



**MAGNESITA REFRAATÓRIOS S.A.**

Publicly Held Company

CNPJ (Corporate Taxpayer Registration) Nr. 08.684.547/0001-65

NIRE (Commercial Registry Number) 31.300.026.485

**MATERIAL FACT**

Magnesita Refratários S.A. ("Company"), pursuant to Law No. 6.404/76 and CVM Instruction No. 358/02, as amended, hereby informs its shareholders and the market the following:

1. The Board of Directors of the Company approved, on this date, the second repurchase program of shares issued by the Company, pursuant to the Article 30 of Law No. 6,404/76, CVM's Instruction No. 10/80 and CVM's Instruction No. 358/02, for maintenance of the shares in treasury and latter sale or cancellation, without reduction of the Company's capital stock ("Second Repurchase Program"), on the following conditions:

a) The purpose of the Company in the operation: The purpose of the Company in the operation is to maximize the value creation to the shareholder through an efficient management of the capital structure.

b) Volume of shares outstanding: 170,327,164 (one hundred and seventy million, three hundred and twenty seven thousand, one hundred and sixty four).

c) Volume of treasury shares: no shares held in treasury, in reason of the cancellation of 1,304,100 (one million, three hundred and four thousand and one hundred) common shares issued by the Company, approved by the Board of Directors, on the meeting held on the present date. Such shares were held in treasury due to the first repurchase program of shares, approved by the Board of Directors, on the meeting held on August 15<sup>th</sup>, 2012 ("First Repurchase Program").

d) Limit of shares: limited to 8,516,358 (eight million, five hundred and sixteen thousand, three hundred and fifty eight) common shares, that represents 5% (five percent) of the Company's outstanding shares.

e) Accounting: The acquisition will not affect the distribution of the mandatory dividends provided by the Company's Bylaws, since it shall be made using the capital reserve (*share premium reserve*), in accordance with the balance sheet as of June 30<sup>th</sup>, 2013, up to the amount available on such balance sheet, according to the CVM's Normative Instruction No. 10/80.

f) Brokerage firm: the acquisition shall be intermediated by the following financial institutions (i) Itaú Corretora de Valores S.A., stock company, enrolled in CNPJ/MF under no. 61.194.353/0001-64, with its headquarters at Av. Brigadeiro Faria Lima, no. 3.400, 10<sup>th</sup> floor, Itaim Bibi, in the City and State of São Paulo, Zip Code no. 04538-132; (ii) Deutsche Bank Corretora de Valores S.A., stock company, enrolled in CNPJ/MF under no. 02.184.143/0001-26, with its headquarters at Av. Brigadeiro Faria

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Lima, no. 3.900, 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> floors, Itaim Bibi, in the City and State of São Paulo, Zip Code no. 04538-132; (iii) MERRIL LYNCH S.A. CTVM, stock company, enrolled in CNPJ/MF under no. 02.670.590/0001-95, with its headquarters at Av. Brigadeiro Faria Lima, no. 3.400, 16<sup>o</sup> andar, Itaim Bibi, in the City and State of São Paulo, Zip Code no. 04538-132 (iv) XP INVESTIMENTOS CCTVM S/A, stock company, enrolled in CNPJ/MF under no. 02.332.886/0001-04, with its headquarters at Avenida das Américas, no. 3434, Bloco 07, 2<sup>nd</sup> floor, suites 201 to 208 (part), in the City and State of Rio de Janeiro, Zip Code no. 22640-102; and (v) BRASIL PLURAL CCTVM S.A., stock company, enrolled in CNPJ/MF under no. 05.816.451/0001-15, with its headquarters at Rua Surubim, no. 373 – Térreo Vila Olímpia, in the City and State of São Paulo, Zip Code no. 45710-050.

g) Term: This authorization is valid for a term of 365 (three hundred and sixty five) days counted from August 16<sup>th</sup>, 2013.

2. The Board of Directors authorized the Company's Executive Office to take the necessary measures to cancel the shares held in treasury due to the First Repurchase Program, as well as to implement the Second Repurchase Program, with powers to determine the opportunity and volume of shares that shall be acquired by the Company, pursuant to the terms and conditions hereby approved.

3. For additional information, please visit our *website* ([www.magnesita.com.br](http://www.magnesita.com.br)) or contact the Investor Relations Management.

São Paulo, August 8<sup>th</sup>, 2013.

**Eduardo Gotilla**  
Investor Relations Officer  
Magnesita Refratários S.A.