



PRESS RELEASE

Randon Shuts Down Industrial Activities in Guarulhos.

Due to the current macroeconomic crisis that has been pressuring commercial vehicles production levels for 3 years, Randon Implementos para o Transporte will shut down its industrial operations located in the city of Guarulhos, SP, after April 8, 2016. The commercial and back office areas will remain active in the same building.

The worst sales and production scenario of the last 15 years in this segment endorse the decision of shutting down activities. In 2015 alone, sales and production of trucks, trailers and truck bodies dropped around 50%. The reduction in volumes in the first two months of 2016 persist as indicators show more market reductions. This will be the third year in a row with recession on this industrial segment.

Located in Guarulhos, southeast Brazil, since its inauguration in 1965, Randon's Industrial Plant has gone through constant processes of modernization, technological development and productive expansion.

The Company, along with its employees, has adopted several actions to try to overcome or minimize the strong impact of economic instability, always aiming at maintaining industrial activity. Nonetheless, the extended economic retraction ended up neutralizing the effective gains related with innovations and the reduction of expenses related to workforce, like flexible working hours, mandatory vacation leave, and long holidays shut down. These actions were not enough to compensate the drop in product orders and prices due to a strong competition scenario.

Customer service will remain active in this facility with its commercial and back office teams. Randon Companies are thankful for the efforts and hard work of all its employees since the beginning of operations in 1965. At the same time, Randon regrets having to take this action of shutting down its industrial operations and laying-off 130 employees because of an unfavorable market that is affecting us all, including other companies of this same area that, unfortunately, adopted measures of the same sort.

Caxias do Sul, March 23, 2016.

Geraldo Santa Catharina
Investor Relations Director