AREZZO &CO

Conference Call
4Q15 and 2015

Important Disclaimer

Information contained in this document may include forward-looking statements and reflect Management's current view and estimates of the evolution of the macroeconomic environment. industry conditions. Company's performance and financial results. Any statements. expectations. capabilities. plans and assumptions contained in this document. which do not describe historical facts. such as information about declaration of dividend payment. future direction of operations. implementation of relevant operating and financial strategies. investment program and factors or trends affecting the financial condition. liquidity or results of operations. are forward-looking statements. as set forth in the "U.S. Private Securities Litigation Reform Act of 1995". and involve several risks and uncertainties. There is no guarantee that these results will occur. Forward-looking statements are based on several factors and expectations. including economic and market conditions. industry competitiveness and operational factors. Any changes in such expectations and factors may cause actual results to differ from current expectations.

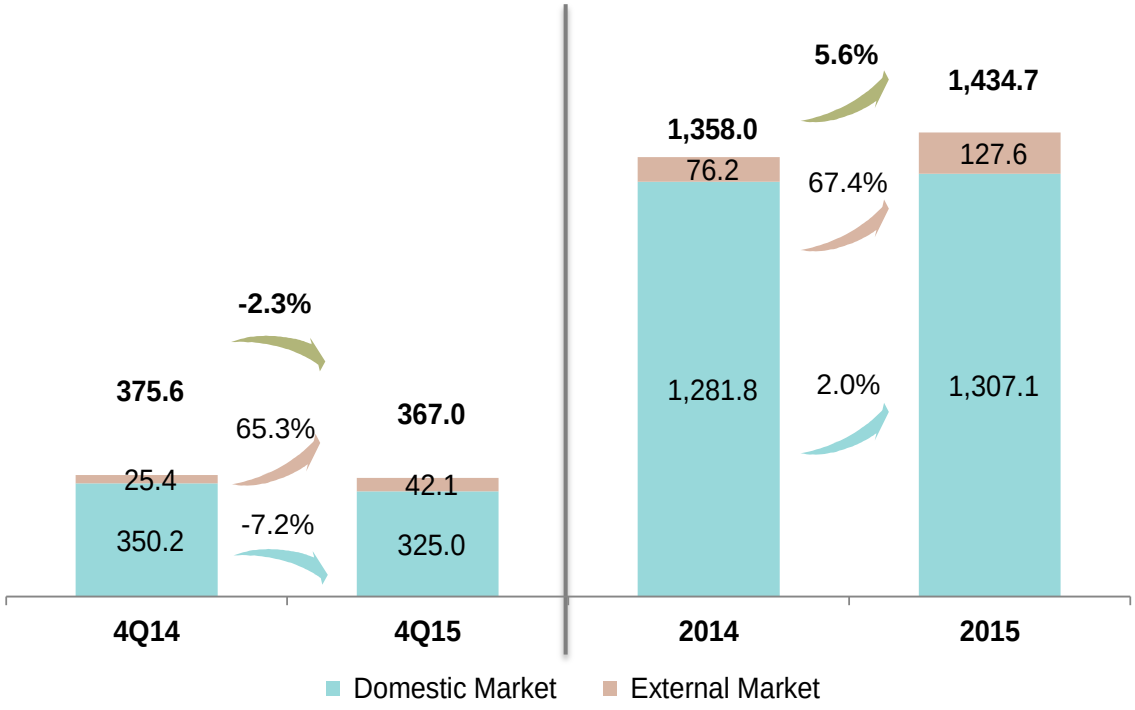
The Company's consolidated financial statements presented herein are in accordance with the International Financial Reporting Standards - IFRS. issued by the International Accounting Standards Board - IASB. based on the audited financial statements. Non-financial information and other operating information have not been subject to an audit by independent auditors.

4Q15 Highlights

Arezzo&Co *Sell-Out*	**Arezzo&Co records sell-out of R$494.9 million in 4Q15,** up by 2.5% against 4Q14.
Gross Revenue	**Gross revenue reached R$367.0 million in the 4Q15**, a decrease of 2.3% over 4Q14**.**
Gross Profit	**In 4Q15, the Company's gross profit stood at R$126.4 million,** with a gross margin of 44.5% and a stable recurrent compared to with 4Q14.
EBITDA	**EBITDA for 4Q15 amounted to R$44.7 million,** with a margin of 15.8%. Excluding the non-recurring and non-cash effect for 4Q14, EBITDA showed a reduction of 8.8%.
Net Profit	**In the quarter, net income was R$33.5 million,** with a margin of 11.8% and growth of 9.4% excluding the non-recurring and non-cash effect for 4Q14
Sales Area Expansion	**In the 4Q15 was opening 18 stores (net),** 3 expansions and an other 6 refurbishments, which account for growth of 7.3% in the sales area in the last 12 months, excluding outlets.

