



RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES

INTERIM MANAGEMENT REPORT

1st Quarter 2007

Dear Shareholders,

We present below information concerning the activities of the Company and its affiliates, as well as the summarized financial statements for the quarter ended March 31, 2007.

General Performance

The consolidated net profit of Randon S/A Implementos e Participações reached R\$ 36,0 million in the first quarter of 2007, a rise of 47.3% as compared to the first quarter of 2006, when the consolidated net profit was R\$ 24,4 million. In this same period, the consolidated Net Income grew 10.6%, totaling R\$ 551,9 million. The inter-company total gross income, with taxes and including inter-company transactions, amounted to R\$ 793,2 million. When comparing both quarters, the consolidated gross margin went up by 0.7%, increasing from 25.8% to 26.5% over the consolidated net income. This performance directly reflected into the gross flow generation (EBITDA), which increased from 14.2% over the Net Income in the first quarter of 2006 to 15.5% in the first quarter of 2007, accruing R\$ 85.7 million.

The road equipment (trailers/ semi-trailers) sector delivered a positive performance in all product lines, especially those connected to the agribusiness and bioenergy, more precisely those linked to the sugar-alcohol industry. Reduced interest rates, credit availability, prospects of record crops, demand for products connected to the bioenergy sector, increased production of vehicles, investments in infrastructure and others boosted the sales of trucks and, as a consequence, the sales of road equipment during the period. Purchase orders of road equipment went up by 34% if compared to the first quarter in 2006, showing an unprecedented book order in the history of the company, enough to cover the production of the entire second quarter of 2007. This good performance was shown also in the area of specialty vehicles, which is connected to the sectors of infrastructure, pulp and construction. Sales in this area, in physical units, increased by 50.8% in the first quarter of 2007 as compared to the first quarter of 2006. On the other hand, we did not record a positive performance in the segment of railway cars due to the weak performance of this sector during the period. However, as our production lines are flexible, we diverted our railway production lines to produce other types of trailers/ semi-trailers.

The good performance of the truck industry and OEM companies of road equipment in the domestic market positively affected the demand for auto parts and automotive systems, with practically all components achieving steady growth levels. The foreign market showed variations in its behavior. The adoption of EURO 4 engines did not have a negative impact on the production of American OEM companies, as expected, and the demand for axles, suspension, and components rose above expectations. In Europe, production is growing fast, boosting exports of axles and components for that market as

well during the period. In the Aftermarket, sales declined momentarily due to inventory accommodation in the United States.

As you can see in this report, revenues and sales in physical units increased in all product lines.

Sold Physical Volume (Un.)

SEGMENTS	Jan-Mar/2007	Jan-Mar/2006	Δ %
Road equipment (trailers/ semi-trailers)	4.579	3.563	28,5
Specialty vehicles	92	61	50,8
Off-road trucks	25	15	66,7
Backhoe loaders	67	46	45,7
Brakes (Z-Cam/S-Cam/Quadraulic)	153.048	140.086	9,3
Fras-le friction materials (ton.)	13.493	11.970	12,7
Fifth-wheels	9.324	8.029	16,1
Landing Gears	7.246	5.726	26,5
Hubs/ drums	46.474	39.485	17,7
Suspensions	15.159	10.961	38,3
Railway wagons	0	313	(100,0)

Exports

The consolidated sales for the foreign market totaled US\$ 46,8 million, representing a growth rate of 12.1% in relation to the same quarter in 2006. The current exchange rates do not affect the company's prospects for exports of US\$ 230 million during the period, considering the business opportunities that are opening up in the foreign market.

