

VEHICLES AND TRAILERS

RANDON IMPLEMENTOS

RANDON VEÍCULOS

AUTO PARTS

Suspensys

FRAS-LE

MASTER

JOST

CASTERTECH

SERVICES

CONSÓRCIO RANDON

BANCO RANDON

1Q14 / 1Q13
RESULTS

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
- ✓ Q&A

Period Highlights

- Total gross revenue of R$ 1.5 billion during the 1Q14, drop of 4.2% over 1Q13;
- Consolidated net revenue of R$ 965.9 million during the 1Q14, 0.9% lower than 1Q13. Exports amounted US$ 53 million on the same quarter;
- Gross margin of 27.1%, EBITDA margin of 15.6% and EBITDA of R$ 150,4 million during the period (25.8% bigger than 1Q13);
- Net income of R$ 62.2 million in 1Q14, 56.8% bigger than 1Q13 (R$ 39.7 million);
- Investments of R$ 16.6 million during 1Q14, compared to R$ 31.9 million invested in the same period of 2013;
- RAPT4 average daily trade volume of R$ 11.7 million during 1Q14, against R$14.8 million during 1Q13.

Market Overview

- The late release of the funding rules, bureaucracies on the credit rating model and contingency founds for the period hampered sales of commercial vehicles during the 1Q14.
- 2013/2014 crop season is still leveraging sales of semi-trailers and trucks. However, drought present in producing regions have lowered the expectations of more vigorous growth.
- Truck production(1): 42,433 units in 1Q2014, 1.5% less than 1Q2013. The production of semi-trailers decreased by 5.4% compared to the same period last year.
- Sales decrease have created additional inventories in the industry, which announced adjustments in production levels in the coming months, motivating Randon to maintain caution in investments, with extra discipline on costs and expenses and creativity in conducting the rhythm of its activities.

