

Operator:

Good morning, ladies and gentlemen. Thank you for standing by. I would like to welcome you to Randon's conference call regarding the results of the 4Q10. Today with us we have Mr. Geraldo Santa Catharina, Holding Division Finance Director, and Hemerson Fernando de Souza, Investor Relations Executive.

We would like to inform you that this call is going to be recorded, and during Company's presentation all participants are going to be in listen-only mode. Afterwards we are going to start our Q&A session for analysts and investors only, when further information is going to be provided. Should you need any assistance during the call, please press *0 to reach the operator.

The audio and the presentation are being simultaneously broadcast at www.randon.com.br/ir.

We would also like to clarify that any forward looking statements made during the conference call relative to Randon's business outlook, projections, and operating and financial goals are the management's premises and assumptions, and rely on information currently available. They involve risks, uncertainties, and assumptions, because they relate to future events and therefore depend on circumstances that may or not happen in the future. Investors should understand that the general economic conditions and other operating factors may also affect the future results of Randon and cause results that differ materially from those expressed in such forward-looking statements.

I will now turn the conference over to Mr. Geraldo Santa Catharina that will start the presentation. Please, Mr. Catharina, you may go on.

Geraldo Santa Catharina:

Good morning, ladies and gentlemen. It is a pleasure to have you here in this conference call, where we are going to release the results of Randon in the 4Q and the year of 2010. We have here Hemerson Fernando Souza, who is our Investor Relations Executive that is going to be with us throughout the event.

As usual we are going to show the highlights of the period, and overview of the market, the operating performance of the Company for the 4Q10, the behavior of the capital's market, and we are going to close with the Company's prospect for the next year.

In order to facilitate and simplify the understanding of Randon businesses that evolved in recent years, I would like to highlight that since the beginning of 2010 the Company started to report its results more focused to each production segment. Because of this we changed the category of products and the counting of units calculated. The adjusted history can be seen in Randon's website, at www.randon.com.br/ir. We are also available for any further clarifications that you may request, and for your questions at the end of the presentation.

Our consolidated results of 2010 in comparison to 2009 are already adjusted to the norms of IFRS. Data in the 4Q in IFRS is being compared to data of the 4Q09 in IFRS. So, before the publication of the 1Q we are going to present the three remaining quarters of 2010 in IFRS. Adjustments are going to be reported, as I mentioned, in the publication of the 1Q, as per CVM instruction.

So, starting the presentation that you can follow on slide four, we can see the highlights of the period. The gross revenues in the 4Q added R\$1.51 billion, a growth of 40.6% compared to the same period of 2009, and the year comparison gross revenues added to R\$1.59 billion, an increase of 51% compared to the year of 2009.

Net income consolidated in the period totaled R\$1.03 billion, with a growth of 44.2% in the comparison quarter on quarter, mainly associated to the continuous heat up of demand. Exports added to US\$240 million in the year of 2010, a growth of 46.5% compared to the year of 2009.

As for the margins reached by the Company, we got to the end of the period with gross margin of 24.4% against 22.7% reached in 2009. EBITDA margin went from 12% in 2009 to 14.6% at the end of the period of 2010. EBITDA added up to R\$541 billion, with a growth of 82% in the year comparison.

Net income in 2010 recorded relevant increase of 84.6% compared to the year of 2009, totaling R\$249.5 million. You see that the numbers of results as a whole excelled the growth of revenues that improved substantially in terms of comparative performance.

As for investments, we accounted for R\$190.5 million in 2010, going back to the Company's history levels. In the quarterly comparison, we have R\$73 million in the 4Q, against R\$36 million recorded in the same period of the previous year. The highlight should be the capital's market, where the average volume of stocks traded by Randon was 6.8 million, with a valuation of 20.25% in the period. In the quarter, the volume of RAPT4 was 10 million. We are going to go in detail each of the indicators in the presentation.

But I would like you all to go to slide number five, where we are going to show you an overview of the market. In this last period we intensified what has been going on in the other quarters of the year, representing a good growth, with a growth of our GDP that was quite substantial. The reflex of this indicator is a continuous increase of our sales, especially in the domestic market. Today the domestic market is the main source of our sales and of our subsidiaries.

