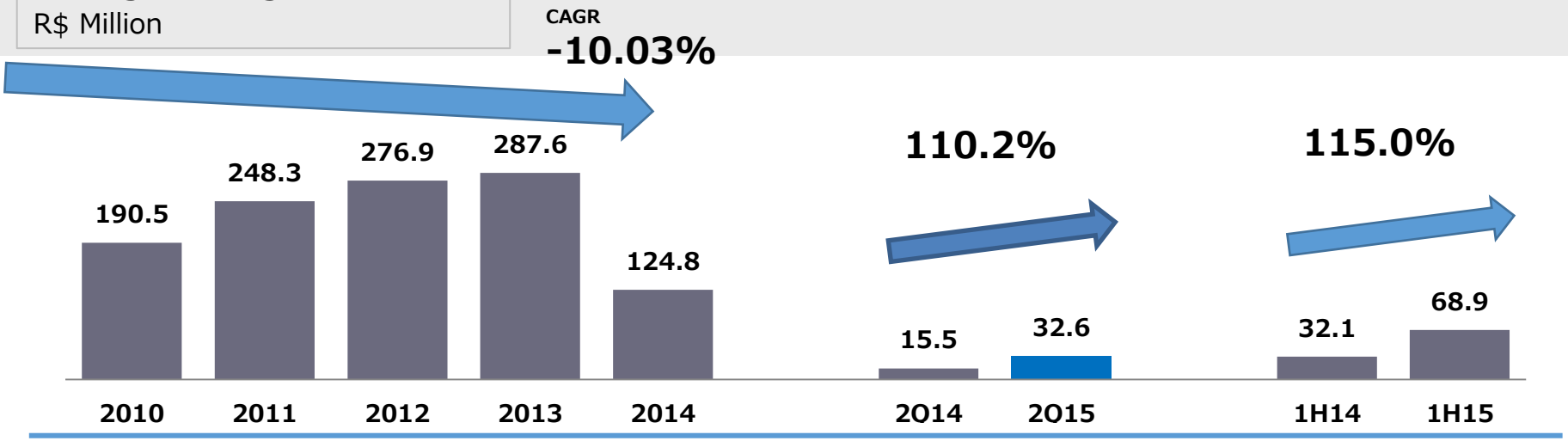
Consolidated Income Statement – by Segment/Quarterly

R$ Million/%

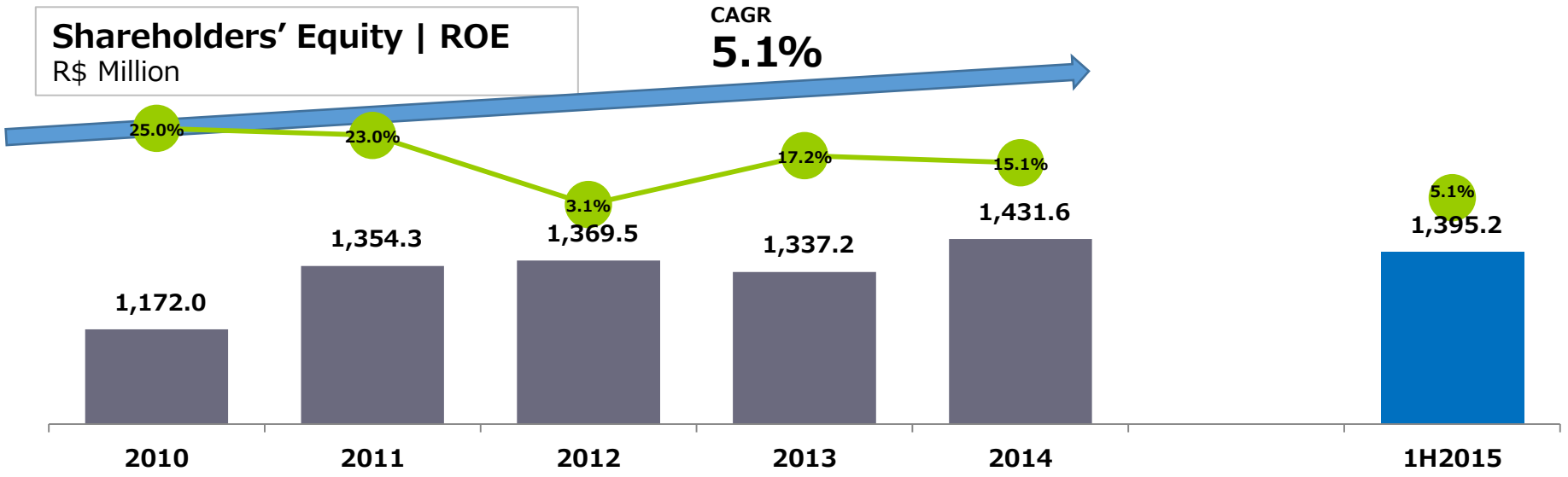
	2Q2014	3Q2014	4Q2014	2014	1Q2015	2Q2015
Consolidated Net Revenue	**1,014.4**	**887.0**	**911.5**	**3,778.8**	**696.8**	**734.7**
% Vehicles and trailers/semi-trailers	56.0%	46.7%	52.5%	50.6%	41.9%	46.8%
% Auto parts	41.1%	49.4%	43.6%	46.0%	53.4%	47.1%
% Financial Services	2.9%	3.9%	3.9%	3.4%	4.7%	6.1%
Consolidated Gross Profit	**261.3**	**204.6**	**215.6**	**943.0**	**152.0**	**156.3**
% Gross Margin	25.8%	23.1%	23.6%	25.0%	21.8%	21.5%
EBITDA	**140.7**	**96.0**	**103.4**	**490.5**	**51.0**	**47.0**
% EBITDA Margin	13.9%	10.8%	11.3%	13.0%	7.3%	6.4%
Net Income	**67.4**	**32.7**	**39.6**	**202.0**	**0.6**	**0.3**
% Net Income	6.6%	3.7%	4.3%	5.3%	0.1%	0.0%

