



RANDON S.A. Implementos e Participações

Companhia Aberta
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NOTICE TO THE MARKET

Pursuant Instruction no. 358, of January 3, 2002, and Article 53 of Instruction no. 400, of December 29, 2003 (the "Securities and Exchange Commission's Instruction no. 400"), both published by the Brazilian's Securities and Exchange Commission - CVM, (the "CVM Instruction"), Randon S/A.- Implementos e Participações (the "Company"), the selling shareholders identified at the Preliminary Prospectus to the Public Primary Distribution of Common and Preferred Shares, and Public Secondary Distribution of Preferred Shares issued by the Company, dated April 5, 2006, (the "Selling Shareholders"), and Banco Santander Brasil S.A., (the "Santander" or the "Lead Manager"), inform the public that an application has been made at the Securities and Exchange Commission, on February 23, 2006, for the registration of a primary public distribution of common and preferred shares to be issued by the Company (the "Primary Offer") and for the secondary public distribution of preferred shares issued by the Company held by the Selling Shareholders, (the "Secondary Offering"), all nominative, uncertificated, with no-par value, free and clear from any encumbrance or lien, under the conditions mentioned below:

1. The Offering

1.1 The Lead Manager and certain financial institutions to be hired by the Lead Manager will carry out a public distribution of Shares in Brazil, in the deregulated over-the-counter market, pursuant the Private Instrument for Public Primary Distribution of Common and Preferred Shares, and the Public Secondary Distribution of Preferred Shares issued by Randon S/A.- Implementos e Participações, to be entered into the Company, the Selling Shareholders, the Lead Manager, DRAMD Participações e Administração Ltda. (the Company's controlling shareholder) and *Companhia Brasileira de Liquidação e Custódia* – CBLC (the "Distribution Agreement"), in compliance with the terms of the Securities and Exchange Commission Instruction no. 400.

1.2 At the same time, efforts will be made to sell Shares (i) in the United States of America, to qualified institutional buyers, as defined by the Rule 144A, published by the Securities and Exchange Commission of the United States of America (the "SEC"), in operations exempt from SEC registration requirements, according to the Securities Act of 1933, of the United States of America (the "Securities Act") and in the regulations published under the Securities Act, and (ii) in other countries but the United States and Brazil, according to the law in force in each buyer's country, and in conformity with the procedures established in Regulation S of the Securities Act, published by SEC, in both cases to be purchased through investment mechanisms ruled by the *Conselho Monetário Nacional* (National Monetary Council), *Banco Central do Brasil* (Brazilian's Central Bank) and by the Securities and Exchange Commission.

1.3 To this end, the Company and the Selling Shareholders will hire the Santander Investment Ltd., the HSBC Securities and the Unibanco Securities Inc. (the “International Placement Agents”) to endeavor efforts abroad to sell Shares to investors resident abroad and with plans to invest in Brazil, registered at CVM, according to Resolution of the National Monetary Council no. 2.689, of January 26, 2000, as amended, and by Instruction CVM no 325, of January 27, 2000, as amended (the “Institutional Foreign Buyers”), in conformity with the Placement Facilitation Agreement, to be entered into by the Company, the Selling Shareholders, the International Placement Agents, and DRAMD Participações e Administração Ltda. The shares to be part of this effort by the International Placement Agents, to sell shares to Institutional Foreign Buyers, shall be subscribed and/ or purchased, paid and settled in Brazil with the Lead Manager. The Offering has not and will not be registered at the SEC or at any other stock market agency or organization of any country, but Brazil.

1.4 2,000,000 (two million) common shares, and 10,000,000 (ten million) preferred shares will be distributed in the Primary Offering. These shares will be issued by the Company within the limit of its authorized capital, as established in its bylaws. The current shareholders of the Company (as defined below) will have priority in their respective Reservation Requests (as defined below) (the “Shares of the Primary Offering”) in an initial quantity of 16,509,116 (sixteen million, five hundred and nine thousand, and one hundred and sixteen) preferred shares held by the Selling Shareholders, within the Secondary Offering (the “Shares of the Secondary Offering ”), in conjunction with the Shares of the Primary Offering, the “Shares”). The placement of the Shares of the Primary Offering will have priority over the Shares of the Secondary Offering. This way, the Shares of the Secondary Offering will be placed only after the totality of the Shares of the Primary Offering have been placed.