In absolute numbers, 2010 was a year of records in trucks manufactured, sales, and results. The production of trucks was 191,321 units in the year of 2010, a growth of 54.7% compared to 2009. Highlight would be the production of wagons that had the largest number in Randon's history, 191% above that of 2009. Fiscal incentives and special conditions for financing were part of the pillars that supported Randon's continuous increase in sales in the year of 2010. IP taxes, financial conditions through the BNDES were extended until December 31st, 2011, giving us a very good outlook to increase our sales in 2011 as well, and we will certainly talk more about this topic by the end of the presentation.

Going now to our operating performance on slide six, we present our units sold. As you can see the consolidation of 2010, we had consistent growth in all segments. The main highlight of the period was the sale of 989 trailers that gave to Randon a market share close to 30%. Total production of trailers is expected to 3,300 units, 200% above those of 2009, according to data available in the quarter.

Going to slide number seven, we have our distribution of sales by line of business, where we can see an increase in our vehicles and trailers, with 55.89%, a result of a very heated up demand. The importance of this segment affects our consolidated

margins; on the other hand we have the benefits in our net margin, since the units of the semitrailers and special vehicles are 100% property of the controlling Company, differently from the autoparts segment, where we have a 50% to our minority partners.

This is an observation that historically we know that the autoparts segment have had margins above the margins of vehicles and trailers. They are both good, but this is the highlight of the autoparts segment, especially to take into consideration volume and scale.

As for the autoparts, revenue is growing because of the increase in sales of trailers and trucks. 70% of our sales were directed to OEM, and in financial services the institution has its function of supporting sales to financing providers of Randon. At present we have 7,687 quotas of consortium, 13.4% above the 6,776 quotas of the year of 2009.

Going to slide number eight, we are going to show our exports. Basically the external market resumed orders of products, and in the 4Q consolidated sales to abroad had an increase of 29.1% compared to the same period of 2009, adding up to US\$60.1 million. As for the comparison, there was an increase of 46.5%, totaling US\$240 million in 2010, against US\$164 million in 2009. Of course that we have to take into consideration the behavior of our exchange rate.

On slide nine we have our total gross revenue that reached R\$1.51 billion in the 4Q10, with a growth of 40.6% when compared to the same period of last year, and consolidated numbers of 2010, total gross revenue was R\$5.594 billion against R\$3.703 billion of last year, with a growth of 51%.

On slide ten we show our consolidated net revenues. In the 4Q10 it added up to R\$1.033 billion, 44.2% above the year of 2009. In the whole of the year of 2010, net revenues added up to R\$3.719 billion, 50.6% above the year of 2009 that added up to R\$2.469 billion.

On slide 11, we have the behavior of our gross profit and gross margin. Gross profit had an increase of 41.5% growth in the 4Q compared to 4Q09, totaling R\$236.4 million in the 4Q09, with 22.9% of gross margin against 23.84%. Yearly we had R\$906.6 million in 2010, an increase of 61.4% compared to the last year, with 24.02% of gross margin.

On slide 12 we show our EBITDA and the EBITDA margin obtained in the period. In the 4Q EBITDA had a growth of 59.4% compared to that obtained in the same period of 2009, reaching R\$140.1 million, compared to the R\$87.8 million of the 4Q09. EBITDA margin closed the 4Q10 at 13.5%, compared to 12.3% of the 4Q09, accounting for a growth of 1.3 p.p.

You have to remember that the results slowly below the previous quarter has to do with the seasonality and increase of the sales in vehicles and trailers that operate with lower margins than the autoparts segment.

In the year comparison total EBITDA was R\$541 million against R\$297.4 million in 2009, accounting for a growth of 82%. EBITDA margin closed the year of 2010 at 14.6%, an increase of 2.6 p.p. compared the 12% of the year of 2009.

Now we are going to slide 13, where we are going to show the net profit attained by the Company. In the 4Q10 reached R\$78.6 million, with a significant growth of 93%

compared to 2009. The percentage of the consolidated net margin was 7.6% against 5.7% in the same quarter of 2009. Accumulated in the year, the net profit was R\$249.5 million against R\$135.2 million in 2009, accounting for a growth 84.6% year on year.

