

Operator:

(audio glitch) are Mr. Geraldo Santa Catharina, CFO and IRO; and Hemerson Fernando de Souza, Planning and IR Manager. We would like to inform you that this event is being recorded with simultaneous translation into English. During the Company's presentation, all participants would be connected in listen-only mode. Later, we will begin the Q&A session only for analysts and investors. Should you require any assistance during this conference call, please press *0 to reach the operator. The audio and the presentation are being broadcast on the Internet at www.randon.com.br/ir.

We would like to clarify also that any forward-looking statements that may be made during this conference call relating to the Company's business outlook, financial and operational targets are based on assumptions and beliefs of the company's management and on information currently available. They involve risks, uncertainties and assumptions and may differ to future events which depend on circumstances that may or may not materialize. Investors should understand that general economic conditions, industry conditions and other operating factors may also affect the future results of Randon thus conducting to results which differ materially from those expressed in such forward-looking statements.

I would now like to turn the conference over to Mr. Santa Catharina.

Geraldo Santa Catharina:

Thank you very much. Good morning, ladies and gentlemen. We are here to present on the results of 4Q and the year 2013. With me here is Hemerson Fernando de Souza, our Planning and IR Manager with whom I am going to share this presentation. We will present the highlights on the previous and an overview of the markets and financial and operational results, the Company's performance in the capital markets and finally, we are going to talk about the outlook for the next few months, of course within the limits imposed by the legislation. After the presentation, we will open for the Q&A session. I would like to encourage you all to participate.

In 4Q13, this was a quarter where figures were lower as compared to the other quarters of the year. This has to do to a natural slowdown in that period, because of blanket holidays, holiday season, and also because of the temporary suspension of the FINAME PSI credit line and this credit line was normalized only at the end of January 2014 when the government published the new interest rates and the new rules for the program.

Despite these external factors, which have affected the results of the quarter, in Brazil, Randon participated at FENATRAN, the largest trade show in the industry in Latin America and this was a very good proxy to allow us to assess the markets where we operate. We had contacts with clients, with visitors and we feel now confident and optimistic relative to the next few quarters as regards the demand. People were very optimistic and this allowed us to further plan for 2014.

And now beginning the presentation, let us move on to slide four. We can see some of the figures and highlights for the period. The most important one is total gross revenues before consolidation in 4Q13 which reached R\$1.7 billion which compares to a growth of 9.7% relative to 4Q12. Consolidated net revenues for the quarter was R\$1.1 billion at 7.9% growth quarter on quarter.

Exports amounted to US\$60.1 million in the quarter, an 8.3% drop relative to the same quarter 2012 when exports reached US\$65.6 million. This drop in exports has to do with the fact that we prioritize to a certain degree the domestic market where demand was very high.

At the end of the period, gross margin was 22.5%, vis-à-vis 19.6% in 4Q12. The EBITDA margin went from 7.1% in 4Q12 to 10.8% at the end of 4Q13, a 3.7 p.p. increase quarter on quarter. EBITDA amounted to R\$117 million in the quarter, a 63% increase relative to 4Q12. The recovery in cash generation is associated with an improvement in the Brazilian market for commercial vehicles, and this allowed us to further dilute overhead and gain scale because of the higher sales volume and production. And this brings us closer to our historical EBITDA margin.

Net income totaled R\$47.8 million in 4Q13, vis-à-vis R\$15.6 million in 4Q12, a 207.1% increase quarter on quarter.

The Company invested R\$49.6 million in 4Q13, an 8.3% drop relative to 4Q12. Relative to the capital markets in 2013, our daily average trading volume was R\$12.6 million relative to R\$12 million in the same period of 2012 that is more of our stock was traded in the capital markets. We are going through more details about all of these indicators.

Moving on to slide five, we have an overview of the market. The contingency event relating to the funding and the changes in the BNDES and FINAME PSI Program at the end of October had hurt our sales. We had to adapt production lines and we had to build those clients who had secured funding to the detriments of the other clients who are seeking for financing and the harvest again was one of the major drivers of sales in the last fiscal year for trucks and for towed vehicles alike.

The current order backlog for road equipment and the positive outlook in the truck markets indicate that the next few months we will see a good performance of the Company. Additionally FINAME PSI credit lines have been renewed for the year 2014 and also the tax exemption will be maintained. And these two factors positively influence the market.

