

SUL AMÉRICA S.A.

CNPJ/MF nº 29.978.814/0001-87

NIRE 3330003299-1

Publicly Held Company

CVM nº 21121

Minutes of the Board of Directors held on January 4th 2012.

On January 4th, 2012 at 1 p.m., the Company's Board of Directors met at its headquarters, at Rua Beatriz Larragoiti Lucas, 121, parte, in the city and state of Rio de Janeiro and via conference call, regularly convened, at which the totality of its members were present to discuss the following agenda: 1) 1st (first) issuance of Unsecured Debentures, Not Convertible into Shares, in a Single Series, issued by the Company, amounting to R\$ 500,000,000.00 (five hundred million reais) ("Issuance" and "Debentures", respectively), for public distribution with restricted placement efforts, under the Brazilian Securities and Exchange Commission ("CVM") Instruction No. 476 of January 16, 2009, as amended ("Offering" and "CVM Instruction 476", respectively) and 2) authorization for the Management of the Company to: (i) execute all documents, amendments, and acts necessary for the execution of the Issue and the Offer and (ii) hire (a) financial institutions to intermediate and coordinate the Offer ("Managers"), and (b) other service providers for the Offer and the Issuance, and may for that, negotiate and sign the respective agreements.

Upon start of the meeting, the Board member, by majority of votes decided, concerning item 1 of the Agenda, to approve the Issuance and the Offer, which will have the following terms and conditions, as regulated in the "Indenture of the First Issuance of Unsecured Debentures Not Convertible into Shares of Sul América S.A.", to be celebrated between the Company and PENTÁGONO S.A. DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS, with headquarters at Avenida das Américas 4,200, Bloco 4, sala 514, Barra da Tijuca, in the city and state of Rio de Janeiro, CNPJ / MF under number 17,343,682/0001-38, as the trustee (*agente fiduciário*) representing the communion of Debenture holders ("Indenture", "Trustee" and "Debenture Holders", respectively):

- (i) Use of Proceeds:** the net proceeds obtained by the Company with the Issuance will be used to (i) meet cash needs resulting from the expansion of operations and / or any Company's subsidiary, directly or indirectly controlled ("Subsidiary", as defined under Article 116 of "Lei das Sociedades por Ações") by the Company, (ii) reinstate the Company's cash position after the payment of financial debt; and (iii) general corporate purposes;
- (ii) Placement:** the Debentures will be subject to public distribution with restricted placement efforts, pursuant to CVM Instruction 476, with firm commitment for all of the Debentures, through

the intermediation of the Managers, in terms of the Debentures distribution agreement ("Placement Agreement"), having as target qualified investors as defined under Article 4 of CVM Instruction 476 ("Qualified Investors");

- (iii) Investment intentions collection:** procedure of collection of investment intentions will be adopted, organized by the Managers, without receiving booking orders, without minimum or maximum allotments, for definition with the Company, subject to the provisions of Article 3 of CVM Instruction 476, of the Interest (as defined in item (xx) below), subject to the limit specified in item (xx) below ("Bookbuilding Process");
- (iv) Subscription Period:** the Debentures will be subscribed at any moment as from the initial date of distribution of the Offer, subject to the provisions of Article 8, paragraph 2 of CVM Instruction 476;
- (v) Underwriting, Subscription and Payment Price:** the Debentures will be underwritten and paid through the SDT - Securities Distribution Module ("SDT") managed and operated by CETIP SA – Mercados Organizados ("CETIP"), for, maximum of twenty (20) Qualified Investors, in cash, upon subscription ("Payment Date"), and in local currency at Nominal Value (as defined in item (x) below), plus the Interest (as defined in item (xx) below), calculated *pro rata temporis* from the Issuance Date (as defined in item (xvii) below) to the respective Payment Date;
- (vi) Trading:** the Debentures shall be registered for trading in the secondary market through the SND - National Debenture Module ("SND"), managed and operated by CETIP. The Debentures may only be negotiated in among Qualified Investors, after the expiration of 90 (ninety) days of subscription or acquisition, according to the provisions of Articles 13 and 15 of CVM Instruction 476, provided that the Company is in good standing with the fulfillment of obligations under Article 17 of CVM Instruction 476;
- (vii) Issue Number:** the Debentures represent the first debentures issuance of the Company;
- (viii) Total Issuance Amount:** the total issuance amount will be R\$ 500,000,000.00 (five hundred million reais) ("Total Issuance Amount");
- (ix) Quantity:** 50,000 (fifty thousand) Debentures will be issued;
- (x) Nominal Value:** the Debentures will have a nominal value of R\$10,000.00 (ten thousand reais) on the Issuance Date ("Nominal Value"), as set forth in Article 4, section II of CVM Instruction 476;
- (xi) Series:** the Debentures will be issued in a single series;

