

Contract Execution or Termination

MARCOPOLO S.A.

National Registry of Legal Entity (Tax ID) - CNPJ nº 88.611.835/0001-29

Company Registry Identification Number NIRE nº

43300007235 Publicly Traded Company

RELEVANT FACT

In compliance with the Brazilian Securities and Exchange Commission (CVM) Statement of Instruction number 358/2002, MARCOPOLO S.A. informs that a Joint Venture act of Incorporation in Russia was signed with the major Russian vehicle assembler, RUSPROMAUTO, through its controlled CIFERAL INDÚSTRIA DE ÔNIBUS LTDA., with the main objective of assembling highway buses to serve the Russian and export markets. The expected investment is approximately US\$ 6.5 million. Both, CIFERAL and RUSPROMAUTO will each hold 50% of the capital stock of the Joint Venture, and management will be shared by the two companies. Marcopolo will provide the technology to assemble de vehicle bodies, and RUSPROMAUTO will provide the chassis and the industrial facilities for the new company. The start date of operation is anticipated for September 2006, when 200 units shall be produced. It is estimated that in three (3) years, the production of the Joint Venture reaches 750 to 1,000 units/year. Initially the bus assembly parts will be imported from Brazil, and still in 2006 the process to develop and acquire parts in Russia will begin.

Caxias do Sul, February 22, 2006.

Carlos Zignani

Investors Relations Executive Officer