

VEÍCULOS E IMPLEMENTOS | AUTOPEÇAS | SERVIÇOS

RANDON IMPLEMENTOS | RANDON VEÍCULOS | Suspensys | FRAS-LE | MASTER | JOST | CASTERTECH | CONSÓRCIO RANDON | BANCO RANDON

RESULTS

2Q13/1H13

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", "continues", "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 determine these results and figures are beyond our ability to control or predict.

Agenda

- ✓ Period Highlights
- ✓ Market Overview
- ✓ Operating Results
- ✓ Financial Results
- ✓ Capital Markets
- ✓ News
- ✓ Outlook
- ✓ Potential Questions

Period Highlights

- Total gross revenue of R$1.7 billion in 2Q13, up 22.2% on 2Q12;
- Consolidated net revenue of R$1.1 billion in 2Q13, 19.8% higher than in 2Q12. Exports totaled US$ 62.2 million for the quarter;
- Gross margin of 25.1%, EBITDA margin of 14.3% and EBITDA of R$151.0 million in 2Q13 (129.3% higher than in 2Q12);
- Net income of R$68.9 million in 2Q13, showing growth in relation to the loss of R$4.7 million in 2Q12;
- Investments of R$38.3 million in 2Q13, against R$57.3 million invested during the same period in 2012;
- RAPT4's average daily volume of trades of R$13.7 million in 1H13, up from R$9.9 million in 1H12.

Market Overview

- A strong Brazilian harvest, investments in the construction and infrastructure, and the services sector are behind the strong performance of the sectors linked to transportation;
- The current lines of credit offered by the BNDES (FINAME PSI) at attractive rates and with clearly defined rules until the end of the year have helped maintain demand, increasing the level of manufacturing.
- Trucks manufactured(1): 95,268 units in 1H13, up 52.5% over 1H12. Production of towed vehicles increases 22.1%.
- Strong volume, good use of installed capacity, reduced expenses and a greater dilution of costs helped restore profitability.

Source: (1) Anfavea Letter – July 2013

Operating Results

Sales (units)

	2Q13	2Q12	Δ%	1H13	1H12	Δ%
Vehicles and trailers/semi-trailers						
Towed vehicles (un.)	6,434	5,686	13.2%	11,804	9,526	23.9%
Specialty Vehicles (un.)	268	496	-46.0%	581	679	-14.4%
Rail wagons (un.)	-	8	-100.0%	304	358	-15.1%
Auto parts						
Friction materials (ton.)	19,000	19,700	-3.6%	36,800	37,600	-2.1%
Brakes (un.)	252,093	191,394	31.7%	473,037	349,427	35.4%
Coupling systems (un.)	29,787	19,040	56.4%	56,472	39,326	43.6%
Suspension and wheel systems (un.)	105,330	77,259	36.3%	209,525	151,432	38.4%
Castings (ton.)	7,476	5,769	29.6%	14,552	10,654	36.6%
Financial Services						
Coop-payment plans sold	2,978	2,923	1.9%	4,704	4,898	-4.0%

