

Shares Bonus

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 358/02, we inform the shareholders and the market that, in the Board of Directors meeting held on August 25, 2006, the increase in capital stock of the company was approved within the limits of the authorized capital, through stock dividends - 100%. The capital stock will be R\$450,000,000.00, through the capitalization of some of the surplus reserve in the amount of R\$224,000,000.00 (included in this amount are the surplus reserves constituted in 1995 in the amount of R\$12,047,672.52), and through the issuance of 111,848,132 new shares to be distributed as dividends, of which 42,703,218 will be common stock and 69,144,914 preferred shares, all of them book-entry shares with no-par value, to be distributed to the shareholders for free, proportionally one new share per each outstanding common or preferred share, held by the shareholders as of 08/25/2006 Pursuant to paragraph 1 Article 25, of Normative Instruction of the Federal Revenue Service number 25/2001, the unit cost attributed to the bonus shares, excluding the value of the surplus reserves incorporated in 1995, is R\$1,895. We further inform that the new shares will have identical rights to those outstanding and that effective 08/28/2006, the trading of these shares in the stock exchange will be done ex-dividend.

Caxias do Sul, August 25, 2006

Carlos Zignani

Investors Relations Executive Officer