On slide 14 we have a major evolution of the investments of Randon companies as a whole. We accounted for in the 4Q10 R\$79.3 million in consolidated investments against R\$38.6 million in the 4Q09, an important growth of 105.4% quarter on quarter. When we have year-on-year comparison, investments in 2010 totaled R\$190.5 million against R\$123.3 million in 2009, a growth of 54.5% in line with the market demand.

On the next slide, slide 15, we show the evolution of shareholders' equity that closed the year of 2010 R\$1.17 billion, with a growth of 17% compared to 2009. In the last five years, just for you to have an idea, the evolution of shareholders' equity had average growth of 22.19% year on year. Return on equity calculated for the year of 2010 was 25% consolidated against 15% regarding the year of 2009, thus showing a growth of 10 p.p. in the year-on-year comparison, so this is very substantial.

And it is important to remember, for the purpose of calculations we are using the shareholders' equity of the controlling company, discounting the shareholders' equity of the minority partners that went from the account of liabilities to the alignment of shareholders' equity as per the norms of the IFRS. So, we are maintaining the metrics regarding to previous years, comparing consolidated income to the shareholders' equity of the controlling company. Of course you can all have a different assessment of these numbers.

On slide 16, we show the Company's net indebtedness that reached R\$70.9 million in December 2010, equivalent to multiple 0.13 of the EBITDA; in the same period of 2009 the amount was R\$184 million, or 0.61x the EBITDA. This low indebtedness makes us comfortable to continue our expansion for the next years. We are going to better explore that in the Q&A session should you be interested.

In the stock market, with regard to the stock market on slide 17 we can observe that in the annual compass 2009–2010 our preferred share had an increase in 22.2%. On December 31st they were priced at R\$12.2 and in the last day of 2009, R\$10.22. We negotiated 137 million actions preferred shares at the BM&FBovespa. The daily trading volume was 6.8 million against 3.6 million in the previous year; that is 88.9% above that recorded in 2009.

On slide 18 we have our guidance and estimates for the main performance indicators of the Company for the year of 2011. Such projections were validated in Randon's strategic planning for 2011. Our guidance account for a total gross revenue of R\$5.9 billion, consolidated net revenues of R\$3.9 billion, export US\$250 million, imports US\$100 million, and as for investments we expect to allocate an amount of US\$270 million. I am talking about, you know, a plan because of course we have a different accounting schedule and a physical schedule that is receiving the equipment. I would like just to correct myself, investments are R\$270 million and not USD.

Well, finally going to slide 19 we share with you our outlook for the future of Randon. Well, following the market dynamics and considering the indicators announced we believe that Brazil is going to have substantial growth in 2011, thinking of a GDP growth of 4.1% as related at Bacen reports of March 2011, very recent. Another outlook that is very promising for Randon is that Conab assessed the crop of 2010/2011 and is expecting a record of a crop output of 154 million metric tons, with an

increase of 3.4% compared to the last cycle. All the primary sector, mining, agribusiness, have records production levels, which really shows an ascending curve for the segments.

Another positive segment for Randon is our variety of businesses, which generate consolidated balanced results in the long term, which can give safety and good expectations for the community and our shareholders. A highlight should be the Company's record sales, especially in autoparts, heavy trucks, and a growing demand for products and services and the need to expand and modernize the Country's truck fleet because of the transportation of cargo that is very important for the crops and also for civil construction. And so in the period Randon had incomparable levels, 2010 was certainly a year of records for the Company if you consider our absolute numbers. It is also important to highlight the measures announced by the current administration for the financing of vehicles.

We do not expect a relevant impact because these are financing for light vehicles, but there is always some impact. The sale of commercial vehicles should continue at good levels, this is our expectation. As for the production schedule of the OEM, which is used for us to program our production of autoparts, indicates increased sales and sustainability of our businesses.

I would like to remind you that some incentives like the reduction of excise tax, taxes on industrialized goods, vehicles and transportation is going to be in effect until December 2011. These measures coming from the BNDES and it is the third phase of the PSI program, which is the Investment Support Program, with also financing for vehicles until the end of this year.