We believe that 2014 will be a positive year.

The Brazilian production of trucks increased by 43.1% as compared to 2012; 190,000 units were produced. Very, very high production, although it is not a record production. The production of towed vehicles reached a record high with 29.6% increase and 75,500 units produced. I would like to remind you that in Brazil the average is between 60,000 and 65,000 units. So, last year was a record high in terms of units produced.

I will now turn the conference over to Hemerson who will be giving us further details on the result indicators.

Hemerson Fernando de Souza:

Good morning, ladies and gentlemen. I would now like to talk about the operational results on slide six, where you see the sales per segment. In line with the growth of the production of trucks, sales in the auto parts segment were very good. As you can see on the chart, when compared with 2012, there was growth in fact in all the production

lines of auto parts, with the exception of friction materials, where we saw a drop by 0.7% year-on-year. In 2012, with the transition of engines in commercial vehicles from Euro 3 to Euro 5, sales were significantly affected and demand picked up in the beginning of 4Q13. The friction materials were less affected in 2012 because they were less affected by the changes in the external market and after-markets.

Total sales of towed vehicles achieved 25,000 units, 20.8% above 2012. Among the families of products in the towed vehicle family there was an increase in the sales of grain semi-trailers, dump semi-trailers and fuel tanks. As I said, in 3Q13 Randon received orders for 800 railcars. We started production at the end of last year and we will continue to produce in the beginning in the 1Q14. These cars will be delivered by June 2014.

On slide seven, we see the breakdown of net revenue by business segments, and you can see a balance in the share of vehicles and other equipment as compared with 2012, and this business accounts for 62.8%. In the auto parts business, the volume of sales remained flat and its share grew from 44.9% in the consolidated net revenues of the company to 45.4% in 2013, a 0.5 p.p. increase.

On slide eight, we see the performance of exports. Quarter on quarter exports were reduced by 8.3%. They totaled US\$60 million relative to US\$63 million quarter on quarter. Because of the good scenario in Brazil, the Company has prioritized the domestic markets. The external market was also strengthened by our foreign plants, which made US\$124 million. Additionally, we are planning other initiatives after the acquisition of Suspensys.

On slide nine, we see the total growth revenue which reached R\$1.7 billion in 4Q13, a 9.7% increase quarter-on-quarter. Year on year, the growth total revenue, which includes all the units including taxes and inter-company sales achieved R\$6.6 billion, a total 3.7% growth relative to 2012. The consolidated net revenue in the quarter reached R\$4.3 billion in 2013, a 21.5% relative to 2012.

On slide ten, we show our growth revenue and the cost of goods sold on a consolidated basis. Growth income grew 23% in the 4Q relative to 4Q12, and totaled R\$244.5 million. In 2013 growth revenue was R\$1 billion, a 42% growth year on year. The growth margin went from 19.6% in 4Q12 to 22.5% in 4Q13, a 2.9 p.p. increase. Year on year, growth margin grew by 3.5 p.p., and reached 24.4% in 2013. The results have therefore reached the average historical level.

The consolidated cost of goods sold showed that raw materials accounted for the greater share, and reached almost 80% of the total cost. We see that the most significant items have to do with metal materials, which account for 63% of the share of costs.

I always say that steel accounts for 20% of the raw materials that we use, and the other items, like iron cast materials, forged and other items account for the greater part. In 4Q, COGS reached 77.5% of the consolidated net revenue, or R\$841 million. This accounts for a drop by 2.9 p.p. relative to 2012.

On slide 11, you see our EBITDA and EBITDA margin in the period. In 4Q13, EBITDA grew by 63% relative to the same period of 2012, and reached R\$117 million relative to

R\$71.8 million in 4Q12. In 2013, the Company had EBITDA growth by 101.3%, totaling R\$553.9 million, with a margin of 13.3%.

The recovery of the gross cash generation has to do with an improvement in the Brazilian market for commercial vehicles, and this has allowed us to further dilute overhead and gain scale through greater volumes of sales and production. The Company is now trending towards the historical EBITDA margins.

On slide 12 we see the net income of the Company, which reached R\$47.8 million in 4Q13. The percentage of the consolidated net margin was 4.4% in the quarter, relative to 1.5% in 4Q12. Year on year, net income reached R\$235 million, a major growth with margins of 5.5%, relative to 1.2% in 2012.

