



ANNUAL REPORT 2008

This report is part of the Sustainability Report of Randon Companies

OPERATING STRUCTURE



● Industrial Units
 ● International Offices
 ● Assembly Units
 ● Distribution Centers

- USA – Randon (Miami/Florida) and Fras-le (Farmington Hills – Michigan and Prattville – Alabama)
- Mexico – Mexico City /DF
- Chile – Santiago
- Argentina – Randon (Rosario) and Fras-le (San Martin – Buenos Aires Province)
- Germany – Gelsenkirchen
- Morocco – Casa Blanca
- Algeria – Algiers
- Kenya – Nairobi
- South Africa – Johannesburg
- China – Fras-le (Shanghai and Pinghu/ Zhejiang Province)
- Dubai – Jebel Ali Free Zone

MAIN INDICATORS

Financial Margins	2007	2008	Var. %
Gross Margin	26.5	27.3	0.8 p.p.
EBITDA Margin	15.4	17.0	1.6 p.p.
Net margin	6.9	7.6	0.7 p.p.

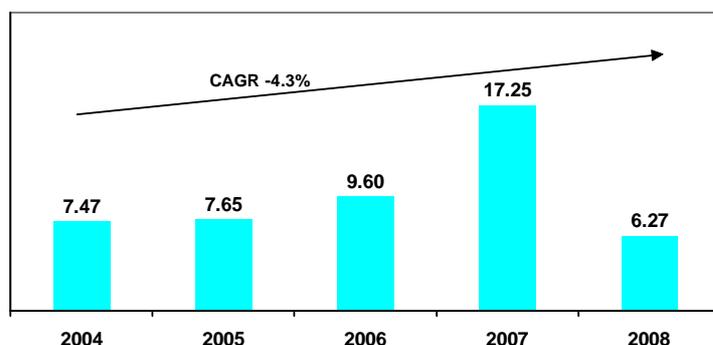
Stock Market	2007	2008	Var. %
Dividends +Interest on capital payable (R\$ per share)*	0.3289	0.3303	0.4
Dividend Yield (%)**	3.43%	1.92%	(44.3)
Return on Net Equity (%)***	33.0	37.0	15.1
Market Value on Dec 31, 2008 (R\$ billion)	2,80	1,01	(63,7)

* Fiscal Year deliberations.

** Fiscal year deliberations per share and quote at the last day of the year before the fiscal year under analysis.

*** Ratio between the consolidated net profit and the net equity in the prior year.

Share Quote at Bovespa on Dec 31 (RAPT4 Code) – In R\$ per share



- Level 1 of Corporate Governance

- Tag Along 80%

Indexes comprising:

- IGC – INDx – Small Caps

- IBRX 100 - iTag

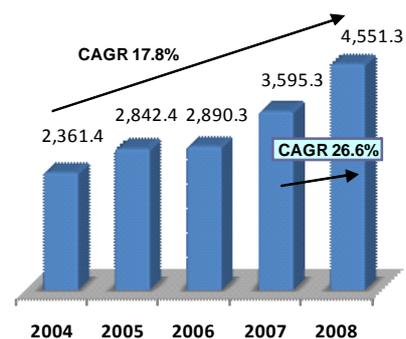
	2007	2008	Var. %
Number of Employees	8,983	9,434	5.0

Amounts in current Reais

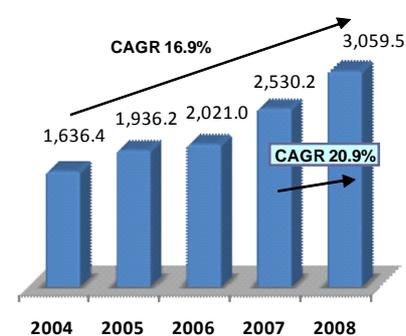
CAGR: Compound Average Growth Rate

ROE: Return on Equity

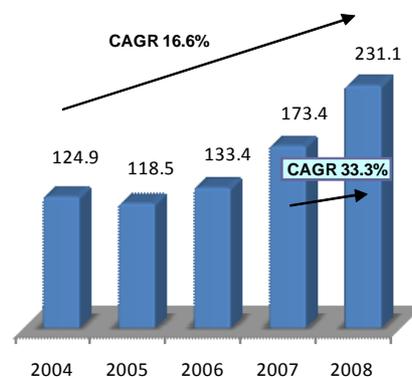
TOTAL GROSS REVENUE - Million of Reais
Without elimination of inter-company sales



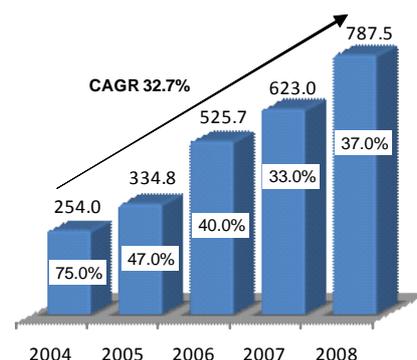
CONSOLIDATED NET REVENUE - Million of Reais



CONSOLIDATED NET PROFIT - Million of Reais



CONSOLIDATED NET EQUITY - Million of Reais
and ROE



CONTENTS

- Chairman's Statement
- Profile
- 2008 Consolidated General Performance
- Performance by Segment
- Stock Market
- Awards and Distinctions
- Summarized Financial Statements
- Financial Statements
- Management
- Addresses and Contacts

CHAIRMAN'S STATEMENT

I'm pleased to present the Management Report and the individual and consolidated Financial Statements of Randon Companies, accompanied by the Opinion of the Independent Auditors and Audit Board for the Fiscal Period ended December 31, 2008.

When reporting our annual results last year, the economy both in Brazil and in the world was growing at a fast pace and so were the Randon Companies. But we also mentioned that some well-known domestic challenges still needed to be overcome before Brazil could achieve fast sustained growth (energy, infrastructure and tax policy) in addition to a potential crisis in the area of *sub-primes*.

This look into the future proved right, as the entire automotive chain posted a record performance and the Brazilian economy grew above 5%, despite the strong market downfall and the general tension in the fourth quarter. As a result, Randon is celebrating 2008, at the time of its 60th Anniversary, as the best year ever in its history, fruit of its mature vision of the reality of Randon Companies. Records were set in many areas and goals were achieved. In addition, a clear sign can be seen that a new cycle is beginning in the internationalization and globalization process of Randon Companies. The initiatives in Fras-le's units, in the United States and China, shaped and colored this perception.

Investments progressively materialized as in the case of Castertech (Foundry Unit), E-Coat Paint Coating of Randon Implementos, and the Proving Ground, whose construction works are in their final phase.

Our 5-Year Investment Plan baseline, set in 2005 (through 2009), which supported basic expansion goals, creation of jobs, generation of taxes, and the maintenance and strengthening of the Company's leading position, has already materialized.

Sustainability, a topic that will deserve a specific report, is represented by our interaction with the community (through the support of social and cultural events), with the environment (expansion and improvement of the treatment of residue and effluents) and by actions towards the preservation of the flora and fauna. All these aspects give us the assurance that we are doing our duty and provide us with the vision of perpetuity – a responsibility we all must take on.

The awards and distinctions we have received throughout the year also require special mention, since they do not only ratify the good public image of Randon, but also represent the talent, persistence and determination of our people.

Certainly these are challenging moments and the world undergoes an unprecedented crisis which will take us to a new cycle and new values. The outcome of all this is not clear yet, but the way we see it, it will essentially contemplate the continued vision of expansion and organic development of Brazil, in addition to introducing an era of a more creative and representative participation in the global scenario. We will follow up this process with all our attention, so we can envision, for Randon Companies, multiple global undertakings.

The year 2009 also marks the 60 years of existence of our Company, a very successful time of which we are proud of, and which will be marked with dignity as a way to pay a tribute to all that, directly and indirectly, have made it possible.

Finally, we would like to express our gratitude for the confidence placed on us by our shareholders, customers and suppliers. We especially thank our employees for their performance and commitment with the success of Randon Companies.

Caxias do Sul,

Raul Anselmo Randon
Chairman
Randon Companies

PROFILE

Established in 1949, the conglomerate of Randon Companies operates, through its several companies, within the segments of roadway, railway and off-road transport, in addition to auto parts and services. The complex consists of ten operating companies, being Randon S/A.- Implementos e Participações the controlling company. Additionally, there are nine directly-controlled companies: Fras-le S.A., Randon Argentina S.A., Randon Veículos Ltda., Randon Consórcios Ltda., Master Sistemas Automotivos Ltda., Jost Brasil Sistemas Automotivos Ltda., Suspensys Sistemas Automotivos Ltda and Castertech Tecnologia e Fundação Ltda., and Randon Implementos para o Transporte Ltda.

The controlling interest of Randon S.A.Implementos e Participações is held by DRAMD Administração e Participações Ltda., which, together with its partners` individual interests, holds 40.6% of the total capital.

Today, Randon is a global benchmark company with world-class strategic partners. It is among the largest private Brazilian Companies and leads all segments operated by it, in addition to exporting to all continents. Randon is also part of Level 1 of BOVESPA`s Corporate Governance.

