

VEHICLES AND TRAILERS

RANDON IMPLEMENTOS

RANDON VEÍCULOS

AUTO PARTS

Suspensys

FRAS-LE

MASTER

JOST

CASTERTECH

SERVICES

CONSÓRCIO RANDON

BANCO RANDON

RESULTS

4Q14 / 2014

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

Period Highlights

- Total gross revenue of R$ 1.3 billion during the 4Q14, drop of 21.2% over 4Q13;
- Consolidated net revenue of R$ 911.5 million during the 4Q14, 16.0% lower than 4Q13. Exports amounted US$ 40.0 million on the same quarter;
- Gross margin of 23.6%, EBITDA margin of 11.4% and EBITDA of R$ 103.6 million during the period 4Q14 (11.5% lower than 4Q13);
- Net income of R$ 39.6 million in 4Q14, 17.3% less than 4Q13 (R$ 47.8 million).
- Investments of R$ 55.1 million during the 4Q14, compared to R$ 49.6 million invested in the same period of 2013;
- RAPT4 average daily trade volume of R$ 9.3 million during 2014, against R$ 12.6 million during 2013.

Visão Geral do Mercado

- **Low demand, season holidays and vacations have negatively affected the Company`s results.**
- **Purchases made in anticipation of changes in PSI/Finame funding rules have resulted in a decrease of inventories in 4Q14.**
- **Truck production(1): 139,965 units in 2014, 25.2% lower than 2013. The production of heavy trailer vehicles decreased 20.4% compared to the same period of previous year.**
- **The Company remained resilient in maintaining profitability and competitiveness, even in a difficult business environment.**