On slide 13, we see our income statement consolidated per segment, and it includes a summary of the major figures. I want to highlight the performance of the segment of vehicles and road equipments, which has been recovering and reached the best levels in this quarter. This segment was the most affected one in 2012 with the slowdown in the market, and this segment is now a highlight for the Company in 2013.

The drop in margins in the autoparts business has to do with some non-recurring adjustments made in the controlled companies in the segment. The most important one is the adjustment we made at Castertech, which accounts for R\$18 million additional cost, and this has to do with adjustments in **fixed assets** and maintenance inventory.

This has to do with the accounting of some items having to do with the replacement of equipment in this unit. Additionally, there was a significant reduction in activities during December, which also affected dilution of costs and overhead.

On slide 14, we see the consolidate income statement per segment, and this shows the share of each segment in the EBITDA, net income, growth income, and net revenue. There was an improvement in the results of the Company, with the exception of 4Q, which was affected by a non-recurring event.

Moving on to slide 15, we show the investment we made. In 4Q13, investments amounted to R\$50 million, an 8.3% relative to the same period of the previous year. Year on year we saw an increase in investments of almost 4%, as investments jumped to R\$287.6 million in 2013.

Also, in 3Q13 the Company acquired shares for 49.999% of the capital of Suspensys. The transaction amounted to US\$195 million. The effective disbursement of cash at the transaction was R\$421 million, and the accounting value of investment was R\$136.3 million. The difference was accounted for a reduction in the controlling companies net equity. You may refer to the explanatory note number one of the Company's financial statement.

You can also see the variation of the net equity in the last five years, there was a 7.5% growth, totaling R\$1.3 million in 2013, the return on equity being 17.2% in the period.

On slide 16, we show the composition of the gross debt and the consolidated net financial debt of the Company. Gross debt reached R\$2.6 billion, of which 20% is denominated in fund currency, and 80% is denominated in Reais. Net debt totaled R\$1.2 billion in 2013, or 2.1x the EBITDA. In 2012, this ratio was 2.7x the EBITDA.

When we adjust these values, and we consider only the net debt of the industrial part, and we remove the effect of the services activity, which has to do with Randon Consórcios and the assets of Randon Bank, the adjusted net debt is R\$963 million, or 1.7x the EBITDA of the last 12 months. This is very suitable to the current market condition.

On slide 17 you see the trends in the capital market, and if we compare the end of 2012 with 2013 we will see that our preferential shares depreciated by 9.5%. At December 31st, 2013, preferential shares were at 11.49 per share, the the Bovespa index had dropped 15.4% in the period. 258.4 million preferential shares were negotiated in the period, in almost 650,000 transactions in the BM&FBOVESPA market. Therefore, in 2013 the Company saw an increase in the average daily trading volume, up to 12.6 million, an increase by 5% on its liquidity.

On slide 18 we would like to inform you that in this quarter we will begin to report our result by segment. After Suspensys were merged into Randon at the end of 2013, the balance sheet and the income statement per unit are no longer relevant for people who analyze the Company.

I would like to stress that Fras-le is a listed company and reports sales results separately. Suspensys accounted for 65% of the Auto Parts business of Randon. It is no longer useful to break down the results of the controlled Company, but we are going to maintain the Randon bank data separately since they are a separate business altogether.

Also as a listed company, I would also like to say that Fras-le also discloses its results at CVM BOVESPA at its side, and all the necessary communication. And Randon also discloses its balance sheets on a monthly basis and also the Randon Bank also discloses all the balance sheet.

Thinking about the outlook for the company on slide 19, we reinforced our prospects for the markets in 2014. Our guidance was published by mid-January and included a slight increase in revenues and exports. Investments should stay close to R\$150 million. These indicators are validated when we developed our strategic plans and they are supported by an assessment of the macroeconomic scenario, the domestic scenarios and both countries with whom we have commercial relations and also -- indicators, automotive industry indicators, market behavior and all the indicators would have for the segments where we operate.

I will now turn the floor over back to Mr. Santa Catharina for his final remarks before the Q&A session.

