



LUPATECH S.A.
TECNOLOGIA QUE FAZ SUA VIDA FICAR MELHOR.



MATERIAL FACT

Lupatech hires Pactual as Market Maker

Caxias do Sul, July 03, 2006: Lupatech S.A. (BOVESPA: LUPA3) hereby informs the market, in compliance with CVM Instructions 358, of January 3, 2002 and 384, of March 17, 2003, that the Company has hired Pactual Corretora de Títulos e Valores Mobiliários S.A., a joint-stock company headquartered in the City and State of São Paulo, at Av. Brigadeiro Faria Lima, 3729, 9º andar, inscribed in the corporate roll of taxpayers (CNPJ/MF) under no. 43.815.158/0001-22, to be the market maker for its common shares ("**LUPA3**") on the BOVESPA ("Market Maker"), for a twelve-month period, automatically extendable for a further indeterminate period, should there be no objection by either party, in order to promote the liquidity of the aforementioned shares. The Company also announces that it has a free float of 33,341,950 outstanding common shares and further declares that it does not have any agreement regulating the exercise of voting rights or the purchase and sale of its securities with the market maker.

Lupatech S.A. has two lines of businesses. The **Flow Segment**, where it is nation-wide leader in the production and trading of industrial valves, mainly for the oil, gas, chemical, pharmaceutical, pulp and paper and home-building industries through brands, such as "MNA", "Valmicro" and "Mipel" and **Metal Segment** where it holds an outstanding position in the international market in development and production of parts, complex parts and sub-assemblies mainly destined to the world's automotive industry through steel injection and precision casting processes, where it is pioneer in Latin America. It also operates with the casting of high-corrosion-resistant cast-alloy housings for the industrial valve and pump sectors, chiefly for applications in the oil and gas industry.

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