Financial Results

INVESTMENTS
R$ Million



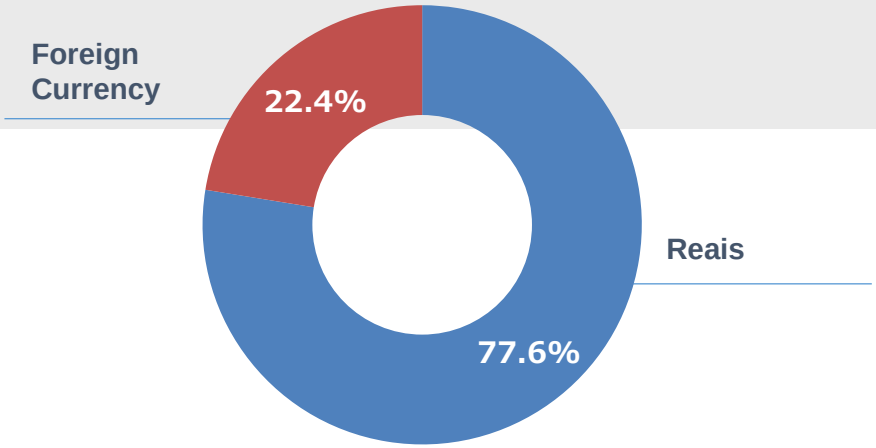
Shareholders' Equity | ROE
R$ Million



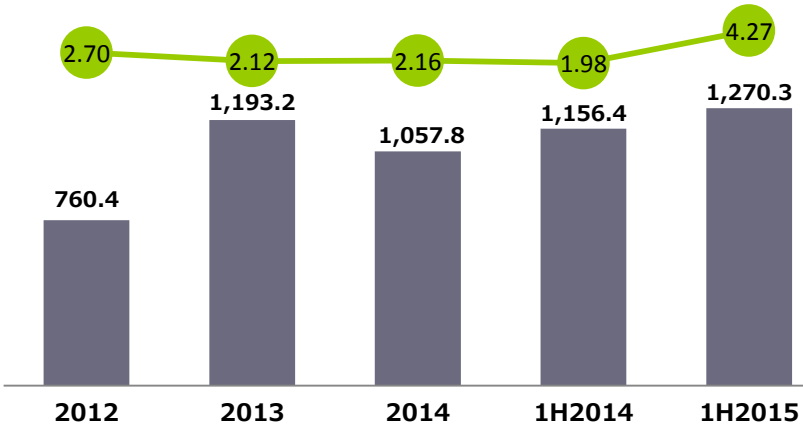
Financial Results

Gross Debt Breakdown 1H2015
R$ '000 | %

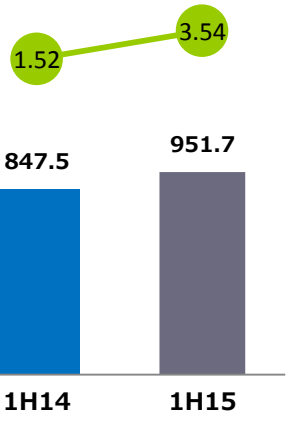
Total gross debt	R$ 2,826,960,877
Gross debt in BR currency	R$ 2,192,323,926
Gross debt in foreign currency	R$ 634,636,951
USD rate (Jun. 30, 2015)	R$ 3.1026



Debt | Net Debt / EBITDA
R$ million



Industrial Net Debt



Possible Questions

- **Competitors: Guerra Case**
- **Marketshare 2015**
- **Volumes 2h15**
- **2016 Outlook**