1.5 The totality of the Shares of the Secondary Offering may be added of an over-allotment of up to 3, 976, 368 (three million, nine hundred and seventy-six thousand, and three hundred and sixty-eight) preferred shares held by the Selling Shareholders (the “Over-Allotment Shares”), corresponding to up to 15% (fifteen percent) of the total preferred shares initially offered within the Primary and Secondary Offering, according to an option for the distribution of Over-allotment Shares, given by the Selling Shareholders to the Lead Manager, pursuant Article 24 of CVM Instruction no. 400. Such shares are exclusively designed to meet an eventual surplus in the demand that may occur during the Offering (the “Option of the Over-Allotment Offering”). The Option of the Over-Allotment Shares may be exercised by the Lead Manager up to 30 (thirty) days from the publication of the notice announcing the beginning of the Offering (the “Notice of Beginning”), inclusive.

1.6 The quantity of Shares in the Secondary Offering may be added of up to 3,301,823 (three million, three hundred and one thousand, eight hundred and twenty-three) preferred shares held by the Selling Shareholders, corresponding to up to 20% (twenty percent) of the total of preferred shares initially offered within the Secondary Offering, excluding the Over-allotment Option, pursuant paragraph 2nd, of Article 14, of CVM Instruction no. 400 (the “Additional Over-allotment Shares”).

1.7 According to a decision made by the Selling Shareholders, the quantity of preferred shares to be effectively distributed in the Secondary Offering after receiving the registration statement from CVM, may be reduced. However, the quantity of the Offering Shares will not be at all lower than 19, 956,381 (nineteen million, nine hundred and fifty-six thousand, three hundred and eighty-one) Shares, without considering the Over-Allotment Shares and the Additional Over-Allotment Shares (the “Minimum Quantity of Shares”). In case the quantity of Shares effectively distributed in the Offering is equal or higher than the Minimum Quantity of Shares, but lower than the quantity initially offered (the “Initial Quantity of Shares”), the Public Shareholders and Investors_(as defined below) will be able to accept the Offering on the condition that all Initial Quantity of Shares are placed, or they can request that their Reservation Request (as defined below) be granted taking into account the proportion between the quantity of Shares effectively distributed, and the Initial Quantity of Shares.

1.8 The capital increase within the limit of the authorized capital established in the Company's Bylaws, with subscription priority of the Shares of the Primary Offering to the current Shareholders of the Company, and the decision on making the Primary Offering, were approved during the Company's Board of Directors Meeting held on March 30, 2006. The Share Price will be approved by the Company's Board of Directors during a meeting to be held before the receipt of the Offering registration statement by CVM.

2. Offering Procedure

2.1 After the closing of the Reservation Period (as defined below), the Bookbuilding Procedure (as defined below), the receipt of the Offering registration statement by CVM, the publication of the Notice of Beginning, and after the Statutory Prospect is ready, the Lead Manager, in conjunction with the financial institutions of the securities distribution system that accept to be part of the Distribution Agreement by means of Distribution Agreement Acceptance Terms entered into with the Lead Manager (the "Co-Agents"), these will perform the public distribution of the Offering Shares through three different offerings, namely: (i) the Offering giving priority to the Shareholders (the "Priority Offering to the Shareholders"), (ii) the Offering designed for Public Investors (the "Public-Offering"), and (iii) the Offering designed for Qualified Institutional Investors (the "Institutional Offering"), according to Instruction CVM 400, and the effort of stock dispersion laid down in the Level 1 Differentiated Practices of Corporate Governance Regulation, of BOVESPA.

2.2 The date of beginning of the Offering will be made public through the publication of the Notice of Beginning, in accordance with the Sole Paragraph of Article 52 of CVM Instruction no. 400.

2.3 The physical and financial settlement of the Offering Shares will be carried out on May 3, 2006 (the "Settlement Date"), except for the distribution of the Over-Allotment Shares, whose settlement will be carried out within 3 (three) days from the exercise of the Over-Allotment Shares Option.

2.4 The period for the distribution of the Offering Shares will be of up to 6 (six) months from the date of publication of the Notice of Beginning, or until the publication date of the Closing of the Offering (the "Notice of Closing"), whichever occurs first, (the "Placement Period"), as lay down in Article 18 of CVM Instruction no. 400. Vouchers of subscription of shares will not be traded during the Distribution Period.

2.5 Should the Offering Shares referring to the Reservation Request and indicated in the Bookbuilding Procedure are not totally liquidated at the Settlement Date, the Lead Manager will perform the integralization and/or payment, at the Settlement Date, of the totality of the eventual balance resulting from the difference between (i) the number of Shares under the guarantee given by him and that have been part of the Reservation Request, or that have been included in the Bookbuilding Procedure, pursuant the terms of the Distribution Agreement, and the number of Shares effectively paid or liquidated at the Share Price (as defined below). This guarantee is effective from the moment the Bookbuilding procedure is completed and the Distribution Agreement is signed. The Lead Manager's responsibility is limited to the guarantee established in the Distribution Agreement, with exception of the item 2.15 below:

2.6 In case the guarantee becomes effective and the Offering Shares are re-sold to the public by the Lead Manager during the Distribution Term, the re-sale price will be that of the stock market up to the maximum limit of the Share Price, exemption for the stabilization activities carried out according to the Agreement of Price Stabilization Services of Preferred Shares Issued by the Company (the "Stabilization Agreement").