As a whole, Randon Companies produce one of the broadest product portfolios in the segment of commercial vehicles – linked to the road, rail or off-road transport system - when compared to similar companies worldwide.

Randon S.A.- Implementos e Participações produces trailers, semi-trailers, and railway wagons. Randon Veículos Ltda. produces off-road trucks, forest equipment and backhoe loaders.

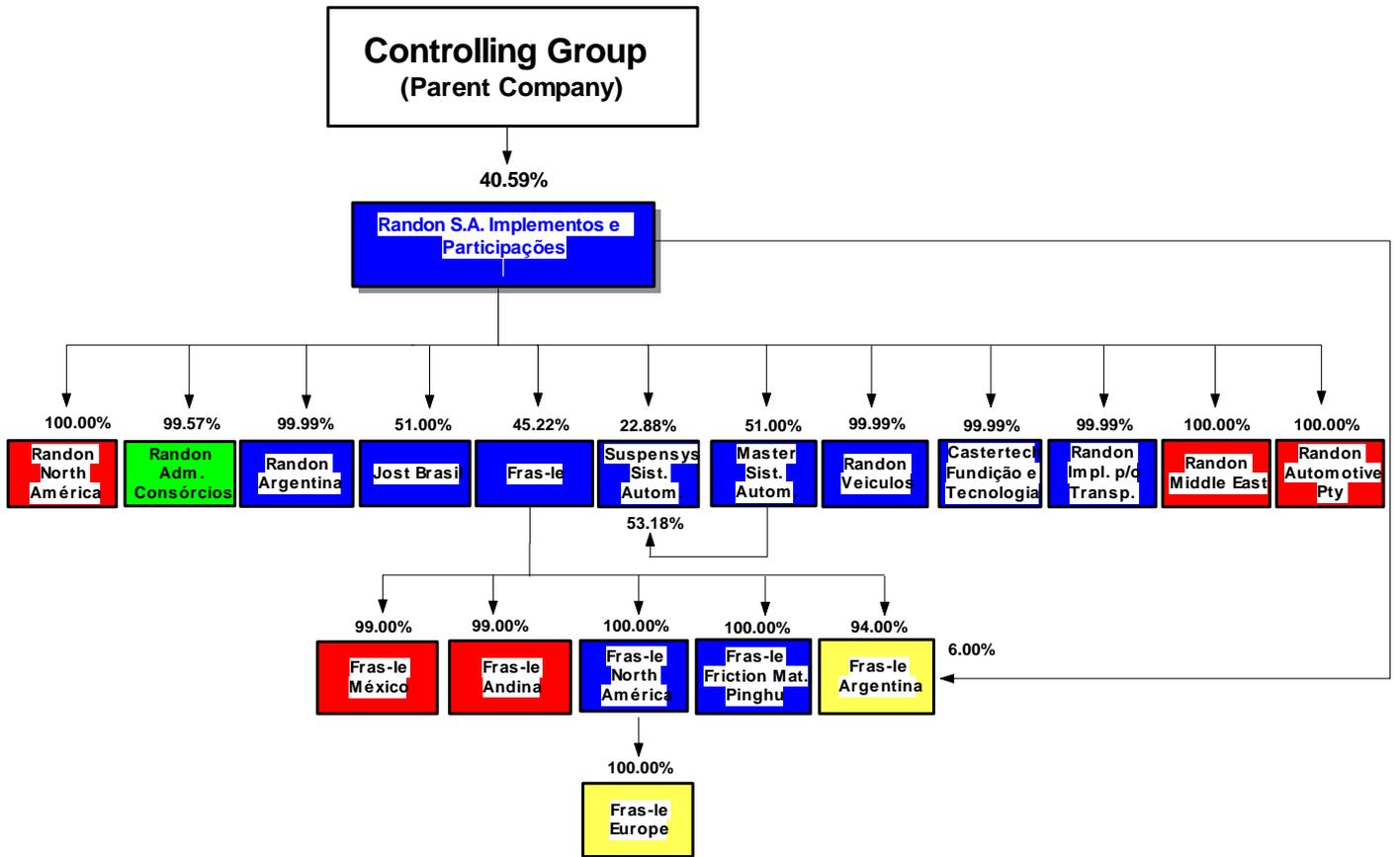
The production of auto parts and systems intends to meet the captive demand of Randon Implementos and Randon Veículos, in addition to acting as a system provider for the main OEM companies producing trucks, buses, trailers/ semi-trailers, and light commercial vehicles throughout the country. Randon also provides systems for passenger, airway, waterway and railway vehicles. A relevant portion goes to the domestic aftermarket and to the foreign market as well, with both, brand-new products and spare parts for the aftermarket.

Fras-le produces brake linings and pads that become part of the brake sets produced by Master. The brake sets integrate the axles and suspensions produced by Suspensys. Jost produces articulating and coupling systems that connect the tractor-truck to the trailer.

Castertech will be producing and supplying components in nodular cast iron to Randon Companies.

Lastly, Randon Consórcios markets and manages groups of coop-payment plans as a way to provide financing to the customers of finished products.

Ownership Breakdown



- Industrial Units
- International Offices
- Distribution Centers
- Service Units

2008 CONSOLIDATED GENERAL PERFORMANCE

Overview

The automotive chain benefited from the fast-paced economy in the country in 2008. Many records were broken. Not even the escalation of the financial crisis faded away the glow of the figures accumulated throughout the fiscal period under analysis. This scenario has also guided the results of Randon Companies.

The main highlights of the period were:

- The **Total Gross Revenue**, before consolidation, was **R\$ 4.6 billion**, an increase of **26.6%** as compared to 2007;
- The **Consolidated Net Revenue** reached **R\$ 3.1 billion**, a rise of **20.9%** as compared to 2007;
- The **EBITDA** was **R\$ 520.8 million**, an increase of **34.0%** when compared to 2007;
- **R\$ 231.1 million** of **consolidated net profit** in 2008, up **33.3%** from 2007, and **Net Margin** of **7.6%**.

The company is focused on delivering cargo transport solutions and related components and interacts with different economic sectors. Wherever there is a need for cargo transport, Randon is there with its products, whether roadway, railway, or components and parts that comprise a large part of the trucks, buses and semi-trailers manufactured in Brazil and abroad. This broad range of products connects us with a wide customer base, reducing risks of concentration in specific sectors of the economy. And when all sectors perform positively, we do likewise. This is confirmed by the results we achieved in this fiscal period.

The year was also marked by inflation in the consumables chain. The variations in commodity prices, iron and steel, energy-generating products, oil and derivatives hit us all at a global level. The Company worked intensively to preserve competitiveness and income, whether with cost-constraint actions, scale efficiency gains or efforts in the commercial and financial area.

The escalation of the financial crisis in the last quarter of the year had a significant impact on the demand and investments in all sectors. In Randon Companies, some orders were cancelled in the area of road equipment and adjustments had to be made in the OEMs' purchase schedules. These events resulted from credit crunch, as it has been extensively covered by the national and international press. The Companies will keep on following up possible adjustments in production and consumption patterns.

In 2008, R\$ 280.7 million was invested in production capacity expansion, assets renewal/modernization, and integration of the supply chain, environment, and people development. Despite this downside and challenging scenario, a minimum investment level will be maintained in 2009, expecting a recovery of growth and an improved outlook in business level.

Some comments and detailed performance indicators follow below.

Revenue

The total gross revenue (without elimination of inter-company sales) reached R\$ 4.6 billion in 2008, a growth rate of 26.6% over 2007 (R\$ 3.6 billion).

The consolidated net revenue for fiscal 2008 was R\$ 3.1 billion, 20.9% up from fiscal 2007, which was R\$ 2.5 billion.

Consolidated Net Revenue Composition - JAN-DEC 2008

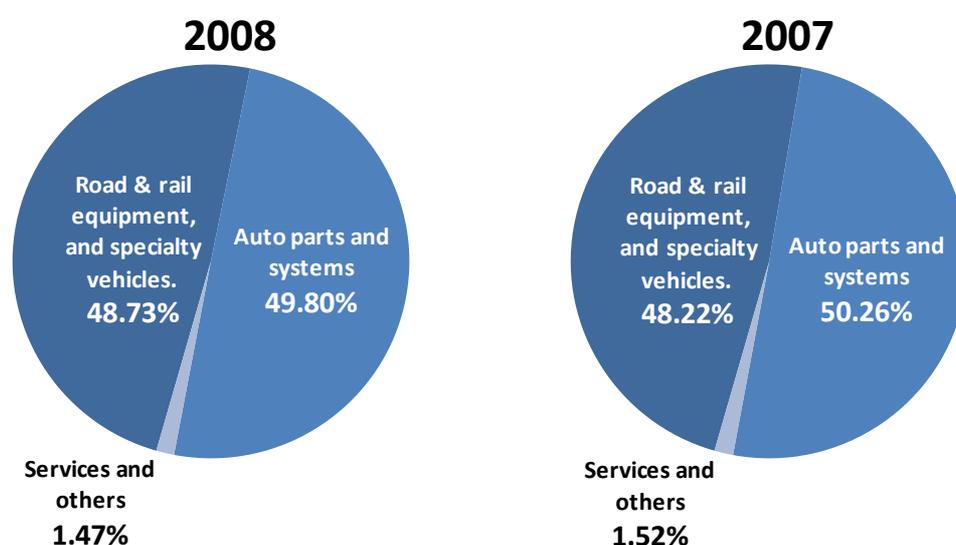
The inter-company sales accounted for 13.7% of the total net revenue against 10.7% in the prior year.