Company Growth

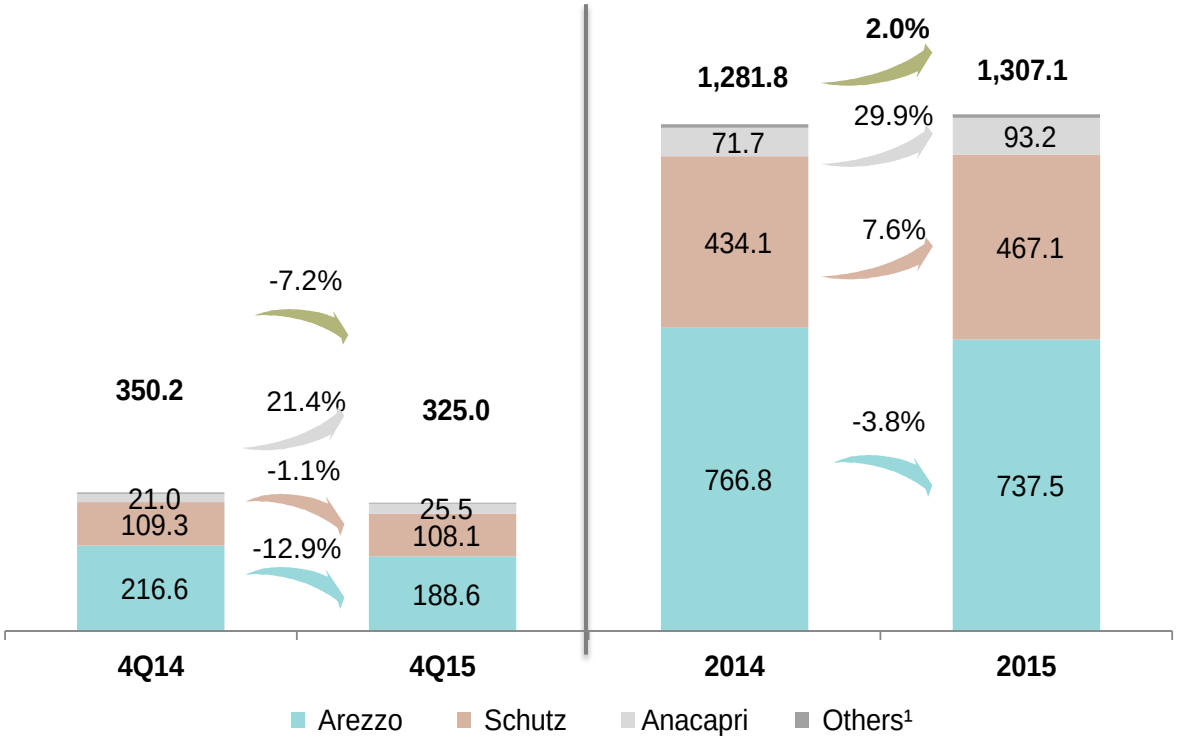
Gross Revenues – Domestic and Export Market (R$ million)



Gross revenue reached R$367.0 million in the 4Q15, with particular mention to external market with a growth of 65.3%.

Gross Revenue Breakdown by Brand – Domestic Market

Gross Revenues by brand – Domestic Market (R$ million)



