

TAURUS S.A.
PUBLICLY-TRADED COMPANY
CNPJ/MF No.2.781.335/0001-02
NIRE 43 3 0000739 1

MATERIAL FACT

São Leopoldo, July 18, 2018 - Taurus S.A. ("Company" or "Taurus") listed as a level 2 company on B3 S.A. - Brasil, Bolsa, Balcão (Trade symbols: FJTA3, FJTA4), would to inform its shareholders and the market in general that, in continuity with the Company's debt reprofiling process initiated in 2015 and as complementation to the Market Announcement dated Feb 5, 2016, and the Important Notice dated Jun 30, 2016, we concluded on this date the process for the formalization and signature of the fundraising agreements, with the purpose of paying and/or reprofiling debts owed to some Financial Institutions in particular, as well as carrying out its 3rd public issuance of debentures ("Creditors" and "Operation").

The terms of the Operation include the extension of the maturity terms of debts owed to Creditors, which total approximately USD 161,800,000.00. The total maturity terms of the Operation is now 5 (five) years, with a grace period for interests and principal payments in the year of 2018. The amortization of the principal and interests shall be carried out by means of monthly payments, which shall begin on Jan 21, 2019.

The operation shall have the following real guarantees: (i) conditional sale of the entirety of quotas from Taurus Blindagens Ltda. and Taurus Blindagens Nordeste Ltda. ("Conditional Sale"); (ii) take out a second mortgage on 02 real estate properties located in Mandirituba/PR and 02 other real estate properties in Porto Alegre, RS, as well as take out a first mortgage on 01 real estate property in São Leopoldo, RS ("Mortgage"); and (iii) conditional assignment of credit rights arising from the funds linked to the possible sale of the quotas that are the subject matter of the Conditional Sale and Mortgage, as well as the rights inherent to the ownership of the Company's escrow account to be opened for receiving such funds.

Moreover, the Company would like to inform that the conclusion of this process, following the respective financial liquidation of the operations, depends on compliance with specific preliminary conditions that are commonplace for this kind of operation, including registration of the guarantees submitted to competent authorities.

The conclusion of this Operation represents an important step of the Company's debt restructuring process, decreasing financial costs and creating new conditions for the Company to concentrate its efforts on its financial and operational development and strengthening.

Taurus, in compliance with the legislation currently in effect, shall keep its shareholders and the market informed about the developments of this ongoing Operation.

The Investor Relations Department is at everyone's disposal for additional clarifications.

SERGIO CASTILHO SGRILLO FILHO
ADMINISTRATIVE AND FINANCIAL OFFICER
INVESTOR RELATIONS OFFICER
TAURUS S.A.