	2008				2007	
	NET REVENUE	INTER-COMPANY SALES	CONSOLIDATED NET REVENUE	% OVER REVENUE	CONSOLIDATED NET REVENUE	% OVER REVENUE
Randon S.A. Impl. e Participações (Controladora)	1,292,362	153,956	1,138,406	37.2%	1,081,571	42.7%
Randon Impl. p/o Transporte Ltda.	185,252	15,895	169,357	5.5%	-	-
Master Sist. Automotivos Ltda.	373,722	72,738	300,984	9.8%	249,964	9.9%
Randon Veículos Ltda.	116,379	(17)	116,396	3.8%	95,226	3.8%
Fras-Le S.A. (Consolidado)	432,295	20,469	411,826	13.5%	407,570	16.1%
Jost Brasil Sistemas Automotivos Ltda.	195,671	44,879	150,792	4.9%	118,322	4.7%
Suspensys Sistemas Automotivos Ltda.	836,476	176,400	660,076	21.6%	495,875	19.6%
Randon Administradora de Consórcios Ltda.	45,054	-	45,054	1.5%	38,352	1.5%
Randon Argentina S.A.	66,587	-	66,587	2.2%	43,343	1.7%
International Offices	3,411	3,411	-	-	-	-
TOTAL	3,547,209	487,731	3,059,478	100.0%	2,530,223	100.0%

Values in R\$ thousand

Revenue Breakdown by Segment

In fiscal 2008, all market segments delivered a positive performance, with no important variation in the overall revenue share.



Cost of Sold Products

The cost of sold products accounted for 72.8% of the consolidated net revenue, or R\$ 2.2 billion in Fiscal 2008 against R\$ 1.9 billion in the same period in 2007, which represented 73.5% of the net revenue.

Gross Profit

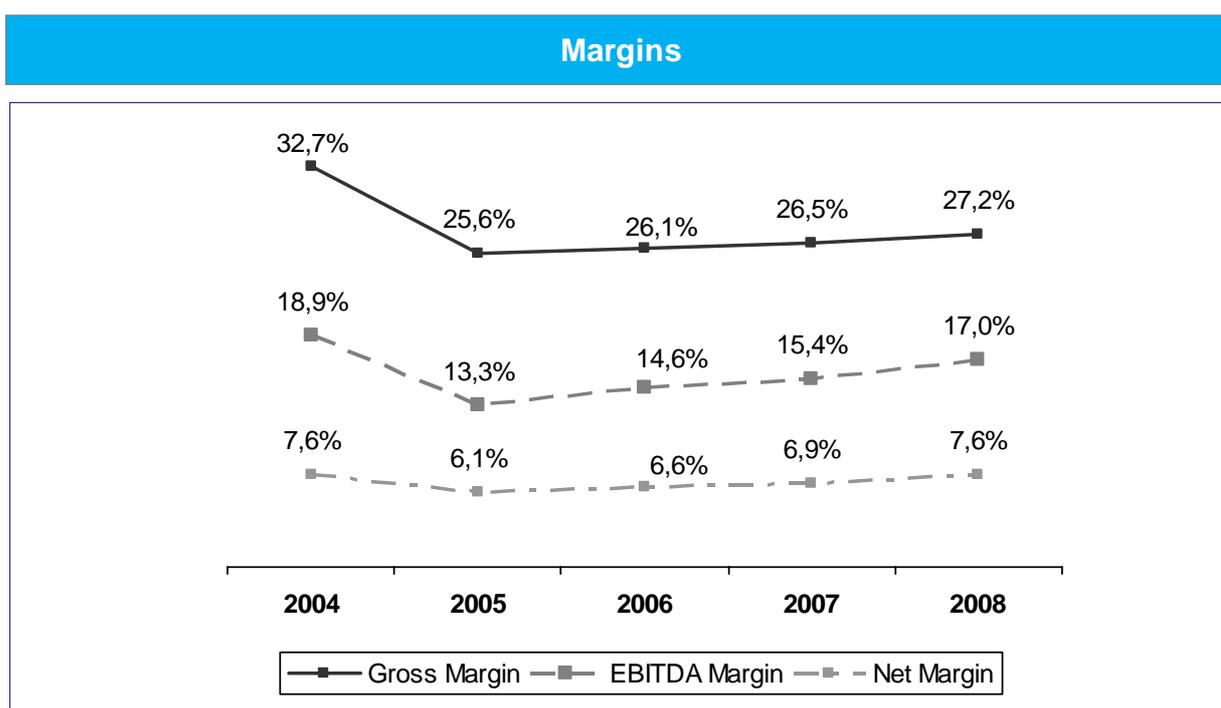
Gross profit was R\$ 833.7 million in the cumulative result of fiscal 2008, representing 27.2% of the consolidated net revenue, up 24.2% from the same period in 2007, when the gross profit totaled R\$ 671.1 million, or 26.5% of the consolidated net revenue.

Operating Expenses (Administrative/ Sales/ Others)

Operating expenses in fiscal 2008 accounted for 12.4% of the consolidated net revenue, against 13.2% in the previous year, resulting in R\$ 380.4 million (R\$ 334.6 million in 2007). Expenses such as commissions, freight and profit sharing have increased during the period as a result of incremental sales and results. In percentage terms, there was a reduction of 0.8 points as a result of budgetary programs and controls aimed at reducing costs and expenses.

Cash Gross Generation (EBITDA)

EBITDA (cash gross generation) totaled 520.8 million, 17.0% over the net revenue in the period, against R\$ 388.6 million, 15.4% of the net revenue. The profit margins recorded growth, despite cost increases in iron/ steel and labor.



Note: When calculating EBITDA, we have not considered Instruction OCPC02 – Clarifications on 2008 Accounting Standards issued by the Accounting Standards Board, based on Law 11.638/07, of Corporations, regarding the record of non-operating result (R\$ 2.0 million positive in 2008, against R\$ 5.2 million positive in 2007), which records this entry together with that of operating earnings/ expenses.

Financial Result

Consolidated net financial result (sales less expenses) decreased from R\$ 0.6 million positive in fiscal 2007 to R\$ 35.4 million negative in fiscal 2008.

Consolidated net bank debt, which in 2007 was R\$ 128.1 million, rose to R\$ 333.2 million in late 2008, equivalent to one multiple of 0.64 of EBITDA. Scheduled investments made in the period and the appreciation of the dollar against the real (concentrated on the second half of the year on loans and derivatives) were the factors responsible for this increase.

Non-Operating Result

Non-operating result in fiscal 2008 reached positive R\$ 2.0 million against a result of R\$ 5.2 million positive in fiscal 2007. A significant portion of the 2007 amount refers to the sale of an asset of our controlled company Fras-le, made in the first quarter of 2007. No significant events took place in 2008.

Income Tax and Social Contribution

Tax income and social contribution reached R\$ 108.8 million in the cumulative result of 2008 (R\$ 89.7 million in 2007) for a profit before tax of R\$ 419.8 million (R\$ 342.3 million in 2007).

Net Income

The consolidated net profit was R\$ 231.1 million in the fiscal year 2008, 33.3% up from that in 2007. This represents an increase in the net margin (net profit x net revenue) from 6.9% in the prior year to 7.6% in 2008.

