



RANDON S.A. Implementos e Participações

Listed Company

CNPJ 89.086.144/0001-16

PURCHASE OF SHARES TO BE KEPT IN TREASURY OPERATIONAL CONDITIONS

1. GENERAL CONSIDERATIONS

1.1. The following conditions are aimed at reaffirming to all those interested and to market agents the Company's commitment with the good practices of corporate governance. They are also aimed at establishing the parameters to be followed at purchases of shares issued by the Company, pursuant approval by the Board of Directors during meeting no. 568, held on July 26, 2006, according to the following characteristics:

- (a) Quantity: up to 1,000,000 (one million) preferred shares outstanding on the market;
- (b) Purchase Term: 180 (one hundred and eighty) days from the Board of Directors' authorization;
- (c) Price: the purchases will be made at the price they are quoted on stock exchanges;
- (d) Mediation and brokerage: the Company will trade the shares through the following financial institutions:
 - (i) Geração Futuro Corretora de Valores Ltda., with head-offices on Avenida Paulista, 1294, 4th floor, Zip Code 01310-915, in São Paulo, SP, www.gerafuturo.com.br, enrolled with the General Taxpayers' Registry under no. 27.652.684/0003-24; e,
 - (ii) Fator S.A. Corretora de Valores, with head offices on Dr. Renato Paes de Barros Street, no 1017, 11th and 12th floors, Itaim Bibi, Zip Code 04530-0001, in São Paulo, www.fatorcorretora.com.br, enrolled with the General Taxpayers' Registry under no. 63.062.749/0001-83.

1.2. A Relevant Fact is being published on this date informing the securities market about the Board of Directors' decision.

1.3. It is the Executive Board's responsibility to establish the quantity of shares and the best period of each purchase, always pursuant the conditions herein established and the applicable law.

2. PURCHASE OF SHARES

2.1. MODUS OPERANDI

- (a) The Company will always trade standard lots of shares;
- (b) The daily volume of trades shall not exceed the limit of 20% (twenty percent) of the daily volume average of the company's preferred shares traded on stock exchanges in the 20 (twenty) trades prior to the date of the respective purchase of shares by the Company;
- (c) The daily average shall comprise the preferred share volumes traded on BOVESPA – São Paulo Stock Exchange (Brazil).
- (d) The Company will inform the Securities Exchange Commission and BOVESPA – São Paulo Stock Exchange, on a monthly basis, about the volumes traded and prices of the transactions;



2.2. PRIORITY PRINCIPLE TO ADMINISTRATORS

There shall be not simultaneity of purchase orders by the Company with sale orders by the administrators of the Company and its affiliates, subsidiaries or controlling companies. Therefore, the administrators` trades shall be concluded before the purchase orders by the Company take place.

3. IMPEDIMENTS TO TRADES

Operations under these conditions are not allowed:

- (a)** when there is a relevant act or fact pending publication by the Company;
- (b)** from the 15-day period (fifteen) prior to the publication of the company's quarterly statements and annual report until the day of publication or until the publication day of the edict making them available to the shareholders.
- (c)** from the period between the decision by the competent body to increase the Company's stock capital, pay dividends, bonuses in shares or their derivatives, or approve share splits, until the publication of the respective edicts or notices;
- (d)** if any agreement or contract has been made aiming at transferring the controlling interest of the Company, either directly or indirectly, or in the event that an option or order has been given for such purpose, or if there is any intent to carry out an incorporation, total or partial spin-off, merger, transformation or corporate restructuring, and while the operation has not been made public by means of the publication of a relevant fact.
- (e)** if such operations may likely cause the decrease of the Company's stock capital, and/or demand the utilization of resources higher than the balance of profits or reserves available, not considering the legal reserve, according to the last Annual Report of the Company;
- (f)** if such operations may likely create artificial conditions of demand, offers or share prices involving unfair practices;
- (g)** if a public offering to purchase shares is in progress;
- (h)** if the quantity of shares issued by the Company and kept in treasury exceed 10% (ten percent) of the preferred shares outstanding (free-floating) on the market, according to the Securities Exchange Commission's Instruction no. 10, dated February 14, 1980, and its alterations.

Caxias do Sul, July 27, 2006

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