We also believe that the Country's macro economic indicators are stable; change in administration has not shown much difference in the economy and so we believe that Randon, because of its operational efficiency, experience of management in leadership in the industry, especially after this excellent year of 2010 and based on the advance of the economy with funding available for the Company and for the customer, we really have exceptional conditions to grow and to maintain our excellent results. I will now close my presentation thanking your attention. And we are going to open for questions and answers. And both, Emerson and I, will be available for any doubts you may have. Thank you.

Augusto Einsiki, Morgan Stanley:

Good afternoon. I have two questions, the first is about your guidance. I see here that the growth that you are projecting for your gross profit, about 26%, but the growth of your revenue is below 5%. Why do you have this major difference?

And the second question is about the gross margin of the 4Q, it is below the whole of the year and also of previous years, so I would like to know what was the major driver of this drop and if that should be the level expected for the year of 2011.

Geraldo Santa Catharina:

In the first question I think there was a mistake. We did not release guidance of gross profit; it was gross revenues, net revenues, exports and imports. If I said profit, my mistake. So, it is gross revenue and net revenue, because we do not have any guidance routinely for gross profit. So, I think the first part of the question is answered.

As for the second part, Hemerson is going to give you the information.

Hemerson Fernando de Souza:

Well, still about the first comment, Augusto, we follow the dynamics. When you are talking about total gross revenues you have to include taxes and intercompany sales that we have in between companies of the same group, and that is why there is a major difference between gross revenues and net revenues, but both follow the same percentual growth compared to the year of 2010 that is close to 5%, 6% in terms of expectations for the next year.

As for gross margin we have a new thing in the 4Q10 and consequently the year close, which was the inclusion of the new accounting norms, IFRS, which as a whole elevated the value of our assets and therefore we had to transfer some of these costs to depreciation, which eventually interferes in our gross margin.

Anyhow, this adjustment was made in the year, the 4Q already has the readjustment. And when we reintroduce the previous quarter, which is going to happen in the next 30 days, I think before the release of the 1Q11, you will have an idea of what was the performance of the gross margin like in the different quarters, but we would like to reassure that the year of 2011 is going to be a year of recovery because of gains of efficiency and this will certainly reflect on our margins. So, imagine that the Company, you know, goes back to a gross margin of 25% is not a mistake, quite the opposite. We believe it is very realistic for you line of business.

Geraldo Santa Catharina:

I think there was just a piece of the answer that we are missing. In the 4Q10, and I mentioned that in my presentation, whenever we have an increase in the area of implements, this is very good because we have a total control of this part. But the EBITDA margin is 3 p.p., 4p.p., 5 p.p., depending on the period, below the autoparts segment because of the volume and scale that we have in autoparts, as this segment enables us to have better margins. So it was something good, it was increased businesses in implements, but it had a higher weight in the preparation of our gross revenues.

So, it was a good problem because in terms of weighing we had a higher weight in this area where we control 100%, and in the areas of autoparts, which historically have better margins, we have just a minority share.

Augusto Einsiki:

OK. Thank you very much. I understood and I thank you for your answer.

Cássio Lucin, Banco Safra:

Good morning. In fact I have three questions. The first question I would like you to tell me what is your portfolio like in terms of road transportation. What is safer? My second question is related to your CAPEX, how much you could increase your production capacity, and in what sectors? And the third question is about the growth of revenues of 5.5%, and I would like you to say in that what is volume and what is price?

Hemerson Fernando de Souza:

Thank you very much. I will start the answer and then I am going to be complemented by Geraldo. In terms of our order portfolio, we generally do not break it down by volumes because we have some volatility, but we are the only manufacturer of implements that is public, which can be a complication in our negotiations if we release the numbers.

But what I can say is that our order portfolio is very consistent, which gives us some piece of mind for the next three or four months, and the sectors that are selling the most very much in line with the year of 2010 are the sectors that are related to civil constructors and infrastructure, trucks to transport stones, platforms to transport larger machinery, silos for cement, and also products that are related to the agribusiness, especially to grains. This is a very important segment.