Overall Performance Chart

	2008	2007	Δ%
Total Gross Revenue without eliminations	4,551,299	3,595,303	26.6%
Consolidated Net Revenue	3,059,478	2,530,223	20.9%
Consolidated Gross Profit	833,690	671,112	24.2%
Consolidated Net Profit	231,111	173,359	33.3%
Own Operating Profit (EBIT) - Consolidated	453,276	336,553	34.7%
Consolidated EBITDA	520,757	388,618	34.0%
Consolidated Net Financial Debt	333,205	128,124	160.1%
Consolidated Net Financial Result Financial Earnings – Financial Expenses	(35,399)	571	-
Consolidated Administrative and Commercial Expenses	(356,084)	(311,143)	14.4%
Consolidated Profit per Share	1.45	1.08	33.3%

Values in R\$ thousand

Exports

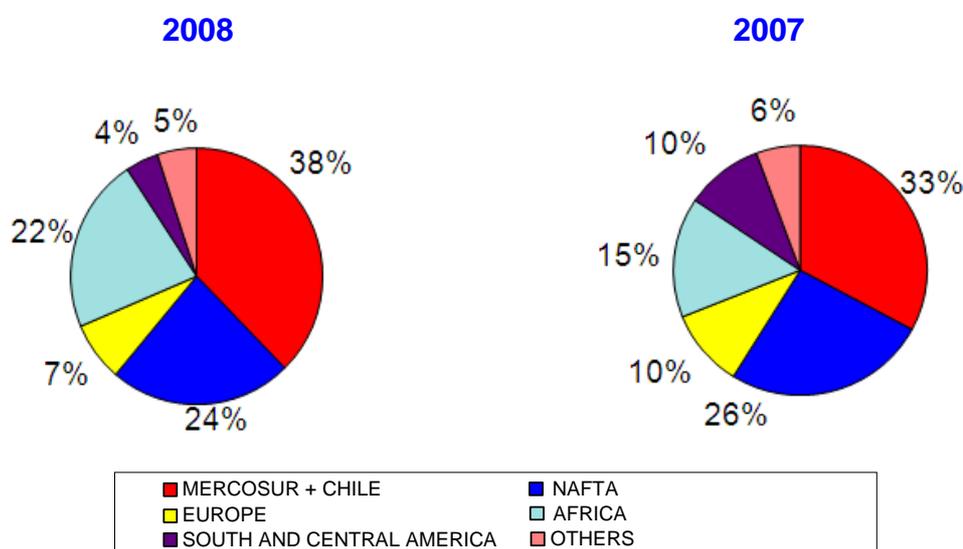
Consolidated exports reached US\$ 287.0 million in Fiscal 2008, up 22.1% from the previous year. Costs reduction, increase in imports of consumables, and adjustments in export prices were instruments used to offset the appreciation of the Real in the first half of the year. The company keeps its strategy of seeking new markets and expanding its distribution channels as a way to increase sales in the foreign market.

Exports by Company

	2008	2007	Δ%
Randon S/A Impl. e Partic. + SP	137,288	103,397	32.8%
Master	27,734	22,769	21.8%
Randon Veículos	4,475	3,481	28.6%
Jost	9,364	6,910	35.5%
Fras-le	85,304	76,881	11.0%
Suspensys	22,800	21,514	6.0%
TOTAL	286,965	234,952	22.1%

Values in US\$ Thousand

Exports by Economic Bloc



Consolidated Investments

In Fiscal 2008, our investments achieved R\$ 280.7 million. These values are still part of our 5-Year Investment Plan for the period 2005/2009. The plan estimated an increase in our gross sales from R\$ 2.36 billion in 2004 to R\$ 4.47 billion in the 2009/2010 period, which has already been met.

Below are the total investments we made in 2008:

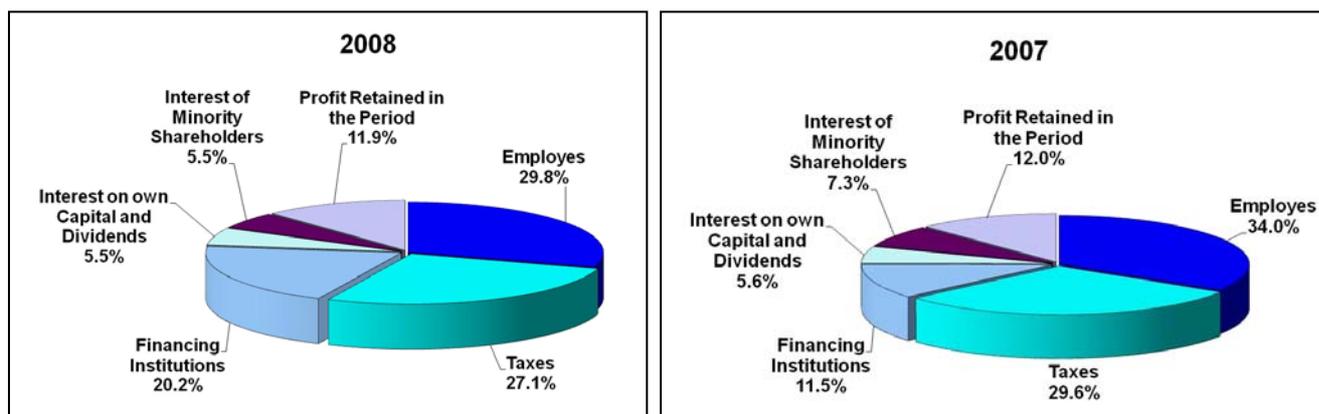
ACCRUED INVESTMENTS - 2008

FIXED ASSETS (In thousands of Reais)	Randon	Fras-le	Master	Jost	Suspensys	Veiculos	Consórcio	Argentina	Randon SP	Randon Middle East	Randon Automotive	Castertech	Total
Machines	45,679	22,178	7,375	4,477	37,388			184	969			14,794	133,044
Buildings	31,878	20,399	5,997	783	8,335	32			2,196			19,674	89,294
Land	2,707		42										2,749
Tooling	4,491	6,743	4,168	425	4,339	130		23	26			682	21,027
Building Improvements	3,370				394			153	5,273				9,190
Vehicles	5,792	624	769	62	105			(15)	329				7,666
Furniture & Fixtures	1,057	602	338	84	113	36	72	9	355	2		111	2,779
Lab Equipment	262			43	219			60					584
Computer hardware and software	2,982	1,787	344	154	346	103	693	51	244			783	7,487
Others	1,336		9		474							5,043	6,862
TOTAL:	99,554	52,333	19,042	6,028	51,713	301	765	465	9,392	2	0	41,087	280,682
INVESTMENTS (*) - (Thousands of Reais)	21												21
GRAND TOTAL (Thousands of Reais)	99,575	52,333	19,042	6,028	51,713	301	765	465	9,392	2	0	41,087	280,703

(*) Other companies' shares or quotas, incentives, etc.

Added Value

The added value breakdown in 2008 (R\$ 1.33 billion) and in 2007 (R\$ 984.4 million) was:



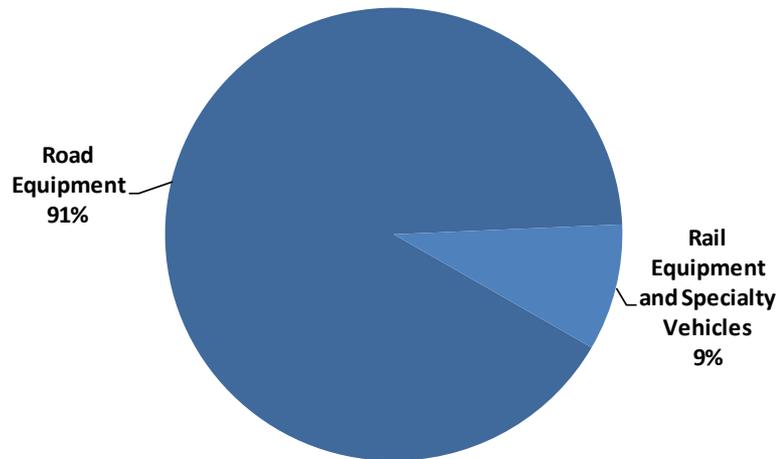
The chart with complete data is on the Notes that are part of these financial statements.

PERFORMANCE BY SEGMENT

1) Road / Rail Equipment & Specialty Vehicles

In Fiscal Year 2008, the segment of road & rail equipment and specialty vehicles accounted for 48.7% of the consolidated net revenue of Randon S.A.- Implementos e Participações. This segment is represented by Randon S.A. Implementos e Participações, Randon Argentina S.A. and Randon Veículos Ltda., and, beginning in the second half of the year, by Randon Implementos para o Transporte Ltda.

Sales Breakdown by Segment – In Reais



Randon S.A. Implementos e Participações and Randon Implementos para o Transporte Ltda

Randon Implementos ended 2008 with a domestic market share of 33% and 38% of the domestic production of semi-trailers. The Brazilian market purchased 54,401 units (Source: Anfir/Fenabreve). Production levels and new purchase orders remained high throughout the year, setting new records in the history of the Company and sustaining its position among the 10 largest manufacturers in the world; (Source: *Trailer-bodybuilders.com / Holding Randon / Fras-le*).

Demand in exports was stable with 4,951 units exported, 19% of the semi-trailer volume sold by Randon. It is worth noting the delivery of CKD kits to the African Continent, which has shown to be one of the main destinations of the Company's sales in the foreign market. Problems related to the speed in adjusting production capacity and in the supply chain have required all our efforts and attention in order to meet demand.