Source: (1) Anfavea Report –January /2015

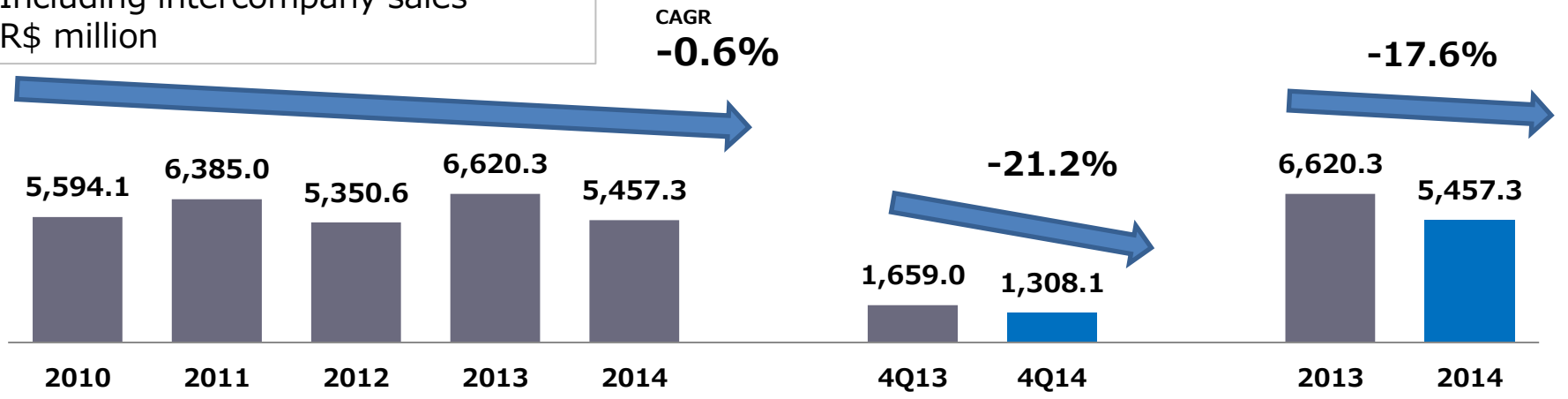
Operating Results

Physical Volume Sales|Breakdown of Revenues by Segment

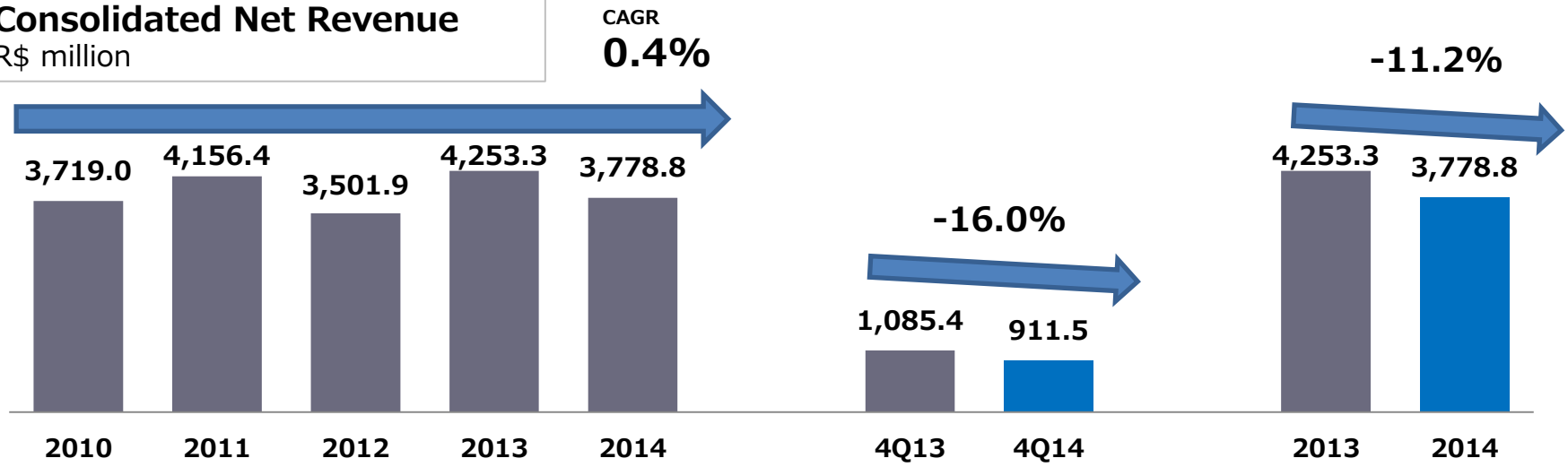
	4Q2014		4Q2013		Δ% Un.	2014		2013		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Vehicles and Road Equipment		**52.5%**		**55.8%**			**50.6%**		**52,8%**	
Trailers/ Semi-Trailers (un.)	3,970	76.5%	6,638	91.4%	-40.2%	16,619	76.3%	25,489	86.9%	-34.8%
Specialty Vehicles (un.)	144	5.9%	284	7.5%	-49.3%	580	6.0%	1,316	9.7%	-55.9%
Rail freight cars (un.)	362	17.6%	18	1.0%	1911.1%	1,356	17.7%	322	3.4%	321.1%
Auto parts		**43.6%**		**42.3%**			**46.0%**		**45.4%**	
Friction Material (ton.)	17,250	44.8%	16,446	37.5%	4.9%	76,615	41.9%	72,908	35.1%	5.1%
Brakes (un.)	152,273	15.4%	198,048	17.2%	-23.1%	720,414	16.7%	935,461	19.5%	-23.0%
Coupling Systems (un.)	18,355	6.7%	30,297	8.7%	-39.4%	86,525	7.5%	117,524	8.6%	-26.4%
Suspension and Undercarriage Systems (un.)	46,041	33.0%	65,372	36.4%	-29.6%	213,799	33.8%	351,395	36.7%	-39.2%
Castings (ton.)	5,547	0.1%	5,745	0.1%	-3.4%	23,629	0.2%	26,900	0.1%	-12.2%
Financial Services		**3.9%**		**1.9%**			**3.4%**		**1.8%**	
Coop-payment plan quotas sold	3,229	68.1%	4,016	76.0%	-19.6%	11,036	71.6%	11,800	76.7%	-6.5%
Randon Investimentos (Randon Bank)	-	31.9%	-	24.0%	-	-	28.4%	-	23.3%	-

