



FRAS-LE S.A.

Publicly Listed Company

CNPJ/MF (National Registry of Legal Entities/Ministry of Finance) No. 88.610.126/0001-29.

COMMUNICATION TO THE MARKET

FRAS-LE SA, a publicly listed company headquartered at Rodovia RS 122, Km 66, No. 10.945, Caxias do Sul, in the State of Rio Grande do Sul, registered with the National Registry of Legal Entities of the Ministry of Finance ("CNPJ / MF") under No. 88.610.126 / 0001-29 ("Company"), following up on the information disclosed in the Communication to the Market dated December 5, 2017, hereby informs its shareholders and the market in general that the conditions precedent to the Closing of the Association Agreement ("JV") with ASK Automotive Private Limited ("ASK") have been complied with, and that on this date, all deal closing documents have been signed, including those necessary for the members to contribute to ASK Fras-le Friction Private Limited ("ASK Fras-le"), allowing for production and operating activities to commence at that unit.

Further information can be obtained from the Fras-le Investor Relations Department by e-mail: ri@fras-le.com or by telephone +55 54 3239-1532.

Caxias do Sul (RS), January 25, 2018.

FRAS-LE S.A.

Sérgio Lisboa Moreira de Carvalho
Director of Investor Relations