2.7 Additionally, broker-dealers that are members of BOVESPA (São Paulo Stock Exchange) and that join the Distribution Agreement by means of the Distribution Agreement Acceptance Terms with the Lead Manager (the "Associated Brokers") and in conjunction with the Lead Manager and the Co-Agents, the

“Institutions Participating in the Offering”) will be able to participate in the Offering, exclusively for the placement of Shares with Shareholders and Public Investors, as shown below.

2.8 The Lead Manager, with the express authorization of the Company and Selling Shareholders, has developed a plan to distribute the Offering Shares, pursuant paragraph 3rd. of CVM Instruction no. 400, which takes into consideration the relationships with customers and other considerations of commercial or strategic nature of the Lead Manager, Company, and Selling Shareholders. The Lead Manager shall ensure that the investment fits the risk profile of their customers, as well as that investors will receive a fair and equitable treatment. The Lead Manager shall also endeavor his best efforts towards stock dispersion, according to the Differentiated Practices Regulation of Corporate Governance Level 1, of BOVESPA.

Offering Target Public

2.9 The Priority Offering to the Shareholders will be made to the shareholders holding common and preferred shares issued by the Company, according to custody standing verified (i) at CBLC, after the settlement of the operations on April 6, 2006 and until the stock trades carried out at BOVESPA on April 3, 2006, and/or (ii) at financial depository institutions of common and preferred shares issued by the Company, on April 3, 2006 (the “Shareholders” and the “ Pricing”). The Shareholders will only be able to make Reservation Requests for Shares of the Primary Offering that are of the same class as the shares they hold, and in the same proportion of their interest in the total capital of the Company. Priority shall be given to Shares of other classes if the totality of the Shares distributed in the Primary Offering is not enough to ensure that the Shareholders will have, in the increased capital, the same proportion they had in the total capital before the increase.

2.10 The Public Offering will be made to those who make Reservation Requests and that are individual persons, legal entities, or investment clubs registered at BOVESPA, resident and domiciled in Brazil, not considered as Qualified Institutional Investors (as defined below) (the “Public Investors”).

2.11 The Qualified Institutional Offering will be made to individual persons, legal entities, investment clubs registered at BOVESPA and other entities, whose specific orders, in the Offering, correspond to investment values higher than R\$ 300.000,00 (three hundred thousand Reais) established for Public Investors, shareholders, investment funds, pension funds, entities managing third parties’ resources registered at CVM, entities authorized by the Brazilian Central Bank, insurance companies, private pension entities, capitalized entities, open or closed entities of complementary pension funds, non-financial legal entities with net equity higher than R\$ 5.000.000,00 (five million Reais), and institutional foreign investors (the “Qualified Institutional Investors”).

Priority Offering to Shareholders

2.12 From April 12, 2006, to April 13, 2006, inclusive (the “Reservation Period for Shareholders”), the Shareholders will be able to make their Reservation Requests for subscription of Shares of the Primary Offering, upon filling out a specific form (the “Reservation Request”) and delivering it to the Lead Manager, Co-Agents participating in the Offering, and Associated Brokers (the “Authorized Institutions”), upon the observance of the following dispositions:

- (a) The Shareholders who are interested in the Offering will be able to make their Reservation Requests irrevocably and unchangeably, except for items (i) and (j) below, within the Reservation Period for the Shareholders, and at one of the Authorized Institutions. For the purposes of paragraph 2nd, of Article 46 of CVM Instruction no. 400, the Shareholders may consider their reservations as confirmed in case they do not indicate otherwise until the publication of the Notice of Beginning;
- (b) Each one of the Shareholders who have made their Reservation Requests will be able to subscribe Shares of the Primary Offering of the same class and in the same proportion of their interests in the