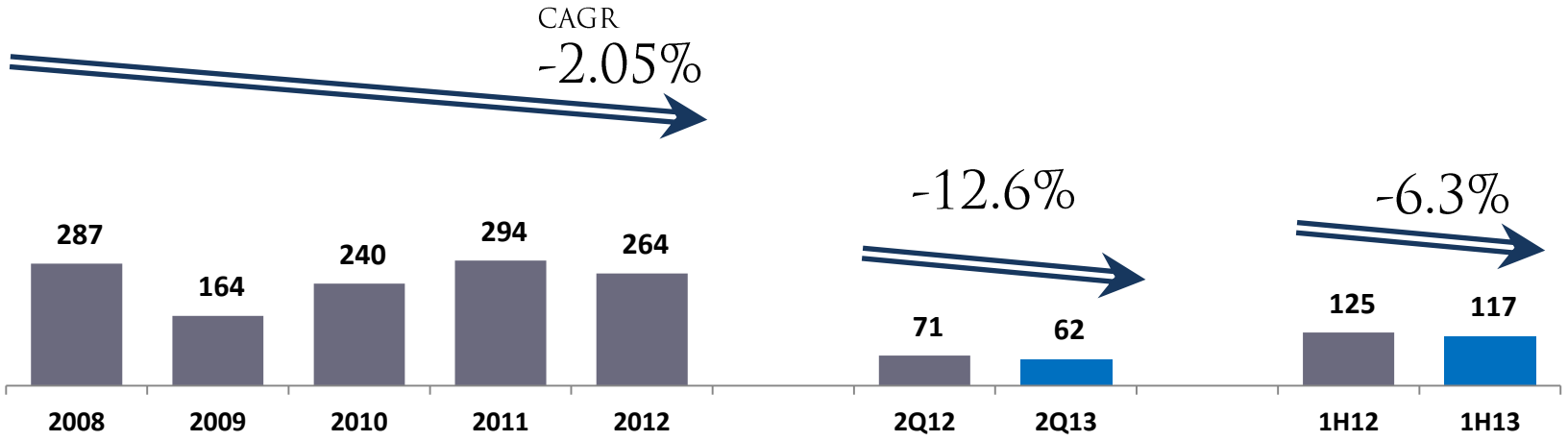
Operating Results

Consolidated Net Revenue by Segment

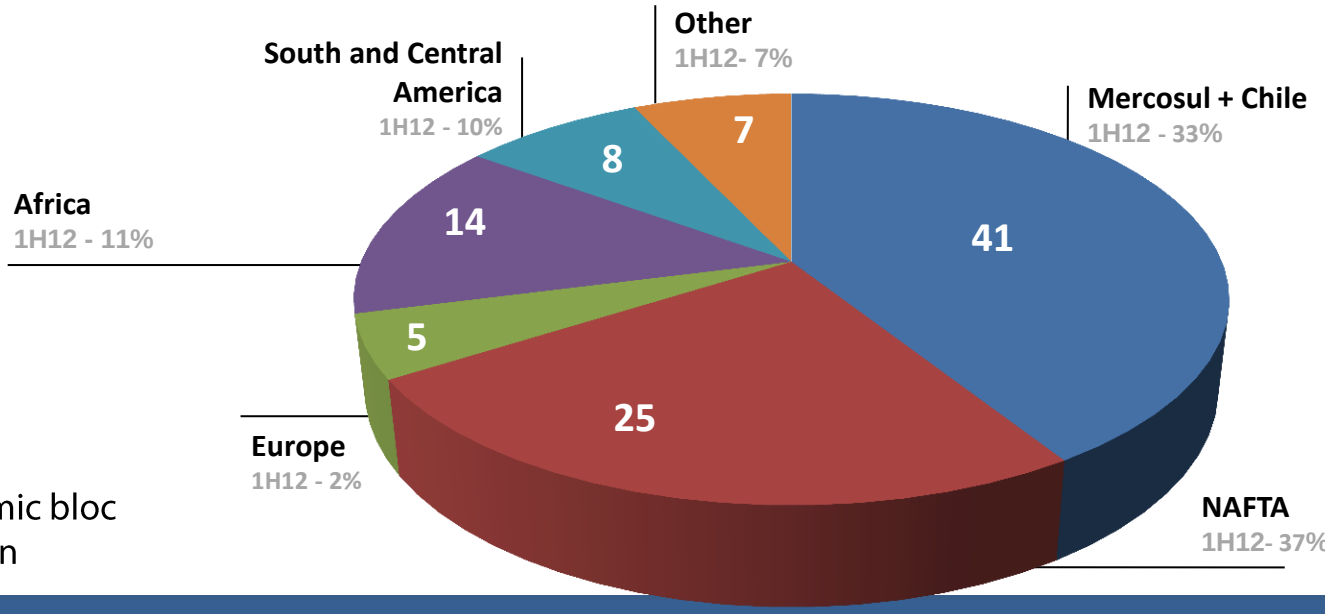
	2Q13	2Q12	Δ%	1H13	1H12	Δ%
Vehicles and trailers/semi-trailers	**49.75%**	**53.34%**	**-3.59 p.p.**	**51.16%**	**50,23%**	**0.93 p.p.**
Towed vehicles (un.)	91.79%	82.30%	9.48 p.p.	83.10%	77.23%	5.87 p.p.
Specialty Vehicles (un.)	8.21%	17.34%	-9.13 p.p.	10.28%	13.65%	-3.37 p.p.
Rail wagons (un.)	0.00%	0.36%	-0.36 p.p.	6.62%	9.12%	-2.50 p.p.
Auto parts	**47.96%**	**44.46%**	**3.50 p.p.**	**46.59%**	**47.44%**	**-0.86 p.p.**
Friction materials (ton.)	32.99%	41.68%	-8.69 p.p.	34.21%	40.47%	-6.26 p.p.
Brakes (un.)	21.71%	19.52%	2.20 p.p.	21.28%	18.89%	2.38 p.p.
Coupling systems (un.)	8.67%	6.91%	1.77 p.p.	8.64%	7.63%	1.02 p.p.
Suspension and wheel systems (un.)	36.70%	31.89%	4.81 p.p.	35.93%	33.00%	2.93 p.p.
Castings (ton.)	-0.07%	0.01%	-0.08 p.p.	-0.07%	0.01%	-0.08 p.p.
Financial Services	**2.29%**	**2.21%**	**0.09 p.p.**	**2.25%**	**2.33%**	**-0.08 p.p.**
Coop-payment plans sold	100.00%	100.00%	0.00 p.p.	100.00%	100.00%	0.00 p.p.