Geraldo Santa Catharina, Chief Financial Officer:

Before talking about the prospects for 2014, in our internal assessments, we believe that the results we obtained in 2013 were very satisfactory and we still we have fulfilled our obligations. Our objective is to maintain the growth and expansion of the Company with low financial leverage and last year we were able to pay cash with R\$420 million. We acquired almost 50% of Suspensys and still our net debt was 1.7x the EBITDA at the end of the year.

The net and gross margins have recovered, so we think it was a very good year altogether. The investment in the year, including the acquisition was R\$580 million approximately. That is, it was an investment that was higher than the EBITDA and yet our net debt EBITDA ratio is 1.7x. This was thanks to the great effort that we made to continue to create free cash flow whilst ensuring growth. We believe that this is sustainable growth. And this is what we have been pursuing in the last few years. Our strategy has been so and we continued to be so in the future.

When we talked about our strategic plans for five years, we are reviewing our schedule but in practical terms, we have invested, we have acquired **Folle** in Santa Catharina part of Suspensys, and we have made acquisitions worth more than R\$500 million.

As regard to organic investment, working capital that we have disclosed, I think we used R\$800 million in three years. Therefore, our growth is according to the investments that we have been making and they reflect our strategic objective to expand and grow as we have disclosed in the last few years.

Now moving back to the presentation relative to the outlook for 2014. I would like to remind you that our budget for 2014 was based on information gathered at Fenatran in October; it is the largest tradeshow of the industry and we collected information there, and we then developed our budget for 2014. So far, the guidances that we have disclosed continued to be valid bearing in mind the information we have today.

On slide 20 we see that the focus report estimated that the Brazilian GDP would grow 1.9% in 2014 and 2.2% in 2015. There will be three or four years with the GDP growing 2% and this is very different from the 5% on average that we saw in the first Lula administration. 3.5% in the second Lula administration, and now in the current administration, 2%.

Since our business has to do and is impacted by the growth of the GDP, we will have to make additional efforts to achieve our strategic efforts and strategic objectives. The data that we included in our strategic planning was the GDP included in the focus report.

We also think that the economy will continue to be strong because of the good performance of agriculture. According to **Conab** a 5% growth was estimated for the harvest in 2013 and 2014, and Brazil could produce 196 million tons of grains. This estimate has been reduced because of droughts in the south of Brazil that will affect the soy crop but harvest will be in excess of 190 million tons of grains, which is very relevant for the Brazilian economy. And for Randon, it is extremely important.

Also the order backlog is very satisfactory for our towed vehicle business and also we have 800 units, 800 railcars, which will have to produced. We are producing eight units a day and therefore this is equivalent to 33 units outstanding trailers in terms of hours. And we have to deliver 800 units by the middle of 2014.

The PSI program still has very attractive interest rates in the future in the scenario and this program will remain until the end of 2014. The rules were disclosed only in February, and this delay has hurt our sales program. The banks had to reschedule everything with the distributors and clients so that we could file the application at BNDES and so on. This has required some additional efforts and in the last few weeks

there were some delays, but we still believe that in some two or three weeks, they could be sorted out.

We are monitoring from a very close range the demand and the sales, and what we have seen is that demand continues at very satisfactory level and together with our order backlog this tells us the market is willing to buy as long as we sort out the funding. We believe that we are going to be very close to the guidance that we presented. Our clients are confident and there is demand on the part of our clients to support our order book.

And then I would like to talk about some of the potential impact of the energy rationing. I am not saying there is going to be an energy rationing but we have contingency plans that are being developed. There is a small impact on the Company, but we have to take into account all the supply chain which highly depends on the energy sector. In our case 100% of our power consumption is contracted until 2016.

And as I said, the cost of power is not relevant in our cost metrics. Our major input is raw material, which accounts for 79% of all of our costs and we believe that major impact may arise in our supply base, but this is quite complex to assess at this point. Our contingency plans can be put in place should be worth with a shortage of raw material and with power rationing. We have been talking to our major suppliers to try to look for alternatives should power be rationed, but we believe that the authorities are working and the information we have is that there will be no power rationing.

I would now like to wrap up my presentation. Thank you all very much for participating. I would like to open for the Q&A session.

Ricardo Alves, Morgan Stanley:

Good afternoon, everyone. My question has to do with your EBITDA. It is very clear in the presentation, today and yesterday, that this was affected by non-recurring events like the adjustments of R\$80 million from Castertech. This is easy to understand but you also had delayed regarding funding and that is quite difficult to quantify, and how this affects your recurring margin? Can you give us a little bit more color about the recurring margin in the quarter in a normalized basis? An approximate value, of course.