total capital of the Company. Subscription of Shares of other classes will only be allowed for the purposes of item 2.9 – final part above – according to the custody standing of common and preferred shares issued by the Company at the Pricing Date, not considering Shares fractions (the “Maximum Limit for Subscription of Shares”), as long as the Shareholders have not subjected their Reservation Requests to a maximum Share Price or, in case they have done so, such maximum price was equal or higher than the Share Price. The Shareholder who wish to purchase Offering Shares in a volume higher than his/her Maximum Limit for Subscription of Shares, will be able to make his/her Reservation Request within the Public Offering if he/she is eligible as a Public Investor. In this case, for all purposes and effects, he/she will be treated as a Public Shareholder, with no distinctions at all, for the purposes of the Public Offering. The Shareholders will also be able to: (i) subject their acceptance of the Offering as per Article 31 of CVM Instruction 400 to the distribution of the Minimum Quantity of Shares, or (ii) indicate their intention to receive the quantity equivalent to the proportion between the quantity of Shares effectively distributed and the Initial Quantity of Shares. Should the Shareholder does not indicate otherwise, it will be assumed, in accordance with the terms established in the Reservation Request, that he/she is interested in receiving the totality of Shares of his/her respective Reservation Request. In case the Shareholder subjects his/her acceptance of the Offering to the distribution of the Initial Quantity of Shares, and the quantity effectively distributed is lower than that quantity, the respective Reservation Request will be automatically cancelled by the respective Authorized Institution.

- (c) Any Reservation Request made by Shareholders who are (i) administrators or part of the Controlling Company, (ii) administrators or controlling parties of the Institutions Participating in the Offering, or (iii) other people related to the Offering, as well as by their spouses or partners, ancestors, descendants, or relatives up to second degree with each of the persons referred in the sub-items (i), (ii) or (iii), as defined in the current law, (the “Related Parties”), after the period April 12, 2006 – April 13, 2006, inclusive, (the “Reservation Period for Related Parties”) shall be canceled by the Institution Participating in the Offering that has received such Reservation Request.
- (d) Should the totality of the Reservation Requests made by the Shareholders is equal or lower than the quantity of the Primary Offering Shares and there is no the condition referring to the maximum value per Share, all Shareholders will have their Reservation Requests fully met, corresponding to the Maximum Limit for Subscription of Shares. Eventual remainders of the Primary Offering Shares will be used to meet the Reservation Requests of Public Investors, according to item 2.13 below.
- (e) Each Authorized Institution shall inform the quantity of the Primary Offering Shares to be subscribed by the Shareholder, as well as the corresponding value of the investment to be made by the Shareholder who has submitted his/her Reservation Request to such Authorized Institution, until 4:00 P.M. of the day following the publication date of the Notice of Beginning, by means of electronic message to the electronic address informed on the Reservation Request, or, in its absence, by telephone or letter. The payment of the investment is limited to the value of the Reservation Request.
- (f) Each Shareholder shall make the payment of the value indicated in item (e) above, to the Authorized Institution under which he/she has submitted its Reservation Request. Such payment shall be at sight, in the national currency, and shall be available by 10:30 AM of the Settlement Date.
- (g) After all Shareholders` Reservation Requests have been granted in the conditions described in items (b) and (d) above, the remainder Primary Offering Shares will be used to meet the Reservation Requests of the Public Investors, in accordance with item 2.13 below;
- (h) In order to subscribe to his Share Subscription Maximum Limits, the Controlling Shareholder – in accordance with item 2.15 below – undertakes, before the Lead Manager, to make a Reservation Request for the subscription of 77.4% (seventy-seven whole numbers and forty decimal percentage points) of the Primary Offering common shares, and 13.6% (thirteen whole numbers and sixty

decimal percentage points) of the Primary Offering preferred shares, totaling 35.9% (thirty-five whole numbers and ninety decimal percentage points) of the Primary Offering Shares.

- (i) Exclusively in the case of relevant divergence between the information contained in the Preliminary Prospectus and the information contained in the Statutory Prospectus, such divergence substantially changing the risk taken by the Shareholder, or his/her decision about the investment, such Shareholder may turn down his/her Reservation Request after the beginning of the Placement Period. In this case, the Shareholder shall inform about his/her decision of giving up the Reservation Request to the Authorized Institution under which he/she has made such Reservation Request, in accordance with the terms and within the period established in such Reservation Request. Should the Shareholder fails to do so in accordance with the Reservation Request, he/she shall pay for the investment according to the terms established above, and,
- (j) In case the Offering does not reach completion, or in case of Rescission of this Agreement, the Reservation Requests will be automatically cancelled and the Authorized Institutions will inform about the cancellation of the Offering by means of the publication of a Notice to the Market and to the Shareholders who have submitted their Reservation Requests with them.

The Shareholders who are interested in making a Reservation Request shall carefully read the terms and conditions mentioned in such Reservation Requests, as well as the information contained in the Preliminary Prospectus.