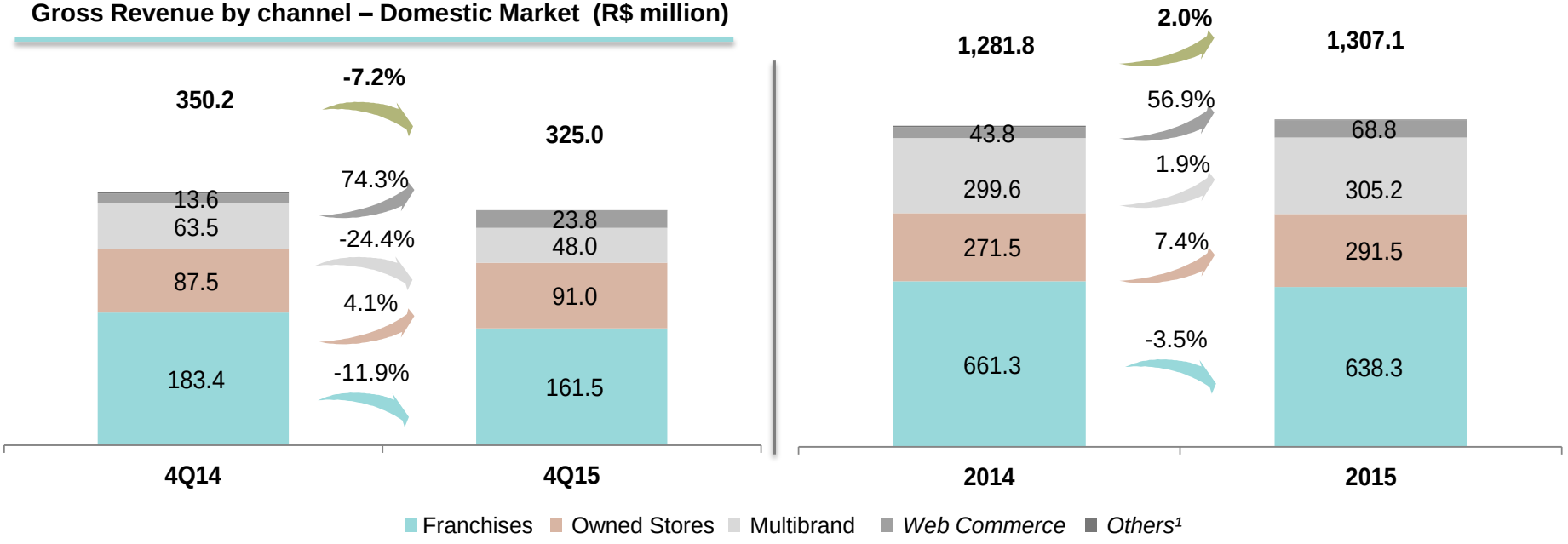
In domestic market, the highlight was the Anacapri brand, growing 21.4%, leveraged by the brand roll-out, which ended the year with 70 franchises and 4 owned stores.

1) Others: decreasing of 15.5% in the 4Q15 and an increasing of 0.5% in 2015.

Gross Revenue Breakdown by Channel – Domestic Market

AREZZO &CO

Gross Revenue by channel – Domestic Market (R$ million)



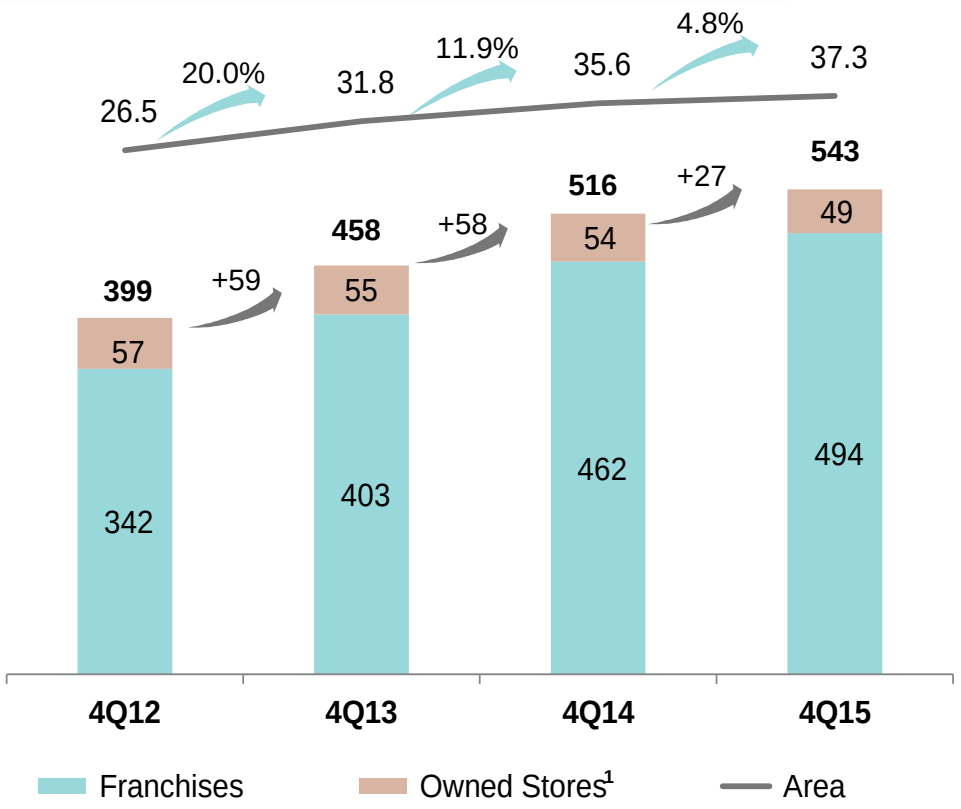
	4Q14	4Q15	2014	2015
SSS Sell-in (franchises)	3.1%	-15.7%	4.0%	-8.8%
SSS *Sell-out* (owned stores + franchises)	7.6%	-3.8%	6.6%	-2.7%
SSS *Sell-out* (owned stores + web + franchises)	9.0%	-3.6%	8.0%	-1.6%

In 4Q15, the highlight for the Web Commerce and Owned Store channel, presenting a growth of 74.3%, and 4.1 respectively.

