

SARAIVA S.A. LIVREIROS EDITORES
Publicly-Held Company
Corporate Taxpayer's ID (CNPJ): 60.500.139/0001-26

MATERIAL FACT

**SARAIVA AND BNDES CONTRACTED A NEW FINANCING LINE
TOTALING R\$629 MILLION**

São Paulo, August, 14th, 2014 - Saraiva S.A. Livreiros Editores ("Saraiva" or "Company") in accordance with Instruction 358, of January 3rd, 2002, of the Brazilian Securities and Exchange Commission (CVM), as amended, and paragraph 4 of Article 157, of Law 6,404, of December 15th, 1976, hereby informs its shareholders and the market in general that the Brazilian Development Bank ("BNDES") contracted with the Company a new financing line totaling R\$ 628,966,000.00 (six hundred and twenty-eight million, nine hundred and sixty-six thousand reais).

The majority of the funds from the Program for the Development of the Culture Related Economy (PROCULT), focused on projects associated with education and culture, have the purpose of financing the Company's comprehensive investment program for the period between 2013 and 2016. The contracting of a new financing line with BNDES will enable the group to carry out its expansion activities as well as create approximately 700 direct jobs in several Brazilian states.

The new financing will improve the management of Saraiva's financial liabilities, aiming at reducing its cost, as well as extending the average term of the Company's debt, and streamlining its maturity profile. Funds will be released in installments – with approximately 30% in the second semester of 2014, 30% in 2015, 25% in 2016 and the remaining balance in 2017.

The agreement is divided into three (3) main sub credits, as follows:

- 1) R\$ 488,482,000.00 (four hundred and eighty-eight million, four hundred and eighty-two thousand reais), to be released between 2014 and 2017 and allocated to finance investments in the publishing business unit;
- 2) R\$ 137,284,000.00 (one hundred and thirty-seven million, two hundred and eighty-four thousand reais), to be released between 2014 and 2017 and allocated to the retail operations; and,
- 3) R\$ 3,200,000.00 (three million and two hundred thousand reais), to be allocated to social projects that will be carried out by the Company.

Debt will be amortized in ten years (2014 to 2024), including the 24 to 36 month grace period for the principal, corresponding to an average settlement term (duration) of 59 months, significantly higher than the average term of the current portfolio, of approximately 10 months.

The agreement is 67% indexed to the long-term interest rate (TJLP) and the remaining balance to the Selic basic interest rate, at the effective rate of 8.11% p.a. (excluding bank guarantee costs), considering the long-term interest rate of 5% p.a. and the Selic rate of 11% p.a.

São Paulo, August 14th, 2014.

JOÃO LUÍS RAMOS HOPP
Chief Financial Officer and Investor Relations Officer