Public Offering

2.13 After meeting all Shareholders' Reservation Requests during the period April 12, 2006 to April 25, 2006, inclusive, (the "Reservation Period for Public Investors"), the minimum value equivalent to 10% (ten percent) of the remainder Primary Offering Shares, if any, (in accordance with item 2.15 below), added of the minimum value equivalent to 10% (ten percent) of the totality of Secondary Offering Shares, excluding the Over-Allotment Shares and the Additional Over-Allotment Shares, (the "Public Offering Shares"), will be used exclusively for placement by Public Investors and Shareholders (in the case of item 2.12. (b) above), under the following conditions:

- (a) The Public Investors who are interested in the Offering will be able to make their Reservation Requests irrevocably and unchangeably, except for items (g) and (h) below, within the respective Reservation Period for Public Investors, at only one of the Authorized Institutions, respecting the minimum investment limit of R\$ 1.000,00 (one thousand Reais) and the maximum investment limit of R\$ 300.000,00 (three hundred thousand Reais) per Public Investor. The Public Investors may stipulate, in the Reservation Request, a maximum Share Price as a condition to make their Reservation Requests, in accordance with paragraph 3rd of Article 45, of CVM Instruction no. 400. In this case, the Reservation Requests, whose maximum price stipulated is lower than the Share Price, will be automatically cancelled by the Authorized Institution under which such Reservation Requests have been made. The Public Investors will also be able to (i) subject their acceptance of the Offering, as per Article 31 of CVM Instruction 400, to the distribution of the Minimum Quantity of Shares, or (ii) indicate their intention to receive the quantity equivalent to the proportion between the quantity of Shares effectively distributed and the Initial Quantity of Shares. Should the Shareholder does not indicate otherwise, it will be assumed, in accordance with the terms established in the Reservation Request, that he/she is interested in receiving the totality of Shares of his/her respective Reservation Request. In case the Public Investor subjects his/her acceptance of the Offering to the distribution of the Initial Quantity of Shares, and the quantity effectively distributed is lower than that quantity, the respective Reservation Request will be automatically cancelled by the respective Authorized Institution.

- (b) Any Reservation Request made by a Public Investor who is a Related Party, shall, after the Reservation Period for Related Parties, be cancelled by the Institution Participating in the Offering to which such Reservation Request has been made;
- (c) Each Authorized Institution shall inform the quantity of Shares of the Public Offering to be subscribed by the Public Investors, as well as the corresponding value of the investment to be made by the Public Investors and by the Shareholders who have submitted his/her Reservation Request to such Authorized Institution, until 4:00 P.M. of the day following the publication date of the Notice of Beginning, by means of electronic message to the electronic address informed on the Reservation Request, or, in its absence, by telephone or letter. The payment of the investment is limited to the value of the Reservation Request., except in the case of eventual apportionment, as foreseen in item (1) below;
- (d) Each Public Investor shall make the payment of the value indicated in item (c) above to the Authorized Institution to which his/ her Reservation Request has been made. Such payment shall be at sight, in the national currency, and shall be available until 10:30 AM of the Settlement Date;
- (e) Should the totality of the Reservation Requests made by Public Investors is equal or lower than the quantity of the Shares of the Public Offering, without including the Over-Allotment Shares and the Additional Over-Allotment Shares, there will be no apportionment. Therefore, all Public Investors and Shareholders will have their Reservation Requests fully met, and eventual remainders of the Public Offering Shares will be used for the Qualified Institutional Investors, according to item 2.14 below;
- (f) Should be totality of the Reservation Requests made by Public Investors is higher than the quantity of the Public Offering Shares, without considering the Over-Allotment Shares and the Additional Over-Allotment Shares, an apportionment of the Public Offering Shares will be made among all Public Investors. The criterion to be used for such an apportionment will be (i) an equal and successive division of the Public Offering Shares among all Public Investors, limited to the individual value of each Reservation Request, without considering fractions, up to the limit of R\$ 5.000,00 (five thousand Reais) per Public Investor; and (ii) once the criterion mentioned in the sub-item (i) has been fulfilled, a proportional apportionment of the remaining Public Offering Shares among all Public Investors, observing the individual value of each Reservation Request and not considering share fractions. The values of the Reservation Requests that exceed the limit indicated in the sub-item (i) above and which are not the object of apportionment, according to the sub-item (ii) above, will be disregarded. Optionally, in the Lead Manager's discretion, the quantity of the Public Offering Shares may be increased so that the requests in excess of the Public Investors may be totally or partially met. In case of partial granting, the same criterion of apportionment described in the sub-items (i) and (ii) above shall be adopted, with no exception, in equal conditions to all Public Investors;
- (g) Exclusively in the case of relevant divergence between the information contained in the Preliminary Prospectus and the information contained in the Statutory Prospectus, such divergence substantially changing the risk taken by the Shareholder, or his/her decision about the investment, such Shareholder may turn down his/her Reservation Request after the beginning of the Placement Period. In this case, the Public Investor shall inform about his/her decision of giving up the Reservation Request to the Authorized Institution under which he/she has made such Reservation Request, in accordance with the terms and period established in such Reservation Request. Should the Public Investor fails to do so in accordance with the Reservation Request, he/she shall pay for the investment according to the terms established above, and,
- (h) In case the Offering does not reach completion, or in case of Rescission of this Agreement, the Reservation Requests will be automatically cancelled and the Authorized Institutions will inform about the cancellation of the Offering by means of the publication of a Notice to the Market and to the Public Investors who have submitted their Reservation Requests with them.