And also I wanted to know what levels of margins do you envisage for the short term? You cannot give a specific guidance, OK, I understand that, but I would like to have your feeling and if you see any possibility of expanding margins in a difficult year like 2014 and especially 2015. Should we work then with margins of 2013 as a whole?

Geraldo Santa Catharina:

I am going to start by answering part of the question and then I will turn over to Hemerson who can also give you his view for the long term. The Randon group changed the loss in the last 30 years, but in the last decade the margins have remained stable. We do not give guidance for the future, but we have a track record of good EBITDA margin. They used to be between 14%, 17% and today what I can say is that even the level of competitiveness of cost push, be it in raw materials or be it in labor, we certainly have to work hard to recover prices according to the cost push.

We work very hard to improve efficiencies to develop new production profits, so that we can remain competitive with new processes and new products. In our strategic mission, we make it very clear the basic assumption is to maintain at least the current levels of 14%, 15% of EBITDA across segments. And also when there are variations across segments, we also part segments for example because of its volume and the fact that the overhead is lower there is greater economy of scale, in broad equipment, I mean things are different.

So, depending on the share of the segments we see variations upwards or downwards, but we have no indication today that there should be a sharp change in the margins. It is not something that we are going to do. We are not going to promise extraordinary gains in margins. There is nothing to point to that direction. Our business focus is stated in the strategic mission, but there is no indication that we should lose our strength in terms of managing our margins, managing our prices if we compare the outlook with the past. So, this is a trend.

I am going to turn the floor over to Hemerson for his comments.

Hemerson Fernando de Souza:

Thank you very much for your questions, Ricardo. I am quite to talk about the quarter, and I am just going to add something to what Geraldo said. In the quarter, and considering the adjustments we made in Castertech, and also considering some adjustments made in Fras-le, as was said by Daniel Randon and his team in their conference call, there was some R\$23 million, which impacted the results of the quarter with expenses and other items. This is something that we could add back to our EBITDA, and then this would take it closer to what is natural in 4Q. 4Q is a slower quarter. So, R\$23 million is what we could add back.

And as regards the long term, we have a business that is very well defined. But for this year, for 2014, I would just like to add that we start 2014 in a different situation. In 2013, quarter on quarter, we had to recover margins and we ended 3Q in a more consolidated position, going back to historical levels.

This year we start with this **speed on bussiness**. If the conditions remain the same with the market demanding our products, and if the funding does not show issues, I mean, if credit continues to slow, we should continue at the same pace and can achieve good results throughout the years, which can be at the same levels of 2013, not even better. And this is because we are already starting from a very good level. As Geraldo said, there is nothing that could hurt our results, so it could improve our results significantly; there is no diamond mines included in our portfolio, so to speak, okay.

Ricardo Alves:

Thank you Hemerson, thank you, Geraldo.

Italo Ferrara, Brasil Plural:

Good morning, everyone. I have two questions here. First, you were talking about investments and I would like to know a little bit more about the Araraquara plant. Can you give us details about the capacity that will be added and any tax or freight issues? And also, what is your expectation relative to specialty vehicles and railcars for 2014,

2015? Are you talking to new clients? Do you see demand related to the infrastructure works and projects that have been recently auctioned?

Geraldo Santa Catharina:

I will take the first part of the question and then I will turn over to Hemerson. Within the limits of what we can talk, the Araraquara plant, we already have the land and we are working on the design on the project and this is not only for railcars, rail cars and other types of components and products, which are produced in Sao Paulo and in Caxias do Sul. It does not make any sense to manufacture these products in Caxias do Sul. We can use the capacity of these two sites to produce other products. We therefore decided to set up the plant in a place that is closer to clients. And also we are planning other products for that unit.

In this first phase, we are also working on the funding. We want to do that with our own capital, but we should present projects probably to BNDES to seek funding for this plant. It is a complete plan, it is a wonderful project and we intend to start the construction works in 2014 and the wish of the Company is to begin activity by the end of 2015.