Source: (1) Anfavea Report – April /2014

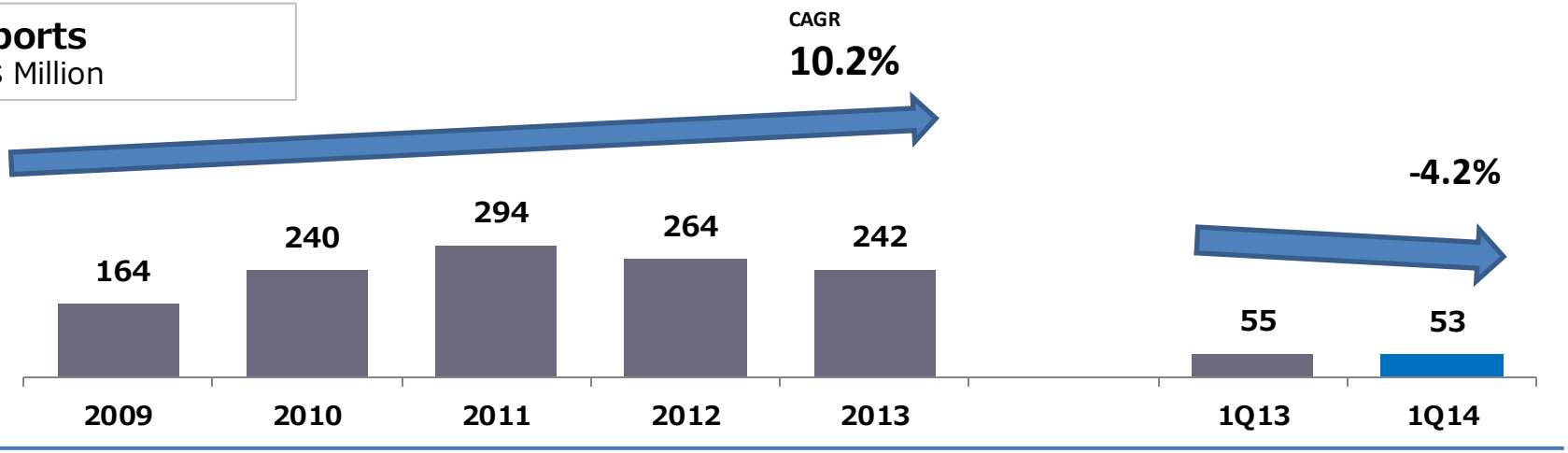
Operating Results

Physical Volume Sales | Breakdown of Revenues by Segment

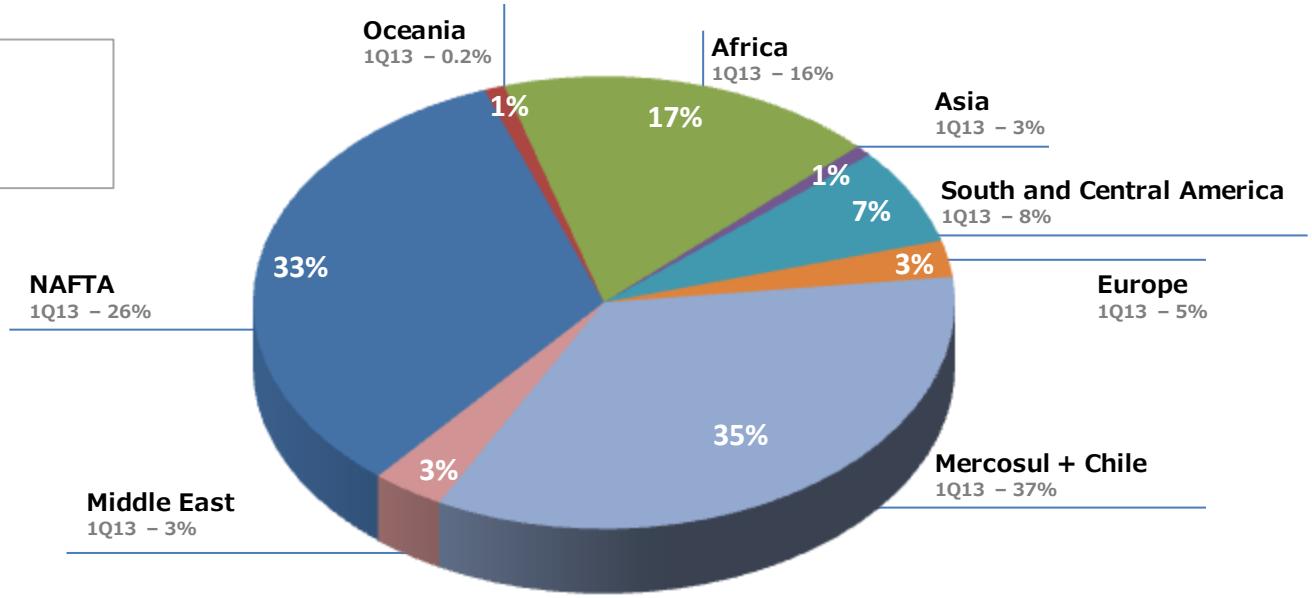
	1Q2014		1Q2013		Δ% Un.	1Q2014		4Q2013		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Vehicles and trailers/semi-trailers		**46.8%**		**52.7%**			**46.8%**		**55.4%**	
Towed vehicles (un.)	3,798	77.5%	5,370	74.2%	-29.3%	3,798	77.5%	6,638	91.4%	-42.8%
Specialty Vehicles (un.)	131	6.1%	313	12.4%	-58.1%	131	6.1%	284	7.5%	-53.9%
Rail wagons (un.)	308	16.4%	304	13.4%	1.3%	308	16.4%	18	1.0%	1611.1%
Auto parts		**50.3%**		**45.1%**			**50.3%**		**42.0%**	
Friction materials (ton.)	21,273	37.2%	17,800	35.6%	19.5%	21,273	37.2%	16,446	37.5%	29.4%
Brakes (un.)	216,995	17.3%	220,944	20.8%	-1.8%	216,995	17.3%	198,048	17.2%	9.6%
Coupling systems (un.)	26,905	8.5%	26,685	8.6%	0.8%	26,905	8.5%	30,297	8.7%	-11.2%
Suspension and wheel systems (un.)	65,821	36.8%	104,195	35.1%	-36.8%	65,821	36.8%	65,372	36.4%	0.7%
Castings (ton.)	7,209	0.2%	7,076	-0.1%	1.9%	7,209	0.2%	5,745	0.1%	25.5%
Financial Services		**2.9%**		**2.2%**			**2.9%**		**2.5%**	
Coop-payment plans sold	2,045	74.1%	1,726	77.9%	18.5%	2,045	74.1%	4,016	76.0%	-49.1%
Randon Investimentos (Randon Bank)	-	25.9%	-	22.1%	-	-	25.9%	-	24.0%	-

