



RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES INTERIM MANAGEMENT REPORT 2nd 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 June 30, 2007.

Overall Performance

Randon Companies have recently achieved a number of important milestones that combine successive positive records in their results with the sustained growth of their operations. As we look at these positive signs, we see the fast domestic economic growth and the international favorable scenario – added of our permanent pursuit of excellence – as the main triggers of this strong performance.

Cargo transportation and logistics are present in most economic sectors and Randon directly benefits from their growth, whether specifically or globally, as a result of its broad range of products and markets – one of the most complete in its industry area in the world.

We have worked hard to take advantage of the opportunities that arose, whether by investing in the modernization and expansion of our industrial park along with the technological development of products and processes, or by seeking new markets. All these actions have been very successful and have resulted in efficiency and profitability gains that reflect in the quarterly performance indicators presented in this report.

Randon S.A.- Implementos e Participações generated in the second quarter of 2007 a consolidated net profit of R\$ 47,4 million, an impressive growth rate of 28,6% over that of the second quarter of 2006. If we consider the accrued result during the first half of the year, this profit margin is even higher: 36,1% or R\$ 83,4 million, reflecting the upward curve of market demand. The consolidated net income reached R\$ 636,5 million during the quarter and R\$ 1,19 billion during the first half of the year, 19,7% and 15,3% higher than that of the same period in 2006, respectively. The total gross income before consolidation totaled R\$ 1,69 billion during the first half, a growth rate of 17.1% as compared to that of the same period last year. The consolidated EBITDA grew 29.2% in the quarter, reaching R\$ 102,3 million, and 25,5% in the first half of the year, totaling R\$ 188,1 million. This EBITDA growth margin from 14.5% to 15.8%, and the growth of the gross margin from 25.99% to 26.83% in the first half, compared to last year, is attributable to our company-wide focus on cost control, prices, exchange rate and economies of scale provided by a high production level during the period. The cash generation surpassed our expectations and allowed us to continue investing while keeping low leverage. The consolidated net indebtedness reached R\$ 83,3 million on June 30, 2007, three months in relation to the EBITDA of the last 12 months.

As we can see below, the company's revenue and unit sales increased in all product lines.

Unit Sales Volume

| SEGMENTS | 2nd Quarter 2007 | 2nd Quarter 2006 | 2nd Quarter 2005 | 2nd Quarter 2004 | 2nd Quarter 2003 | Jan-Jun 2007 | Jan-Jun 2006 | Δ % | Jan-Jun 2007 x Jan-Jun 2006 |
|--|------------------|------------------|------------------|------------------|------------------|--------------|--------------|-----|-----------------------------|
| Road Equipment (trailers/ semi-trailers) | 5.228 | 3.709 | 3.905 | 3.676 | 3.165 | 9.807 | 7.272 | | 34,9 |
| Specialty Vehicles | 99 | 63 | 74 | 60 | 35 | 191 | 118 | | 61,9 |
| Brakes (Z-Cam /S-Cam/ Quadraulic) | 170.316 | 153.859 | 135.275 | 102.236 | 83.219 | 323.364 | 293.945 | | 10,0 |
| Fras-le Friction materials (Ton.) | 14.334 | 14.091 | 13.960 | 13.283 | 10.978 | 27.827 | 26.061 | | 6,8 |
| Fifth-wheel | 11.894 | 8.930 | 9.487 | 10.492 | 5.961 | 21.218 | 16.959 | | 25,1 |
| Landing Gear | 8.606 | 5.793 | 6.031 | 7.527 | 4.785 | 15.852 | 11.519 | | 37,6 |
| Hub/ Drums | 50.703 | 40.043 | 50.482 | 37.749 | 30.004 | 97.177 | 79.528 | | 22,2 |
| Suspensions | 16.518 | 11.316 | 13.968 | 11.738 | 8.011 | 31.677 | 22.277 | | 42,2 |
| Rail cars | 0 | 268 | 28 | 30 | 0 | 0 | 581 | | (100,0) |

Exports

The consolidated exports of this second quarter totaled US\$ 54,2 million (US\$ 58.8 million in the same quarter of 2006), accruing to US\$ 101,1 million in the first half of 2007. In the auto parts sector, we specially highlight the performance of our affiliate company Suspensys, which doubled its sales of axles and suspensions for the foreign market in relation to the first quarter of 2006. The sales of friction materials and brakes for the foreign market remained below our expectation due to a decline in the sales for the United States and Canada, resulting from an inventory adjustment already mentioned in the first quarter report. The sector of road equipment experienced a decline of 12% in relation to the same quarter of 2006 due to the re-scheduling of some relevant purchase orders for the second quarter. This re-scheduling aimed at optimizing the utilization of our production lines. The current market conditions show that we will be able to meet the goals we have established for this business period.