Operating Results

EXPORTS
US$ million



EXPORTS
Destinations by economic bloc
1H13 | US$ million

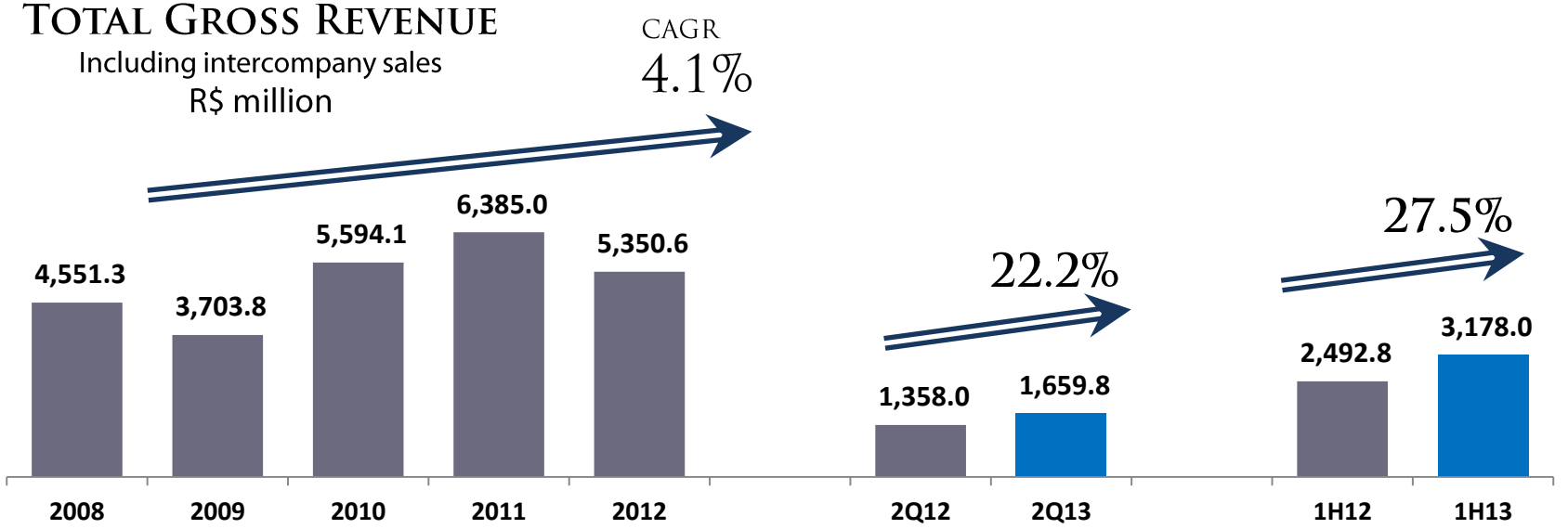


Financial Results

Total Gross Revenue

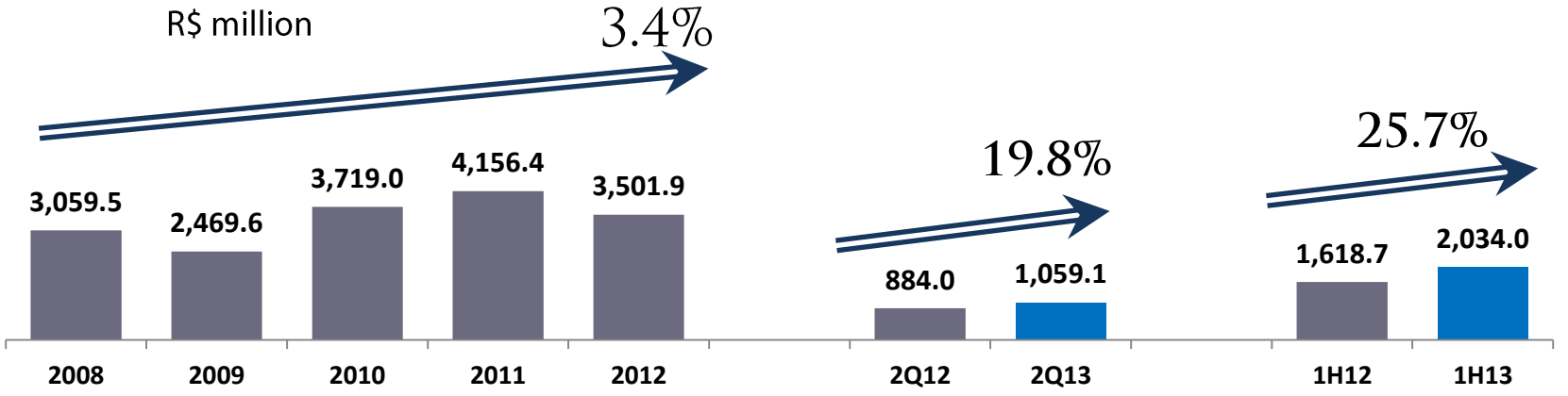
Including intercompany sales

R$ million



Consolidated Net Revenue

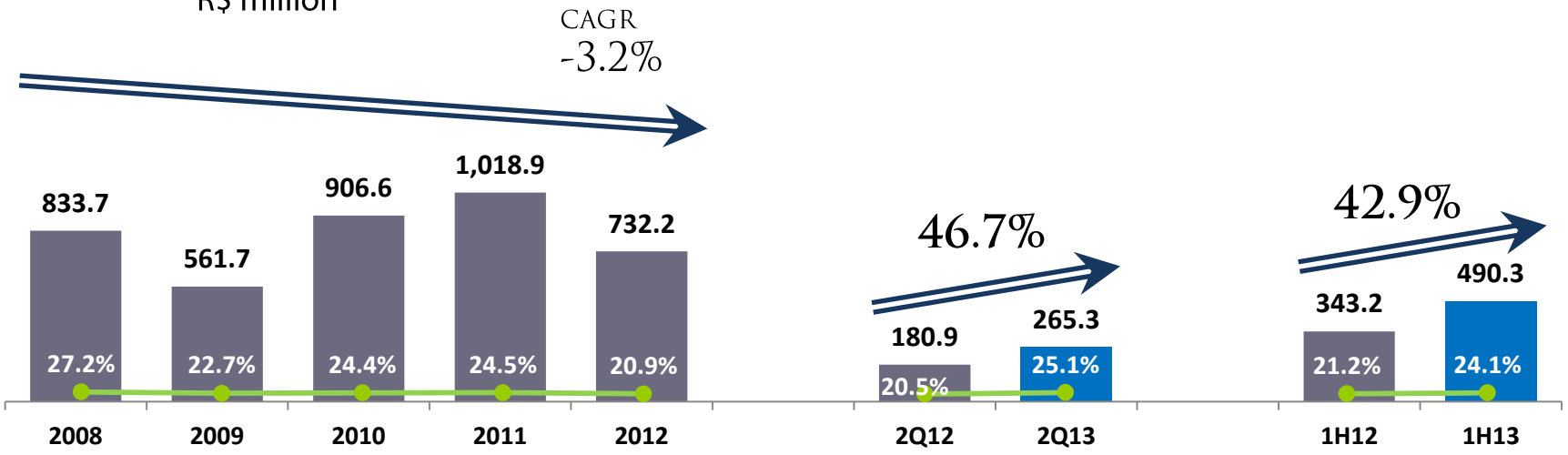
R$ million



Financial Results

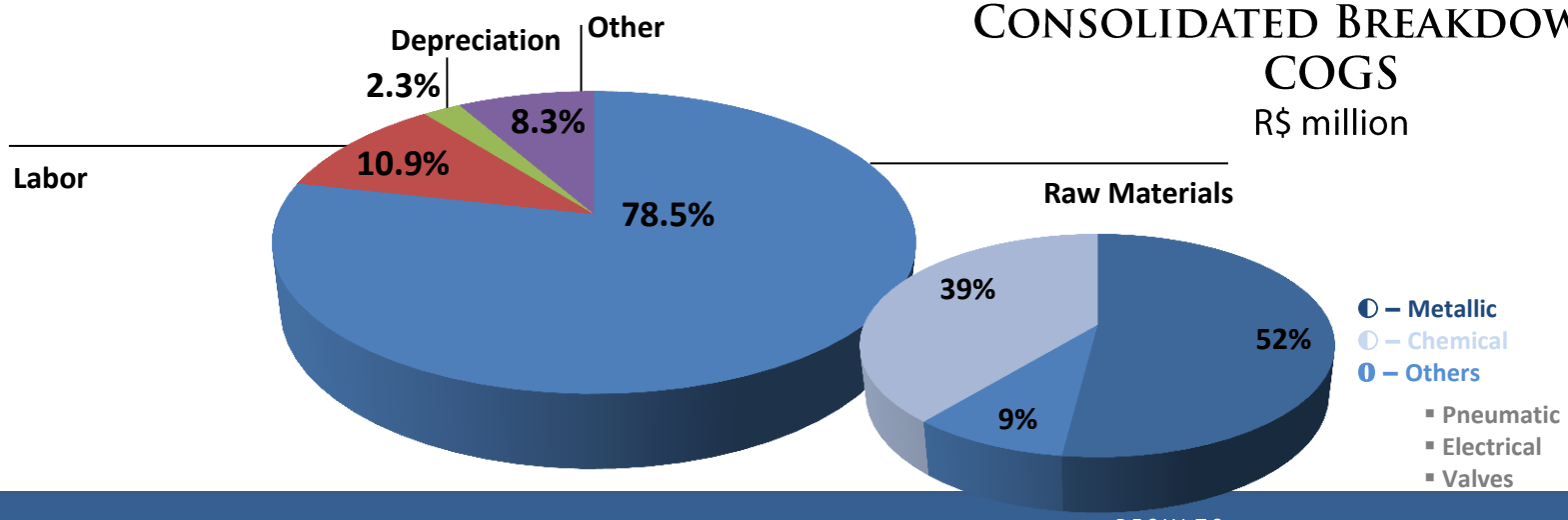
Gross Profit | Gross Margin

R$ million



Consolidated Breakdown of COGS

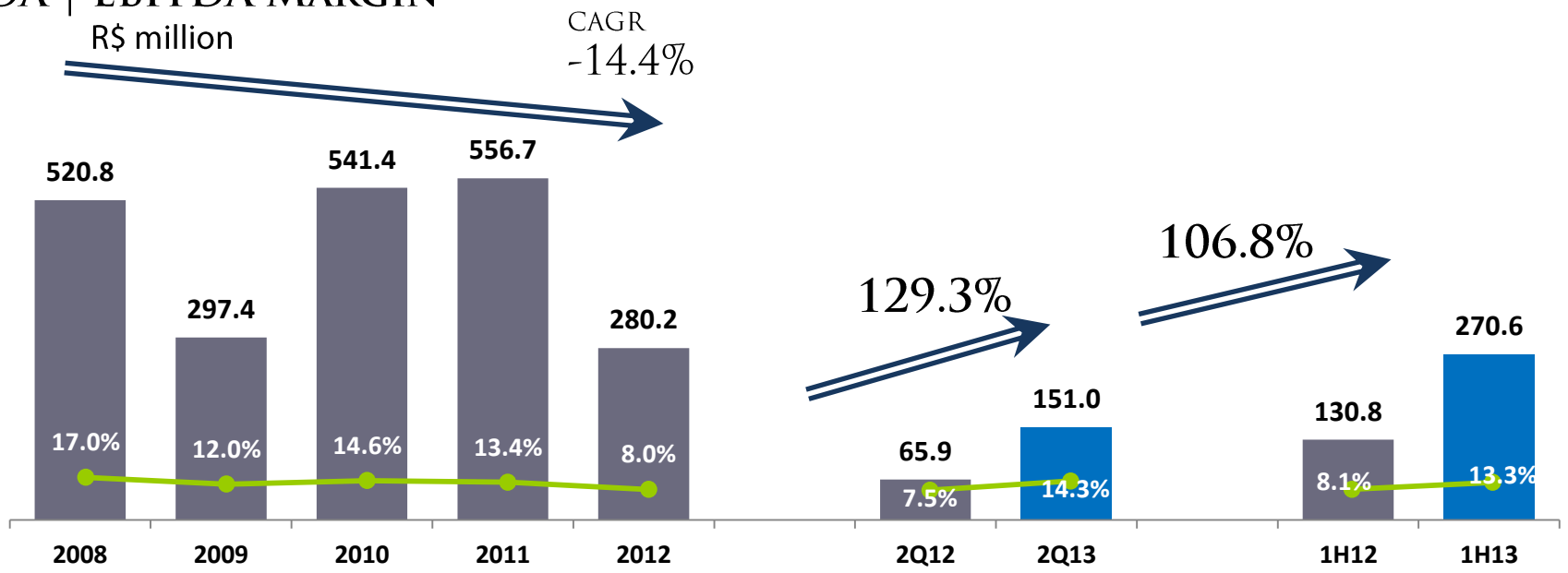
R$ million



Financial Results

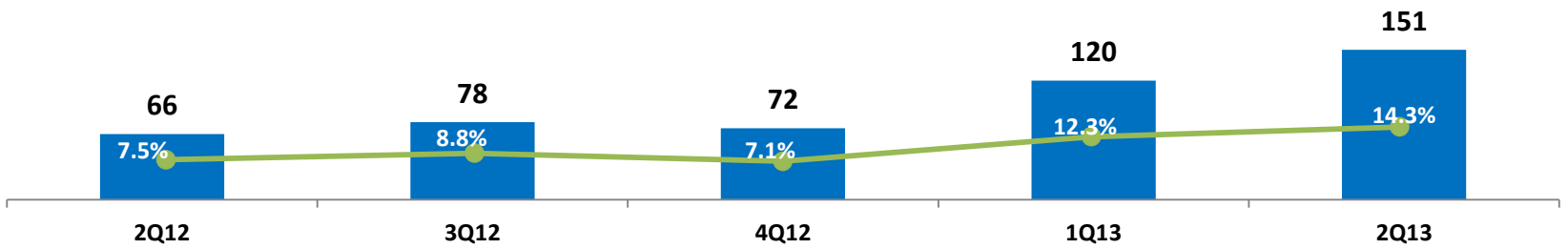
EBITDA | EBITDA Margin

R$ million



EBITDA | EBITDA Margin - Quarterly

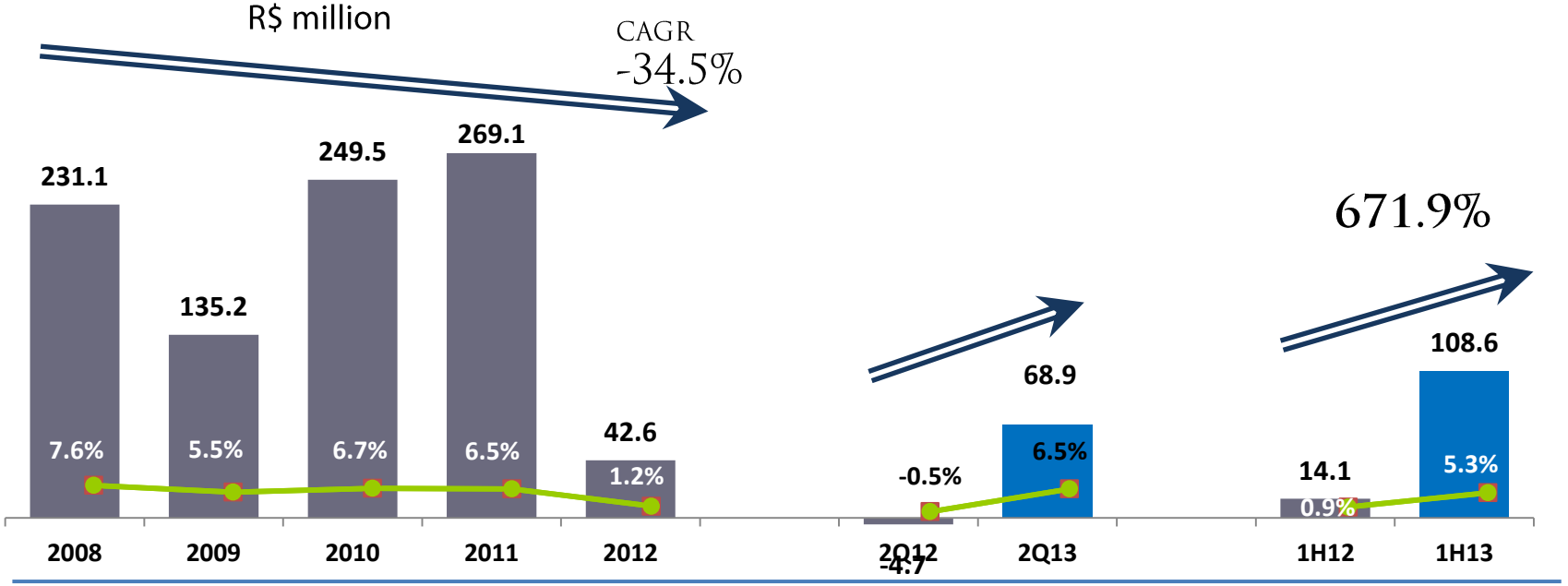
R$ million



Financial Results

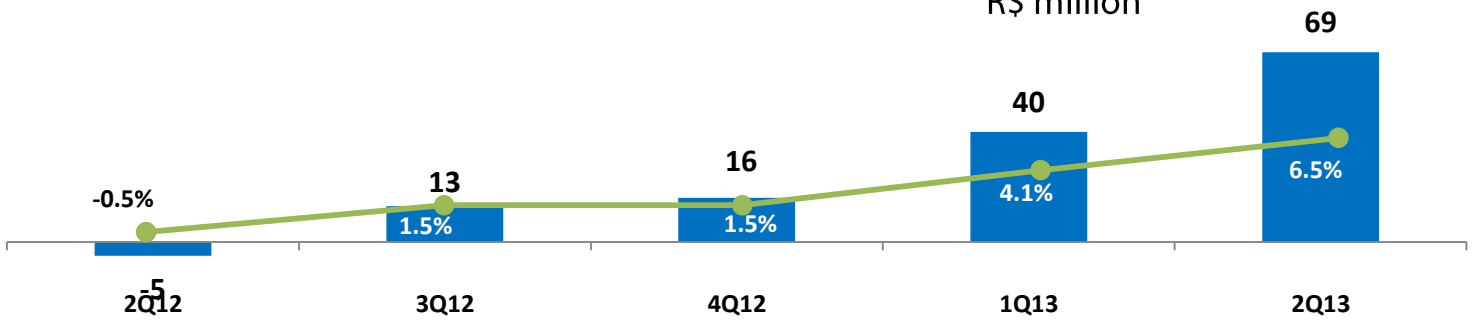
Net Income | Net Margin

