

Publicly-held Company

CNPJ/MF nº 73.178.600/0001-18

NIRE - 35.300.137.728

MATERIAL FACT

São Paulo, June 23, 2016 – Pursuant to Article 12 of Instruction 358 of Comissão de Valores Mobiliários ("CVM", or the Brazilian Securities and Exchange Commission), dated January 3, 2002, as amended, Cyrela Brazil Realty S.A. Empreendimentos e Participações ("Cyrela" or "Company"), a residential real estate developer, announces to its shareholders and the market in general that:

The Companies approved at meetings of their respective Boards of Directors held on this date the execution of subscription agreement of shares and other covenants ("Subscription Agreement") between, on the one hand, Tecnisa and, on the other hand, JAR Participações Ltda. ("Jar") and Meyer Joseph Nigri ("Meyer" and together with Jar, "Current Shareholders") and Cyrela (together with Current Shareholders, the "Subscribers"), whereby: (i) Tecnisa has assumed, among others, the duty and obligation of the terms and conditions of the Subscription Agreement to carry out a capital increase in the amount of up to R\$ 200,000,000.00 (two hundred million reais), with the private placement of up to 100,000,000 (one hundred million) new common, registered shares, with no par value, at an issue price of R\$ 2.00 (two reais) per share, being allowed the approval of the partially subscribed increase since it is subscribed, at least, a number of shares corresponding to a capital increase of R\$ 124,697,556.00 (one hundred twenty-four million, six hundred ninety-seven thousand, five hundred and fifty-six reais) ("Capital Increase"); and (ii) the Subscribers have taken the duty and obligation to subscribe and pay a minimum amount of shares in the amount of R\$ 124,697,556.00 (one hundred twenty-four million, six hundred ninety-seven

thousand, five hundred and fifty-six reais) and a maximum number of shares in the amount of R\$ 170,000,000.00 (one hundred and seventy million reais).

To fulfill the obligation assumed in the Subscription Agreement, the Tecnisa's Board of Directors will approve in due course, within the limit of authorized capital, the Capital Increase, as provided in Article 6 of the Tecnisa's bylaws.

Pursuant to the Subscription Agreement, the effectiveness of the Capital Increase will be suspended, pursuant to Article 126 of the Law No. 10.406 of January 10, 2002, as amended (the "Civil Code"), for approval, by the antitrust authorities, of the completion of Cyrela's investment in the Tecnisa under the Subscription Agreement. In this sense, in accordance with the Subscription Agreement and as may be approved at the meeting to approve the Capital Increase, once verified the implement of the condition precedent of the Capital Increase mentioned above, will open the period for Tecnisa's shareholders to exercise their preemptive rights to subscribe new shares in proportion to their shareholding in Tecnisa, pursuant to Article 171 of the Brazilian Corporation Law.

The definition of the issue price of the new common shares constant of the Subscription Agreement was held pursuant to Article 170, paragraph 1, section III of the Brazilian Corporation Law, with a discount of 15,03% compared to the average closing price of Tecnisa's shares weighted by the volume of shares traded in the last 30 (thirty) trading sections of BM&FBOVESPA S.A. - Securities, Commodities and Futures Exchange ("BM&FBOVESPA") prior to the date of the Subscription Agreement signature.

Tecnisa's management understood that the use of the criterion of market value of the shares referred to in Article 170, paragraph 1, section III of the Corporations Law, with the application of a discount of 5% (five) to 25% (twenty five percent)

is the most appropriate to encourage subscription to the Capital Increase and maximize the fundraising by Tecnisa.

It is noteworthy that, once met certain customary conditions precedent in this type of operation, including the approval by the antitrust authorities, the realization of Cyrela's investment in Tecnisa, in accordance with the Subscription Agreement, (i) Cyrela assumed the duty and obligation, under the Capital Increase, to subscribe and pay a number of shares totaling at least an amount of R\$ 73,351,504.00 (seventy-three million, three hundred fifty-one thousand, five hundred and four reais) and a maximum of R\$ 100,000,000.00 (one hundred million reais); and (ii) the Current Shareholders assumed the duty and obligation, under the Capital Increase, to subscribe and pay a number of shares totaling at least an amount of R\$ 51,346,052.00 (fifty-one million , three hundred forty-six thousand and fifty-two reais) and a maximum of R\$ 70,000,000.00 (seventy million reais).

The Current Shareholders assumed the duty and obligation, once verified the implement of the condition precedent of the Capital Increase, during the period for exercising the preemptive rights, to assign and transfer to Cyrela, free of charge and without consideration, subscription rights sufficient to secure the minimum subscription amount provided in the Subscription Agreement.

In addition, in accordance with the Subscription Agreement, the Subscribers have committed and mutually have agreed, once held the subscription and payment of the new shares issued and completed the procedures of the Capital Increase, to enter into a shareholders agreement of Tecnisa ("Shareholders' Agreement") with the purpose of discipline and govern certain aspects of their relationship as shareholders of the company, particularly with respect to issues of governance and to the transfer of Tecnisa's stocks of your property.

In case the Subscribers enter into the Shareholders' Agreement, as mentioned in the paragraph above, the Current Shareholders will be required to exercise their voting rights in Tecnisa to approve, among other matters, the election of 1 (one) member for the board of directors to be appointed by Cyrela.

Finally, the Companies informs that, in accordance with applicable law and with the best governance practices, will keep its shareholders, investors and the market in general informed about the Capital Increase.

São Paulo, June 23, 2016.

Eric Alexandre Alencar

Financial Director and Investor Relations Director