Operating Results

Exports
US$ Million

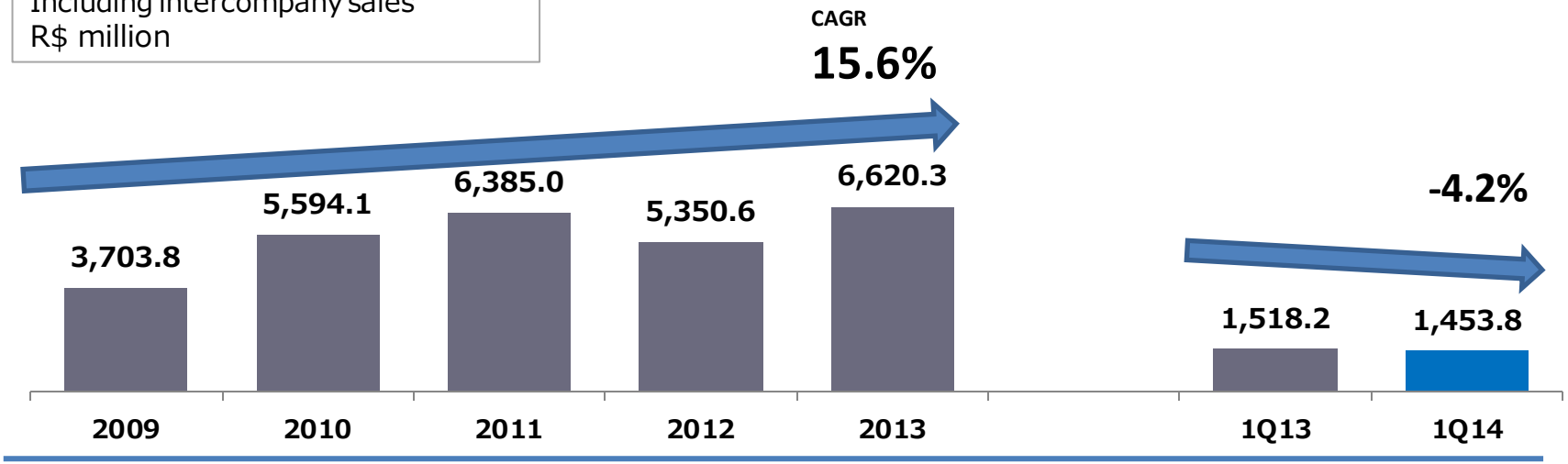


Exports
Destination by economic bloc
1Q14 | US$ Million

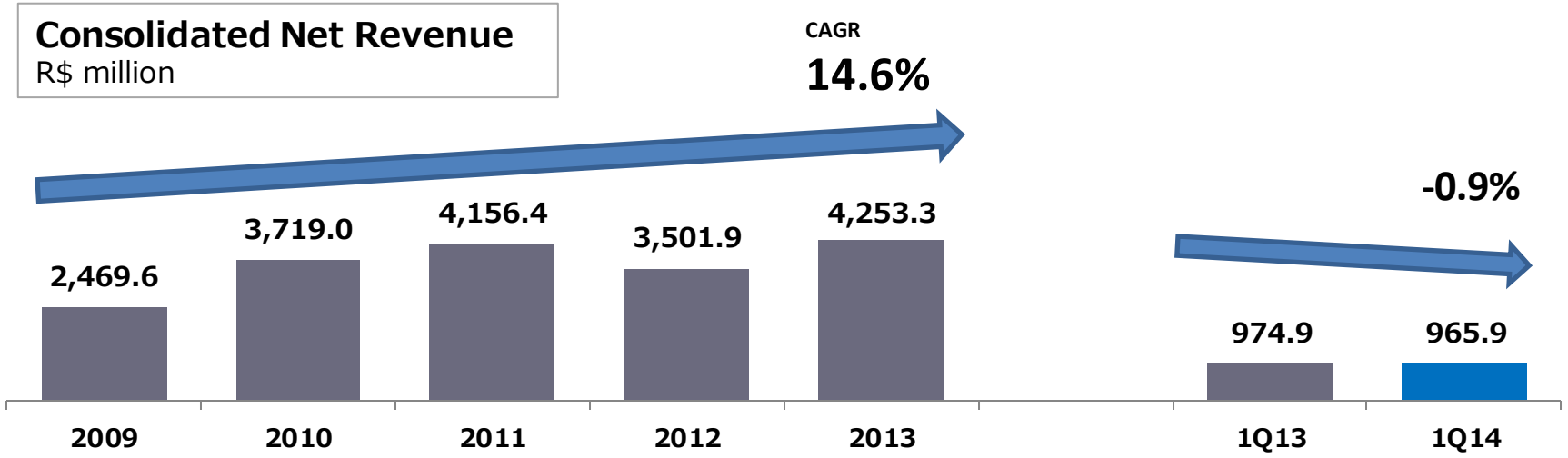


Financial Results

Total Gross Revenue
Including intercompany sales
R$ million

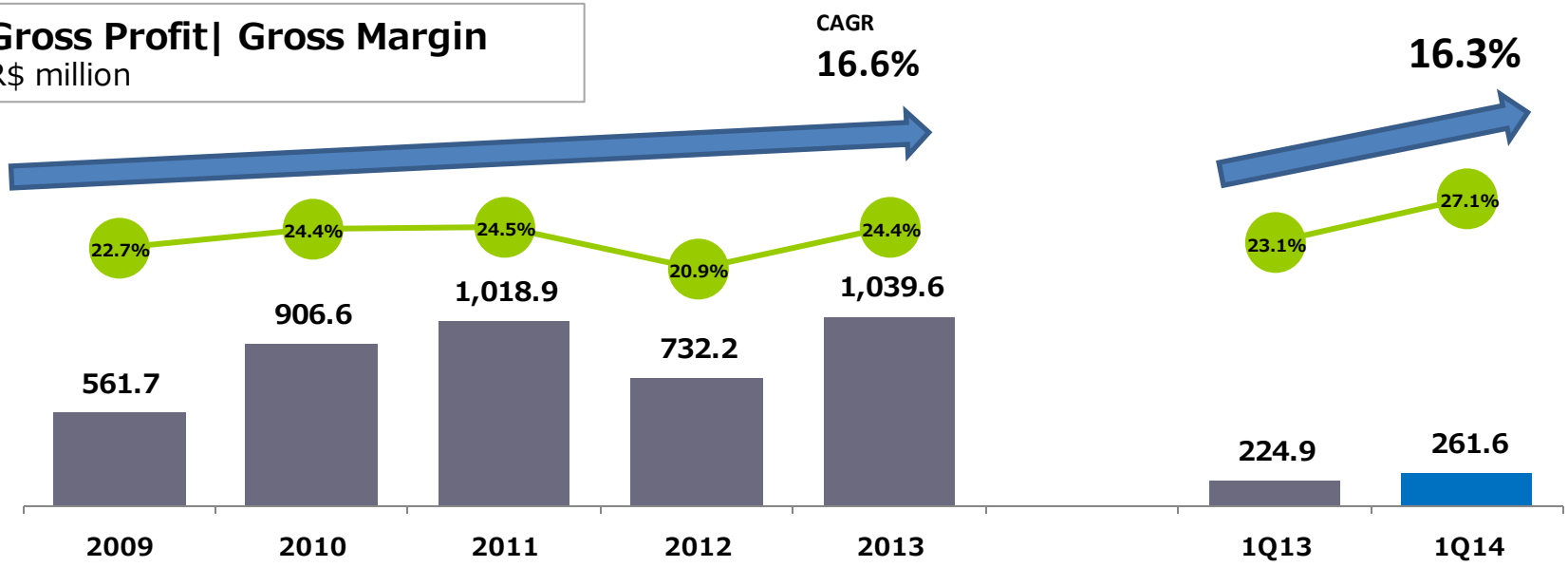


Consolidated Net Revenue
R$ million

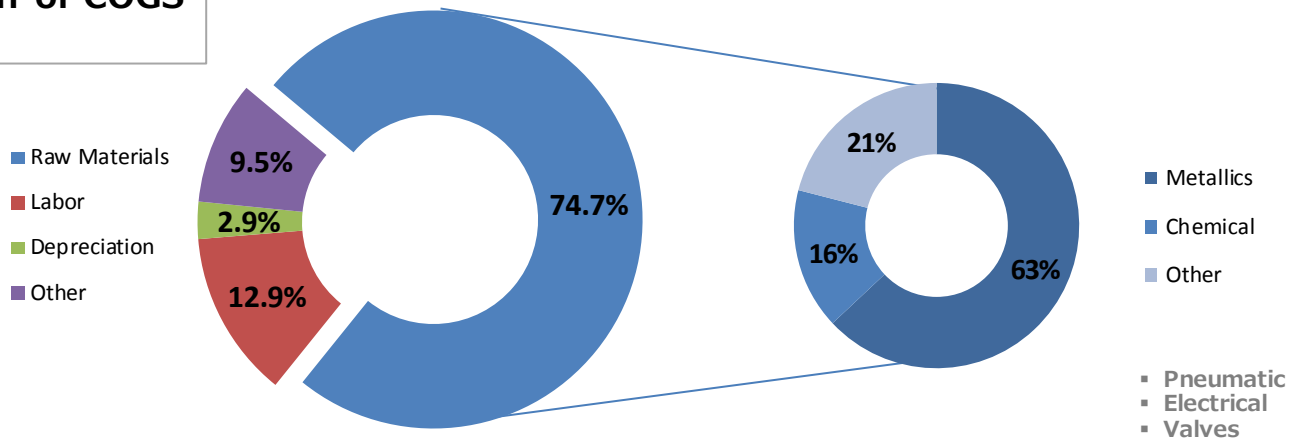


Financial Results

Gross Profit| Gross Margin
R$ million

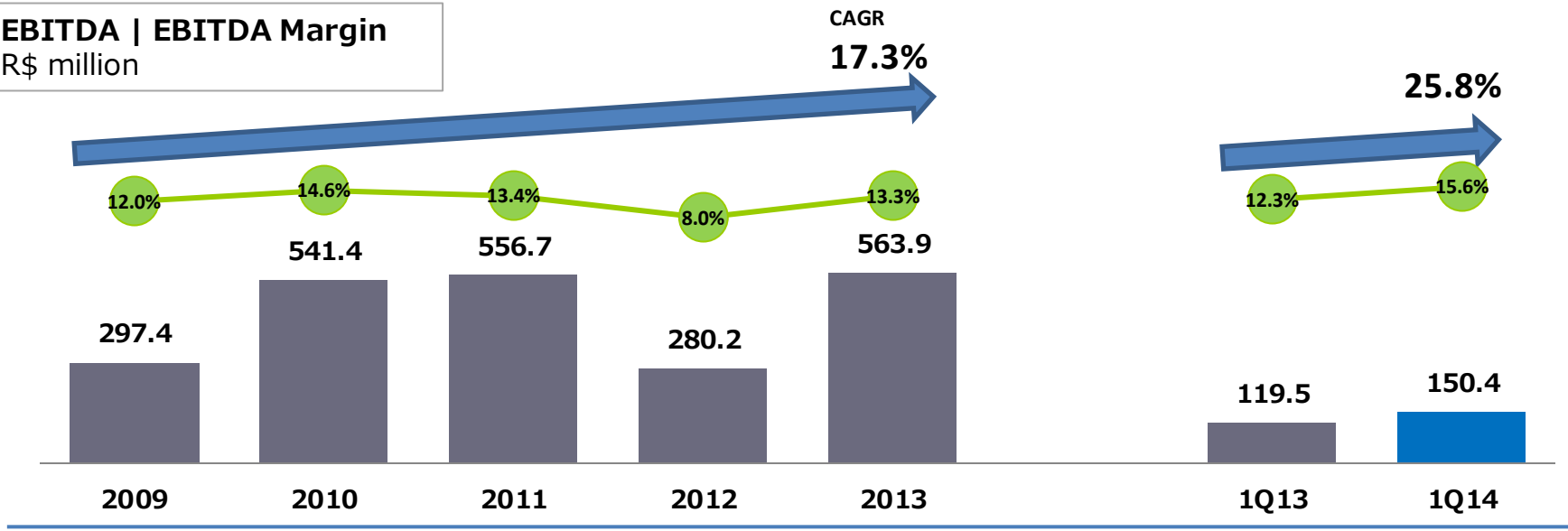


Consolidated Breakdown of COGS
R$ million

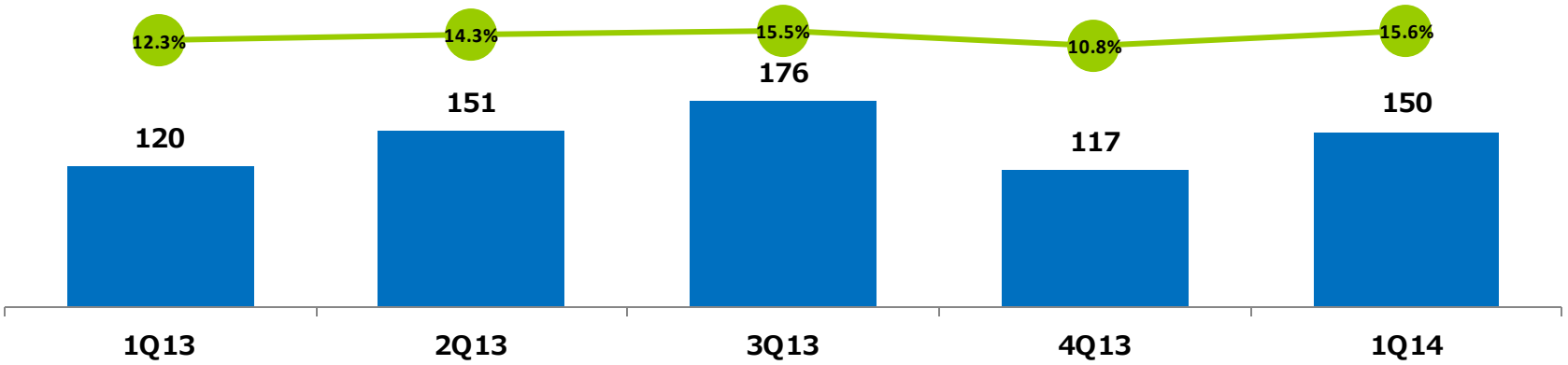


Financial Results

EBITDA | EBITDA Margin
R$ million

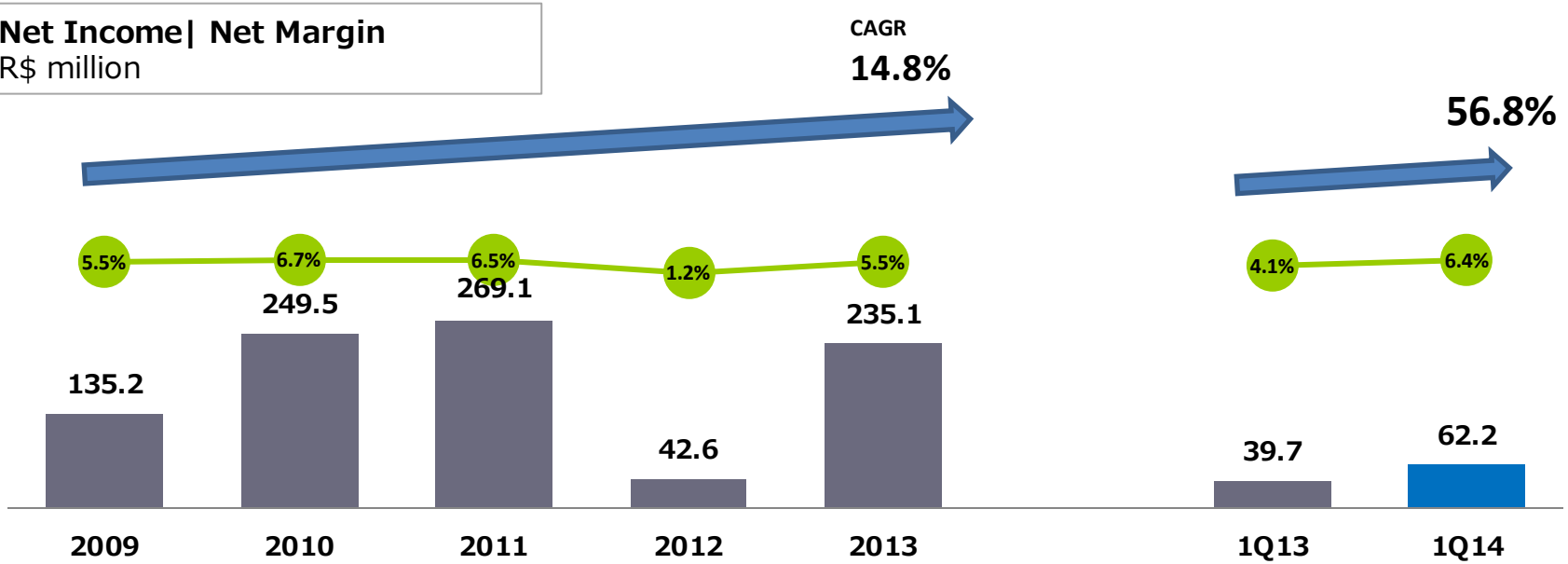


EBITDA | EBITDA Margin - Quarterly
R$ million