Exports by Company

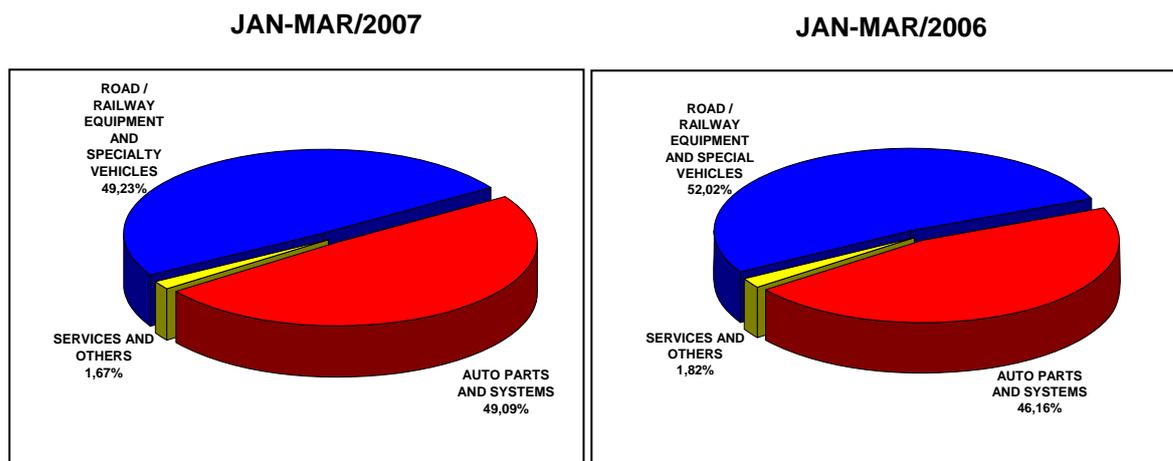
COMPANIES	Mar/2007	Mar/2006	Δ %
Randon S.A. Implementos e Participações	17.313	14.279	21,2
Master	4.605	6.875	(33,0)
Randon Veículos	656	696	(5,7)
Jost	1.062	640	65,9
Fras-le	18.534	16.166	14,6
Suspensys	4.669	3.141	48,6
TOTAL:	46.839	41.797	12,1

Financial-Operating Performance

Net Operating Income

The consolidated net operating income reached R\$ 551,9 million in the first quarter of 2007, an increase of 10,6% in relation to the same period last year (R\$ 498,8 million).

Consolidated Net Income Distribution by Segment



Participation by Company in the Consolidated Net Income

The expectations for reduced inter-company sales, announced in our last annual report, were not realized in the period and represented 11.6% of the income total. Mix variations do not allow us to make an accurate forecast about this indicator.

COMPANIES	NET INCOME	INTER-COMPANY SALES	CONSOLIDATED NET INCOME	%
Randon S.A. Impl. e Participações (Parent Company)	252.412	13.237	239.175	43,3
Master Sist. Automotivos Ltda	62.164	11.826	50.338	9,1
Randon Veículos Ltda	20.694	(1)	20.695	3,8
Fras-Le S.A. (Consolidated)	103.638	3.751	99.887	18,1
Jost Brasil Sistemas Automotivos Ltda	32.391	9.348	23.043	4,2
Suspensys Sistemas Automotivos Ltda	131.701	34.013	97.688	17,7
Randon Administradora de Consórcios Ltda	9.234	0	9.234	1,7
Randon Argentina S.A.	11.848	0	11.848	2,1
Randon Middle East	80	80	0	0,0
Randon Automotive Pty Ltd.	226	226	0	0,0
TOTAL:	624.388	72.480	551.908	100,0

Cost of Sold Products

The cost of sold products represented 73,5% of the consolidated net operating income and reached R\$ 405,5 million in the first quarter of 2007, a reduction of 0.7% over the R\$ 370,3 million reported in the same period in 2006, which represented 74.2% of the consolidated net operating income in that period.

Gross Profit

The gross profit reached R\$ 146,4 million in the first quarter of 2007, 26.5% of the consolidated net income, representing an increase of 14.0% in relation to the same period in 2006, when profit reached R\$ 128,5 million, 25.8% of the consolidated net income. The appreciation of the Real against the dollar in exports, compared to the same period in the previous year, (average exchange rate of R\$ 2,1068 in the first quarter of 2007 against R\$ 2,1886 in the same period in 2006), which negatively impacted the margins, was offset by an increase in imports, which remained in US\$ 18,2 million in the period, against R\$ 13,7 million in the same period in 2006.

Operating Expenses (Administrative/ Commercial/ Others)

The operating expenses in the first quarter of 2007 totaled R\$ 72,9 million, an increase of 6,6% in relation to the same period in 2006, when the operating expenses reached R\$ 68,4 million. The operating expenses represented 13.4% of the consolidated net income in the first quarter of 2007, against 13.7% in the same period in 2006. It is worth noting that a share premium expense in the value of R\$ 3.0 million was recorded in

the first quarter of 2006. Such expense refers to the purchase of shares issued by our controlled company Fras-le. In the first quarter of 2007, expenses related to warranties, commissions and freight abroad increased in the period due to an increased volume of business.