The Public Investors who are interested in having their Reservation Requests granted shall carefully read the terms and conditions stipulated in the respective Reservation Requests, as well as all information contained in the Preliminary Prospectus.

Qualified Institutional Offering

2.14 After meeting all Reservation Requests of the Shareholders and Public Investors, during the period April 12, 2006 to April 25, 2006, inclusive, the remainder of the Offering Shares (the “Qualified Institutional Offering Shares”) will be used for public placement with Qualified Institutional Investors. These investors will not be able to make reservations in advance on the condition that there are not minimum or maximum investment values.

- (a) Any order received from an Qualified Institutional Investor who is a Related Party will be cancelled by the Lead Manager;
- (b) Should the Qualified Institutional Offering Shares referring to the orders received from Qualified Institutional Investors during the *Bookbuilding Procedure* exceeds the total of Qualified Institutional Offering Shares remaining after the granting of the Reservation Requests of the Shareholders and Public Investors, the Qualified Institutional Investors who, in the exclusive discretion of the Lead Manager and of the Company, best meet the objective of the Offering, will have their Reservation Requests granted. Such objectives include the creation of a diversified base of shareholders formed by Qualified Institutional Investors using different assessment criteria on the prospects of the Company in the long term, its market sectors, and the Brazilian and international macroeconomic scenario.
- (c) The Qualified Institutional Investors shall subscribe and/or purchase the Qualified Institutional Offering Shares upon their full payment, at sight, in the national currency, at the subscription and/or purchase act.

2.15 Should, at the conclusion of the Reservation Period and Bookbuilding Procedure, the totality of the common shares of this Primary Offering is not allocated to the Shareholders, Public Shareholders and Qualified Institutional Shareholders, according to above terms, the Controlling Shareholder undertakes to, according to the Distribution Agreement, to change the terms of the Reservation Request at the Authorized Institution that has made its Reservation Request, so as to subscribe common shares of the Primary Offering that have not been included in the Reservation Requests of Shareholders and Public Investors, or that have not been allocated to Qualified Institutional Investors, so that the quantity of preferred shares of the company’s capital stock, after the Offering, may not exceed in 2/3 (two thirds) the quantity of the capital stock of the Company after the Offering, as determined by Article 8, paragraph 1st, item III, of the Law 10.303/01.

3. Price of Subscription and/or Acquisition

3.1. Within the Offering, the price of subscription and/or acquisition per Share (the “Share Price”) will be determined after the Reservation Requests have been made during the Reservation Period, and after the conclusion of the Bookbuilding Procedure, which will be exclusively conducted in Brazil with Qualified Institutional Investors, by the Lead Manager, in accordance with Article 44, of CVM Instruction no. 400, and pursuant Article 170, paragraph 1st, item III, of the Corporation Law, whose basis is: (i) the quotation of Preferred Shares at BOVESPA, and (ii) the indications of interest resulting from the quality of the demand (by volume and price), that have been collected with Qualified Institutional Investors during the Bookbuilding Procedure, and which will reflect the value at which the Qualified Institutional Investors are willing to

subscribe / purchase Offering Shares. The Share Price will be the same for the common shares e preferred Offering Shares. The choice of the market price criterion of the Preferred Shares for the determination of the Share Price, for both, the Common Offering Shares and the Preferred Offering Shares, is individually justified, considering that such price will promote a equitable treatment among investors, without causing unjustified dilution of the current shareholders of the Company. The Share Price will be approved by the Company's Board of Directors.

3.2 The Shareholders and the Public Investors will not participate in the Bookbuilding Procedure and, as a result, will not participate either in the process which will determine the Share Price.

Stabilization

3.3 The Lead Manager, through Santandar Brasil S.A. Corretora de Títulos e Valores Mobiliários, will be able to, in his exclusive discretion, to carry out stabilization activities of the price of the preferred shares against the Share Price, in up to 30 (thirty) days from the publication date of the Notice of Beginning, according to the applicable legal dispositions and according to the Stabilization Agreement, which will be submitted to analysis and approval by BOVESPA, in the terms of Article 23, paragraph 3rd, of CVM Instruction no. 400.

