

GRENDENE S.A.

Listed company – CNPJ 89.850.341/0001-60 – NIRE 23300021118-CE

MATERIAL ANNOUNCEMENT

In new policy, Grendene will no longer issue Guidance

Grendene S.A. ('Grendene') (GRND3), in accordance with Article 157, §4, of Law 6404/76, and CVM Instruction 358/02 as amended, hereby informs its stockholders and the market as follows:

At its meeting today, the Board of Directors approved the proposal presented by the Executive Board that Grendene will no longer issue guidance – i.e. indicative expectations, targets, projections or estimates of future performance. It has previously presented guidance in its official Reference Form.

Management is taking this decision because it believes that the practice of providing guidance no longer adds value for the Company, its investors or the market as a whole.

Grendene initially adopted this practice when it was first listed on the *Novo Mercado* of the B3 (São Paulo stock exchange), since it was management's view at the time that the sector was little known, and little covered, by investors, analysts and the market as a whole.

Management believes that given the continuous development and modernization of its system for reporting to the market – and after publishing its results for 14 years – the practice of issuing guidance is no longer necessary.

As from today's date, Grendene will no longer adopt the practice of providing guidance.

It will, however, continue to provide its comments and views on the market in which it operates, and report its information in the same way as before, in accordance with the applicable regulations of the CVM and the B3.

Farroupilha, Rio Grande do Sul, Brazil, February 14, 2019.

Francisco Olinto Velo Schmitt

Investor Relations Director