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		
	2Q13	2Q12	Δ%	2Q13	2Q12	Δ%	2Q13	2Q12	Δ%	2Q13	2Q12	Δ%
Gross Revenue	657,987	586,383	12%	660,465	505,620	31%	26,621	21,423	24%	1,345,073	1,113,426	21%
Deduction in Gross Revenue	-131,080	-114,882	14%	-152,551	-112,641	35%	-2,349	-1,931	22%	-285,980	-229,454	25%
Net Revenue	**526,907**	**471,501**	12%	**507,914**	**392,979**	29%	**24,272**	**19,492**	25%	**1,059,093**	**883,972**	20%
Cost of Sales and Services	**-421,531**	**-410,289**	3%	**-370,780**	**-292,773**	27%	**-1,435**	**0**	-	**-793,746**	**-703,062**	13%
Gross Profit	**105,376**	**61,212**	72%	**137,134**	**100,206**	37%	**22,837**	**19,492**	17%	**265,347**	**180,910**	47%
Operating Expenses	-65,047	-67,001	-3%	-62,197	-62,119	0%	-16,846	-14,995	12%	-144,090	-144,115	0%
Financial Income	4,229	-27,303	-	-7,619	-4,053	88%	1,039	-544	-	-2,351	-31,900	-93%
Operating Income	**44,558**	**-33,092**	-	**67,318**	**34,034**	98%	**7,030**	**3,953**	78%	**118,906**	**4,895**	2329%
Net Profit for the Period	**38,509**	**-20,952**	-	**25,602**	**13,412**	91%	**4,795**	**2,815**	70%	**68,906**	**-4,725**	-
EBIT	**40,329**	**-5,789**	-	**74,937**	**38,087**	97%	**5,991**	**4,497**	33%	**121,257**	**36,795**	230%
EBITDA	**50,084**	**4,358**	1049%	**94,680**	**56,740**	67%	**6,264**	**4,767**	31%	**151,029**	**65,865**	129%
GROSS MARGIN (%)	**20.0%**	**13.0%**	7.0 p.p.	**27.0%**	**25.5%**	1.5 p.p.	**94.1%**	**100.0%**	-5.9 p.p.	**25.1%**	**20.5%**	4.6 p.p.
EBITDA MARGIN (%)	**9.5%**	**0.9%**	8.6 p.p.	**18.6%**	**14.4%**	4.2 p.p.	**25.8%**	**24.5%**	1.3 p.p.	**14.3%**	**7.5%**	6.8 p.p.
NET MARGIN (%)	**7.3%**	**-4.4%**	11.9 p.p.	**5.0%**	**3.4%**	1.6 p.p.	**19.8%**	**14.4%**	5.4 p.p.	**6.5%**	**-0.5%**	7.0 p.p.

