

SUL AMÉRICA S.A.

Corporate Taxpayers' ID (CNPJ/MF): 29.978.814/0001-87

Company Registry (NIRE): 3330003299-1

Publicly Held Company

CVM NO. 21121

MATERIAL FACT

Pursuant to article 2 of CVM Instruction 358 of January 3, 2002, and CVM Instruction 10 of February 14, 1980, as amended, Sul América S.A. hereby informs its shareholders and the market in general that the Company's Board of Directors, at the meeting held on February 28, 2012, approved the share buy-back program, within the following conditions:

Objective: to acquire share depository certificates (units), each representing one common share and two preferred shares issued by the Company, to be held in treasury and later used in the Stock Option Plan. The management considers that such operation is in the best interest of the Company considering the Company's market growth and profitability, as well as available reserves pursuant to CVM Instruction 10. The acquisition will be carried out at the São Paulo Stock, Futures and Commodities Exchange (BM&FBOVESPA S.A.– Bolsa de Valores, Mercadorias e Futuros) at market price, been the Officers' duty to decide the moment and the amount of shares to be acquired, either in a single or in a series of transactions, within the limits laid down by the applicable law.

Number of shares to be acquired: up to 3,174,247 units, representing 3,174,247 common shares and 6,348,494 preferred shares, corresponding to 3% of the units in free float and approximately 1.1% of the total number of shares issued by the Company as of February 17, 2012.

Deadline for acquisition: the period for the acquisition is 365 days from today, ending on February 27, 2013.

Free float: 317,564,367 shares, of which 105,946,687 are common shares and 211,617,680 are preferred shares, compounding 105,808,237 units.

Treasury stock: currently, the Company holds 13,453,053 shares in treasury, of which 4,484,351 are common shares and 8,968,702 are preferred shares.

Authorized brokers:

BTG PACTUAL CTVM S.A.

Av. Brigadeiro Faria Lima 3729, 10º andar, parte, São Paulo/SP, CEP 04538-905

ITAÚ CORRETORA DE VALORES S.A.

Av. Brigadeiro Faria Lima 3400, 10º andar, São Paulo/SP, CEP 04538-132

MERRILL LYNCH S.A. CTVM

Av. Brigadeiro Faria Lima 3400, 16º andar, parte A, São Paulo/SP, CEP 04538-132

SANTANDER BRASIL S.A. CTVM

Rua Hungria 1400, 4º andar, São Paulo/SP, CEP 01455-000

Rio de Janeiro, February 28, 2012.

Arthur Farme d'Amoed Neto
Investor Relations Officer