Financial Results

Total Gross Revenue
Including intercompany sales
R$ million

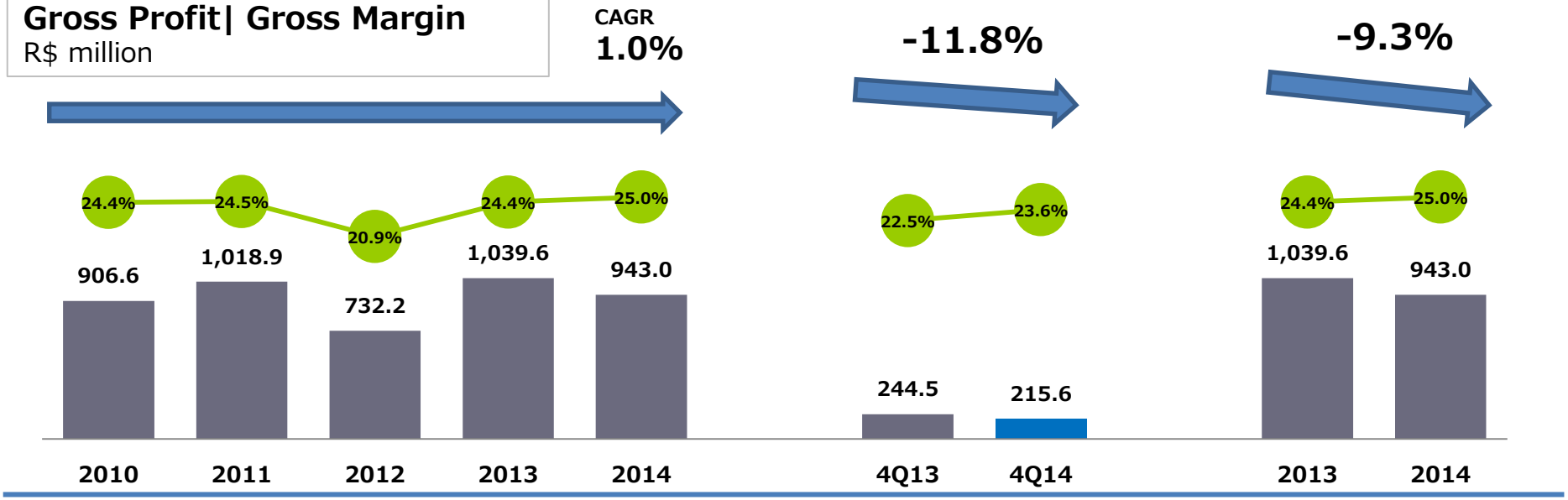


Consolidated Net Revenue
R$ million

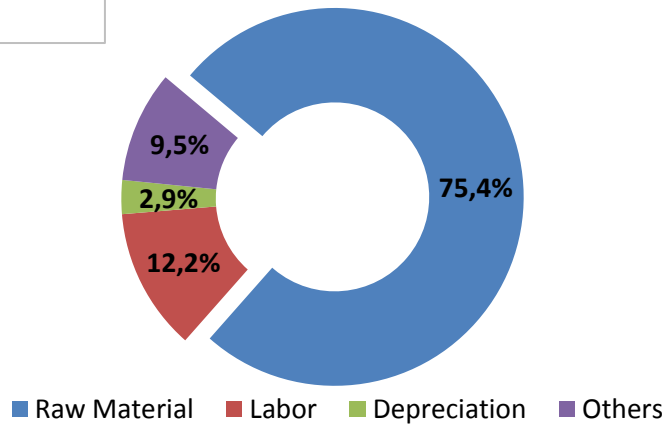


Financial Results

Gross Profit| Gross Margin
R$ million

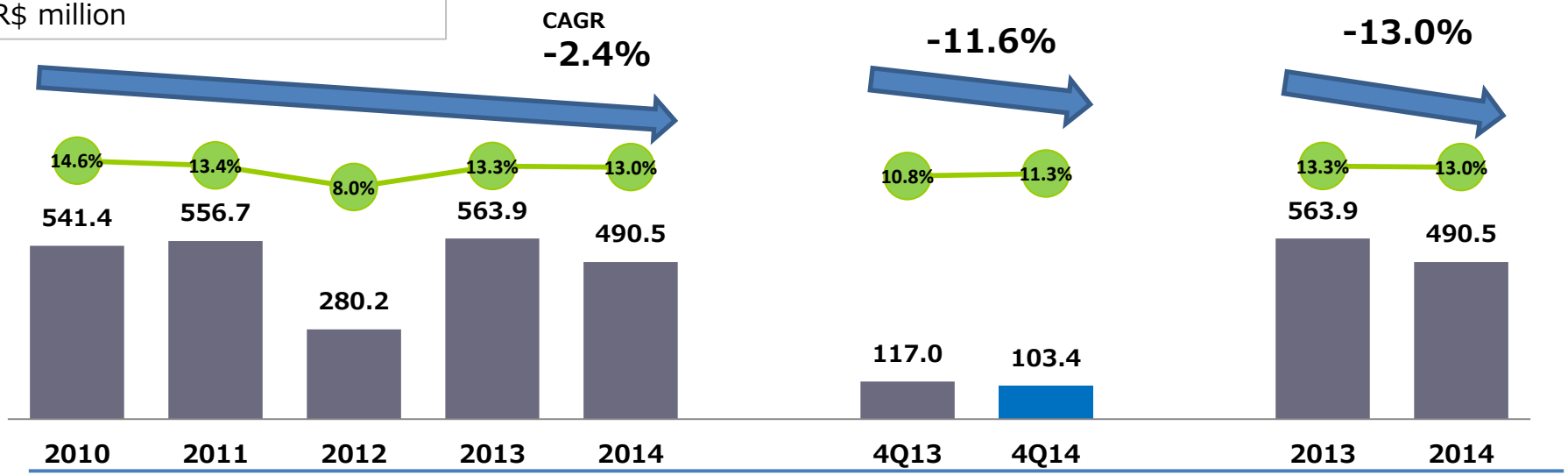


Consolidated Breakdown of COGS
R$ million

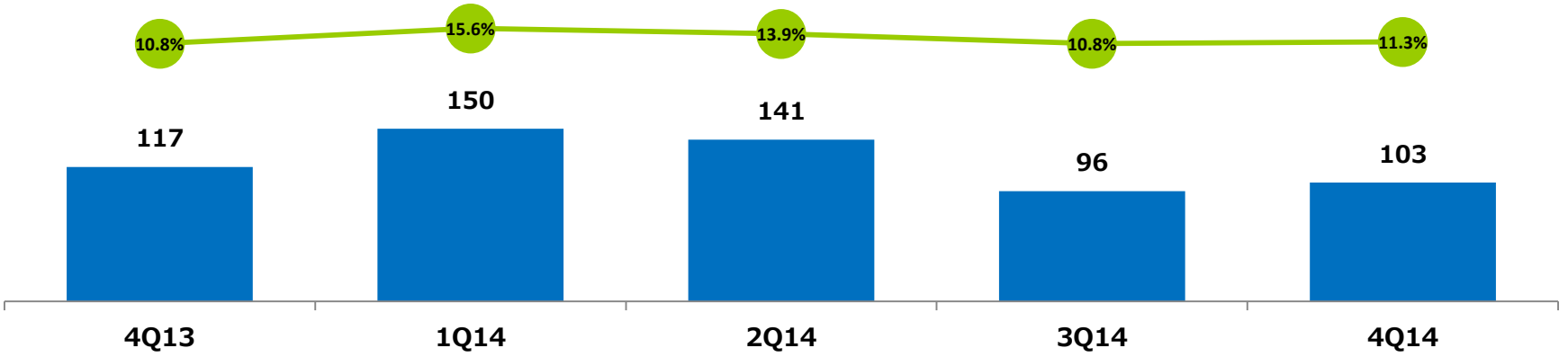


Financial Results

EBITDA | EBITDA Margin
R$ million

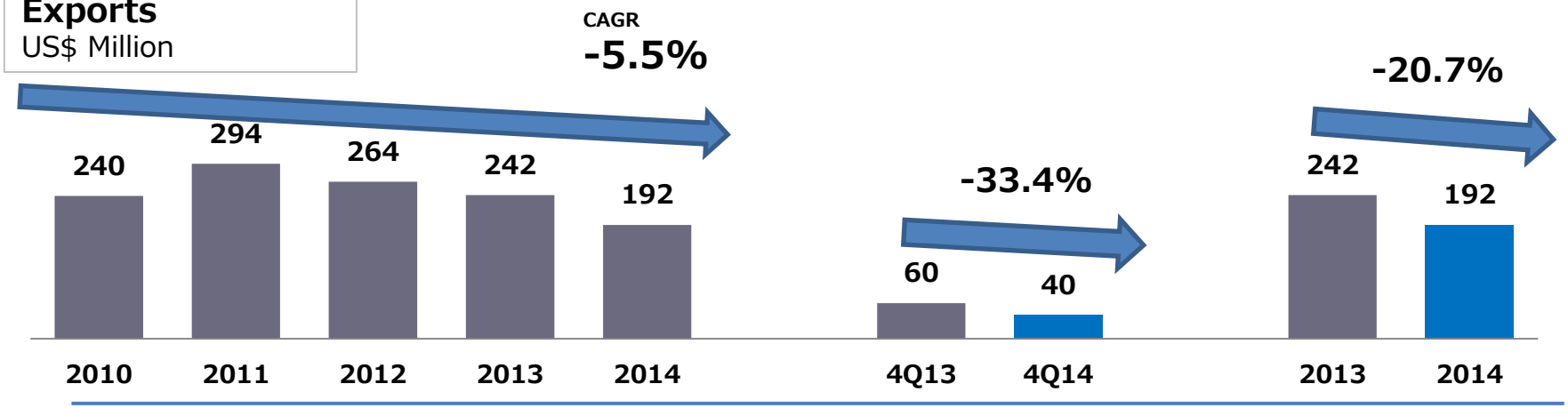


EBITDA | EBITDA Margins – Quarterly
R$ million

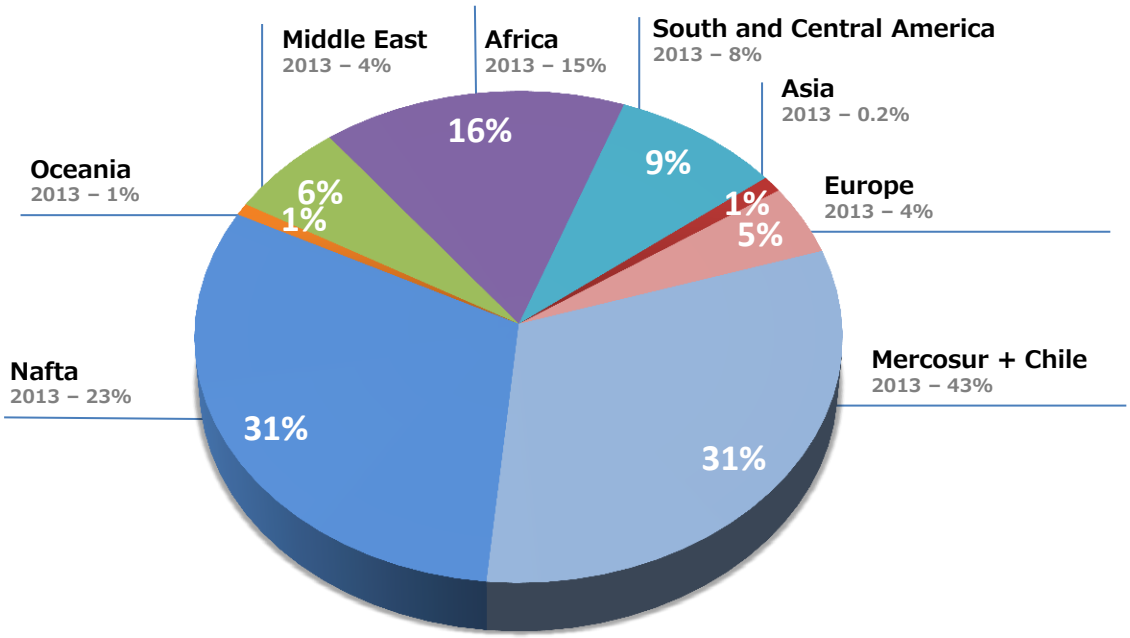


Operating Results

Exports
US$ Million

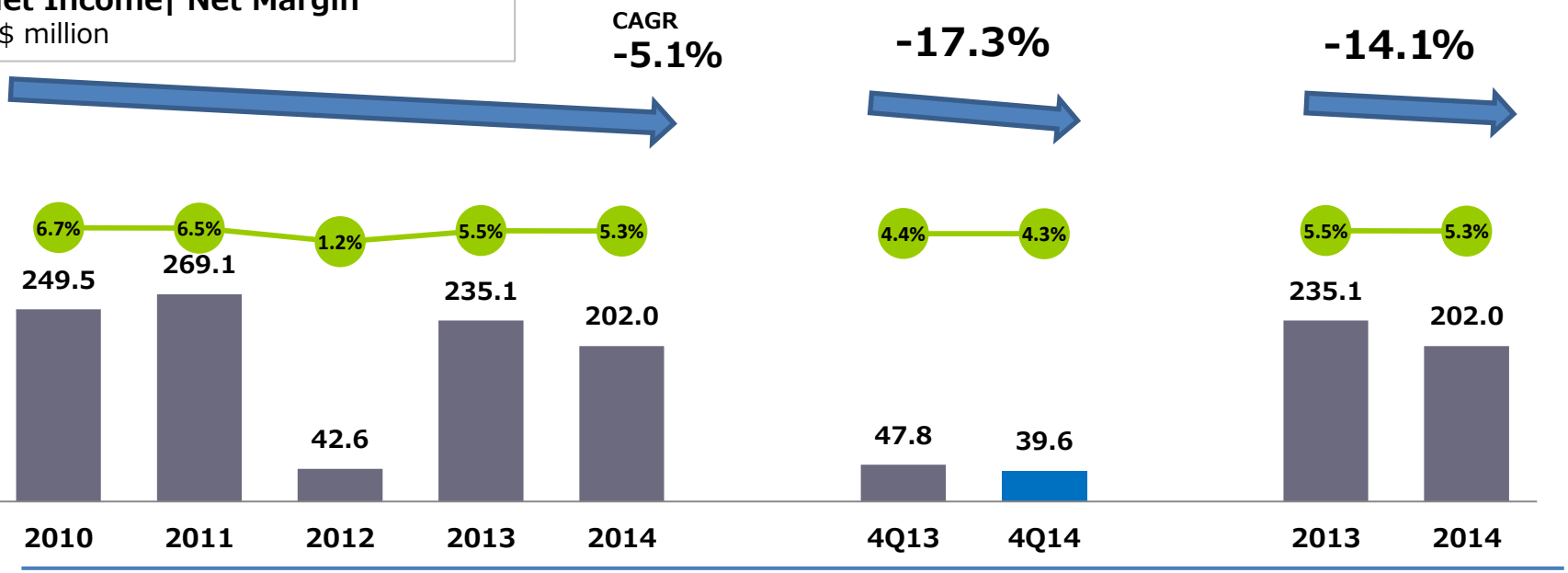


Exports
Destination by economic bloc
2014| US$ Million

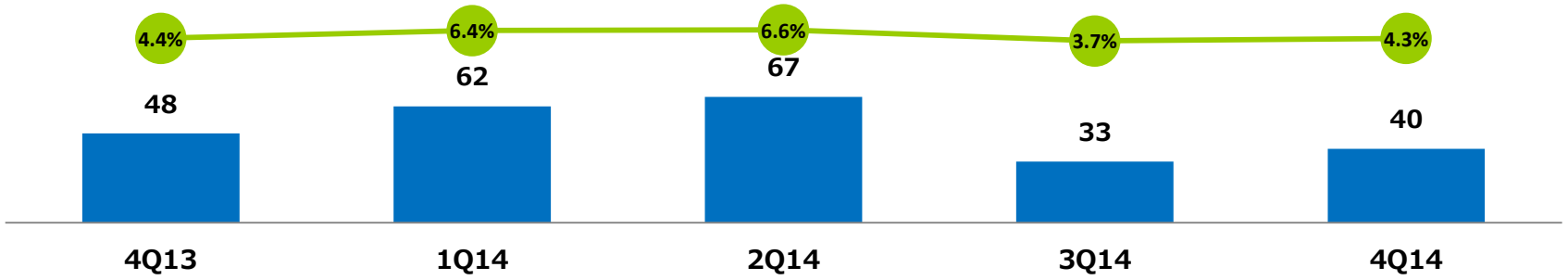


