

GRENDENE S.A.

Listed Company – CNPJ: 89.850.341/0001-60 – NIRE: 23300021118-CE

MATERIAL ANNOUNCEMENT

Grendene S.A. (Bovespa: **GRND3**) hereby informs its stockholders, in view of results achieved the targets maintained for the 2008-2015 period and extended up to 2018. It also announces, in accordance with CVM Instruction 358 of January 3, 2002 – that at its meeting of February 12, 2015, the Board of Directors decided as follows:

I – Targets maintained for the 2008-2015 period and extended up to 2018 – CAGR 10 years (2008-2018)

After six years of exercise CAGR (2008-2014), the Company successfully performed the announced growth:

- Growth of gross revenue at a compound annual growth rate (CAGR) of 10% (8%-12%).
- Growth of profit at a compound annual growth rate (CAGR) of 13% (12% and 15%).
- In this period Grendene aims at keeping advertising expenses at an average of 8% (8% and 10%) of net revenue.

Targets maintained for the 2008-2015 period and extended up to 2018:

- Growth of gross revenue at a compound annual growth rate (CAGR) between 8% and 12% (2008-2018).
- Growth of profit at a compound annual growth rate (CAGR) between 12% and 15% (2008-2018).
- In this period Grendene aims at keeping advertising expenses at an average of 8% to 10% of net revenue.

We understand that during this period some years may present a higher growth rate and others a lower growth rate, but on average we intend to achieve these targets. Based on our experience, gross revenue in the ten-year period (CAGR) from 2008 to 2018 will grow from 8% to 12% p.a. and profit will increase by 12% to 15% p.a.

Reasons for maintaining the announced targets:

Since 2008, Grendene has consistently achieving its targets despite the adverse economic environment, which encourages us to extend this target by 2018.

II – New share buy back program for Grendene shares (GRND3)

The meeting of the Board of Directors of Grendene held on February 12, 2015 made the following decisions (in accordance with the terms of CVM Instruction 358, of January 3, 2002; as specified in Clause 21, sub-clause “I” of the Company’s bylaws; CVM Instruction 10 of February 14, 1980 as amended by CVM Instructions 268 of November 13, 1997 and 390 of July 8, 2003; and CVM Explanatory Note 16/80):

1. Cancellation of the authorization for the program of acquisition of common shares approved by the Meeting of the Board of Directors of February 13, 2014

2. Approval of a new program to acquire the Company's nominal common shares, without par value, for holding in treasury and subsequent disposal, representing the Company's share capital, without reduction of the registered capital, to comply with exercise of future stock options granted to its executives in the 4th, 5th, 6th, 7th and 8th Stock Options Programs, subject to the conditions established in the Regulations of the Stock Options Program or subscription of shares.

The Board believes that acquisition of the Company's common shares in the market is the best means of executing this purpose. Today the Company has 858.096 (eight hundred fifty-eight thousand and ninety-six) shares in treasury, authorized by the Meeting of the Board of Directors of February 13, 2014, for subsequent disposal, for settlement of exercise of accumulated options exercisable up to 2015. The new program will have the following characteristics:

The new program will have the following characteristics:

- a. Limit of acquisition – subject to the provisions of Articles 3 and 5 of CVM Instruction 10/80; CVM Instruction 268/97; and the Company's stockholding composition on February 12, 2015: Up to 1,500,000 (one million, five hundred thousand) nominal common shares, without par value, corresponding to 1.91% of the shares in circulation.

The total number of common shares comprising the Company's share capital is:

- 300,720,000 (three hundred million, seven hundred twenty thousand), comprising:
- 78.514.470 (seventy-eight million, five hundred fourteen thousand, four hundred seventy) shares in circulation;
- 858.096 (eight hundred fifty-eight thousand and ninety-six) shares in treasury;
- 221.347.434 (two hundred twenty one million three hundred forty seven thousand four hundred thirty four) common shares owned by the Company's controlling stockholders and managers.

- b. Period for acquisition: 365 days.
Start: February 13, 2015.
Termination: February 12, 2016.
- c. Acquisition price: Market price.
- d. Authorized intermediary institution:
Bradesco S.A. Corretora de Títulos e Valores Mobiliários, with head office at Av. Paulista 1450, 7th floor, São Paulo, SP, registered in the CNPJ/MF under No. 61.855.045/0001-32.

Farroupilha, Rio Grande do Sul, Brasil – February 12, 2015.

Francisco Olinto Velo Schmitt.
Diretor de Relações com Investidores