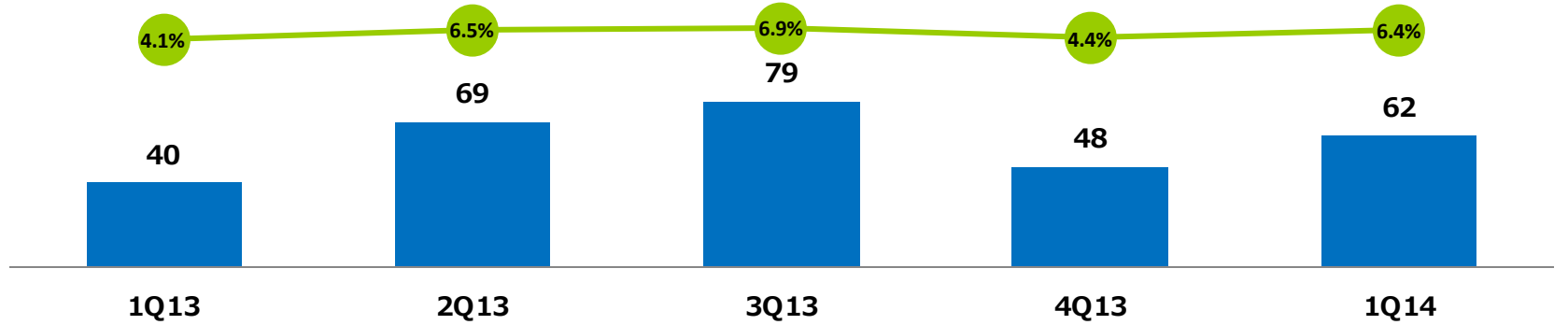


Financial Results

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			Auto Parts			Financial Services			Consolidated		
	1Q2014	1Q2013	Δ%	1Q2014	1Q2013	Δ%	1Q2014	1Q2013	Δ%	1Q2014	1Q2013	Δ%
Gross Revenue	558,379	635,422	-12.1%	629,188	572,229	10.0%	30,581	23,624	29.4%	1,218,148	1,231,275	-1.1%
Deduction in Gross Revenue	-106,289	-121,674	-12.6%	-143,313	-132,594	8.1%	-2,615	-2,101	24.4%	-252,216	-256,369	-1.6%
Net Revenue	**452,090**	**513,748**	-12.0%	**485,875**	**439,635**	10.5%	**27,966**	**21,523**	29.9%	**965,931**	**974,906**	-0.9%
Cost of Sales and Services	-338,065	-427,574	-20.9%	-362,946	-320,842	13.1%	-3,343	-1,556	114.9%	-704,355	**-749,972**	-6.1%
Gross Profit	**114,025**	**86,174**	32.3%	**122,929**	**118,793**	3.5%	**24,623**	**19,967**	23.3%	**261,577**	**224,934**	16.3%
Gross Margin (%)	**25.2%**	**16.8%**	8.4 p.p.	**25.3%**	**27.0%**	-1.7 p.p.	**88.0%**	**92.8%**	-4.7 p.p.	**27.1%**	**23.1%**	4.0 p.p.
Operating Expenses	-58,557	-56,886	2.9%	-65,840	-61,781	6.6%	-17,095	-15,751	8.5%	-141,492	-134,418	5.3%
EBIT	**55,467**	**29,288**	89.4%	**57,089**	**57,012**	0.1%	**7,528**	**4,216**	78.6%	**120,084**	**90,516**	32.7%
EBITDA	**67,442**	**39,155**	72.2%	**75,244**	**75,883**	-0.8%	**7,672**	**4,488**	70.9%	**150,359**	**119,526**	25.8%
EBITDA Margin (%)	**14.9%**	**7.6%**	7.3 p.p.	**15.5%**	**17.3%**	-1.8 p.p.	**27.4%**	**20.9%**	6.6 p.p.	**15.6%**	**12.3%**	3.3 p.p.