Financial Results

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			Auto Parts			Financial Services			Consolidated		
	4Q2014	4Q2013	Δ%	4Q2014	4Q2013	Δ%	4Q2014	4Q2013	Δ%	4Q2014	4Q2013	Δ%
Gross Revenue	582,745	752,227	-22.5%	518,876	589,781	-12.0%	38,522	30,154	27.7%	1,140,143	1,372,161	-16.9%
Deduction in Gross Revenue	-104,549	-150,528	-30.5%	-121,070	-133,600	-9.4%	-3,056	-2,636	16.0%	-228,676	-286,763	-20.3%
Net Revenue	**478,196**	**601,699**	-20.5%	**397,806**	**456,181**	-12.8%	**35,465**	**27,518**	28.9%	**911,467**	**1,085,398**	-16.0%
Cost of Sales and Services	**-389,554**	**-475,404**	-18.1%	**-302,088**	**-363,910**	-17.0%	**-4,267**	**-1,570**	171.8%	**-695,909**	**-840,883**	-17.2%
Gross Profit	**88,643**	**126,296**	-29.8%	**95,718**	**92,271**	3.7%	**31,198**	**25,948**	20.2%	**215,559**	**244,515**	-11.8%
GROSS MARGIN (%)	**18.5%**	**21.0%**	-2.5 p.p.	**24.1%**	**20.2%**	3.8 p.p.	**88.0%**	**94.3%**	-6.3 p.p.	**23.6%**	**22.5%**	1.1 p.p.
Operating Expenses	-60,274	-63,886	-5.7%	-59,929	-72,566	-17.4%	-23,160	-21,512	7.7%	-143,363	-157,964	-9.2%
EBIT	**28,369**	**62,410**	-54.5%	**35,790**	**19,705**	81.6%	**8,038**	**4,436**	81.2%	**72,196**	**86,551**	-16.6%
EBITDA	**38,321**	**72,238**	-47.0%	**56,902**	**40,220**	41.5%	**8,187**	**4,570**	79.1%	**103,410**	**117,028**	-11.6%
EBITDA MARGIN (%)	**8.0%**	**12.0%**	-4.0 p.p.	**14.3%**	**8.8%**	5.5 p.p.	**23.1%**	**16.6%**	6.5 p.p.	**11.3%**	**10.8%**	0.6 p.p.