Financial Results

Consolidated Income Statement – by Segment/Quarterly

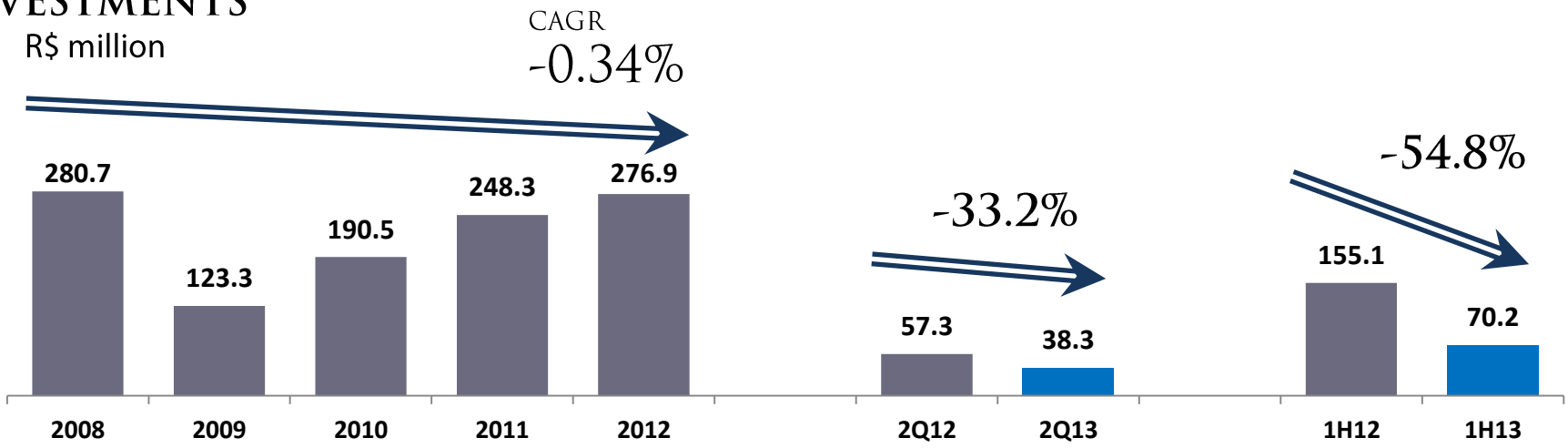
R$ million/%

	2Q12	3Q12	4Q12	2012	1Q13	2Q13
Consolidated Net Revenue	**883.9**	**877.5**	**1,005.7**	**3,501.9**	**974.9**	**1,059.9**
% Vehicles and trailers/semi-trailers	53.3%	50.9%	58.7%	52.8%	52.7%	49.8%
% Auto parts	44.5%	46.8%	39.2%	44.9%	45.1%	48.0%
% Financial Services	2.2%	2.3%	2.1%	2.3%	2.2%	2.3%
Consolidated Gross Profit	**180.9**	**191.4**	**197.6**	**732.2**	**224.9**	**265.3**
% Gross Margin	20.5%	21.8%	19.6%	20.9%	23.1%	25.1%
EBITDA	**65.9**	**77.5**	**71.8**	**280.2**	**119.5**	**151.0**
% EBITDA Margin	7.4%	8.8%	7.1%	8.0%	12.3%	14.3%
Net Income	**-4.7**	**12.9**	**15.6**	**42.6**	**39.7**	**68.9**
% Net Income	-0.5%	1.5%	1.5%	1.2%	4.1%	6.5%