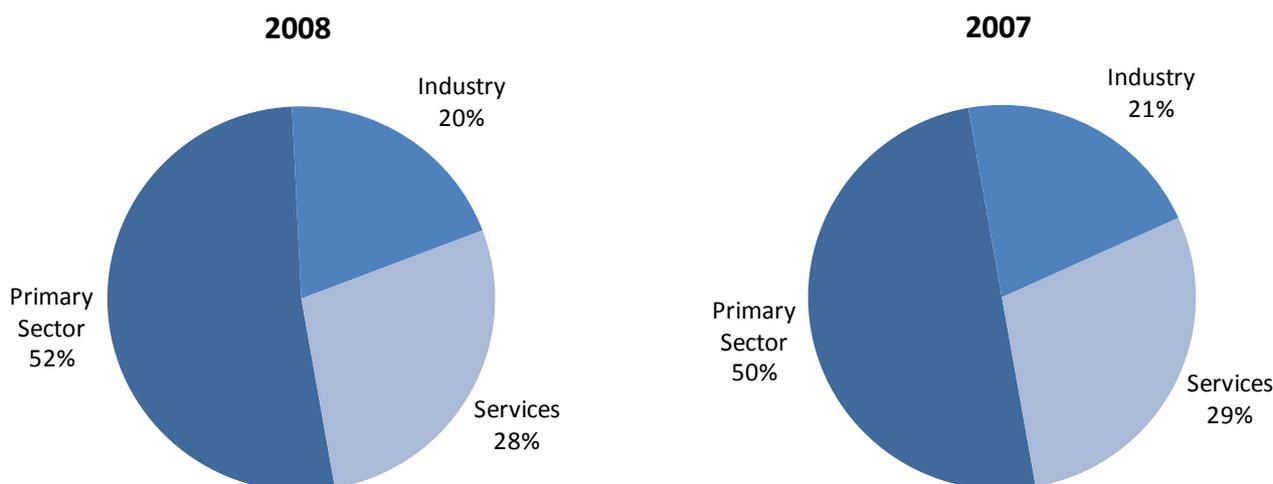
Although the company experienced a positive performance in the foreign market, our good results were mostly driven by significant growth in the domestic market. The domestic GDP grew near 5.6% in the period (Focus/BACEN survey). The product mix offered by the Company relates to all economic sectors and directly benefits from their growth. We highlight the sectors of civil construction and fuel transport, which delivered excellent performance, pushed by the PAC (Growth Acceleration Program) infrastructure projects, launched by the Federal Government, and by the rise in the use of ethanol, promoted by the success of flex-fuel vehicles (87% of the vehicles sold in 2008 employ flex-fuel technology– Anfavea Letter (Jan 2009).

In the primary sector, grain harvest reached 144.1 million tons (source: Conab/IBGE), the largest one ever recorded in the national territory. New investments to transport crops were driven by the good prices of agricultural commodities at a global level.

Growth of consumer credit was responsible for record sales of durable and non-durable goods, home appliances, automobiles and motorbikes, generating the need for investments to distribute them.

In the railway sector, the company manufactured and sold 82 units during the period, marking the entrance of the company into the broad-gage wagons market, and beginning business transactions with operators of this type of equipment.

Sales Breakdown by Segment



Randon S.A. Implementos e Participações (Parent Company) + Randon Implementos para o Transporte Ltda	2008	2007	Var. %
Semi-trailers/ Trailers (units sold)	25,925	20,325	27.6
Rail cars (units sold)	82	0	-
Net Revenue (In thousands of Reais)	1,292,362	1,130,934	14.3
Net Profit (In thousands of Reais)	231,595	172,625	34.2

Randon Argentina S.A.

Beside Brazil, Argentina is one of the most important markets in Latin America. Fiscal 2008 marked the 10 years of existence of Randon Argentina in Alvear. The high Argentina's growth rate in the last fiscal period favored the scenario for business. 1,213 units were sold, a growth rate of 23.5% as compared to 2007.

Despite conflicts between the Government and rural producers, Argentinean crops have grown in planted area and productivity, pushing investments up to transport the crops.

The best selling products are dump and general cargo trailers /semi-trailers. The company has also offered transport solutions for other sectors such as fuel and cement (silos) through products adjusted to the local market.

Randon Argentina S.A.	2008	2007	Var. %
Semi-Trailers/ Trailers (units sold)	1,213	982	23.5
Net Revenue (In thousands of Reais)	66,587	43,343	53.6
Net Profit (In thousands of Reais)	1,044	1,134	(7.9)

Randon Veículos Ltda.

Dedicated to the manufacturing of vehicles designed for construction, mining and forest mechanization, Randon Veículos is the domestic leading company in the segment of off-road trucks up to 30 tons capacity.

In 2008, the PAC (Growth Acceleration Program) infrastructure works, the boom in the civil construction sector, and the strong demand for ore incremented the company's sales.. 510 units of specialty vehicles were sold, mainly backhoe loaders. An increase in credit offering and lower interest rates until the middle of the year have also contributed for the growing demand for this type of equipment.

In fiscal 2008, the company celebrated 35 years from the start-up of its activities in 1973. Since then, Randon Veículos has recorded growth based on the development of sturdy and high-added value products in terms of technology. Over the years, 4,0 thousand pieces of equipment have been manufactured.

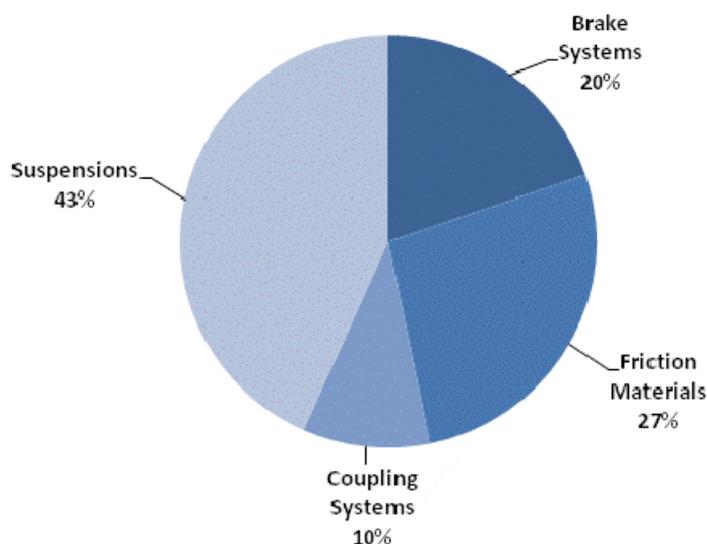
The products with a high nationalization level stand out for their high performance and low operating cost, transporting evolution in both the domestic market and other countries in Latin America, the Middle East and Africa.

Randon Veículos Ltda.	2008	2007	Var. %
Specialty vehicles (units sold)	510	434	17.5
Net Revenue (In thousands of Reais)	116,379	95,225	22.2
Net Profit (In thousands of Reais)	14,788	8,527	73.4

2) Autoparts

Strongly present in the main OEM companies of commercial vehicles/ road equipment manufacturers, in both the domestic and global market, this segment is represented by Castertech, Fras-le, Jost, Master and Suspensys, accounting for 49.8% of the consolidated net revenue of Randon S.A.- Implementos e Participações. The good results of these companies are strongly associated with the excellent performance of the domestic automotive industry, which produced 167,311 trucks, 44,079 bus chassis and 61,540 road equipment pieces, marking 2008 as the best year ever in the history of these markets.

Sales Breakdown in Reais



Fras-le S.A.

Fiscal 2008 was marked by important advancements in the Company's internationalization process. Aimed to increase its share in the most important automotive global market, Fras-le acquired the friction material business of the American company Haldex, in the United States. The plant is located in Prattville, Alabama, where US\$ 7 million has been invested so far with long-term funds provided by Fras-le North American in American territory. Fras-le's presence in that market, including local production, demonstrates the company's commitment with the market, priority in improving proximity with its customers, and speed in meeting their demands. The acquisition increases by 26% the total production capacity of brake pads, raising production by up to 7 million of parts/ year.

A new unit has also been announced in the People's Republic of China in the period under analysis. The beginning of operations is scheduled for the second half of 2009. The production of friction material will go to Asia, thus expanding the Company's competitiveness on the continent. In the international area, the Company has announced the installation of a Distribution Center in Europe, which will increase its market share in that market and improve delivery time.

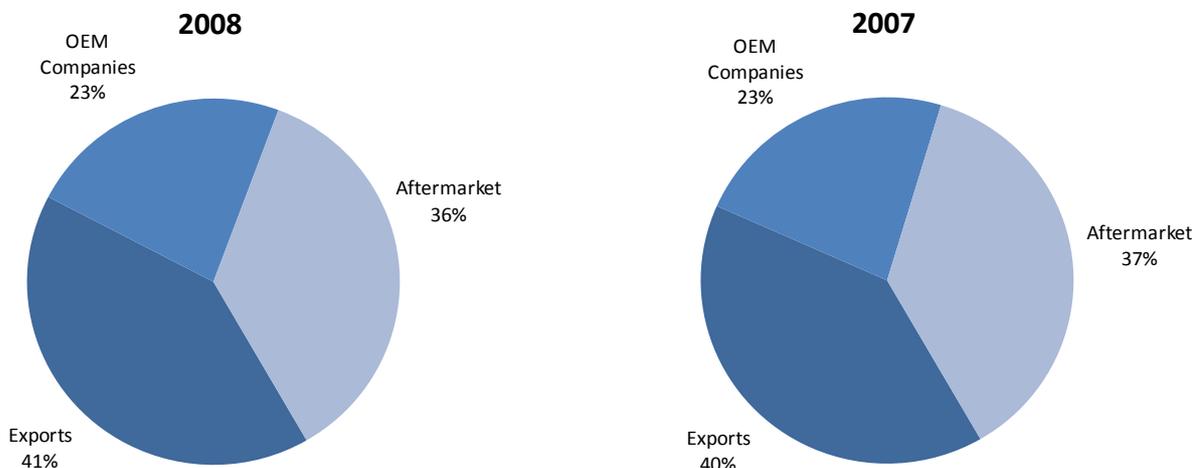
It is worth mentioning Fras-le's performance in the foreign market, as historical records have been set over the last years. In the last 5 (five) years, the average annual growth level of exports in dollar reached 15.5%. In 2008 alone, exports totaled US\$ 85.3 million, representing a growth rate of 10.7% as compared to the US\$ 76.9 million exported in 2007. These results confirm that Fras-le's commitment with the internationalization process of its business is heading in the right direction and shall continue to be increasingly explored over the next years.

