



RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES INTERIM MANAGEMENT REPORT 1st Quarter/2006

Dear Shareholders:

Below we present information relating to the activities of the Company and its affiliates, as well as the financial statements relative to the quarter ended on March 31, 2006.

Share Public Offering

After the conclusion of the reservation period and Bookbuilding Procedure, and after receiving the Offering's registration statement from CVM (Securities Exchange Commission), the Company, the selling shareholders identified in the Statutory Prospectus related to the Primary Public Distribution of Common Shares and Preferred Shares, and the Secondary Public Distribution of Preferred Shares issued by the Company, dated April 27, 2006, and Banco Santander Brasil S.A., the lead manager, have informed, through the Notice of Beginning of the Distribution published on April 27, 2006, about the beginning of the primary public distribution of 2,000,000 (two million) common shares and 10,000,000 (ten million) preferred shares issued by the Company, and of the Secondary Public Distribution of 16,509,116 (sixteen million, five hundred and nine thousand, one hundred and sixteen) preferred shares issued by the Company and held by the Selling Shareholders, all nominative, uncertificated, with no par value, at a share price of R\$ 8,25 (eight Reais and twenty-five cents), totaling R\$ 235.200.207,00 (two hundred and thirty-five million, two hundred thousand, two hundred and seven Reais), out of which R\$ 99.000.000,00 (ninety-nine million Reais) refer to the primary offering and R\$ 136.200.207,00 (one hundred and thirty-six million, two hundred thousand, two hundred and seven Reais) refer to the secondary offering.

This way, the Company is increasing its capital stock within the authorized limit, in R\$ 99.000.000,00, from R\$ 180.000.000,00 to R\$ 279.000.000,00, and from 150,523,635 shares (current quantity) to 162,523,635 shares, of which 54,592,196 are common and 107,931,439 are preferred.

The resources of the primary offering will be part of the funds scheduled to cover the investments detailed in the Strategic Planning 2005/2009, mentioned in the Offering Prospectus.

General Performance

The net consolidated revenue reached R\$ 498,8 million in the first quarter of 2006, up 6.7% from that of the same period in 2005. The total gross revenue, without eliminations, totaled R\$ 704,1, or 0,5% less than the first quarter of 2005. This was caused by a reduction in inter-company sales, which were 15.0% over the total net sales in the first quarter of 2005, and 10.3% in the first quarter of 2006.

The consolidated net profit ended in R\$ 24,4 million, 25,9% down from the 1st quarter of 2005 (R\$ 33,0 million). It is important to note that in this period the Company purchased from the IFC (International Financial Corporation) 801,618 preferred shares issued by its affiliate company Frás-le S.A. at market value. Such an operation generated

a share premium of R\$ 3,0 million recorded in the operating expenses account. With this acquisition, the company increased its share in Fras-le's total shares by 1,17%, from 44,05% to 45,22%.

The gross profit reached 25,8% of the net revenue in the first quarter of 2006 against 28,5% in the same period last year. There was a positive growth rate in relation to the last quarter of 2005, which ended in 24,3%.

The gross consolidated cash (EBITDA) ended in R\$ 70,7 million or 14,2% over the consolidated net revenue, a decrease of 12,3% over the 2005 quarter (R\$ 80,6 million). If compared to the previous quarter (4th Quarter /2005), which ended in R\$ 55,4 million (11,7% over the consolidated net revenue), there was an increase of 27,6%. In other words, the company improved in relation to the last quarter of 2005.

Participation per Company in the Consolidated Net Revenue

COMPANIES	NET REVENUE	INTER COMPANY SALES	CONSOLIDATED NET REVENUE	%
Randon S/A Implem. e Partic.(Controlling)	244.772	8.722	236.050	47,3
Master Sist. Autom. Ltda	59.593	9.409	50.184	10,1
Randon Veículos Ltda	13.808	(20)	13.828	2,9
Fras-Le S.A. (Consolidado)	92.157	3.134	89.023	17,8
Jost do Brasil Ltda	26.464	7.925	18.541	3,7
Suspensys Sist. Autom. Ltda	100.765	28.277	72.488	14,5
Randon Adm. de Consórcios Ltda	9.093	0	9.093	1,8
Randon Argentina S.A.	9.610	0	9.610	1,9
Randon Middle East	61	61	0	0,0
TOTAL:	556.324	57.507	498.817	100,0

