



FRAS-LE S.A.

Publicly-Held Company
CNPJ/MF nº 88.610.126/0001-29

MATERIAL FACT

FRAS-LE S.A. ("Fras-le"), a joint-stock company with headquarters on Rodovia RS 122, Km 66, no. 10.945, in the city of Caxias do Sul (RS), enrolled with the General Taxpayers` Registry ("CNPJ/MF") under no. 88.610.126/0001-29, pursuant to the provisions of Law No. 6.404, of December 15, 1976 ("LSA ") and the Securities Commission's Instruction ("ICVM") no. 358, of January 3, 2002, as amended, informs its shareholders and the market in general that the Company has signed, on this date, a Purchase and Sale Agreement of Shares ("Agreement"), aimed at acquiring the totality of shares issued by Jofund S.A., a closely-held company enrolled with the General Taxpayers` Registry ("CNPJ/MF") under no. 79.230.678/0001-10, with headquarters in the city of Joinville (SC), that operates in the market of auto parts under the brand Fremax ("Fremax"). The transaction value is approximately R\$ 180,000,000.00, adjusted according to the assumptions of the price estimated on the closing date, as provided for in the Agreement.

Fras-le's main objectives in this acquisition include the expansion of its product portfolio and the consolidation of its market leading position in the segment of auto parts in Brazil, while increasing its product mix for global supply.

The members of the Board of Directors of the Company have already expressed their favorable position concerning the business. Fras-le will effectively take over the control and management of the acquired company on the business closing date, to take place upon the compliance with all precedent conditions, among which is the approval by the Administrative Council for economic Defense (CADE), by other antitrust defense regulatory bodies in other jurisdictions, and also at the Extraordinary General Meeting

Fras-le will hold an audio conference on this date, at 7:00 PM, to provide information and further clarification to the market on this transaction, and will keep its shareholders and the market duly and timely informed on the conclusion of the operation. More detailed information can be obtained from the Investor Relations Department, on the following channels: Fras-le will hold conference call on that date at 19 hours, to provide service to the market and further clarification about the transaction and will keep its shareholders and the market, timely and adequately informed about the completion of the operation. More detailed information can be obtained from the Investor Relations Department on the following channels: ri@fras-le.com or phone + 55 54 3239-1517 and + 55 54 3239-1532.

Caxias do Sul (RS), August 8, 2018.

Sérgio Lisboa Moreira de Carvalho
Investor Relations Officer