It is not really clear to us what the portfolio of products should be in this first phase, but if we think in terms of buildings, machineries, equipments, R\$95 million will do. It is not an amount that would hurt our objectives to keep leverage low. This can be supported by the free cash that we envisage for 2014. In the first phase this plan should manufacture railcars and should have more or less 400 employees.

We do not have those revenue figures yet, but basically this is what we can say today, and I believe that things will go according to plan. If there are no setbacks in the market, we should be operating by the end of next year. And this may be the most modern plant amongst all of our plants. We want to have a very efficient plant.

Hemerson Fernando de Souza:

And now this is Hemerson speaking and talking about the outlook for specialty vehicles and railcars, I will begin with specialty vehicles. 2014, 2015, will be complex years in terms of repeating the volumes that we saw in 2013. In 2013 we had an extra boost coming from the government purchases. They bought 4,500 backhoes and lot of other heavy equipments. All the cities with less than 500,000 inhabitants receive equipment from the government.

This year we are working with flat volume in terms of scenario. And we think that it is going to be difficult to maintain these levels with just the ordinary markets without the government purchases. There are new competitors, there are competitors importing equipment, some others have established plants in Brazil, and our activity has become more complex, but on the other hand, there are no major construction works coming on. They allow for a growth in the off-road truck markets, but it is not a very relevant segment for us. In terms of railcars, we have to deliver some 800 railcars throughout this semester, and we have seen clients come with requests that may turn out to be additional orders.

The regular railcar market is for 3.504 cars. So we are talking about a thousand units, which is our current market share of 30%. So we are going to more or less achieve

that. With these new orders that should come in we might be able to increase our sales. The outlook is positive for this segment in 2014, and in the next few years.

There are restructuring going on, restructuring efforts going on in the rail industry, and we have penetrated this segment with some innovation that allowed our clients to gain greater performance in their operations in loading and unloading and the ability to exchange and to change the inputs that can be transported and this because we are investing in innovation.

And we can implement innovations also in the rail segment. This is a segment that is going to grow for the time being, what we do have in our order book is 800 units. I hope in the next quarter we can announce some more orders.

Fernando Leitão, Royo Corretora:

Good afternoon, everyone. I just wanted to go back to slide 17. We tried to understand the distribution of dividends in 2013, it was below, the payout was below; pay out used to be 28%, 29%, and this is my question. The other ones have been answered.

Randon:

There is a small mistake here. I am going to verify that. I think that only the dividend for 2012 has been considered. I apologize, I cannot answer your question right now. But, yes, you are right, last year we paid dividends relative to 2012. 2012 was not a good year. The dividend payout was lower than we paid interest on equity capital and then we also had these interests accounted for in 2013, although the investment was made in 2014. I am going to double check this information and get back to you with more accurate information. I am almost sure that the graph is not correct. OK?

I will double check that. I apologize.

Luiz Peçanha, Bradesco:

Good morning to all. My question has to do with the CAPEX for this year, for 2014. I would like to know what is included in the CAPEX? The share for maintenance, the share for expansion, the Araraquara plant, do you forecast any expenses or expenditures relating to the plant of Araraquara?

Randon:

The CAPEX has to do with maintenance, expansion and that is the limit for us. It does not include any funding for the Araraquara plant. We are not sure that we will have all the environmental permits that would allow us to make investments this year. We gave this investment as guidance, but it is R\$150 million without the Araraquara plant, but with an internal efforts that this CAPEX might include some of the works of the plant, as long as it allows us to execute the forecast for cash. We are developing products, new tools, especially in the Auto Parts Business, this is what this CAPEX is for.

And if you can take R\$20 million or R\$30 million for the Araraquara credit plants all the better, but it is likely that this want to be the case, then we will have to review this amount, but this is what we have today.

And just to compliment, as regards Araraquara we are looking to obtain licenses, the necessary permits to do earth works and to prepare the land for the building of the plants. It is our experience that this can take some time, and Geraldo very well said, for the Araraquara plant we should not use so much funding this year. We received a lot of support from the city of Araraquara, from the Government of Sao Paulo; they are all very keen to have our plants there, so we do think that this should start happening between 2Q and 3Q.

We are not going to spend a lot of money on that in this fiscal year, but because we want to have the plant ready by the end of 2015, so maybe we will make efforts to complete the plant. We also have been looking for internal alternative to have investments at more conservative levels, and in creative ways to invest within these regulations, of course, but to look for other types of funding, which are not really related to that. I would say R\$120 million, this will be spent for the maintenance of our activities.