As for the last question you asked, with regard to the increase of revenues in our guidance, what is price and what is volume, we believe that the year of 2011 should be very similar or may have a slight growth in terms of volumes. And certainly we believe that we can transfer to customers any increase in prices that we might have. Certainly the inflation of our costs will be transferred to the market. So, I would say that the mix would be 50% in terms of a moderate growth in volume, and on the other side a transfer of prices.

On the other side, Cássio, in this 1Q10 we have closed the month of February and we are going on Friday to communicate to the market a growth in revenues, but I can advance that the year is starting at a reason that is better than 2010. We had some uncertainties as for financing and demand, but it seems this is not going to be a concern, at least not for the 1Q11.

And we publish our guidance, of course we do not want to be assertive, but we want to show the market what we believe is going to happen. And we believe we are going to have a more moderate growth due to a fantastic growth that we had of 50% of revenues and also of volumes.

As for the CAPEX of the year, R\$270 million, the year of 2010 that closed at R\$190 million, what was jeopardized, what was committed was a slightly higher number, there was carried over to the year of 2011. So, if we normalize the numbers of 2011, these R\$270 million would be basically a number for us to maintain our organic operations in their due course of activity.

I believe that R\$100 million, perhaps, of this R\$270 million has to do with the replenishment of assets, which is very close to the level of depreciation of the holding, and we certainly have investments in our RT systems. Probably we are going to invest about R\$30 million there in the year of 2011. We have the project of Randon Resende, that if it happens during the year, at least the startup of our work, probably operations are going to start in 2012, but then we are thinking of the R\$30 million, and then we have R\$110 million that are going to be used to expand our capacity, which is necessary, which is something that we talked about the whole of the year of 2010 and it is also something that we currently talk about.

So, when we are talking about expanding capacity, it is not just buying equipment or expanding our facilities; that, yes, is a fact, but we also have lots of investments when

we are changing internal logistics, production processes. This involves efforts and investments and creates a production capacity.

A classic example of that is that, for instance, in case this project of Randon Resende works, and this is our idea, it is going to account for R\$300 million of components that are today manufactured by a different company, and we are going to, with that, leave room for this company to also increase its capacity. So, increasing capacity has also to do with logistics. We are closing the construction of a new area for the sending of products and handling of products, which is not easy for us. It involves a very large physical area but will certainly give us room to use more areas for production itself and that we can handle products in a more efficient manner.

Cássio Lucin:

So, could you think of costs to migrate the production area to Resende? Are you talking about an increase in 10% in terms of capacity?

Geraldo Santa Catharina:

I think you certainly can. Of course we do not have a specific number because equipments can vary. But our expectation, our guidance is 5%, which is basically to offset inflation, but we have no problems really to offer our products to the market. We are very OK with that.

Cássio Lucin:

OK. Thank you very much, Geraldo. I thank you for your answer.

Mathias Dieterich, Solidus:

Good morning. My question has to do with the trailer segment. I would like to know what you think that demand for 2011 is going to be like; if you think you can keep your market share of 30%, and also if you have any line of autoparts and implements that you could talk about.

Geraldo Santa Catharina:

As for trailer, Mathias, we have a concrete fact. Last year we got to 1,000 physical units, and this year I think we are going to reach this volume of 1,000 units. This is based on a not very technical outlook; it is just a market feel, observation of trends, and I think that the market could be at 3,500, 4,500 units, depending on the degree of investments that the Government will make on railway network. But basically we want to continue with our market share of approximately 30%, and thinking that this manufacturing is done inside Randon's production line, using equipments that, you know, share our equipment, for us 1,000 physical wagon units is very good.

In the year of 2010, we have the number in the presentation, but I think we have almost 2,300 semi-trailers units. And in addition to that, we produced 1,000 wagons. So, again, a very substantial growth if we compare our numbers in 2008, which was a very important fact.

So, as for wagons, this is our expectation, unless we have any news in the industry, which we are not aware of right now.

Hemerson Fernando de Souza:

Mathias, good morning. We are operating at about 90% of our capacity, in the whole of our companies perhaps may be a bit more in the plant of implements because we have a slightly more robust portfolio, and we have a residual of 750 wagons to be produced in the year, a fruit of the business that we closed, of 1,150 wagons.

