



RANDON S.A. IMPLEMENTOS E PARTICIPAÇÕES

Publicly-Traded Company
CNPJ/MF nº 89.086.144/0001-16

MATERIAL FACT

Randon S.A. Implementos e Participações ("Randon"), a publicly-traded company with headquarters on Abramo Randon, no. 770, Interlagos District, in the city of Caxias do Sul, State of Rio Grande do Sul, enrolled with the General Taxpayers` Registry (CNPJ/MF) under no. 89.086.144/0001-16, in compliance with the rules laid down in Law No. 6.404/76, of December 15th, 1976, as amended, ("Corporations Law"), and on CVM Instruction no. 358, of January 3, 2002, by The Securities Commission ("CVM"), as amended, informs its shareholders and the market in general, that, at the meeting of the Board of Directors held on December 18, 2012 ("RCA"), it approved the 2nd (second) issue of simple debentures, not convertible into shares and unsecured, in a single series ("Issue" and "Debentures") for public distribution with restricted placement efforts, pursuant to CVM Instruction No. 476, of January 16, 2009, as amended, ("CVM Instruction no. 476") subject to the terms and conditions below: **(i) Total Amount of Debentures Issued:** the total amount of debentures issued is of up to R\$ 300.000.000,00 (three hundred million Reais), on the Date of Issue (as defined below); **(ii) Number of Issue:** this Issue will be the 2nd (second) one by the Company; **(iii) Quantity and Nominal Unit Value of Debentures:** 3,000 (three thousand) Debentures in the unit value of R\$ 100.000,00 (one hundred thousand Reais) ("Nominal Unit Value") will be issued on the Date of Issue (as defined below); **(iv) Series:** the issue is made up of 1 (one) single series; **(v) Placement:** the Debentures will be publicly offered with restricted placement efforts, pursuant to CVM Instruction No. 476/09, under the regime of firm underwriting offering of all Debentures, in conformity with the Distribution Agreement to be signed on the Issue, with the intermediation of financial institutions, targeting only qualified investors, as defined under Article 4 of CVM Instruction No. 476/09 ("Qualified Investors"); **(vi) Date of Issue, Term and Maturity Date:** the date of issue will be December 18, 2012 ("Date of Issue"). The debentures will have a maturity period of 7 (seven) years counted from the Date of Issue, thus maturing on December 18, 2019, ("**Maturity Date**"); **(vii) Convertibility and Form:** the

debentures will be simple, nominative and book-entry, non-convertible into shares issued by the Company; **(viii) Type:** the Debentures will be of the unsecured type; **(ix) Placement and Negotiation of Debentures:** the debentures will be distributed under firm underwriting regime with the intermediation of financial institutions integrating the securities distribution system and will be registered for distribution in the primary market through (i) SDT- Módulo de Distribuição de Títulos (Securities Distribution System), managed and operated by CETIP S.A. – Mercados Organizados ("CETIP") (Organized over-the-Counter Market), with the distribution being paid by means of CETIP; and (ii) for trading in the secondary market through SND – Módulo Nacional de Debêntures ("SND") (National Debentures System), managed and operated by CETIP, with negotiations settled and the debentures held electronically under custody at CETIP. The negotiation of the debentures will be made under the terms of CVM Instruction No. 476/09 and other applicable laws and regulations. The negotiation of the Debentures will be made under the terms of CVM Instruction No. 476/09 and other applicable laws and regulations; (x) **Remuneration:** the Nominal Unit Value of the Debenture will not be adjusted for inflation. From the date of the first subscription and payment of the debentures ("Date of First Subscription and Payment"), the debentures will be entitled to interest corresponding to the accrued variation of 100% (one hundred percent) of the average daily rates of interbank deposits of 1 (one) day, called "Extra Group Overnight Interbank Deposit Bank", expressed as a percentage per year, 252 (two hundred and fifty two) working days, calculated and published daily by CETIP in the daily newsletter available on its website (<http://www.cetip.com.br>) ("DI Rate"), capitalized on a spread, or surcharge of 1.15% (an integer and fifteen hundredths of a percent) per year, 252 base (two hundred and fifty-two) days ("Surcharge" and, together with the DI-Rate, "Remuneration"). The DI Rate will be calculated cumulatively and exponentially, *pro rata temporis*, by working days, and the Surcharge will be calculated cumulatively and exponentially *pro rata temporis*, by working days incurring over the Nominal Unit Value or over the balance of the Nominal Unit Value of the Debentures, calculated in accordance with the Deed of Debentures Issue ("Deed"), from the date of the First Subscription and Payment, or from the preceding date of payment of the Remuneration, whichever occurs last, until the date of effective payment. **(xi) Payment of the Remuneration:** the Remuneration shall be paid every six months from the Date of Issue, on the 18th of June and December, or on the first business day following if the same is not a working day, with the first payment of the remuneration being due on