Financial Results

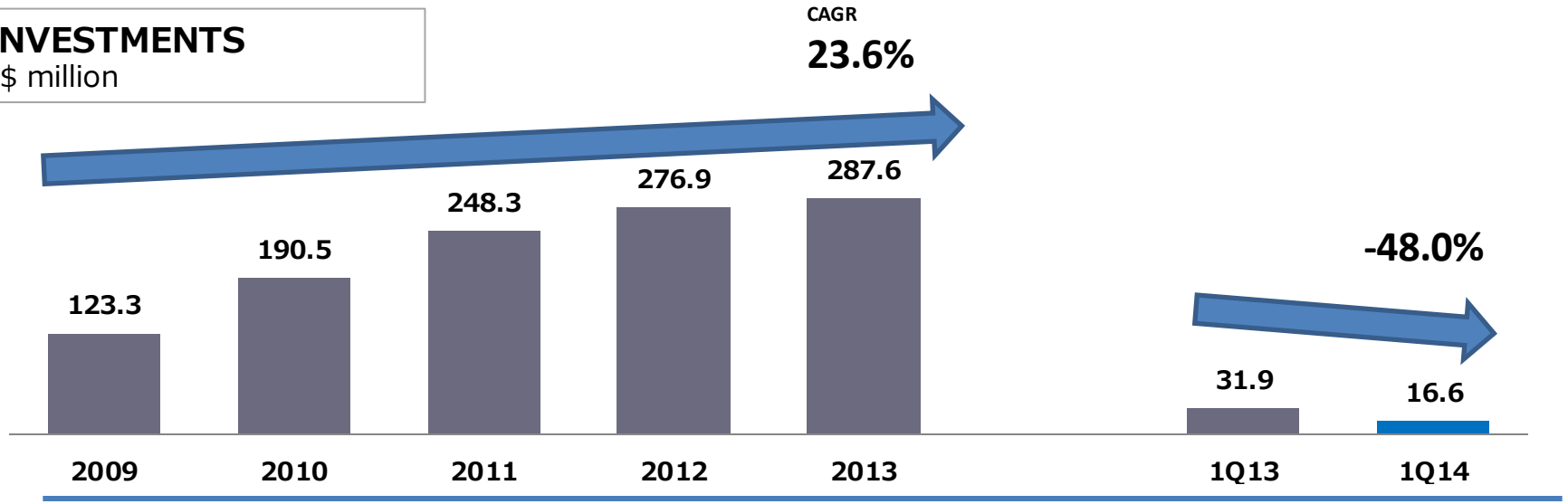
Consolidated Income Statement – by Segment/Quarterly

R$ million/%

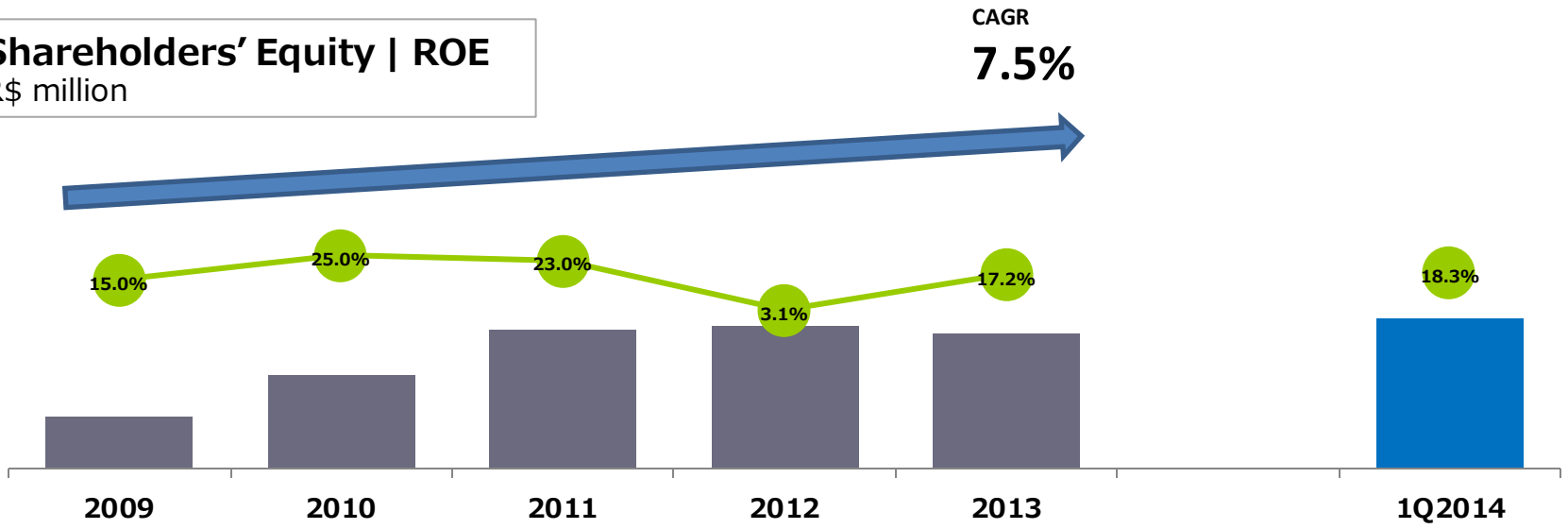
	1Q2013	2Q2013	3Q2013	4Q2013	2013	1Q2014
Consolidated Net Revenue	**974.9**	**1,059.9**	**1,133.9**	**1,085.4**	**4,253.3**	**965.9**
% Vehicles and trailers/semi-trailers	52.7%	49.8%	52.1%	55.4%	52.8%	46.8%
% Auto parts	45.1%	48.0%	45.6%	42.0%	45.4%	50.3%
% Financial Services	2.2%	2.3%	2.2%	2.5%	1.8%	2.9%
Consolidated Gross Profit	**224.9**	**265.3**	**304.8**	**244.5**	**1,039.6**	**261.6**
% Gross Margin	23.1%	25.1%	26.9%	22.5%	24.4%	27.1%
EBITDA	**119.5**	**151.0**	**176.3**	**117.0**	**563.9**	**150.4**
% EBITDA Margin	12.3%	14.3%	15.5%	10.8%	13.3%	15.6%
Net Income	**39.7**	**68.9**	**78.7**	**47.8**	**235.1**	**62.2**
% Net Income	4.1%	6.5%	6.9%	4.4%	5.5%	6.4%