So, this is the scenario of production. I would say that many assembling lines, implements, welding, parts, may have a more intense operation now. And we always have bottlenecks and we are always looking how we can have better production flows and improve our areas, but we do not have anything specific that is really of concern for us. Of course we are going to have more space in our production area if we have the Resende initiative going on, so we are always working to make our production better and with a better gain of productivity.

Mathias Dieterich:

OK. Thank you very much, and have a nice day.

Gabriel Raoni, IP:

Good morning, everyone. My question is about inventory turnover. It was a very good turnover in the 4Q10, and I would like to know what we should account for the fact that that was operational efficiency or the fact that the Company is working at full capacity.

Geraldo Santa Catharina:

Well, inventory turnover has better or worse effect depending on the area of implements, because it has a weight in the whole of content; you are talking about 1,500, 2,000 semi-trailer units in our yard waiting for customers to come and pick them up. So, I think in the last quarter the commercial area could overcome this challenge of delivering products, because after the products are ready, the most difficult work is to have our logistics working, that is proprietors come to pick products up. That leaves our entrance gate because when the product gets to the customers they become, you know, subject to billing according to our norms.

So, we started the year at a good pace and we closed at a peak. And that is why both Hemerson and I talked about logistics, which is very important.

I do not know if I understood the second part of your question.

Gabriel Raoni:

Well, that gains of efficiency and scale, and I talk based on numbers and based on my experience, I have been following the statistics of Randon companies for 26 years and with that we have some certainties and sometimes statistics can help.

Geraldo Santa Catharina:

Scale is very relevant for Randon, quite often more relevant than an increase in prices or even more relevant than a reduction of raw material costs or a change in process. Scale is very important. Thus, the fact that we highlight in our presentations also yesterday with the example of breaks, for instance. We almost reached 1 million breaks

in one year, and it took us almost the first 12 years of the production of breaks for us to reach. So, we never thought of this.

So, semi-trailers, because of its share in the whole weight of the Company of course, in the demand that we had last year, gains of scale can be very clearly felt, and we knew that.

Gabriel Raoni:

OK. Thank you very much. Just to add, I would like to ask you another question: just I would like to have a bit more visibility in terms of credit, certification of new parts, work with your car companies, what is it like?

Hemerson Fernando de Souza:

Well, Gabriel, your question about Castertech, well we started the year really at a very positive atmosphere. Everything is very good, we have two car companies that approved Castertech as a supplier, Ford and Volkswagen. Of course we have to submit some parts there for them to cast them, so that we can indeed become an actual supplier of these OEMs.

But our expectation is very positive for the company this year. You should get to your breakeven point in 2011, and volumes every month are showing great evolution, and we are really satisfied with the investments made because we are really receiving very good responses from car companies and customers that were really targets of Castertech.

It is a very modern process, very different from other companies in the Country, and it will certainly bring good news for Randon's results in the future.

Geraldo Santa Catharina:

Well, Gabriel, although this is a formal presentation, I would like to use this opportunity to say that today I was at Castertech and I have been, you know, following the project of the inception of Castertech, and everyone is very happy. I saw a modern company working very well, and with volumes above those expected for this time of the year.

And I will tell you more: I was taking a look in the computer of the financial manager, the whole of the production process. He showed me on the computer this is what is going on, part A is coming out from this process, B from this other process. So, it is very different from us. It is monitored second by second, what is going on in the plants by information technology, as it should be in our area.

So, I was very happy to see the degree of automation and the factory really in operation this time. So, Castertech is a reality, and now we are going to move on to a new one. Castertech is going to continue up in operation.

Gabriel Raoni:

OK. Thank you very much for your explanations.

Daniel Gewehr, Santander:

Good morning, everyone. I just would like to have a follow up of Raoni's question. I would like to know a bit about working capital in the 1Q and if the release of finance from the BNDES that stopped for some time is back to normal and if that could affect your cash for the 1Q.

And also I would like you to comment a bit about your EBITDA margin in autoparts, because there was a drop and if it was because of a temporary issue, ICMS.

