

## **GRENDENE S.A.**

Publicly Held Company

CNPJ/MF n. 89.850.341/0001-60 - NIRE Nº. 23300021118-CE

### **MATERIAL ANNOUNCEMENT**

Grendene S.A. ('the Company') (GRND3), in compliance with CVM Instruction 358/02 as amended, and in continuity with the material announcement published on March 22, 2018, informs its stockholders and the market in general that an Extraordinary General Meeting of this Company, held on this date, approved a proposal for a **split of the company's shares 300.720.000** (three hundred million, seven hundred and twenty thousand), each present common share will be represented by 3 (three) shares following the split. There will be no change in the Company's registered capital, under Clause 12, of Law 6.404/76, which shall remain in the amount of R\$1,231,301,604.46, (one billion, two hundred and thirty-one million, three hundred and one thousand, six hundred and four reais and forty-six cents). However it will be divided into 902,160,000 (nine hundred and two million, one hundred and sixty thousand) common shares, book entry share without par value; and stockholders will receive 2 (two) new shares for each share held, as follows:

Stockholders of record on **May 30, 2018** will receive 2 (two) additional new shares for each common share held, to be credited to them on June **06**, 2018 (D+3). The shares will trade post-split on **June 01, 2018**.

The shares arising from the split will be entitled, in equality of conditions, to all benefits, including dividends and any remunerations of capital, distributed by the company as from **June 01, 2018**.

The Extraordinary General Meeting, held on this date approved the amendment of the drafting of arts. 5 and 6 of the Company's Bylaws, to reflect the new number of common shares representing its share capital as a result of the share split.

The purpose of the split, as well as giving the Company's shares greater liquidity, is to: (a) increase the liquidity of the shares; and (b) provide a better level for the quotation of shares issued by the Company in order to make it easier for small investors to buy shares in Grendene.

Sobral, Brazil, April 23, 2018.

Francisco Olinto Velo Schmitt  
Investor Relations Officer  
**GRENDENE S.A.**