Company's Exports

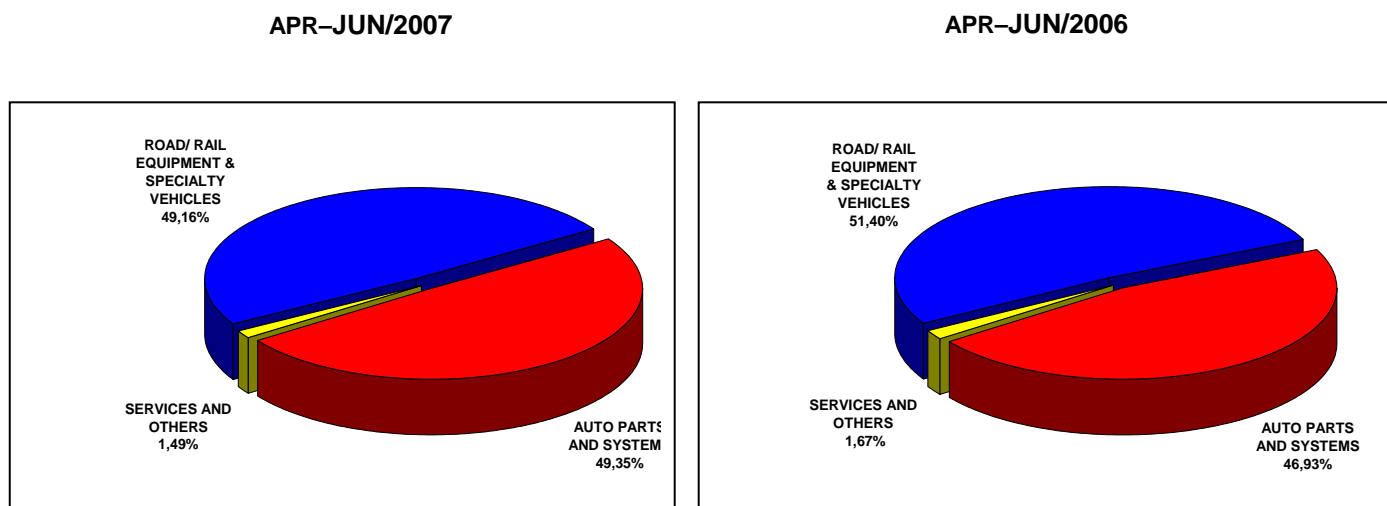
| COMPANIES | 2nd Quarter 2007 | 2nd Quarter 2006 | 2nd Quarter 2005 | 2nd Quarter 2004 | 2nd Quarter 2003 | Jan-Jun 2007 | Jan-Jun 2006 | Δ % | Jan-Jun 2007 x Jan-Jun 2006 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|-----|-----------------------------|
| Randon S.A. Impl. e Partic. | 22.093 | 25.087 | 15.966 | 8.943 | 5.518 | 39.406 | 39.366 | | 0,1 |
| Master | 5.152 | 9.527 | 7.122 | 3.348 | 1.576 | 9.757 | 16.402 | | (40,5) |
| Randon Veículos | 590 | 664 | 1.086 | 650 | 425 | 1.246 | 1.360 | | (8,4) |
| Jost | 2.019 | 825 | 406 | 391 | 85 | 3.081 | 1.465 | | 110,3 |
| Fras-le | 19.575 | 20.303 | 17.182 | 15.188 | 11.840 | 38.109 | 36.469 | | 4,5 |
| Suspensys | 4.809 | 2.352 | 1.751 | 2.007 | 586 | 9.478 | 5.493 | | 72,5 |
| TOTAL: | 54.238 | 58.758 | 43.513 | 30.527 | 20.030 | 101.078 | 100.555 | | 0,5 |

Financial Operating Performance

Net Operating Revenue

The consolidated net operating revenue reached R\$ 636,5 million in the second quarter of 2007, an increase of 19.7% as compared to the same period last year (R\$ 531,9 million). The sales of auto parts also experienced an increase, driven by sales growth in our affiliate companies Suspensys and Jost.