Financial Results

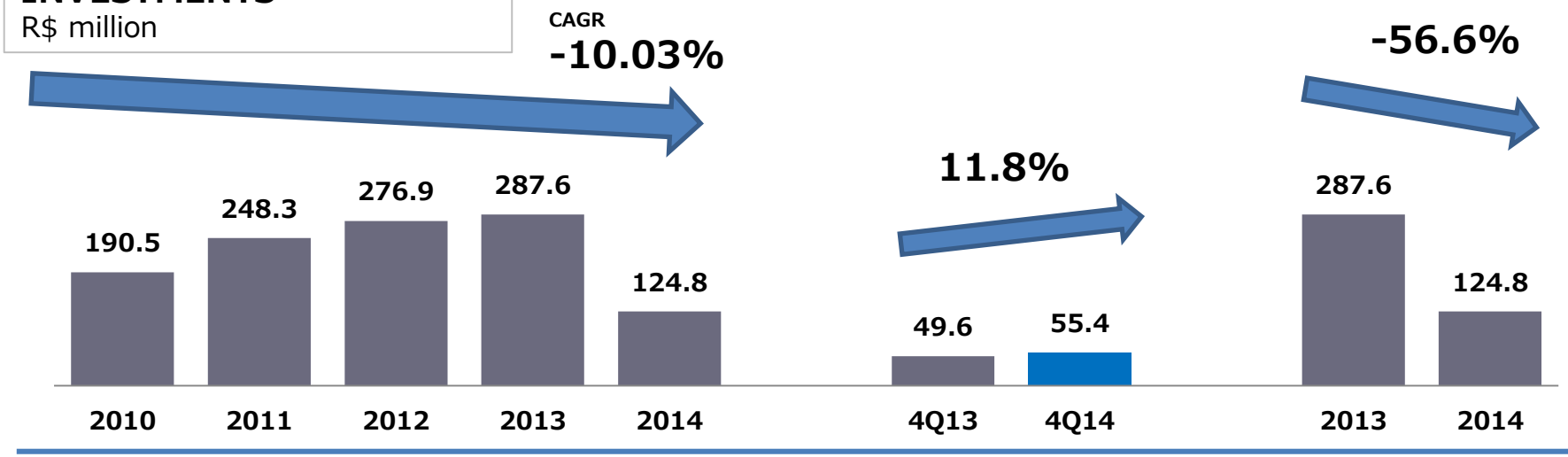
Consolidated Income Statement – by Segment/Quarterly

R$ Million/%

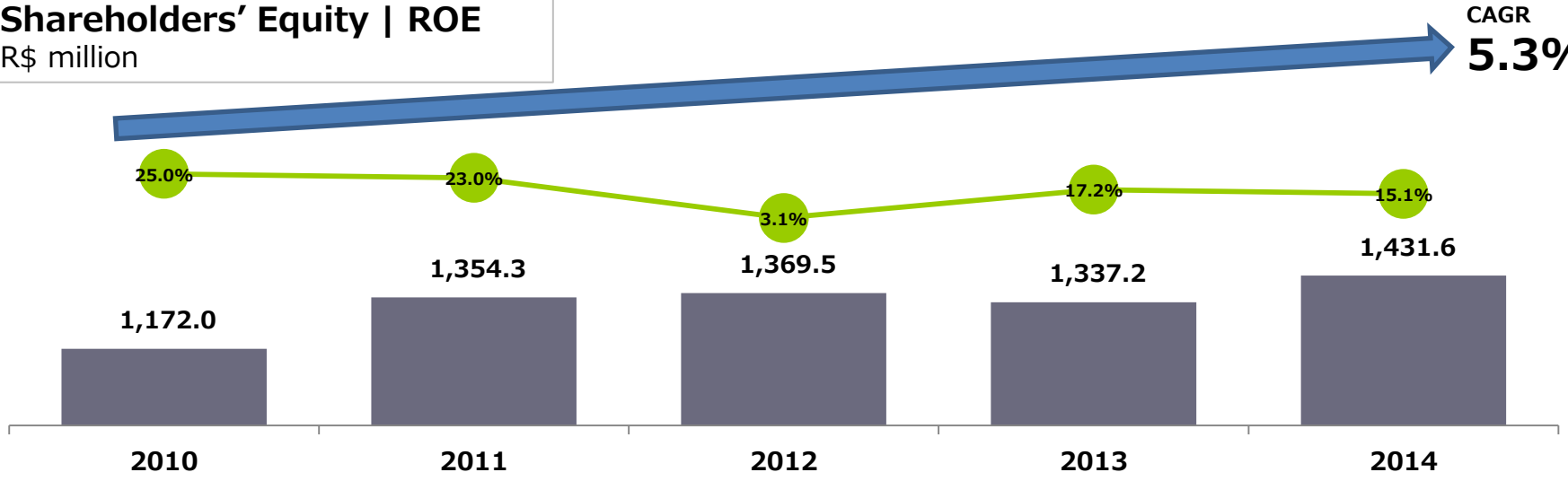
	1Q2014	2Q2014	3Q2014	4Q2014	2014
Consolidated Net Revenue	**965.9**	**1,014.4**	**887.0**	**911.5**	**3,778.8**
% Vehicles and trailers/semi-trailers	46.8%	56.0%	46.7%	52.5%	50.6%
% Auto parts	50.3%	41.1%	49.4%	43.6%	46.0%
% Financial Services	2.9%	2.9%	3.9%	3.9%	3.4%
Consolidated Gross Profit	**261.6**	**261.3**	**204.6**	**215.6**	**943.0**
% Gross Margin	27.1%	25.8%	23.1%	23.6%	25.0%
EBITDA	**150.4**	**140.7**	**96.0**	**103.4**	**490.5**
% EBITDA Margin	15.6%	13.9%	10.8%	11.3%	13.0%
Net Income	**62.2**	**67.4**	**32.7**	**39.6**	**202.0**
% Net Income	6.4%	6.6%	3.7%	4.3%	5.3%

