

GRENDENE S.A.

Listed company – CNPJ/MF 89.850.341/0001-60 – NIRE Nº. 23300021118-CE

MATERIAL ANNOUNCEMENT

GRENDENE S.A. ('the Company') (GRND3), in accordance with CVM Instruction 358/02, as amended, notably the provision of Article 2, sole sub-paragraph Sub-item III, hereby informs its stockholders and the market in general that, due to transfers of shares in the Company, from GRENDENE NEGÓCIOS S.A. ("GRENDENE NEGÓCIOS") to its stockholders and also previous stockholders of the Company ALEXANDRE G. BARTELLE PARTICIPAÇÕES S.A. ("AGBPAR") e VERONA NEGÓCIOS E PARTICIPAÇÕES S.A. ("VERONA"), through the partial split of GRENDENE NEGÓCIOS, as detailed in the Market Notice published on today's date, a private instrument of amendment to the stockholders' agreement of the Company, signed on October 6, 2004 ("the Stockholders' Agreement"), between AGBPAR, VERONA, GRENDENE NEGÓCIOS, ALEXANDRE GRENDENE BARTELLE ("ALEXANDRE"), PEDRO GRENDENE BARTELLE ("PEDRO"), MARIA CRISTINA NUNES DE CAMARGO ("MARIA CRISTINA"), PEDRO BARTELLE ("PEDRO FILHO") and GIOVANA BARTELLE VELLOSO ("GIOVANA"), was signed and filed on today's date at the Company's head office, with the consent of the Company, under which GRENDENE NEGÓCIOS ceased to be a party to the Stockholders' Agreement.

The other signatories – AGBPAR, VERONA, ALEXANDRE, PEDRO, MARIA CRISTINA, PEDRO FILHO and GIOVANA – remain as parties to the Stockholders' Agreement of the Company, with all the original terms and conditions of the Stockholders' Agreement being maintained – all of which were ratified and remain in full force and effect.

As the controlling stockholder further stated, the transfer of stockholding interests referred to above does not alter (and does not have the intention of altering) the control or the administrative structure of the Company, which continues to be held by the same group of persons, who, directly or indirectly, hold the same 72.1807% of the share capital of the Company.

The distribution of shares bound by the Stockholders' Agreement of the Company, reflecting the transfers referred to above, is shown in the table below. The group of stockholders that, directly and indirectly, holds stockholding control of the Company, is unchanged.

Stockholder	Number of bound shares	Percentage of share capital
Alexandre G. Bartelle Participações S.A.	93,300,012	31.0255%
Verona Negócios e Participações S.A.	77,199,988	25.6717%
Alexandre Grendene Bartelle	30,149,457	10.0258%
Pedro Grendene Bartelle	5,507,340	1.8314%
Maria Cristina Nunes de Camargo	5,441,280	1.8094%
Giovana Bartelle Velloso	2,743,040	0.9122%
Pedro Bartelle	2,720,640	0.9047%

Copies of the Amendment to the Stockholder's Agreement, the Market Notice, and the communication by the stockholders advising the Company of the transfers, are available for consultation on the websites of the CVM (<http://www.cvm.gov.br>), BM&FBovespa (<http://www.bmfbovespa.com.br>) and the Company (<http://ri.grendene.com.br>).

Sobral – Ceará, July 29, 2016.

Francisco Olinto Velo Schmitt
Investor Relations Officer
Grendene S.A.