Consolidated Net Income Distribution by Segment



Participation by Company in the Consolidated Net Income

Inter-company sales accounted for 9.9% of the total sales in the second quarter of 2007 (10.6% in the same quarter in 2006), according to the chart below:

| COMPANIES | NET SALES | INTER-COMPANY SALES | CONSOLIDATED NET SALES | % |
|--|----------------|---------------------|------------------------|---------------|
| Randon S.A. Impl. e Participações (Parent Co.) | 289.403 | 10.181 | 279.222 | 43,87 |
| Master Sist. Automotivos Ltda | 72.080 | 12.774 | 59.306 | 9,32 |
| Randon Veículos Ltda | 22.568 | (8) | 22.576 | 3,55 |
| Fras-Le S.A. (Consolidated) | 111.666 | 2.624 | 109.042 | 17,13 |
| Jost Brasil Sistemas Automotivos Ltda | 40.050 | 9.282 | 30.768 | 4,83 |
| Suspensys Sistemas Automotivos Ltda | 150.012 | 35.007 | 115.005 | 18,07 |
| Randon Administradora de Consórcios Ltda | 9.466 | 0 | 9.466 | 1,49 |
| Randon Argentina S.A. | 11.151 | 0 | 11.151 | 1,75 |
| Randon Middle East | 172 | 172 | 0 | 0,00 |
| Randon Automotive Pty Ltd. | 271 | 271 | 0 | 0,00 |
| TOTAL: | 706.839 | 70.303 | 636.536 | 100,00 |

Cost of Products Products

The cost of products sold accounted for 72.9% of the consolidated net operating revenue and reached R\$ 464.1 million in the second quarter of 2007 (R\$ 392.4 million in the same period of 2006), a decrease of 0.9 percentage points in terms of participation in the consolidated net revenue of the second quarter of 2007, as compared to the same quarter of the prior year. In the first half of the year, the cost of products sold represented 73.2% of the consolidated net revenue and ended at R\$ 869.6 million, 0.8% lower than that of the first half of 2006.

Gross Profit

The gross profit reached R\$ 172,4 million in the second quarter of 2007, 27.1% of the consolidated net revenue, an increase of 23.7% as compared to the same period of 2006, when profit reached R\$ 139.4 million, 26.2% of the consolidated net revenue. In the first half of the year the gross profit totaled R\$ 318.8 million and represented 26.8% of the consolidated net sales. These positive figures resulted from a combination of factors such as cost control in general, price stability of some important raw-materials, and dilution of fixed costs as a result of increased unit sales

Operating Expenses (Administrative/ Commercial and Others)

The operating expenses in the second quarter of 2007 totaled R\$ 82.7 million, an increase of 16.6% in relation to the same period of 2006, which reported R\$ 71.0 million in operating expenses. These expenses accounted for 13.0% of the consolidated net revenue in the second quarter of 2007 against 13.3% in the same period of 2006. In this first half of 2007, these expenses totaled R\$ 155.6 million, 13.1% over the consolidated net revenue of the period. Expenses with commissions, freights abroad, and profit sharing increased during the period due to the growth of sales and other indicators. In the second quarter of 2006, as we recall, accounts were reclassified: in the first quarter of 2007, they were reported as non-operating incomes, while in the second quarter of 2007 they were reported as operating incomes, causing a positive result in the second quarter of 2006.

Operating Profit Before Financial Expenses (EBIT)

The EBIT reached R\$ 89,7 million in the second quarter of 2007, 14.1% of the consolidated net revenue, against R\$ 68.5 million in the same period of 2006, or 12.9% of the consolidated net revenue. In the first six months of 2007, the EBIT totaled R\$ 163.2 million, 13.7% over the consolidated net revenue of the same period.