Financial Results

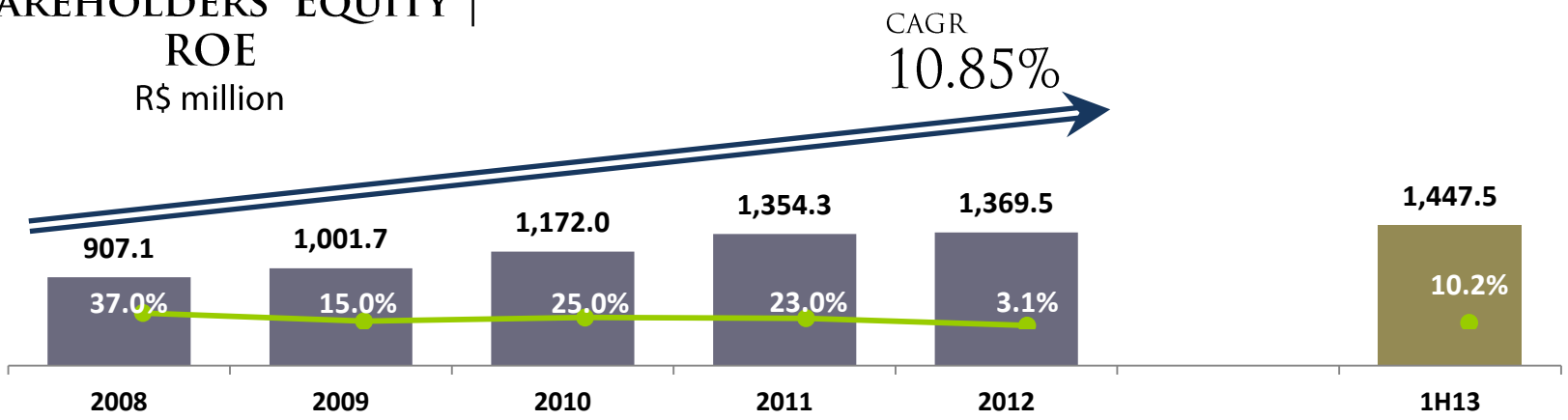
INVESTMENTS

R$ million



SHAREHOLDERS' EQUITY | ROE

R$ million

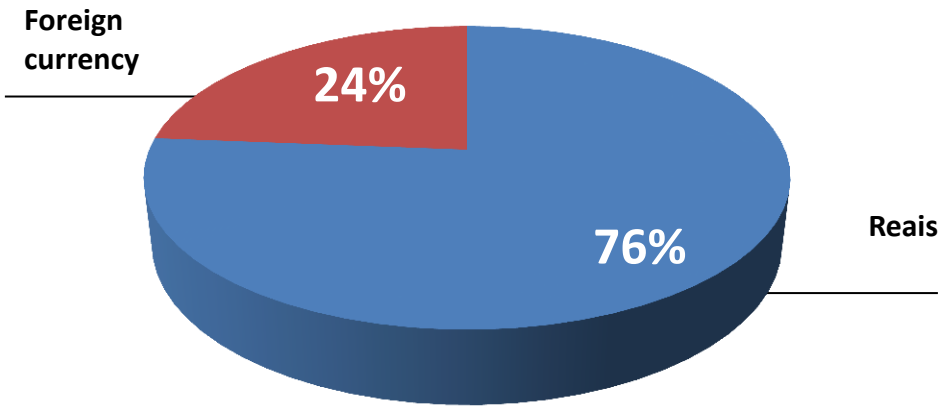


Financial Results

1H13 Gross Debt Breakdown

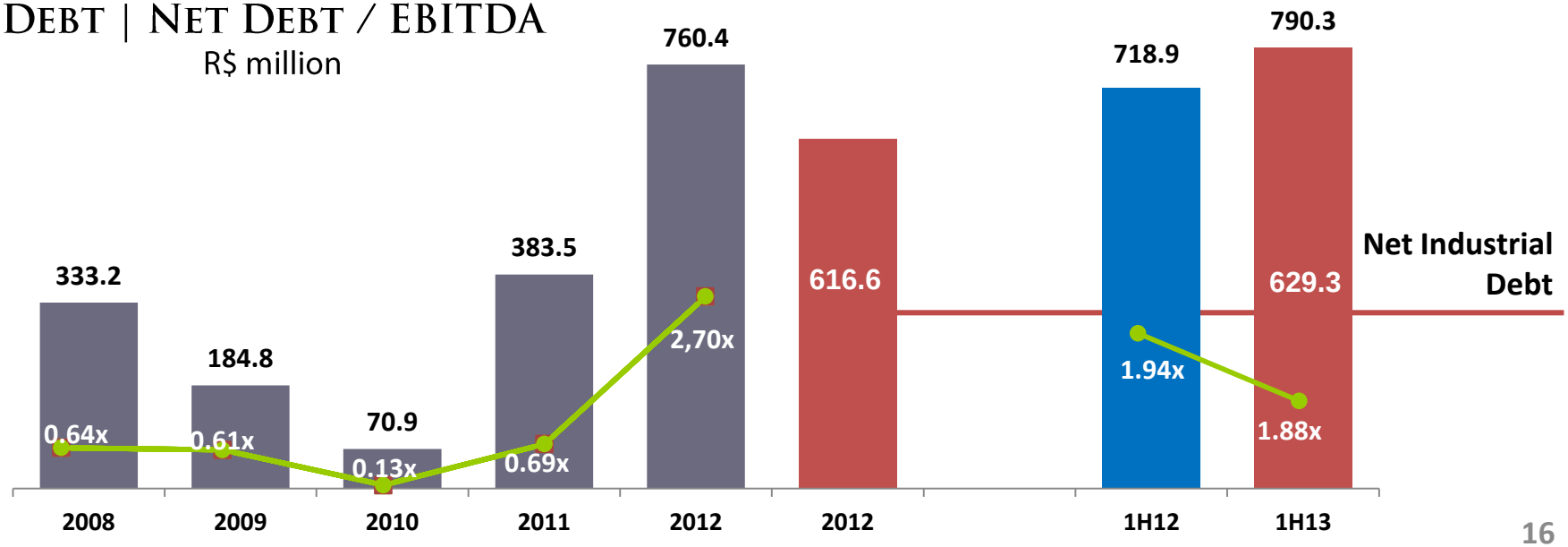
R$ '000| %

Total gross debt	R$ 2,182,684
Gross debt in reais	R$ 1,664,633
Debt in foreign currency	R$ 518,051
USD rate (June 30, 2013)	R$ 2.2156