With an important global presence, Fras-le benefits from the Real devaluation initiated in September 2008. The event promoted the recording of financial expenses and adjustments in assets and liabilities, but it is positive in the recovery of our export margins.

Fras-le also starts the countdown for the beginning of operations of its Proving Ground, promoting a new level of safety and reliability in our developments when it comes to technology and innovation, which is instrumental in more mature markets and an important competitive edge in meeting the needs of vehicle OEMs. The Proving Ground will serve all Randon Companies and will also offer the possibility of serving third parties. The start-up of operations is scheduled for the second quarter of 2009.

Visit our website www.fras-le.com/ri for additional information on Fras-le.

Sales Breakdown by Sector



Fras-le S.A.	2008	2007	Var. %
Friction Material (Tons sold)	55,702	55,300	0.7
Net Revenue (In thousands of Reais)	432,295	419,911	2.9
Net Profit (In thousands of Reais)	25,522	41,006	(37.8)

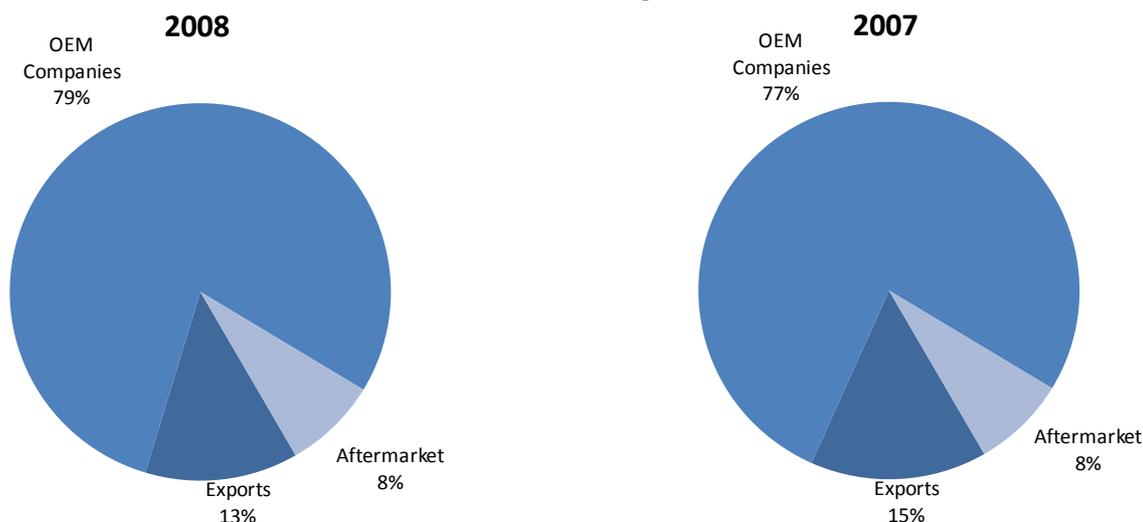
Master Sistemas Automotivos Ltda.

Master ended the Fiscal Year 2008 with the mark of 5 million brakes produced since its founding in 1986.

The export volumes of its Quadraulic disc brake had to be adjusted on account of the weak performance of the American market of trucks. However, the volume manufactured of this type of brake in 2008 was 100,268 brakes, positioning the company as the largest national manufacturer of disc brakes for commercial vehicles.

The company is the undisputed leader in the domestic market of air brakes for commercial vehicles. In many cases, it is the exclusive supplier of its products, which is not uncommon in the automotive industry. Master is continuously advancing in its industrial operations and technology. The investments made over the last years and the adjustments made in its structure ensure quick response to customer needs and fitness to the dynamism of the automotive market. In addition, the company is proud to show world-class operating indicators, earning it new businesses and making it more and more competitive in the exports of its products to different parts of the world.

Breakdown by Market



Master Sist. Automotivos Ltda.	2008	2007	Var. %
S-Cam / Z-Cam brakes/Quadraulic (units sold)	858,024	703,576	21.9
Net Revenue (In thousands of Reais)	373,721	297,609	25.6
Net Profit (In thousands of Reais)	62,562	55,303	13.1

Jost Sistemas Automotivos Ltda.

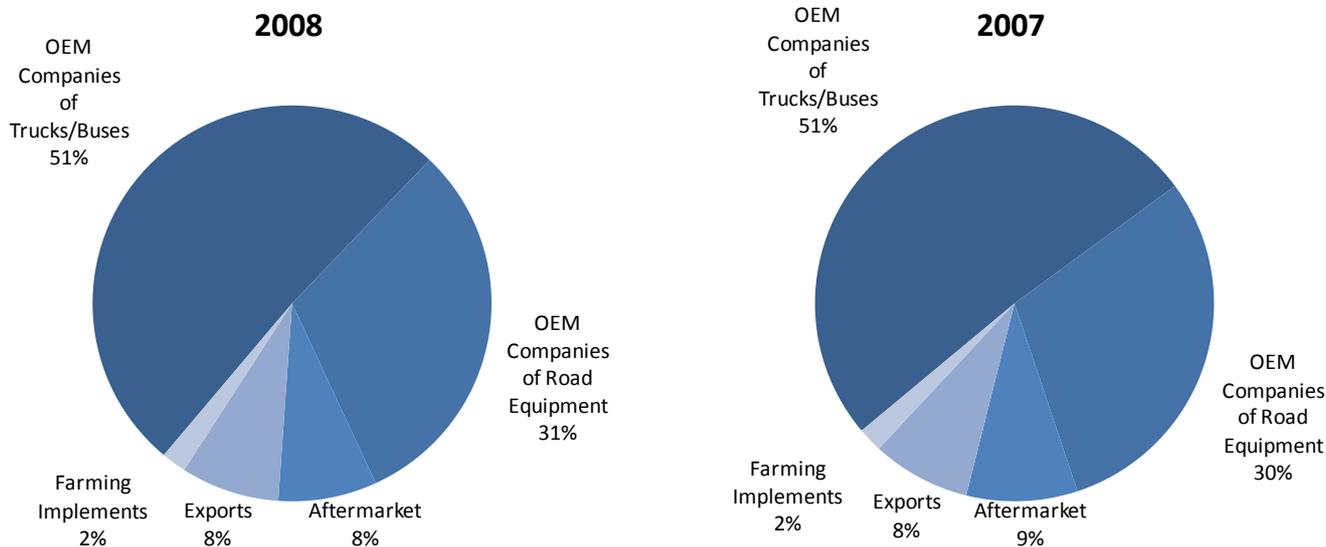
Attuned to the business of Randon Companies and truck industry, in 2008 Jost celebrated sales records and the increase of its domestic market share. Jost is the national leader in the market of articulation and coupling components, with highlight to the fifth-wheel. During the fiscal period, 56,761 fifth-wheels were manufactured, an increase of 21.8% over the figures of 2007, a unique mark in the history of the company.

The sugar-alcohol and farming sector upturn helped maintain growing levels in the sales of its products. In the aftermarket, the company continued to extend its own distribution base, in

addition to improving its sales network by adjusting products, packing, production capacity and personnel qualification.

To ensure that demand is properly met and thus increase its production capacity, Jost extended its industrial facilities and made adjustments in the layouts of its production and assembly lines.