Net Financial Result

The net financial result in the second quarter of 2007 was practically inexistent: R\$ minus 0.03 thousand (minus R\$ 2.1 million in the same period of 2006). In the first half of 2007, the net financial result ended at minus R\$ 2.1 million, a 48.7% variation in relation to the first half of 2006, which ended at minus R\$ 4.1 million. Exchange hedge operations such as “forward” and “zero cost collar” contributed to a reduced exchange impact in both, assets (such as customers and investments abroad) and liabilities (loans in foreign currency).

Non-Operating Result

In the second quarter of 2007, the non-operating result was negative in R\$ 0.9 thousand against R\$ 0.1 thousand positive in the same period of 2007. This quarter value is attributable not only to the reclassification of accounts in the operating expenses, which is mentioned above, but to expenses reported as insurance as well. In the first six months of the year, this result reached R\$ 4.7 million due mainly to the sale of an asset belonging to our affiliate company Fras-le, as mentioned in the 2007 first quarter report.

Income Tax and Social Contribution

Income tax and social contribution reached R\$ 20,5 million in the second quarter of 2007 (R\$ 13.2 million in the same period of 2006) for a profit before income tax of R\$ 88.7 million (R\$ 66.5 million in the same period of 2006). In the first six months of 2007, income tax and social contribution totaled R\$ 44.7 million for a profit before income tax of R\$ 165.8 million.

Net Result

The net result reached R\$ 47,4 million (R\$ 0.30 per share), 28.6% higher if compared to the profit of R\$ 36.9 million in the same quarter of 2006 (R\$ 0.23 per share). In the first six months of 2007, the net result totaled R\$ 83.4 million (R\$ 0.52 per share) against R\$ 61.3 million in the same quarter of the previous year, representing a variation of 36.1% in the compared half.

Gross Cash Generation (EBITDA)

In the second quarter of 2007, the EBITDA grew 29.3% in relation to the amount generated in the same period last year, reaching R\$ 102,4 million. The EBITDA margin reached 16.1% against 14.9% in the second quarter of 2006. In the first six months of 2007, EBITDA reached 188.1 million, 15.8% of EBITDA margin, a growth rate of 25.5% as compared to the second quarter of 2006, when EBITDA reached R\$ 149.9 million or 14.5% over the consolidated net revenue.

Liquidity and Indebtedness

At the end of June 2007, the consolidated net indebtedness reached R\$ 83.3 million (R\$ 65.3 million in March 2007 and R\$ 62.9 million in June 2006). The ratio between this June 2007 value and the EBITDA of the last 12 months reached 0.25, or three months.

Comparative Performance

| Consolidated Indicators (R\$ 1.000) | 2nd Quarter 2007 | 2nd Quarter 2006 | 2nd Quarter 2005 | 2nd Quarter 2004 | 2nd Quarter 2003 | Jan-Jun 2007 | Jan-Jun 2006 | Δ % |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------|---------------------|------------|
| Total Gross Revenue - Without eliminations | 901.061 | 742.838 | 751.426 | 561.972 | 384.194 | 1.694.281 | 1.446.904 | 17,1 |
| Total Consolidated Net Revenue | 636.536 | 531.886 | 510.465 | 401.433 | 277.173 | 1.188.444 | 1.030.703 | 15,3 |
| Consolidated Gross Profit | 172.443 | 139.449 | 125.307 | 139.985 | 79.012 | 318.848 | 267.916 | 19,0 |
| Consolidated Net Profit | 47.411 | 36.863 | 35.205 | 36.083 | 12.662 | 83.404 | 61.291 | 36,1 |
| On Operating Profit (EBIT) - Consolidated | 89.698 | 68.461 | 52.824 | 70.366 | 32.050 | 163.225 | 128.576 | 26,9 |
| Consolidated EBITDA | 102.378 | 79.196 | 62.931 | 78.737 | 38.572 | 188.098 | 149.856 | 25,5 |
| Consolidated Net Financial Indebtedness | - | - | - | - | - | 83.289 | 62.935 | 32,3 |
| Consolidated Net Financial Result | (35) | (2.087) | 7.793 | (2.533) | (1.827) | (2.112) | (4.120) | 48,7 |
| Consolidated Administrative and Commercial Expenses | (76.317) | (71.749) | (67.779) | (61.740) | (46.466) | (145.435) | (132.692) | 9,6 |
| Consolidated Profit per Share (In reais) | 0,29590 | 0,22682 | 0,23388 | 0,23972 | 0,00008 | 0,52055 | 0,37712 | 38,0 |