Financial Results

INVESTMENTS
R$ million



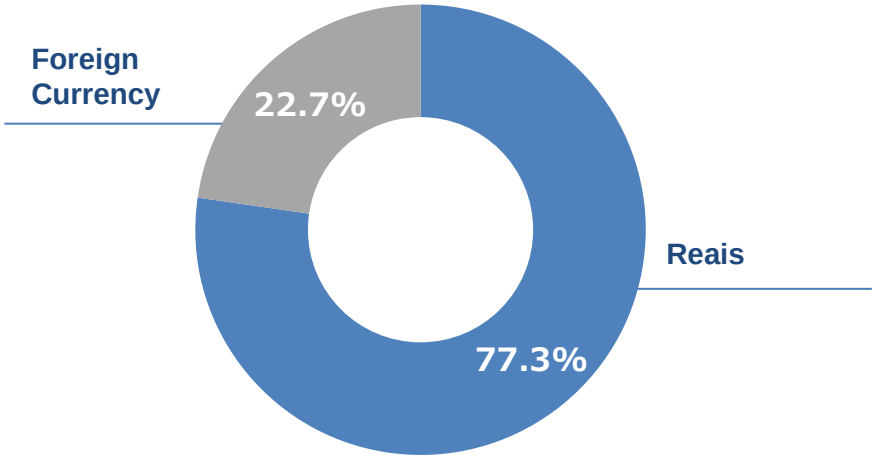
Shareholders' Equity | ROE
R$ million



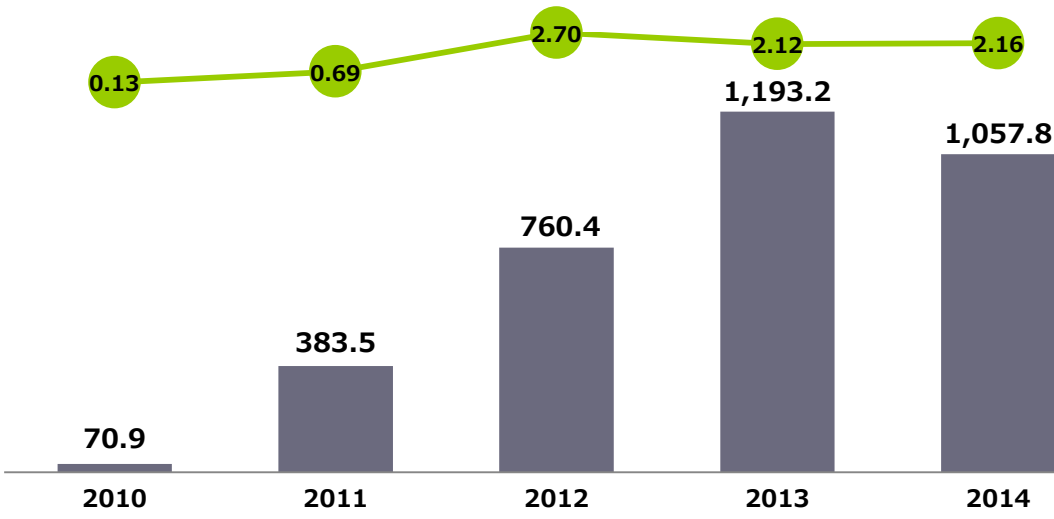
Financial Results

Gross Debt Breakdown 2014
R$ '000 | %

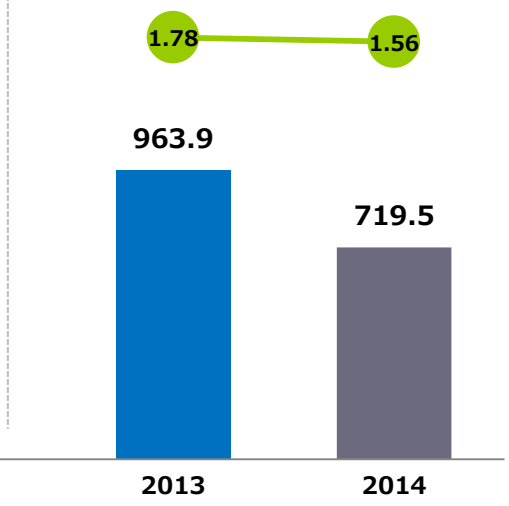
Total gross debt	R$ 2,573,562,900
Gross debt in BR currency	R$ 1,988,813,099
Gross debt in foreign currency	R$ 584,749,801
USD rate (Dec. 31, 2014)	R$ 2.6562