4. Characteristics of the Common Shares and Preferred Shares

The common shares and the preferred shares issued by the Company entitle their holders to the rights defined in the Company's Bylaws, in the Corporation Law, and in the Level 1 Differentiated Practices of Corporate Governance Regulation, among which we include the following:

(a) in the exclusive case of common shares, voting right at the Company's general meetings, with each common share corresponding to one vote;

(b) in the exclusive case of preferred shares, priority right at capital reimbursement, without premium, proportionally to interest in the stock capital, in case of the liquidation of the Company and after the fulfillment of all social obligations;

(c) for both the common shares and preferred shares, right to the minimum mandatory dividend in each fiscal year, equivalent to 30% (thirty percent) of the net profit, according to paragraph 1st of article 36, of the Company's bylaws;

(d) for both the common shares and preferred shares, right to sell ordinary and preferred shares in the same conditions offered to the selling controlling shareholder, in case of sale, directly or indirectly, of the controlling interest of the Company, through a single operation or through successive operations (tag along), at the Share Price equal to, at least, 80% (eighty percent) of the value paid per common share with voting right that integrate the controlling block;

(e) for both the common shares and preferred shares, right to full dividends and further rights to be stated by the Company from the Settlement Date..

5. Trades at Bovespa

5.1 The Company integrates Level 1 of the Differentiated Practices of Corporate Governance of BOVESPA. The common shares and the preferred shares issued by the Company are being traded at Bovespa – Level 1, under trading codes RAPT3 and RAPT4.

5.2 The Offering Shares will be delivered to its investors only after 4:00 PM of the Settlement Date.

Shares Lock Up Agreement

5.3 The Company, the Selling Shareholders, DRAMD Participações e Administração Ltda. and its controlling shareholders will enter into agreements restricting the sale of common and preferred shares issued by the Company, under which they have committed not to – except in case of prior written consent of the Lead Manager - offer, sell, contract to sell, encumber, grant call option, selling short, or in any other way dispose of or commit to disposing of, either directly or indirectly, any common or preferred shares issued by the Company, any call option of such shares, or any other convertible securities, or which are exchangeable into, or which represent a right to receive such shares, except for the Over-Allotment Shares, for the term of 180 (one hundred and eighty) days from the date of the Statutory Prospectus, except for the Over-Allotment Shares.

6. Information on the Company

The Company's object is: (a) holding interests in the capital stock of other societies; (b) administration of its own goods and chattels, and real estate; (c) the activity related to the industry, commerce, import and export of vehicles for road transport, equipment for road and rail transport, mechanical devices, spare parts, parts and components related to the company's activity; (d) activity related to the road transport of cargo; and (e) service provision related to its activities.

7. Additional Information

7.1 We recommend that investors read carefully the Preliminary Prospectus before making their decision to invest in shares.

7.2 The Preliminary Prospectus contains information that add and complement the information given in this Notice to the Market. Its reading enables a minute-detail analysis of the terms and conditions of the Offering and the risks it poses. **We recommend that investors read the Preliminary Prospectus before making any investment decision.**

7.3 The investors who wish to obtain the Preliminary Prospectus or additional information on the Offering shall go, from the publication date of this Notice to the Market, to the following addresses and internet pages:

Company

Randon S.A. Implementos e Participações
Avenida Abramo Randon, 770
Caxias do Sul - RS
www.randon.com.br

Lead Manager

Banco Santander Brasil S.A.
Rua Amador Bueno, 474
São Paulo - SP
www.superbroker.com.br

Co-Managers

Banco Fator S.A.
Rua Dr. Renato Paes de Barros, 1017, 11º e 12º andares
Cidade de São Paulo, Estado de São Paulo
www.fatorcorretora.com.br

HSBC Bank Brasil S.A. - Banco Múltiplo
Av. Brigadeiro Faria Lima, 3064 - 4º andar
Cidade de São Paulo, Estado de São Paulo
www.hsbcbroker.com.br

Unibanco – União de Bancos Brasileiros S.A.
Av. Eusébio Matoso, 891, 20º andar
Cidade de São Paulo, Estado de São Paulo
www.unibanco.com.br/prospectos

Placement Agents

The premises and the home pages of each of the Placement Agents are informed at the CBLC site (www.cblic.com.br)

7.4 The Preliminary Prospectus will also be available at CVM, on Rua Sete de Setembro, 111, 5th floor, Rio de Janeiro, RJ, and Rua Libero Badaró, 471, 7th floor, São Paulo, SP (www.cvm.gov.br), and at BOVESPA, on Rua XV de Novembro, 275, São Paulo, SP (www.bovespa.com.br).