Breakdown by Market



Jost Sist. Automotivos Ltda.	2008	2007	Var. %
Landing Gear (units sold)	42,021	35,050	19.9
Fifth-wheel (units sold)	56,761	46,588	21.8
Net Revenue (In thousands of Reais)	195,671	158,975	23.1
Net Revenue (In thousands of Reais)	23,015	19,682	16.9

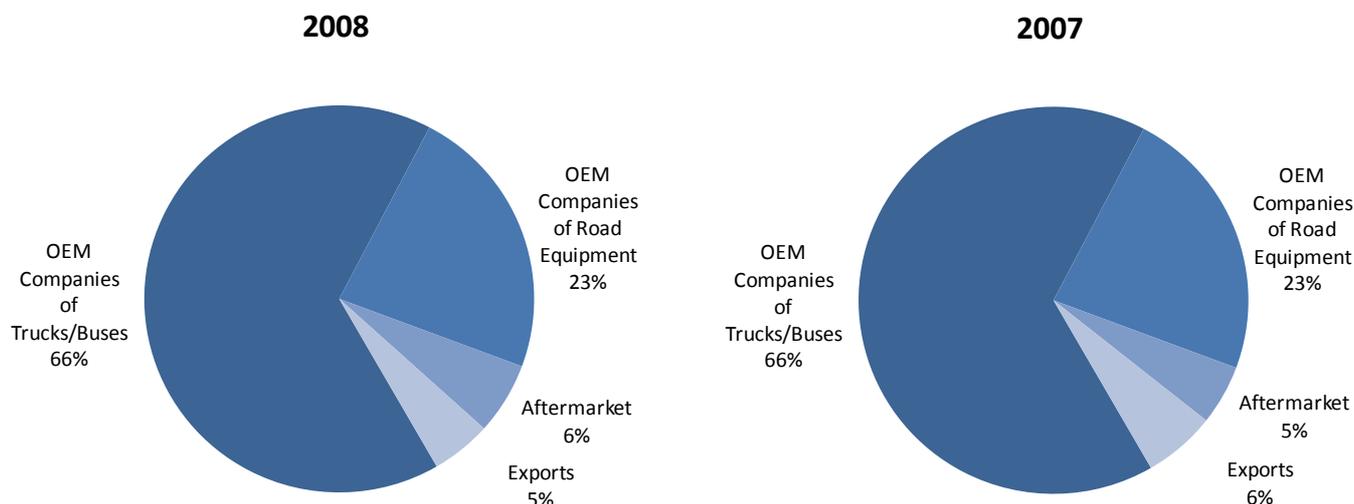
Suspensys Sistemas Automotivos Ltda.

Suspensys ended the fiscal period of 2008 celebrating a boom in the production of trucks (an increase of 21.8% year-over-year) (Source: ANFAVEA Newsletter, Jan 09), and semi-trailers (30.2% year-over-year) (Source: Anfir/Fenabrave). As it happened in the prior period, the mix of products offered by the company delivered a better performance in its respective sectors than that of the market in general, such as trucks 6x4 and 6x2, ranked as semi-heavy and heavy.

Since its founding in 2002, the company has achieved fast and continuous growth supported by significant investments and development of new products. At the end of the fiscal 2008, more than 60 new designs were in progress, confirming the company's commitment to innovation in products, processes and management. The completion of the Proving Ground works of Randon Companies will extend the company's capacity to develop new designs, reducing timing and expanding flexibility, in addition to securing better control in its results.

In 2008 alone, R\$ 51.7 million was invested to increase production capacity in areas such as stamping, welding, automation, forging, machining, assembly and logistics, in addition to the expansion of 20% in its physical area and the acquisition of cutting-edge machines and equipment. At the same time, the company implemented the Suspensys Production System in its pursuit of operating excellence. The program is based on "Zero Defects, Zero Accidents, Zero Waste" and is already showing its first results.

Our challenge is to recover our export volume, impaired by the appreciation of the Real and by the world economic crisis - which affected demand in mature markets such as the European and American - and to expand our market share in the aftermarket, where the company offers a specific product line.



Suspensys Sist. Automotivos Ltda.	2008	2007	Var. %
Suspensions (units sold)	90,220	71,148	26.8
Hub/Drum (units sold)	261,441	225,714	15.8
Net Revenue (In thousands of Reais)	836,475	646,191	29.4
Net Profit (In thousands of Reais)	80,940	54,400	48.8

Castertech Tecnologia e Fundição Ltda.

The industrial plant of Castertech is in its final phase of construction and equipment is already being tested. The company will supply part of the demand for castings of Randon Companies, within its strategy of expanding and shielding business in this segment.

3) Services

Randon Administradora de Consórcios Ltda.

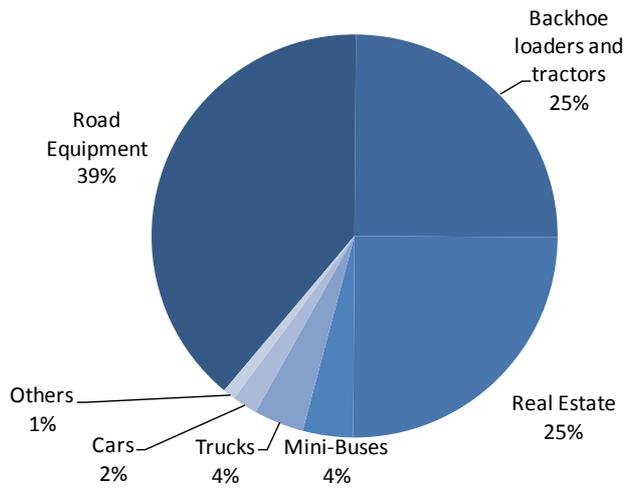
“A record in active quotas and a future portfolio of administration fee”. This sentence defines the growth that Randon Administradora de Consórcios achieved in 2008. Overall, the company ended the fiscal year with more than 26,600 coop-payment plant active quotas. Good results were delivered in all sectors of the company, mainly the *Consórcio Randon* and the *Consórcio John Deere*, respectively dedicated to semi-trailers and farming machines.

As part of its process restructuring, the company implemented a new management system called Genesis. The system is an innovative software especially tailor-made for the company, which extend news services at a fast pace and with the necessary safety when it comes to administration of funds.

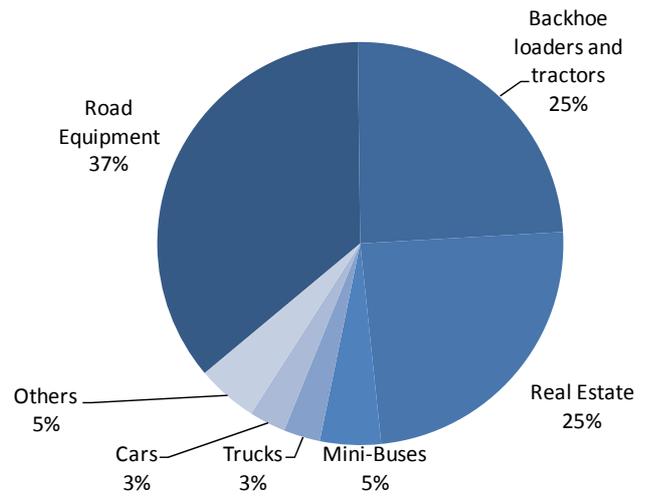
Randon Administradora de Consórcios is continuously expanding its own sales network, the brand *Racon Consórcio de Imóveis and Automóveis*. In the fiscal period 2008, three new franchisees were opened in Belém, Fortaleza and Goiânia.

Revenue Breakdown by Segment

2008



2007



STOCK MARKET

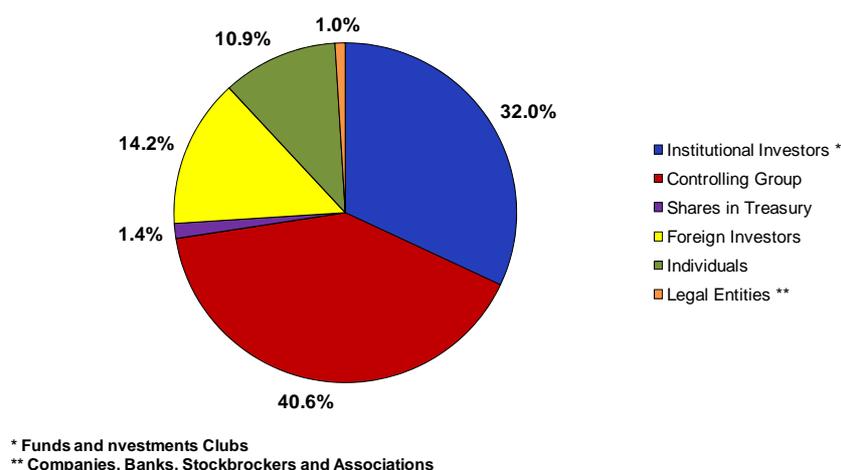
Performance of Shares

The preferred shares of the company in the period Jan-Dec 2008 devalued by 63.7% and ended the period at R\$ 6.27 per share. This result relates directly with the performance of the Brazilian stock market and with the world financial and economic crisis.

82.1 million preferred shares were traded in 72,748 trades on the spot market. The average traded volume was R\$ 4.2 million against R\$ 5.2 million in the same period in 2007 (Source: Bovespa – São Paulo Stock market).