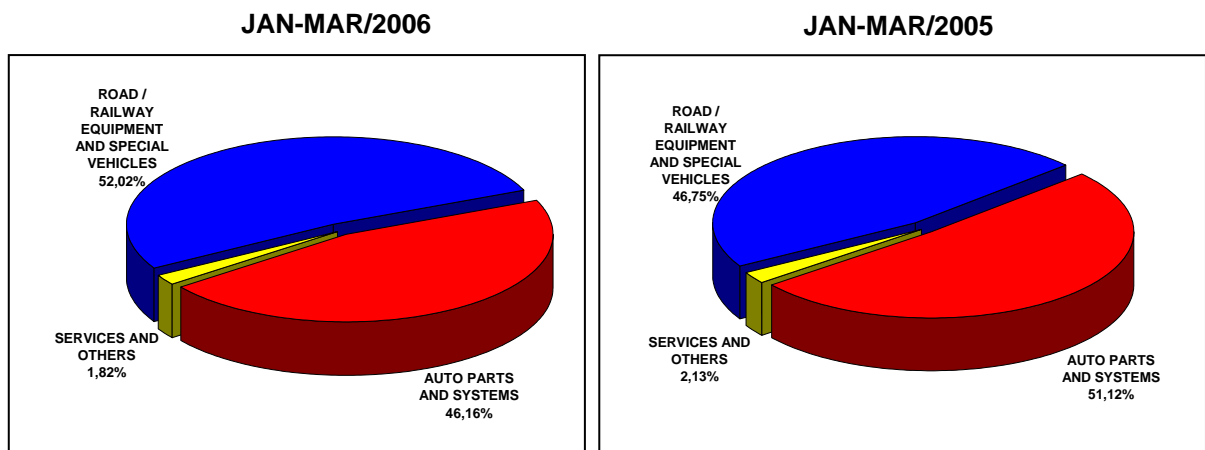
Comparative Performance

Consolidated (In thousands of Reiais)	1 st Quarter 2006	1 st Quarter 2005	Var. %
Total Gross Revenue - without eliminations	704.066	707.475	(0,5)
Total Consolidated Net Revenue	498.817	467.345	6,7
Net Profit	24.428	32.971	(25,9)
Own Operating Profit -EBIT	60.115	71.109	(15,5)
EBITDA	70.660	80.615	(12,3)
Net Financial Indebtedness	137.243	180.683	(24,0)
Net Financial Result (Financial Earnings - Financial Expenses)	(2.033)	(3.213)	36,7
Overhead Expenses	(60.943)	(56.048)	8,7

According to ANFAVEA's letter of April 2006 (National Association of Vehicle Manufacturers), the national production of trucks decreased by 12,3% in the quarter results. Sales dropped by 15,0% in the domestic market, while exports increased by 4,9%. This caused a decline in the demand of auto parts and systems for the OEM companies. The same effect was not produced in the area of trailers and semi-trailers, which showed two important and positive indicators of growth during the period: the net earnings of Randon implementos grew by 20,6% against the first quarter of 2005 and, more importantly, the volume of new orders for delivery in the second quarter, which grew by 11% in the quarter comparative results. In physical volume, 29% belongs to the family of dry cargo. In monetary terms, these farming products represented 14% over the total gross sales of the controlling company Randon S/A Implementos e Participações. Another important achievement during the period was the volume of semi-trailers exported, which reached 636 units, an increase of 4,6% over the same period in 2005. Considering that the exchange rate in the beginning of the period was quoted at 2,3407 Reais and ended the quarter in 2,1724 Reais, this indicator shows the capacity of the company to handle the

exchange rate issue in this segment, where sales are made to order and prices are negotiated case by case. In the segment of auto parts and systems, the effect of the exchange rate was adverse in export earnings due to a larger share of export values in the total earnings and a larger volume of orders, restricting the periodicity of price adjustments. This caused a change in the distribution of the consolidated revenue among the different business segments, if compared to the first quarter of 2005, reducing the participation of the auto parts segment in the sales of the company. The railway sector also had positive performance with the delivery of 313 railway complete wagons, of which 285 are of the hopper type and 28 are tank wagons for the transport of fuel and/or vegetal oils.

Revenue Breakdown per Segment



Sales in Physical Units

SEGMENTS	Jan-Mar/2006	Jan-Mar/2005	Δ %
Road Equipment (trailers / semi-trailers)	3.563	3.445	3,4
Special vehicles	74	74	(79,7)
Off-road trucks	11	41	(73,2)
Backhoe Loaders	63	33	90,9
Brakes	105.142	126.799	(17,1)
Fras-le Friction Materials (Ton.)	11.970	13.480	(11,2)
Fifth-wheels	8.029	10.329	(22,3)
Landing Gears	5.726	6.916	(17,2)
Hubs / Drums	39.485	40.503	(2,5)
Suspensions	10.961	12.090	(9,3)
Railway Wagons	313	134	133,6

Exports

The consolidated sales for the foreign market totaled US\$ 41,8 million, representing an increase of 22.6% when compared to the first quarter of 2005.