Financial Results

INVESTMENTS
R$ million



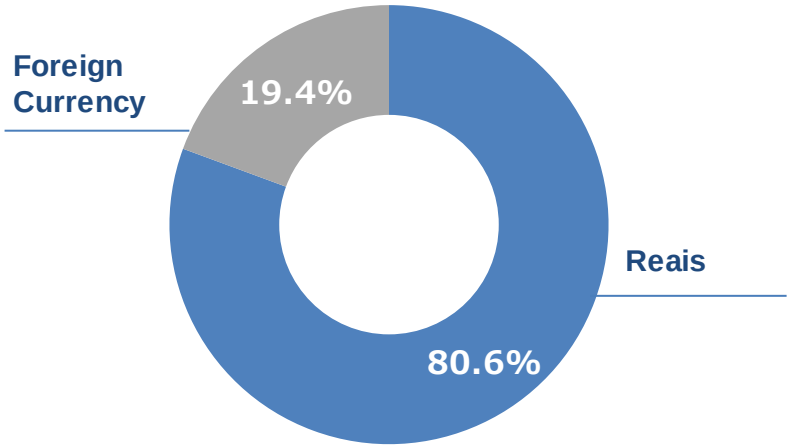
Shareholders' Equity | ROE
R$ million



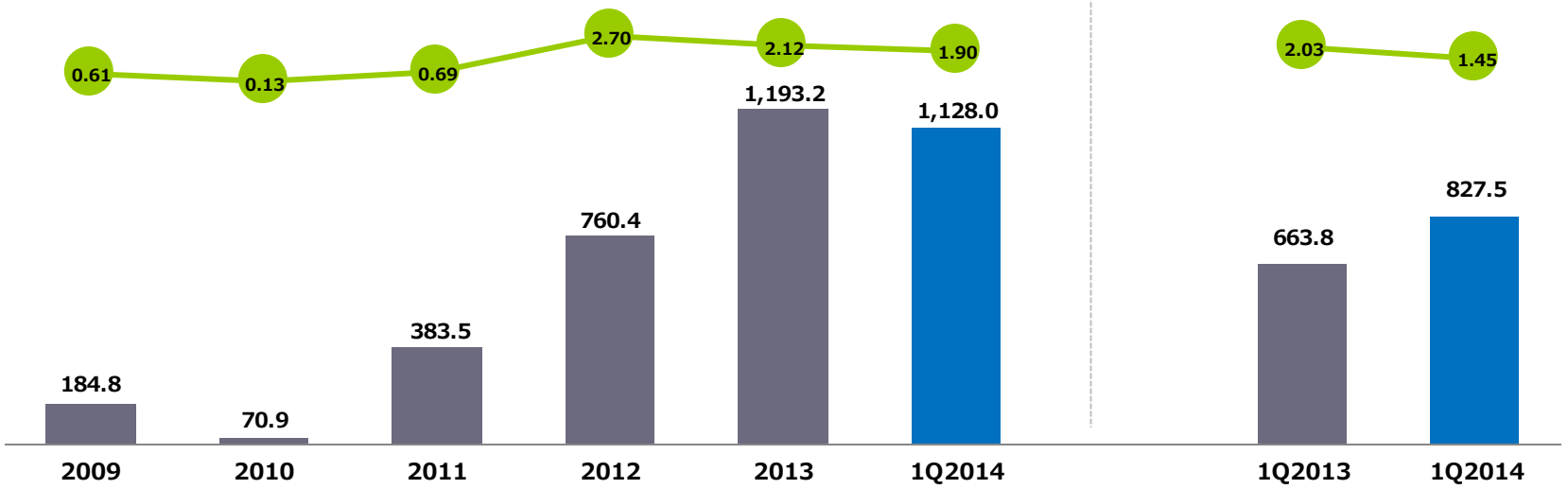
Financial Results

Gross Debt Breakdown 1Q2014
R$ '000 | %

Total gross debt	R$ 2,564,238,670
Gross debt in BR currency	R$ 2,067,215.632
Gross debt in foreign currency	R$ 497.023.037
USD rate (Dec. 31, 2013)	R$ 2.2630