Currently, our shareholders are distributed as follows:

Shareholders' Profile - Total of Shares



Shares Performance Overall Chart of Randon S.A.- Implementos e Participações Spot Market

Variables	Jan-Dec/2008	Jan-Dec/2007
Number of shareholders -	9,530	6,550
Traded quantity (Pref.)-	82,144,600	84,793,800
No. of Trades	72,748	52,905
Daily Average Shares per Trade	329,898	346,097
Daily Average of Shares	292	216
Variance of Randon Shares (%)	(63.7)	79.7
Variance of IBOVESPA (%)	(41.2)	43.6
Share Book Value	4.85	3.84
Stock Market Value	6.27	17.25
Daily Average Traded Volume (Million of Reais)	4,192.2	5,231.2
Company`s Market Value (Million of Reais)	1,019.0	2,803.5

(Source: Bovespa: Bolsa de Valores de São Paulo)

Relations with Investors

In 2008, the Company held meetings and participated in several events involving people from the financial market, stock market, prospective investors, and the press. Below we inform some of these events:

According to the agenda of corporate events 2007 and to our policy on transparency of information, the Company promoted, on February 20, 2008, the 6th Meeting with the Media and Guests, when the 2007 results were disclosed.

✓ In June 2008, Randon Company held the Non-Deal Road Show in the United States (Houston, San Francisco, New York, New Jersey, Boston and Miami);

✓ The Company has also participated, as a guest, in other events and meetings with investors:

- In January 2008, Randon Companies participated in the 12th Latin American Conference, promoted by Santander Bank, in Acapulco, Mexico;
- In April 2008, Meeting with Chilean investors, promoted by Larrain Vial and Fator Bank;
- In April 2008, 1st Santander Automotive and Industrial Day;
- In June 2008, Latam Agribusiness Trip II, promoted by Credit Suisse;
- In August 2008, 9th Annual Brazil Santander Conference, held in Guarujá, RJ.

✓ In August, meetings were held with analysts, shareholders and investors at the headquarters of APIMEC (Association of Capital Market Investment Analysts and Professionals), in São Paulo, Rio de Janeiro and Porto Alegre.

✓ In September, the Company held the Non-Deal Road Show in Europe (Madrid, Paris, Rotterdam, Haia, London and Frankfurt).

Shareholders Remuneration

The Company paid R\$ 38.4 million as interest on capital payable for fiscal year 2008. Of this amount, R\$ 18.9 million (R\$ 0.11798 per common and preferred share) was paid in July 2008, and R\$ 19.5 million (R\$ 0.12167 per common and preferred share) was paid in January 2009. The Management is proposing that interest on capital payable be attributed to dividends at the net value of income withholding tax. Such a proposal is being made to the Ordinary General Meeting to be held in April 2009. According to the proposal, the remaining value to shareholders would be R\$ 34.3 million (R\$ 0,214211627 per common and preferred share). Therefore, the dividends added of interest on capital payable for fiscal year 2008 amount to R\$ 67.0 million, representing 30% of the adjusted net profit, or R\$ 0.41791413 per share.

CVM no. 381 Instruction – Independent Auditors

In compliance with Instruction no. 381/03, of the Securities Commission), the following information is provided:

The amount paid by Randon Companies for the routine accounting audit services was R\$ 816 thousand.

During the Fiscal Year 2008, the company did not hire audit services but those required by mandatory legal audits. Our controlled company Fras-le, however, hired other services from KPMG Auditores Independentes, specifically to analyze the corporate structure of projects abroad. Such work lasted for 8 (eight) months and Fras-le paid the amount of R\$ 304 thousand, accounting for 83.3% of the total amount paid by this controlled company for external audit services.

These services did not affect the restrictions imposed by Instruction CVM 381/03, since the KPMG professionals who carried out these services acted completely independently from those who performed the mandatory legal audits. The services relating to such mandatory legal

audits, which lasted 12 (twelve) months in 2008, accounted for 16.7% of the total amount paid for Fras-le`s external audit, or R\$ 61 thousand.

Randon and its controlled companies ensure that the services provided by the Independent Auditors do not include any conflict of interest, loss of independence or objectivity with the services not related to the external audit.

AWARDS AND DISTINCTIONS

In 2008, Randon Companies received several awards and distinctions, of which we highlight:

- ✓ Randon S.A. Implementos e Participações received the award *Preference in Transport*, promoted by Sindicato das Empresas de Transportes de Carga no Estado do RS (Setcergs) (Association of Trucking Companies of the State of Rio Grande do Sul);
- ✓ Export Award ADVB-RS 2008, in the category “Market Diversification”, granted to Randon Companies for their performance in their 2007 consolidated exports. Fras-le S.A was awarded this prize in the category “Highlight of the Sector”
- ✓ Three of Randon Companies received trophies related to the RS Quality Award from *Programa Gaúcho de Qualidade e Produtividade* (PQRS) (Quality and Productivity Program of the State of Rio Grande do Sul). In the 2008 edition, Fras-le was, for the second time, one of the winners of the Diamond Trophy. The first time was in 2005 and now for having won the Quality National Award in 2007. Suspensys received the Gold Trophy in the current edition, while Randon received the Silver Trophy;
- ✓ The controlled companies Jost and Suspensys received the “Supply Award 2007, a distinction conferred by *Volkswagen Caminhões e Ônibus*”. Jost received the award in the category *Product Quality and Quality Performance in the Field*, and Suspensys the award in the category *Cost Reduction Planning*.
- ✓ Randon Companies, who are environmentally friendly and seek sustainable development, received the prize “2008 Sustainable Company” promoted by the Magazine “Meio Ambiente Industrial”;
- ✓ Randon S.A. Implementos e Participações ranked 3rd among the Great Groups in the State of Rio Grande do Sul, in the ranking *Valor Grandes Grupos – the 200 largest groups of 2007*, published in December 2008. Nationwide, the company ranked 102th position;
- ✓ The companies Randon S.A. Implementos e Participações and Fras-le S.A. received the prize *Febramec Meio Ambiente*, promoted by *Feira Brasileira de Mecânica*. The prize was received in August, in Caxias do Sul. The prize was given in acknowledgement of the environmental management practices of both companies;
- ✓ Randon S.A. Implementos e Participações was included, for the sixth time, in the ranking organized by the Magazine *Exame/Você S.A.* The ranking recognizes the 150 Best Companies to Work for in Brazil. The company was also chosen as a highlight in the category *Cidadania Empresarial* (Entrepreneurial Citizenship) for its social responsibility internal policy that provides benefits in the area of social security, education, health plan, meals, transportation, profit sharing, citizenship and environment.
- ✓ Randon Companies received the 2008 Top Human Being Award in the *Company* category with the case Randon Companies Succession Plan, promoted by *Associação Brasileira de Recursos Humanos* (Brazilian Association of Human Resources) – in Rio Grande do Sul (ABRH-RS), which stimulates research, creative thinking, and actions targeted to management and human development within the organizational environment;

- ✓ Randon Companies were distinguished in the ranking organized by the Magazine *Isto É/ Dinheiro* – 2008 Edition. Randon S.A. and Fras-le S.A. ranked first and second, respectively, in the segment of automotive parts, while Suspensys ranked 4th;
- ✓ Randon S.A. Implementos e Participações was included in the ranking The Largest & the Best in Transport and Logistics 2008, organized by the magazines *Transporte Moderno* and *Technibus*, and *Global* in the category Truck Bodies and Truck Trailers;
- ✓ The NTC Transport Suppliers Award, promoted by NTC & Logística (*Associação Nacional do Transporte de Cargas e Logística*) was conferred to Randon S.A. Implementos e Participações in the category *Manufacturers of Truck Bodies and Trailers*. This year, Randon was also acknowledged as the best company providing social responsibility in the transport segment.

Caxias do Sul, February 2009.

The Management

Board of Directors

Raul Anselmo Randon – Chairman
David Abramo Randon - Vice-Chairman
Ery José Bernardes – Board Member
Hugo Eurico Irigoyen Ferreira – Board Member
José Maria Rabelo – Board Member

Audit Board

Benilda Waschow
Carlos Osvaldo Pereira Hoff
Luiz Antonio Careli
Jessé Souto Amaral
Werner Bornholdt

Executive Board

Raul Anselmo Randon - President
Alexandre Randon – CEO
Astor Milton Schmitt – CFO
Erino Tonon – COO

Investor Relations Director

Astor Milton Schmitt

Holding Division Financial Director

Geraldo Santa Catharina

Corporate Administrative Manager

Maria Tereza Casagrande

Ieda Maria Onzi Perosa – Accountant: CRC/RS 49886/O-3

Investor Relations Assistance

Hemerson Fernando de Souza

Meri - Lusmeri Tomazzoni

Angelica - Maria A. Mossmann

54 3209.2505

ri@randon.com.br

ADDRESSES AND CONTACTS

Investor Relations Director: Astor Milton Schmitt
Holding Division Financial Director: Geraldo Santa Catharina
Phone: (55) (54) 3209.2536
Fax: (55) (54) 3209.2566
Email: geraldo@randon.com.br
Home Page: www.randon.com.br

Shareholders Services

Banco Itaú S.A

Address: Rua Boa Vista, 176 - 1º Subsolo - Centro, São Paulo - SP

Independent Auditors

KPMG Auditores Independentes

Newspapers

Diário Oficial do Estado do Rio Grande do Sul

O Pioneiro - Caxias do Sul

Gazeta Mercantil - Regional São Paulo