Debt | Net Debt / EBITDA

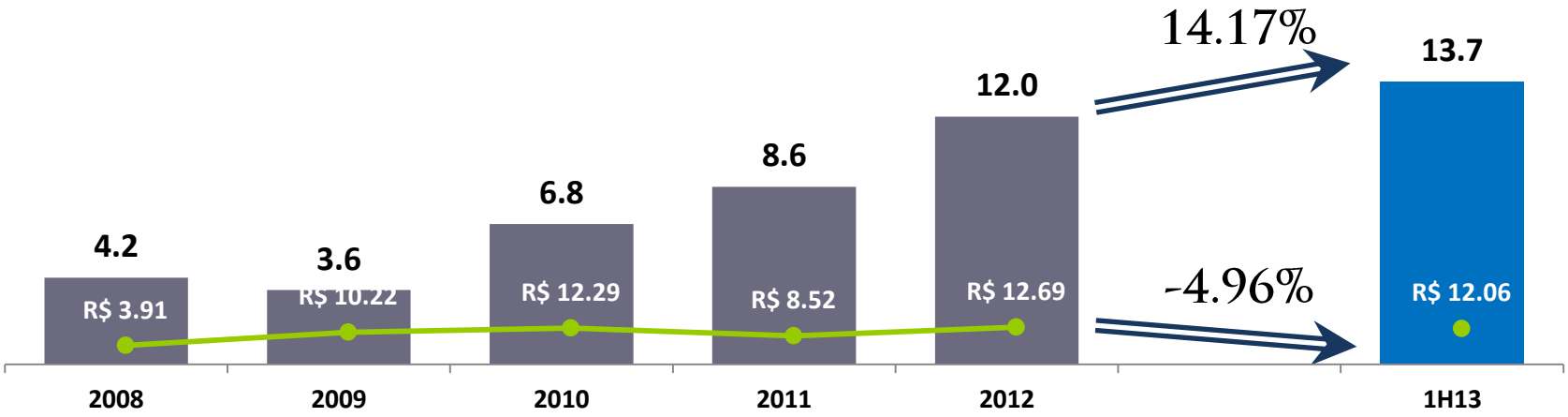
R$ million



Capital Markets

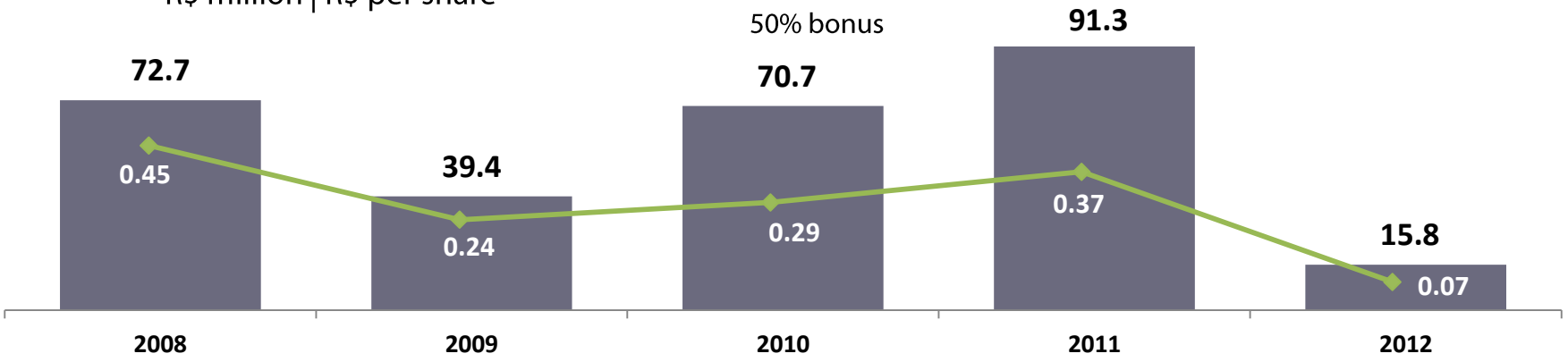
RAPT4 Price | Daily Liquidity

R$ per share | R$'000



Dividends and Interest on Equity

R$ million | R$ per share



Outlook

GUIDANCE 2013

Total Gross Revenue	R$ 6.0 bn
Consolidated Net Revenue	R$ 4.1 bn
Investments	R$ 130 mn
Exports	US$ 300 mn
Revenue from abroad	US$ 92 mn
Imports	US$ 120 mn

Outlook

- **Expected growth of the Brazilian economy: 2.3% in 2013; 2.8% in 2014.***
- **Agricultural harvest – domestic grain production estimated at 185.05 million tons, 11.4% up over the previous cycle. ****
- **Strong volume of orders, supporting an outlook of profitability for the rest of the year;**
- **Truck production is expected to slow in 2H13. Outlook remains strong for some sectors;**
- **Next quarter, Suspensys will be fully owned by Randon.**

Source: * Report of the Brazilian Central Bank (BACEN) / FOCUS (July 12. 2013)
** 10th 2012/2013 Harvest Survey - Conab

Potential Questions

What will allow the Company to maintain its strong first half performance during the rest of the year, given the weaker GDP?

- Strong volume of orders in the towed vehicles area;
- Stability in the market for commercial vehicles;
- Appropriate production levels and the promotion of efficiency, productivity and a greater dilution of fixed costs;
- Clear financing rules (FINAME PSI) in place until the end of the fiscal year;

Potential Questions

What was the salary adjustment reached through the annual agreement with labor unions?

- The annual bargaining agreement reached with the Metal Workers Union was 9.5%, with a June base date.
- Some social clauses were also adjusted;

Potential Questions

Comments on the Company's 2012-2016 Expansion and Development Plan.

- Our ambition remains the same;
- The acquisitions of Randon Brantec, Freios Controil and Suspensys, as well as the investments in the new Suspensys plant in Resende and the announcement of the plant in Araraquara are part of this strategy;
- The impacts related to the poor performance in 2012 have been taken into account in the expected investments for the current year;
- We're committed to providing a continually updated outlook with respect to these issues;

Investor Relations

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NÍVEL 1
BM&FBOVESPA

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Índice de Ações com Governança Corporativa Diferenciada IGC