Geraldo Santa Catharina:

Well, I am going to answer about working capital and Hemerson is going to talk about margin. I was assessing the performance of our working capital for February and, as it should be, we had of course a bit of a halt in operations. The BNDES announced that would be temporarily interrupting processes that for us the effect that was R\$60 million, R\$70 million of additional working capital that was halted is not really relevant due to our low leverage.

But of course there was an interruption, and I think this is going to be felt by most of the companies that use these tools. I am going to São Paulo in the end of the afternoon together with Randon Implementos financial team to have a meeting with the Superintendent of the area, of Finame, that is going to meet with the companies to explain what the process is going on like, to clarify our questions. The meeting is going to be tomorrow.

And a good part of this story is that we already expected PSI to be completed. We had some indications that we are going to have PSI 3 with slightly different conditions and quite frankly I think the PSI that is starting in April but that we still need some clarification is going to be 2 p.p. above, I think that the time is going to be maintained, but I am not sure. But if the time is maintained it is going to be fantastic, because time is even more important than 1% or 2% above.

Of course that 2% is a lot. But for those that buy equipment, time is the key element then cost comes. Of course that we cannot have excessively high costs. Costs are already very high in Brazil. But quite frankly we are very optimistic about this topic. We are having PSI 3, as we expected, and meanwhile we are using all our efforts to use the other mechanisms available, Finame, the regular one, financing, and other, and with that we are really being able to sell all our production.

Daniel Gewehr:

OK. Thank you very much.

Hemerson Fernando de Souza:

And as for EBITDA margin in autoparts, well this has a bit to do with time. You know that this industry is very seasonal. The month of December tends to be lower in terms of autoparts because 70% of our sales go to car companies and some had collective vacations as of the 20th of December, and then we closed the sending of parts to some of the car companies. So, there was a change in sales and a reduction of margins, since we did not sell products to several car companies.

So, that explains it a bit. Of course there was also this reassessment of assets at Suspensys and Fras-le, and the adjustment to IFRS, and that will also affect our margins.

In addition, we exported US\$60 million in the 4Q with a level of exchange rate that we have now this really does not favor the growth of margin. We want to expand our exports as we told you in the guidance, but it is harder and harder to maintain the margin levels that we had in the past, and we are losing as a company and also as a country our competitiveness in terms of global sales.

Daniel Gewehr:

OK. Thank you very much.

Rafael Soares de Oliveira, Geval Invest:

Good morning. I would like just to check with you your R\$270 million of investments. A breakdown would be R\$30 million for Resende, R\$30 million for maintenance?

Geraldo Santa Catharina:

Well, this number is a bit higher than depreciation as a whole. Just for you to have an idea: you have industries such as Randon need these volumes no matter if you have a larger or a lower market, you have to have your production plans in place to be ready to cater to the needs of the market.

I would like to highlight that these are approximate numbers. I am not really detailing them and breaking them down specifically.

Hemerson Fernando de Souza:

Well, and also when we are talking about R\$110 million in capacity, Geraldo said that there is a series of internal arrangements, production systems that are included. And we are developers of solutions for the automotive industry as a whole. And so we think of a development profile from here on, and that also demands costs and these costs are within this R\$270 million.

I remind you that if the products is going to be launched in five years time, the engineering department of car companies are already working with us to develop suspension, the coupling system, breaks, right now because everything needs to be ready in five years time.

So, there are also research and development funds in the total of R\$270 million that we plan to invest in 2011.

Rafael Soares de Oliveira:

OK. Thank you very much.

Operator:

Well, as we do not have any more questions, I am going to turn it over to Geraldo for his final considerations.

Geraldo Santa Catharina:

Well, on behalf of the whole management of Randon, the whole holding, employees, shareholders, everyone, I would like to thank you all for your participation. Remember that should you have any questions or require for the qualifications, please do not fail to contact our Investor Relations area. It is going to be a pleasure to talk to you about the businesses of Randon today and in other opportunities.

Thank you very much, and see you next time.

Operator:

Thank you. Randon's conference call and its results for the 4Q is now closed. We thank you for your participation.

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