Operating Profit before Financial Expenses (EBIT)

The EBIT achieved R\$ 73,5 million in the first quarter of 2007, which represents 13.3% of the consolidated net income, against R\$ 60.1 million in the same period in 2006, which represents 12.1% of the consolidated net income. The increase in operating expenses contributed to a slight decline in the performance of this indicator.

Net Financial Result

The net financial result was R\$ 2,1 million negative in the first quarter of 2007 (R\$ 2,0 million negative in the same period in 2006). This negative result was primarily caused by assets in dollars, such as customers and investments abroad, which exceeded the liabilities in dollars. Hedge transactions such as “forward” and “zero cost collar” mitigated the exchange impact and are part of the Company’s financial policy.

Non-Operating Result

In the first quarter of 2007, the non-operating result was positive in R\$ 5,6 million against an also positive result of R\$ 0,2 thousand in the same period in 2006. This value is basically due to the disposal of Fras-le’s assets (piece of land in the old headquarters of the company in Caxias do Sul).

Income tax and social contribution

The income tax and social contribution reached R\$ 24,2 million in this quarter (R\$ 21,6 million in the same period in 2006) for a profit (before income tax) of R\$ 77,1 million (R\$ 58,3 million in the same period in 2006).

Net Result

The net result reached R\$ 36,0 million (R\$ 0,22 per share), which is 47,3% higher if compared to the profit of R\$ 24,4 million in the same quarter in 2006 (R\$ 0,16 per share).

Gross Cash Flow Generation (EBITDA)

The EBITDA showed a growth rate of 21,3% in the first quarter of 2007, compared to the same period in the previous year, reaching R\$ 85,7 million. The EBITDA participation in the consolidated net income reached 15.5%, improving its performance in relation to the 14.2% reached in the first quarter of 2006.

Liquidity and Indebtedness

The consolidated net indebtedness reached at the end of March 2007 the amount of R\$ 65,3 million (R\$ 60,4 million in December 2006 and R\$ 137,2 million in March 2006). The last 12 months ratio between this value and the EBITDA was 0,21 or 2,5 months in March 2007). It is worth mentioning that the inflow of resources from the primary public offering of shares (R\$ 99 million) took place after the first quarter of 2006.

Comparative Performance

Main Indicators (in thousands of Reais)	1st Quarter 2007	1st Quarter 2006	Var. %
Total Gross Revenue - without eliminations	793.221	704.066	12,7
Consolidated Net Revenue	551.908	498.817	10,6
Consolidated Gross Profit	146.405	128.467	14,0
Consolidated Net Profit	35.993	24.428	47,3
Own Operating Profit (EBIT) - Consolidated	73.527	60.115	22,3
Consolidated EBITDA	85.720	70.660	21,3
Consolidated Net Financial Indebtedness	65.272	137.243	(52,4)
Consolidated Net Financial Result (Financial Earnings - Financial Expenses)	(2.077)	(2.033)	(2,2)
Consolidated Administrative and Commercial Expenses	69.118	60.943	13,4
Consolidated Profit per Share (In Reais)	0,22	0,16	37,5

Investments

R\$ 41,8 million in investments were recorded in the quarter, of which R\$ 21,5 million was invested in the acquisition of machines and equipment, R\$ 8,3 million in the expansion of facilities and R\$ 6,7 million in land. The remainder R\$ 5,3 million was invested in tool, hardware, furniture and fixtures and other investments.

Stock Market

Share Performance

The preferred shares of Randon S.A. Implementos e Participações ended the quarter appreciated by 31,2% and quoted at R\$ 12,60 per share. 25 million preferred shares were negotiated in the period, in 11,187 trades in the spot market of BOVESPA (São Paulo Stock Market). In this period, the Company recorded an average daily volume of trades of R\$ 4,6 million against R\$ 3,2 million in the same period in 2006.

Investor Relations

In January 2007, Randon Companies were invited to attend the 11th Latin-American Conference promoted by Banco Santander. The event took place in Acapulco, Mexico, and the theme discussed was the economic prospects for Latin America.

According to the 2006 corporate events and within our transparency policy, the Company promoted the 5th meeting with the media and guests on February 28th, on which occasion the company's results were disclosed.

Caxias do Sul, April 2007.

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

Jessé Souto Amaral
Sérgio Ricardo Miranda Nazaré
Werner Bornholdt
Zulmar Neves

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