June 18th, 2013 and the last payment being due on the Maturity Date. **(xii) Amortization:** the Nominal Unit Value shall be amortized in 2 (two) annual installments, the first one being at the end of the 6th (sixth) year from the Date of Issue, and the last one on the Date of Maturity, i.e., on December 18th, 2018, and on the Date of Maturity; **(xiii) Interest on Arrears:** in case of default of any amount due under the debentures, the debts in arrears shall be subject to the penalties provided for in the Deed; **(xiv) Renegotiation:** there will be no renegotiation of the Debentures; **(xv) Optional Early Redemption:** the debentures may be earlier redeemed by initiative of the Issuer. The conditions for the optional early redemption of the debentures shall be laid down in the Deed, as per the market practice for this type of operation; **(xvi) Optional Acquisition:** the Company may, at any time, acquire outstanding debentures in compliance with the provisions of article 55, paragraph 3, of Law No. 6,404/76. The debentures acquired by the Company may, at the company's sole discretion, be canceled, remain in Treasury or be placed again on the market. The Debentures acquired by the Company to be held in Treasury, if and when put back on the market, will be entitled to the same Remuneration applicable to the other outstanding debentures; **(xvii) Prepayment:** the trustee of the Debentures` holders ("Trustee") may declare all obligations of the Company under the Debentures – provided in the Deed – as due in advance and thus immediately payable, and demand the immediate payment of the Company's debit balance of the Nominal Unit Value that has not been paid yet, plus the Remuneration payable until the date of the effective payment (calculated pro rata temporis) of the Interest on Arrears, if any, and of any other values that may be due by the Issuer under the Deed, on the date it learns about the occurrence of any of the assumptions which may be agreed in the Deed, to be laid down in accordance with the market practice for this type of operation; **(xviii) Allocation of Resources:** the funds raised through the Issue will be used by the issuer to stretch certain short-term debts and reinforce the working capital, in both cases regarding ordinary business of the issuer; **(xix) Subscription Deadline:** the Debentures will be subscribed at any time from the date the distribution of Debentures starts, subject to the provisions of article 8, paragraph 2, of CVM Instruction No. 476/09; **(xx) Profit Sharing:** the Debentures will not be entitled to the Company`s Profit Sharing; **(xxi) Placing of an Additional and Supplementary Lot:** there will be no additional and supplementary lots of Debentures; **(xxii) Place of Payment:** the payments that the Debentures are entitled to will be made (i) using the procedures adopted by CETIP; (ii) or, in the event that the Debentures are not

electronically kept in custody at CETIP, (a) at the headquarters of the Company, or (b) as the case may be, by the Bookkeeping Institution of the Debentures; **(xxiii) Subscription Price:** the subscription price of the Debentures will be its Nominal Unit Price, on the Date of the First Subscription and Payment, or its Nominal Unit Price added of the Remuneration, calculated pro rata temporis from the Date of the First Subscription and Payment to the date of the effective subscription and payment, at later dates; **(xxiv) No Security:** there will be no security of any kind, collateral or personal.

This Material Fact is being published by the Company in compliance with CVM Instruction 358/02 and to the Brazilian Corporation Law. This being so, it has an informative nature only and should not be construed and/or considered, for all legal purposes, as sales material and/or disclosure of debentures.

Caxias do Sul (RS), December 18, 2012.

Astor Milton Schmitt
Investor Relations Director