7.5 The Lead Manager strongly recommends that the Shareholders and Public Investors who are interested in making their Reservation Requests carefully read the terms and conditions stipulated in the Reservation Request, specially concerning the procedures relating to the payment of the Share Price and Settlement of the Offering.

7.6 The Shareholders and Public Investors will be able to make their Reservation Requests at the Related Institutions, in the following locations:

Lead Manager

Banco Santander Brasil S.A.
All agencies of the Banco Santander Brasil S.A.

Co-Agents

Banco Fator S.A.
HSBC Bank Brasil S.A. - Banco Múltiplo
Unibanco – União de Bancos Brasileiros S.A.

Placement Agents

Premises of the Placement Agents authorized by CBLC to participate in the Offering.

7.7 The financial institution hired to provide services related to the custody of Shares is Banco Itaú S.A.

7.8 According to CVM Instruction no. 400, the Company, the Selling Shareholders, and the Lead Manager have applied for the Offering registration request to CVM on February 24, 2006, being this Offering subject to prior approval by CVM.

7.9 The Company is listed at CVM under no. 14.10/9.

Schedule of the Offering

7.10 Below is the schedule of the phases of the Offering, with its main events, effective from the publication of this Notice to the Market.

Order of the Events	Events	Scheduled Date ⁽¹⁾
1.	Publication of the Notice to the Market	April 5, 2006
2.	Preliminary Prospectus	April 5, 2006
3.	Beginning of Roadshows	April 5, 2006
4.	Beginning of the <i>Bookbuilding Procedures</i>	April 5, 2006
5.	Beginning of the Reservation Period for Shareholders	April 12, 2006
6.	Closing of the Reservation Period for Shareholders	April 13, 2006
7.	Beginning of the Reservation Period for Related Parties	April 12, 2006
8.	Closing of the Reservation Period for Related Parties	April 13, 2006
9.	Beginning of the Reservation Period for Public Investors	April 12, 2006
10.	Closing of the Reservation Period for Public Investors	April 25, 2006
11.	Closing of the Roadshows	April 25, 2006
12.	Closing of the Bookbuilding Procedures	April 26, 2006
13.	Determination of the Pricing	April 26, 2006
14.	Signature of the Distribution Agreement and <i>Placement Facilitation Agreement</i>	April 26, 2006
15.	Offering Registration	April 26, 2006
16.	Publication of the Notice of Beginning	April 27, 2006
17.	Statutory Prospectus	April 27, 2006
18.	Beginning of the period to exercise the Over-Allotment Shares Option	April 27, 2006
19.	Settlement Date	May 3, 2006
20.	Closing of the period to exercise the Over-Allotment Shares Option	May 27, 2006
21.	Deadline to liquidate the Over-Allotment Shares Option	May 31, 2006
22.	Deadline to publish the Notice of Offering Closing	October 27, 2006

⁽¹⁾ All dates above are merely indicative and are subject to changes, suspension, anticipation or postponement at the discretion of the Lead Manager, Company and Selling Shareholders.

7.11 The roadshows will take place in Brazil and abroad.

READ THE PRELIMINARY PROSPECTUS BEFORE ACCEPTING THE OFFERING

There is no specific inadequacy of this Offering to certain investing groups or categories. However, the present Offering does not fit investors afraid of the inherent risks related to stock investments. As any other stock investment, the acquisition of Shares presents certain risks and possibility of equity losses, which must be carefully considered prior to any decision towards the investment. Investors must read the Section “Risk Factors” in the Prospectus for a description of risk factors which must be taken into account before underwriting and/or buying shares.

This Notice to the Market does not constitute an Offering to sell Shares in the United States of America. No registration of the Offering or of the Shares will be made at SEC or in any agency or stock market body in any other country, but Brazil. Unless they are registered at SEC, the Shares are eligible to be offered in the United States of America or to people considered as US persons only in the cases defined by the Regulation S of the Securities Act, according to exemption from registration from the Securities Act.

"The registration of this Offering does not imply, from CVM's part, any guarantee of the veracity of the information given or in any judgment on the quality of the Company and shares to be distributed".



“The present Offering has been prepared in accordance with the dispositions of ANBID’s Self-Regulation Code for Public offerings for the Distribution and Acquisition of Securities, approved by ANBID’s General Meeting, and is part of the minutes registered at the *4th Ofício de Registro de Pessoas Jurídicas da Cidade de São Paulo*, State of São Paulo, under no. 510718, this Offering therefore meeting the minimum information requirements contained in the code, with ANBID not bearing any responsibility for such information, for the quality of the issuer and/or offering company, participant institutions and securities of this Offering”.

LEAD MANAGER



CO-MANAGER

[LOGOS]