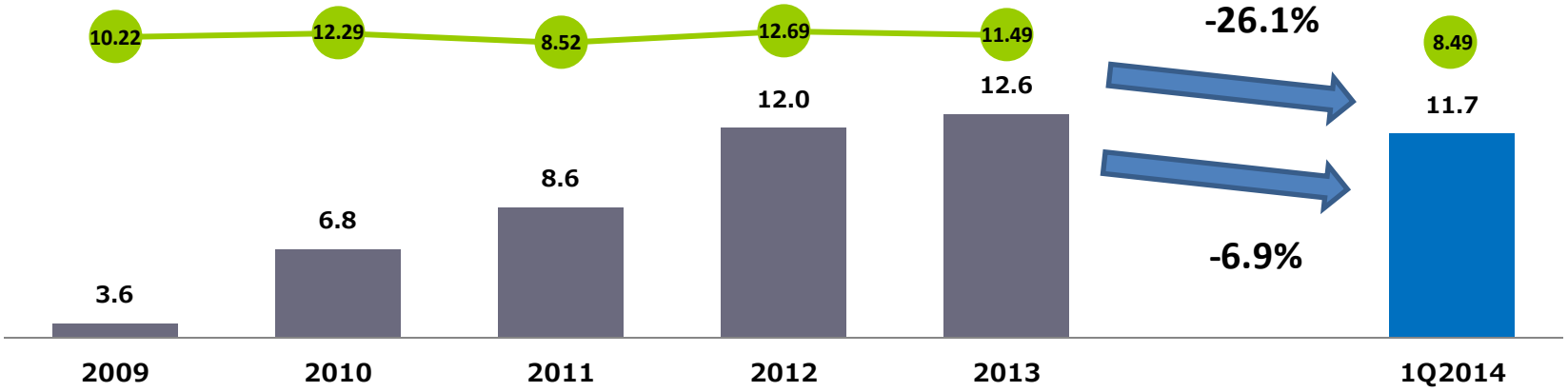
Debt | Net Debt / EBITDA
R$ million



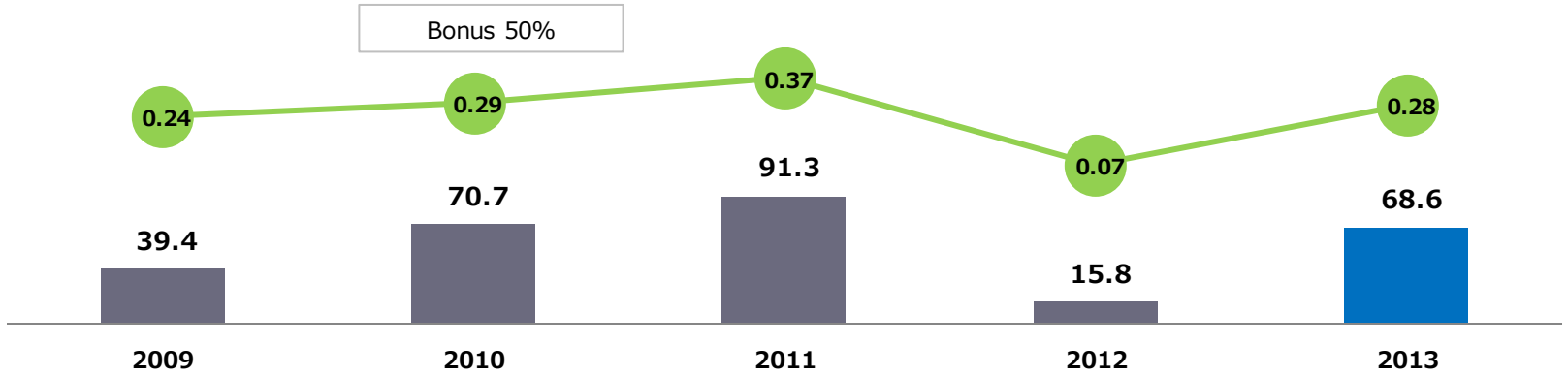
Industrial Net Debt

Capital Markets

RAPT4 Price | Daily Liquidity
R$ per share | R$'000



Dividends and Interest on Equity
R$ million | R$ per share



New Report Structure

Due to the corporate restructuring involving the merger of **Suspensys Sistemas Automotivos Ltda.** by **Randon S/A Implementos e Participações**, since last quarter 2013, the controlling Company will publish the financial statements of the Company and the Consolidated one, and not by company subsidiary as it was before.

Randon Investimentos Ltda, which controls Bank Randon S/A, will be maintained separately from the financial statements reports, as it is considered to be at a different kind of business segment comparing to the others companies of the group .

Outlook

Guidance 2014

Total gross revenue	**R$ 6.3** bn
Consolidated net revenue	**R$ 4.4** bn
Investments	**R$ 150** mn
Exports	**US$ 260** mn
Revenue from abroad	**US$ 90** mn
Imports	**US$ 110** mn

Outlook

- **Brazilian economic growth projections: 1.63% in 2014 and 1.91% in 2015.***
- **Agricultural harvest - domestic production estimated at 190.6 million tons of grains, 1.1% higher than the previous cycle. ****
- **Funding: PSI extended until the end of 2014.**
  Delay in disclosure rules impacting sales earlier this year.
  New oncoming definitions could collaborate for sales rhythm.
- **High inventories volumes promotes stops on production lines as well as collective vacations.**
- **Railway Wagons: Good expectations for oncoming quarters.**

Source: * BACEN / FOCUS Report (05/02/2014)
** 7º Safra 2013/2014 - Conab

Potential Questions

Collective Vacations – Adjustments in production according to demand

- Difficulties in financing;
- Lower expected growth of economy;
- Industry inventories;

1. For approximately 75% of employees will be given 20 days vacation starting on 06.23.2014 until 7.14.2014.
2. For approximately 15% of employees will be given 10 days vacation starting on 06.23.2014 until 7.03.2014.
3. For approximately 5% of employees will be given 10 up to 20 days vacation, according to every employee right, starting on 06.30.2014.

Investor Relations

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