- (xii) **Form:** the Debentures will be issued in registered form, book entry, without the issuance of certificates;
- (xiii) **The Depository Institution:** the institution providing bookkeeping services to the Debentures shall be Itaú Corretora de Valores S.A, financial institution headquartered in São Paulo, São Paulo, at Av. Faria Lima 3400, 10th floor, under CNPJ No. 61,194,353/0001-64 ("Depository Institution");
- (xiv) **The Agent Bank:** the institution providing banking services representative of the Debentures will be Itaú Unibanco S.A, a financial institution with headquarters in São Paulo, São Paulo State, in Praça Alfredo Egydio de Souza Aranha 100, Torre (Tower) Olavo Setubal, CNPJ under No. 60,701,190/0001-04 ("Agent Bank");
- (xv) **Convertibility:** the Debentures are not convertible into shares of the Company;
- (xvi) **Type:** the Debentures will be unsecured, pursuant to Article 58 of Law No. 6,404 of December 15, 1976, as amended ("Lei das Sociedades por Ações");
- (xvii) **Debentures Issuance Date:** for all legal purposes, the Debentures issuance date shall be February 6th, 2012 ("Issuance Date");
- (xviii) **Term and Maturity Date:** the term of the Debentures will be 5 (five) years from the Issuance Date, maturing, therefore, on February 6th, 2017 ("Maturity Date"), subject to the chances of early redemption of the Debentures and / or acceleration of obligations under the Debentures, as provided in the Indenture;
- (xix) **Payment of Nominal Value:** subject to payments due to early redemption of Debentures and / or acceleration of obligations under the Debentures, as provided in the Indenture, the Nominal Value of each of the Debentures will be paid in 3 (three) successive annual installments, in the following order:
- (a) two installments, each one corresponding to the value 33.33% (thirty-three point thirty-three per cent) of the Nominal Value of each of the Debentures, due to February 6th, 2015 and February 6th, 2016; and
- (b) the latest installment in the amount corresponding to the unpaid balance of the Nominal Value of each of the Debentures, due on the Maturity Date;
- (xx) **Interest:** the debentures interest will be the following

(a) inflation adjustment: the nominal value of each of the Debentures will not be adjusted for inflation, and

(b) compensatory interest: on the outstanding balance of the Nominal Value of each of the Debentures will bear interest corresponding to 100% (one hundred percent) of the accumulated variation of the average daily rate of DI - *Depositos Interfinanceiros* - financial Deposits for one day, "over extra-group", expressed as a percentage per year, base 252 (two hundred and fifty-two) working days, calculated and published daily by CETIP, in the daily bulletin available on its website (<http://www.cetip.com.br>) ("DI Rate"), plus a spread equivalent to a certain percentage per year, base 252 (two hundred and fifty-two) working days, to be defined according to the Bookbuilding Process, and in any case, limited to 1.35% (one integer and thirty-five hundredths of one percent) per year, base 252 (two hundred and fifty-two) days ("Spread" and, together with the DI Rate "Interest"), calculated exponentially and cumulatively pro rata *temporis* per business days elapsed since the Issuance Date or the date of payment of Interest immediately preceding, as applicable, until the date of actual Interest payment; without prejudice to the payments due to early redemption of debentures or early maturity of the obligations under the Debentures, as provided in the Indenture, the compensation will be paid every six months from the Issue Date, on February 6th and August 6th each year, the first payment occurring on August 6th, 2012 and the last, on the Maturity Date;

(xxi) Scheduled Renegotiation: there will be no scheduled renegotiation;

(xxii) Optional Early Redemption: the Company may not voluntarily perform early redemption of the Debentures;

(xxiii) Optional Early prepayment: the Company may not voluntarily perform the optional prepayment of any of the Debentures;