Investments

In the period April-June 2007, the Company delivered R\$ 34.5 million in consolidated investments against R\$ 28.8 million in the same period of 2006. The investments were mostly concentrated in the expansion of facilities, construction of buildings, purchase of machines and equipment, improvement of productive processes, and payment of capital in its affiliate *Castertech Fundição e Tecnologia Ltda.* The investments made in the second quarter, along with those made in the first quarter, are broken down by company, as follows:

Participation by Company in the Consolidated Net Income

| COMPANY | Reais Mil | |
|---------------------------------------|---------------------|-------------------|
| | 2nd Quarter 2007 | Jan - Jun 2007 |
| RANDON S.A. IMPL. E PARTIC. MASTER | 24.075 | 52.540 |
| CONSÓRCIO | 1.913 | 6.607 |
| SUSPENSYS | 293 | 687 |
| RANDON VEÍCULOS | 1.530 | 3.460 |
| JOST | 18 | 153 |
| FRAS-LE | 550 | 804 |
| RANDON ARGENTINA | 5.063 | 8.186 |
| CASTERTECH | 113 | 208 |
| RANDON AUTOMOTIVE | 952 | 3.669 |
| RANDON MIDDLE EAST | 0 | 2 |
| TOTAL | 0 | 0 |
| | 34.507 | 76.316 |

Stock Market

Performance of Shares

The preferred shares of Randon S.A.- Implementos e Participações for the period January-June 2007 appreciated by 79.2% and were quoted at R\$ 17.20 per share. 46,9 million preferred shares were traded during this period in 23,893 trades in the spot market of Bovespa (São Paulo Stock Exchange). In this period, the Company reported an average daily volume of trades of R\$ 4,9 million against R\$ 3.4 million in the same period of 2006.

Dividends and Interest Rate over Capital

On April 24, 2007, the Company credited dividends in the value of R\$ 11.904.514,80 relative to the fiscal period ended December 31, 2006, as deliberated by the Ordinary General Assembly held on April 13, 2007. The dividends corresponded to the value of R\$ R\$ 0,07370138 per common and preferred share and were paid to the shareholders holding these type of shares on the date of the referred Ordinary General Assembly.

The Board of Directors Meeting held on June 18, 2006, according to minutes written up on that date, decided to pay interest on capital relative to the period January-June 2007. The value credited and paid was R\$ 16.687.867,35, or R\$ 0,10380 per common and preferred share. The credit was made on July 25, 2007 to all shareholders holding these types of shares on the date of the meeting. Such value may be allocated to the dividends of the fiscal period to be ended December 31, 2007, according to a decision to be made by the shareholders at the next Ordinary General Assembly.

Acquisition of Company's Shares

As approved in the minutes to the Board of Directors Meeting held on April 26, 2007, and Relevant Fact published on April 27, 2007, the Company began a process of shares acquisition of its own issuance to be kept in treasury until future sale or cancellation. On that occasion, an authorization was given to buy up to 1,300,000 preferred shares within a maximum period of 180 days. The purchases began on May 11, 2007 at an average price of R\$ 15.98 per share, totaling R\$ 20,8 million for the Company. Such acquisition was an

investment opportunity for the Company, considering the current quotation of preferred shares at the Stock Exchange and the good practices of corporate governance.

Highlights of the Quarter

- ✓ Non-Deal Road Show in the United States and Europe (May-June 2007);
- ✓ Abrasca Award – Highlight among companies that have had the best Return on Investment for their shareholders in their market sectors/ 2006;
- ✓ Randon, the number one company in a group with the 100 Most Traded Shares (IBrX100/Bovespa) at the end of the first five months of the year;
- ✓ Visit of Apimec Sul analysts to the premises of Randon Companies.

Caxias do Sul, July 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 Director

Raul Anselmo Randon – President Director
Alexandre Randon – Vice-President Director
Astor Milton Schmitt - Director
Erino Tonon – Director

Investor Relations Director

Astor Milton Schmitt

Holding Division Finance Director
Geraldo Santa Catharina

Corporate Administrative Manager
Maria Tereza Casagrande

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