

SARAIVA S/A LIVREIROS EDITORES

Publicly-Held Company

Corporate Taxpayer ID # (CNPJ): 60.500.139/0001-26

Commercial Register # (NIRC): 35300025300

NOTICE TO THE MARKET

Saraiva S.A. Livreiros Editores (BM&FBOVESPA: SLED4), pursuant to Article 12 of the Brazilian Securities and Exchange Commission (CVM) Rule 358 of January 2002, as amended, informs its shareholder and the market in general that it received a notice from **José Claudio Pagano**, with business address at Rua Pe. Manoel da Nóbrega, 16 - 16a, enrolled at the Individual Taxpayers Register (CPF) under the number 763.370.228-15 ("Investor"), stating that, through transactions carried out in the stock exchange, increased its ownership interest managed through Saraiva S.A. Livreiros e Editores preferred shares ("PN shares"). Investor's current holding is now of **900,000** (nine hundred thousand) shares, corresponding to **5.27%** of the Company's preferred shares.

This is a minority investment that does not change the Company's corporate control or the management structure.

For additional information, please contact Saraiva's Investor Relations Area.

São Paulo, December 23, 2016.

JORGE SARAIVA NETO

Chief Executive Officer and Director of Investor Relations