



CNPJ 84.683.374/0001-49

## RELEVANT FACT

### ADOPTION OF HEDGE ACCOUNTING

**Tupy S.A.** (“Company”), in accordance with the provisions of § 4 of article 157 of Law 6.404/76 and CVM Instruction n. 358/02, hereby informs its shareholders, the market in general and other interested parties that, as of January 10, 2014, it will adopt the net investment hedge.

The adoption of this practice, regulated in Brazil by CPC38 (Financial Instruments: Recognition and Measurement), allows the assignment of debts in foreign currencies as hedging instruments in order to protect the Company from foreign exchange risk arising from investments held abroad.

With the adoption of the net investment hedge, the portion of gains or losses from foreign currency debt designated as hedging instruments, caused by currency fluctuations, will be presented in the statement of comprehensive income, compensated by gains or losses arising from the translation of investments abroad to the presentation currency of the consolidated financial statements.

The Management believes that the adoption of this practice will enable greater alignment between the financial results of the Company and its operating reality.

Tupy S.A. is the world’s largest producer of iron engine blocks and heads, the largest national producer of cast iron pipe fittings, with industrial plants in Brazil and Mexico, more than 12,000 employees, and is a member of the BM&FBovespa Novo Mercado listing segment.

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Joinville, January 09, 2014.

**Leonardo Gadelha**

Director of Investor Relations

CFO