

GRENDENE S.A.

Publicly Held Company

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

MATERIAL ANNOUNCEMENT

Grendene S.A. ('Grendene') (GRND3), in compliance with CVM Instruction 358/02 as amended, informs its stockholders and the market in general that its Board of Directors, at a meeting held on this date, decided to submit to the Extraordinary Shareholders' Meeting of the Company, which will be called for April 23, 2018, 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.

As a result of the Split of the Company's shares, if approved by the Extraordinary General Meeting, the drafting of arts. 5 and 6 of the Company's Bylaws, to reflect the new number of common shares representing its capital stock.

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 make it easier for small investors to buy shares in Grendene.

The Company will keep its shareholders and the market in general duly informed on the proposed stock split, as well as the date on which the shares will be traded ungrouped.

Sobral, Brazil, February 22, 2018.

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