Debt | Net Debt / EBITDA
R$ million

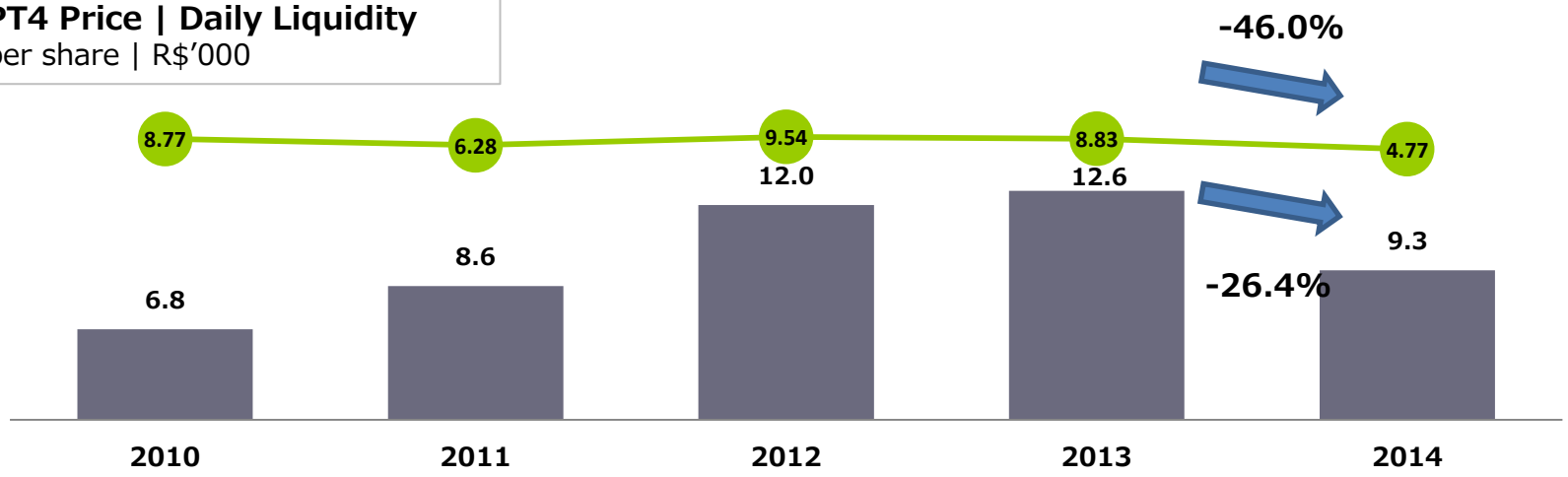


Industrial Net Debt



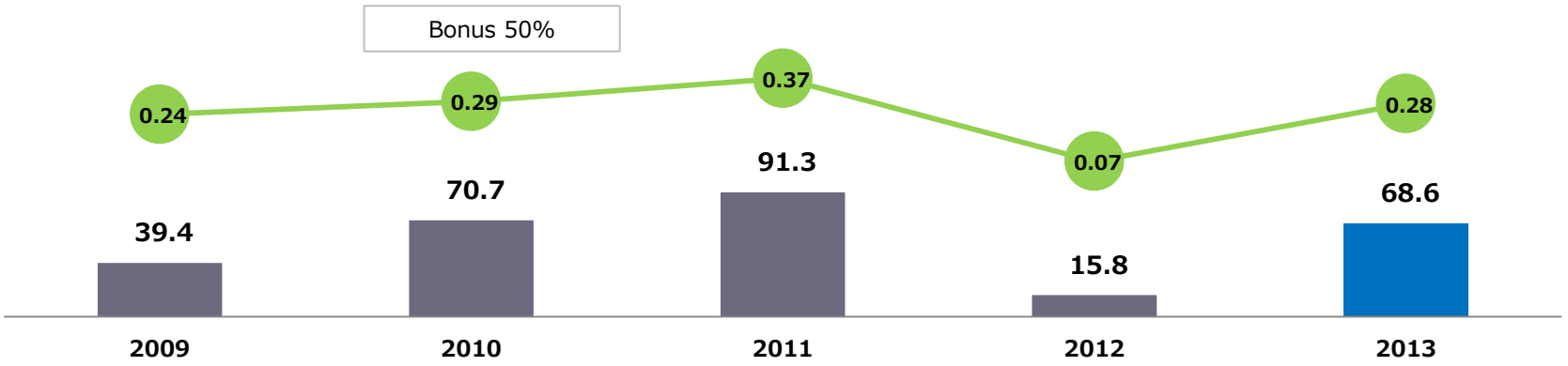
Capital Markets

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 GDP projections:**
  -0.66% in 2015 and 1.40% in 2016.*
- **Agricultural harvest – domestic production estimated at 198.54 million tons of grains, 2.6% higher than the previous cycle. ****
- **Fiscal and tax adjustments, as well as less-attractive financing conditions, have adversely impacted the year. Improvement expected for the second half of the year.**
- **Opportunity for growth in the Export Market and in the Aftermarket.**
- **Railway Wagons: We began 2015 with similar backlog as 2014. Expectation of growth for 2015.**

Source: * BACEN / FOCUS Report (03/06/15)
** 6º Safra 2014/2015 - Conab

Possible Questions

- **Carnaval Shutdown**
- **Electric Power**
- **Increase in steel prices**
- **Exports**
- **Rail Wagons**
- **CAPEX 2015**
- **Changes on Exemption of Payroll rules and Reintegra Program.**

Investor Relations

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Índice de Ações com Governança Corporativa Diferenciada IGC