



Vulcabras|azaleia S/A
Public Traded Company

CNPJ/MF nº 50.926.955/0001-42
NIRE 35.300.014.910

MATERIAL FACT

Vulcabras|azaleia S.A. (“Vulcabras|azaleia”), pursuant to the provisions in article 157, paragraph 4th, of Law 6.404/76, as well as providing for the CVM Instruction nr 358/02, hereby informs its shareholders and the market in general that concluded today in conjunction with the Controlling Shareholders ‘Pedro Grendene Bartelle’, ‘Gold Negócios e Participações S.A.’ and ‘Gianpega Negócios e Participações S.A.’, a non binding Memorandum of Understandings (“MOU”), with ‘Pátria Investimentos Ltda’.

The “MOU” aims to initiate a negotiation to achieve a capitalization of “Vulcabras|azaleia”, in order to reach financial strength and conceives period of exclusivity so to the signers negotiate other terms and conditions.

The negotiations are at preliminary stage and the completion is subject still, among other factors, to a confirmatory due-dilligence and usual closing conditions for this type of transaction, including for example, the definition of satisfactory terms to both parts, corporate approvals and other necessary and also the negotiation and signing of definitive agreements.

The Company will maintain the CVM, BM&FBovespa and the market informed about the status of the issues addressed in this Material Fact.

Jundiaí, May 8th 2012.

Vulcabras|azaleia S.A.
Eivaldo Rogério de Brito
Investor Relations Director