



RAN DON S.A. Implementos e Participações

CNPJ no.89.086.144/0001-16

Publicly-Traded Company

MATERIAL FACT

In compliance with the provisions of CVM Instruction No. 358, of January 3, 2002, the Company informs their shareholders and the market in general that the Board of Directors, at its meeting held on March 12, 2014, decided to refer proposal of the Executive Board to the Extraordinary General Meeting ("AGM"), convened for April 14, 2014, to increase the stock capital and carry out a stock bonus. The Extraordinary General Meeting ("EGM") will be held concurrently with the Ordinary General Meeting ("AGO").

The proposal consists of the increase of the stock capital by R\$ 470.000.000,00, going from R\$ 730.000.000,00 to R\$ 1.200.000.000,00 through capitalization of income reserves and issuance of 60,946,364 nominative book entry shares, without nominal value, being 20,472,074 common shares and 40,474,290 preferred shares, with free allocation to shareholders of a new share for every four shares of the same class which the shareholder holds at the end of such General Meeting.

Upon the adoption of the proposal by shareholders at the EGM, the shares issued by the Company will be traded "ex-right" to the stock bonus beginning on April 15, 2014. The shares resulting from the stock bonus will be included in the shareholders' position, from April 22, 2014 on, and will have the same rights granted to the existing shares.

Any surplus arising from the fractions of shares will be separated, grouped into integers and sold by auction to be held at BM&BOVESPA, with the respective values being placed at the disposal of shareholders entitled to it. Pursuant to paragraph 3, of Article 169 of Law 6404/1976, a term of 30 days has been established from the credit of shares, so that shareholders may transfer the share fractions.

For the purposes of Article 10, of Law 9249/1995 and § 1st of Article 25 of the Normative Instruction no. 25/2001 of the Brazilian Internal Service Revenue, the cost allocated to stock bonus shares is R\$ 7,7117 per share.

Further information is available on the Company's website, www.randon.com.br/ri and on the websites of CVM (Brazilian Securities Commission), www.cvm.gov.br and BM&FBovespa, www.bmfbovespa.com.br.

Caxias do Sul, March 13, 2014.

Geraldo Santa Catharina

Investor Relations Director