

SUL AMÉRICA S.A.

CNPJ/MF No. 29.978.814/0001-87

NIRE 3330003299-1

Publicly Held Company

CVM No. 21121

Material Fact

In accordance with the Brazilian Securities Commission (Comissão de Valores Mobiliários - "CVM") Instruction no. 358 from January 3, 2002, and the CVM Instruction no. 400, from December 29, 2003, as amended, and in addition to the material fact published on April 28, 2014, **SUL AMÉRICA S.A.** (BM&FBovespa: SULA11), ("Company") informs that the rejection of the registration application for the public offering was not reversed for the distribution of simple non-convertible unsecured debentures intended to be the Company's second debenture issue ("Offering", "Debentures" and "Issue", respectively) as per the decision of the Superintendent of the Securities Registration Department (Superintendência de Registro) of the CVM which had been under appeal by means of a reconsideration request submitted to the Superintendent with respect to the decision set forth in the Notice, OFÍCIO/CVM/SRE/GER-2/No.83/2014, dated April 25, 2014 ("Notice"). The Company and the lead manager of the Offering have decided not to re-appeal against the decision, thus terminating all activities related to the Offering.

The Company and the lead manager of the Offering will publish a joint statement about eventual procedures to be taken by investors together with the other intermediary institutions participating in the Offering, pursuant to the CVM Instruction No. 400/03, as amended, and the Preliminary Prospectus.

Rio de Janeiro, May 13, 2014.

Sul América S.A.

Arthur Farme D'Amoed Neto

Investor Relations Officer