Exports per Company – US\$ 1.000

COMPANIES	Mar/2006	Mar/2005	Δ %
Randon S/A Impl. e Partic.	14.279	10.697	33,5
Master	6.875	5.599	22,8
Randon Veículos	696	660	5,5
Jost	640	369	73,4
Fras-le	16.166	15.139	6,8
Suspensys	3.141	1.637	91,9
TOTAL:	41.797	34.101	22,6

Financial Information

The net banking indebtedness ended the quarter in R\$ 137,2 million, a significant reduction when compared to the first quarter of 2005 (R\$ 180,7 million), equivalent to 7 months of EBITDA in the last 12 months.

Investments

Investments of R\$ 35,0 million were made during the quarter: R\$ 13,6 million were invested in the acquisition of machines and equipment; R\$ 11,3 million in the expansion of the company's premises (construction of a 18,5 thousand m² new area); R\$ 5,0 million in the purchase of shares issued by our controlled company Fras-le S/A., as previously mentioned in this report, and the remainder of R\$ 5,0 million in tooling, computer hardware, furniture and fixtures, and others.

Capital Market

Performance of Shares

The preferred shares of Randon S.A. Implementos e Participações ended the quarter appreciated by 22,6% and quoted at R\$ 9,38 per share. During this period, 22 million shares were traded in 6,725 trades in Bovespa (São Paulo Stock Exchange). In this period, the Company had an average trade volume of R\$ 3,2 million against R\$ 1,1 million in the same period last year.

Relevant Fact

On February 24, 2006, the following relevant fact was published:

Randon S.A. Implementos e Participações (the "Issuer"), headquartered on Abramo Randon Avenue, 770, Interlagos District, in Caxias do Sul, Rio Grande do Sul, pursuant CVM (Securities Exchange Commission)'s Instruction no. 358, dated January 3, 2002, informs the market that the Issuer and its shareholders who accepted the proposal for primary and secondary public distribution of shares issued by the Issuer (the "Selling Shareholders"), filed an application at CVM – Comissão de Valores Mobiliários on February 23, 2006, for the registration of a Primary Public Offering of Common Shares and Preferred Shares (the "Primary Offering"), and of a Secondary Public Offering of Preferred Shares (the "Secondary Offering"), in conjunction with the Primary Offering (the "Offering"), all nominative, uncertificated, with no par value and issued by the Issuer, under the coordination of Banco Santander Brasil S.A., as follows:

- The Primary Offering's shares will be issued by the Issuer, with its current shareholders having priority right in the subscription of shares of the Primary Offering, as long as they are of the same class and in the same proportion of their respective interest in the capital stock of the Issuer.

- DRAMD Participações e Administração Ltda., the Issuer's controlling shareholder, intends to subscribe shares of the Primary Offering with the purpose of keeping, in the increased capital, the same interest it had in the Issuer's capital before the increase;
- The shares of the Secondary Offering will be offered by shareholders holding preferred shares issued by the Issuer that have already accepted or may accept the proposal of primary and secondary public distribution of the issuer's shares;
- The Offering will be carried out by means of a primary and secondary public distribution on the Brazilian's unregulated over-the-counter market, pursuant CVM's Instruction no. 400, dated December 29, 2003, as amended, and with efforts to place the shares of the Offering abroad, according to Rule 144a and Regulations issued by the Securities and Exchange Commission of the United States of America;
- The price for the placement of the Offering's shares will be established after the bookbuilding procedure (collection of investment intentions) has been completed, according to Article 23, first paragraph, and Article 44, caput, of CVM's Instruction no. 400;
- The terms and conditions detailed in the Offering will be made available to the market by means of a Notice to be published according to Article 54 of CVM's Instruction no. 400;
- The Offering will start only after its respective registration has been granted by CVM –Comissão de Valores Mobiliários.

Investor Relations

In January 2006, Randon Companies were invited to participate in the 10th Latin-American Conference organized by Banco Santander, in Acapulco, Mexico. The theme of the Conference was Economic Prospects in Latin America.

Following the 2006 agenda of corporate events, the Company held, on March 7, the first meeting with the media and guests, occasion on which the company made public the results of 2005.

Caxias do Sul, April 2006.

The Management

Board of Directors

Raul Anselmo Randon – Chairman
 David Abramo Randon - Vice-Chairman
 Ery José Bernardes – Board Member
 João Luiz de Moraes – Board Member
 Ricardo Alves da Conceição – Board Member

Audit Board

Benilda Waschow
 Luiz Fernando Júlio
 Wellington Geraldo Silva
 Werner Bornholdt
 Zulmar Neves

Executive Board

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

Director of Investor Relations

Astor Milton Schmitt

Financial Corporate Manager and Investor Relations
 Geraldo Santa Catharina

Corporate Administrative Manager
 Maria Tereza Casagrande

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