If you allow me I would just like to inform all of you that the Randon group invests very heavily **above** depreciation in respective of acquisition and the plan is very current, very modern as compared with all the other plants worldwide, be it in semi-trailers or in auto parts. At this time the market is for 60,000, 65,000 semi-trailers, plus railcars. We are not forecasting investments in production expansion in the short term, and this is why we kept investments slightly above depreciation, which allows the plants to run in an efficient way.

While being conservative in terms of the asset and the return on asset, we want to continue to grow at historical levels with appropriate return, especially return on equity and generating free cash flow to reduce leverage. We want the companies to have liquidity to be able to address any challenges in the economy and to have the Company ready to embark in an adventure should any opportunities arise.

Luiz Peçanha:

One more question relating to auto parts. In the last quarter the EBITDA margin of this segment dropped, and so did the income; it dropped lower than the levels of 2012. So, what is the outlook for this segment?

Randon:

Yesterday we were at a meeting in Sao Paulo. We got this question yesterday, and there is no bias of drop, of decline in the segment. We have been focusing in the aftermarket segment. We are looking to increase competitiveness in exports because also of the exchange rate, and we are in a good situation to maintain that business with a partnership that we have with the makers. This was a non-recurring thing, and it happened at yearend when we have to make adjustments, and often times we are unable to sort things out in the same year. It also affects other companies at the end of the year.

The positive side is that we began the year in a very good situation, and clean. And this segment is going to contribute to the consolidated results. That was a segment where we did not have the know-how to make things run smoothly. But I think the profitability and the margins of auto parts will go back to historical levels this year and the next year.

It is a very resilient segment, it is B2B, it is combined prices, it is not a segment that is deeply affected by demand and not great gains to be achieved to demand increase because the margins are negotiated with clients, and I believe we will be able to maintain good margins.

Cristiane Fensterseifer, Geracão Futuro:

I just wanted to understand the non-recurring impact. How is the Suspensys impact?

Randon:

On December 31st, to be precise, we acquired the control and we merged Suspensys into Randon. We now have one single taxpayer number and also we have the benefits of the dilution of overhead and so on, and better using the tax matrix and we have this benefit as of January.

We believe they are going to begin because the USD is more expensive to have ten different companies, ten different taxpayer numbers instead of having one or two. From a managerial point of view, and as long as it is possible, we are going to keep Suspensys as a stand-alone business for managerial purposes and for assessment purposes. But for accounting purposes of trading the negotiations is a single CNPJ, a single taxpayer number, and you all will see the benefits as of now. We can now use the same shared service center and so on. And other benefits will be seen as of January.

Cristiane Fensterseifer:

And still about Suspensys, with the change in contract, what can we expect in terms of results, relative to last year? Is there going to be a negative impact because of the contract or is there going to be an expansion?

Randon:

There is going to be no change in this year. The expectation is that as of now we are free to have access to international markets. We had mapped out which markets those are and they were restricted to us because of the contract. But we are going to see practical results in 2015, 2016. There is a schedule whereby these markets are made available to us. And for 2014, there is going to be no change because of the fact that Suspensys was merged into Randon. There will be a benefit at the market level.

Operator:

Since there are no further questions, I would like to turn the conference over to Mr. Santa Catharina for his final remarks.

Geraldo Santa Catharina:

I would like to thank you all very much for participating. And I would like to say that although investors are of course free to make use of their own assessments, if we take into account the current pace of business, and our perception of the market today, the performance of the stock market in Brazil apparently does not reflect the industry

where we operate. There is something else driving the mood of the market. We are unable to point out what it is, but we truly believe that these could be sorted out as soon as possible, and I have confidence in the market is reestablished.

And to ensure good governance and transparency, as of yesterday we have been disclosing results that Bovespa at CVM, we had a very good meeting with the press and I would like to thank all journalists who participated yesterday in São Paulo, we had investors come to the APIMEC meeting and all of them showed a lot of interest in the Company and they tried to discover the reasons underlying the market behavior. Today we are very honored to have your attention and I would just like to make Hemerson, the IR department and myself available to take any questions you might have. Thank you very much, and have a nice afternoon.

Operator:

Randon's conference call is now over. Please disconnect your lines.

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