(xxiv) Early Redemption Offer: the Company may, at any time, conduct an offer to early redeem, in whole or part, the Debentures, with the consequent cancellation of such Debentures, which will be addressed to all Debenture Holders, without distinction, ensuring equal conditions to all Debenture Holders to accept the early redemption of the Debentures they hold, according to the terms and conditions contained in the Indenture ("Early Redemption Offer"). The Early Redemption Offer shall provide for: (a) if the redemption will be total or partial, and if in part, by drawing lots, pursuant to Article 55, paragraph 2, of "Lei das Sociedades por Ações", to be coordinated by the Trustee; (b) the value of the redemption premium, if any, which can not be negative, (c) the effective date for redemption and payment of the Debentures to be redeemed, and the payment shall coincide with a date for

the payment of Interest as provided in item (xx) above (d) the form of manifestation of the Debenture holders who opt for joining the Early Redemption Offer, and (e) other information necessary for decision making by the Debenture Holders to join or not to offer early redemption and the redemption of the Debentures operation;

- (xxv) Optional Purchase:** the Company may at any time, acquire the outstanding Debentures provided that it is in accordance with Article 55, paragraph 3, of the "Lei das Sociedades por Ações" and CVM regulations. The Debentures purchased by the Company may, at Company's discretion, be canceled, held in treasury or be placed on the market again. The Debentures purchased by the Company to be held in treasury, if and when restored to the market, will be entitled to the same Interest applicable to other outstanding Debentures;
- (xxvi) Payment Location:** payments related to the Debentures and any other amounts which may be payable by the Company under the Indenture will be made by the Company, (i) with respect to the Debentures electronically custodied at CETIP, through CETIP, or (ii) with respect to the Debentures that are not electronically custodied at CETIP, through the Depository Institution");
- (xxvii) Default Charges:** in case of default on the punctual payment of any amount payable by the Company to the Debenture Holders under the Indenture, in addition to payment of , calculated pro rata *temporis* from the Issuance Date or the date of payment of Interest immediately preceding, as the case may be, until the date of payment on any and all amounts in arrears, cover, without notice, notification or judicial or extrajudicial, (i) default interest of 1% (one percent) per month, calculated on a pro rata *temporis* from the date of default until the date of actual payment, and (ii) fines of 2% (two percent) ("Default Charges");
- (xxviii) Early Redemption:** the Trustee shall declare early redemption of the obligations under the Debentures, and demand immediate payment by the Company, of the outstanding balance of the Nominal Value of the outstanding Debentures, plus Interest, calculated pro rata *temporis* from the Issuance Date or the date of payment of Interest immediately preceding, as applicable, until the date of actual payment, without prejudice, where applicable, to the Default Charges (as defined below), in the knowledge of the occurrence of any of the events referred to in Articles 333 and 1,425 and Law No. 10,406 of January 10, 2002, as amended ("Civil Code"), and / or any of the events provided for in the Indenture;

With regard to **item 2** of the Agenda, the Management of the Company are, as of now, authorized to perform all actions necessary to implement the resolutions of this Meeting and may, pursuant to and in accordance with the Bylaws:

- (i) hire the Coordinators to conduct a public placement with restricted efforts of the Debentures to Qualified Investors, as set forth in Article 3 of CVM Instruction 476;
- (ii) hire the service providers for the Debentures Issuance, including but not limited to, the Depository Institution, the Agent Bank, the Trustee, legal advisors, credit rating agency, among others;
- (iii) execute all documents and perform all acts necessary to effect the issuance and distribution, including but not limited to, the Indenture and the Debentures distribution agreement;
- (iv) perform all acts necessary for the performance, formalization and improvement of the Issuance, especially but not limited with regard to the distribution systems of the Debentures in the primary market (SDT) and trading in the secondary market (SND) of CETIP.

There being no further business to address, the meeting was adjourned for the drawing up of these Minutes, which were read, found in compliance and signed by all those present.

Rio de Janeiro, January 4, 2012.

Signatures: Patrick de Larragoiti Lucas, Presidente; Arthur John Kalita, suplente do Vice-Presidente Carlos Jaime Muriel Gaxiola; Carlos Infante Santos de Castro, Guilherme Affonso Ferreira, Isabelle Rose Marie de Ségur Lamoignon, Jorge Hilário Gouvêa Vieira, Pierre Claude Perrenoud, Roberto Teixeira da Costa e Robert William Crispin, Conselheiros.

This is a free translation of the original Minutes filed in the Company's records.

Patrick de Larragoiti Lucas

Ident. nº 004.785.073-0 (DETRAN) - CPF/MF nº 718.245.297-91

Chairman of the Board of Directors