1) Others: decreasing of 69.5% in 4Q15 and 39.8% in 2015.

Distribution Channel Expansion

Owned Stores and Franchises Expansion



Number of Stores – Domestic Market

AREZZO	
Franchises	367
Owned Stores	15
Multibrand	1.158

SCHUTZ	
Franchises	52
Owned Stores	26
Multibrand	1.309

ALEXANDRE BIRMAN	
Owned Stores	2
Multibrand	11

ANACAPRI	
Franchises	70
Owned Stores	4
Multibrand	1.012

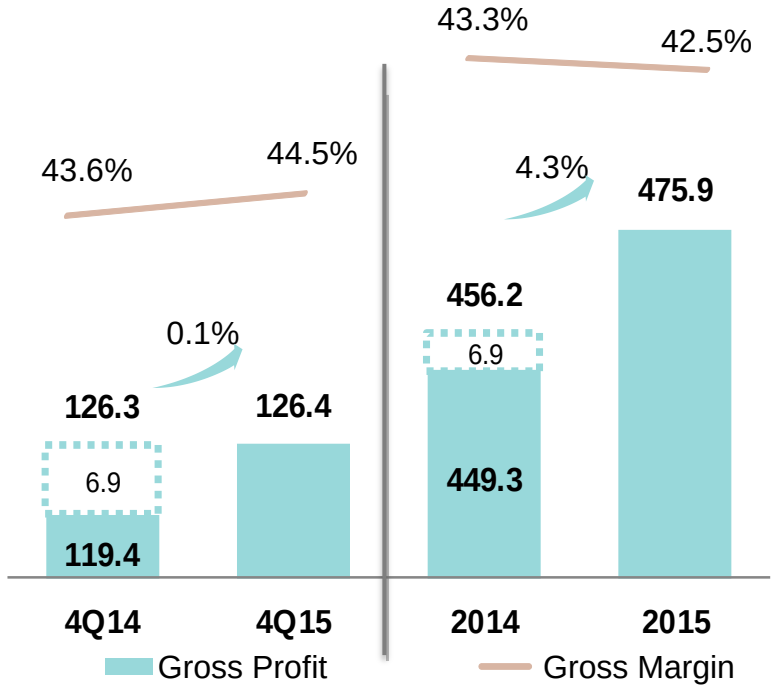
FIEVER	
Owned Stores	1

The sales area increased 4.8% in the 4Q15 due to the opening of 27 stores and expansion of eight stores in the last 12 months.

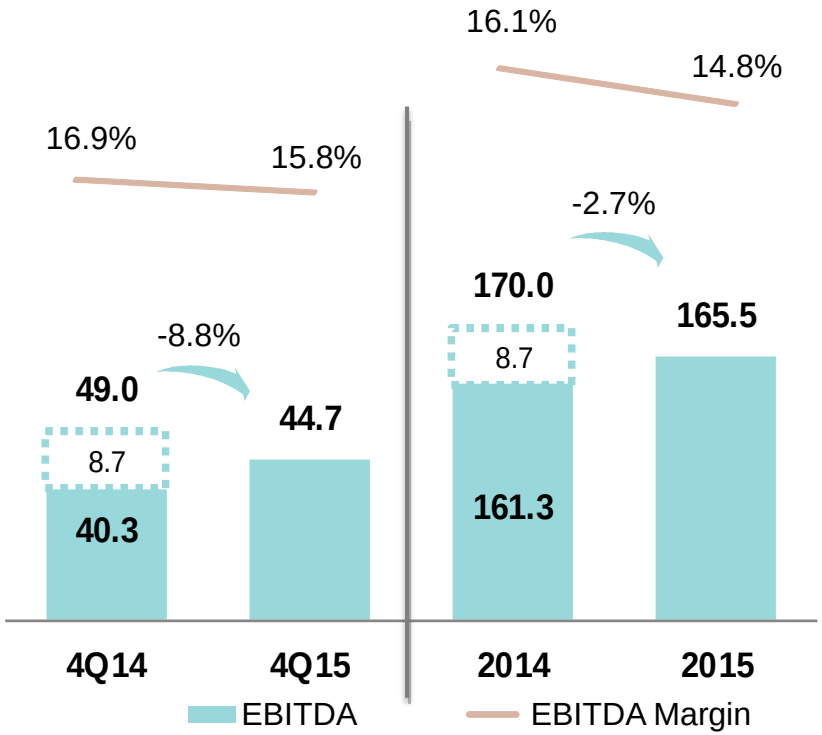
1) Includes seven *Outlets* with total area of 2,090 sqm

Gross Profit and EBITDA

Gross Profit (R$ million)



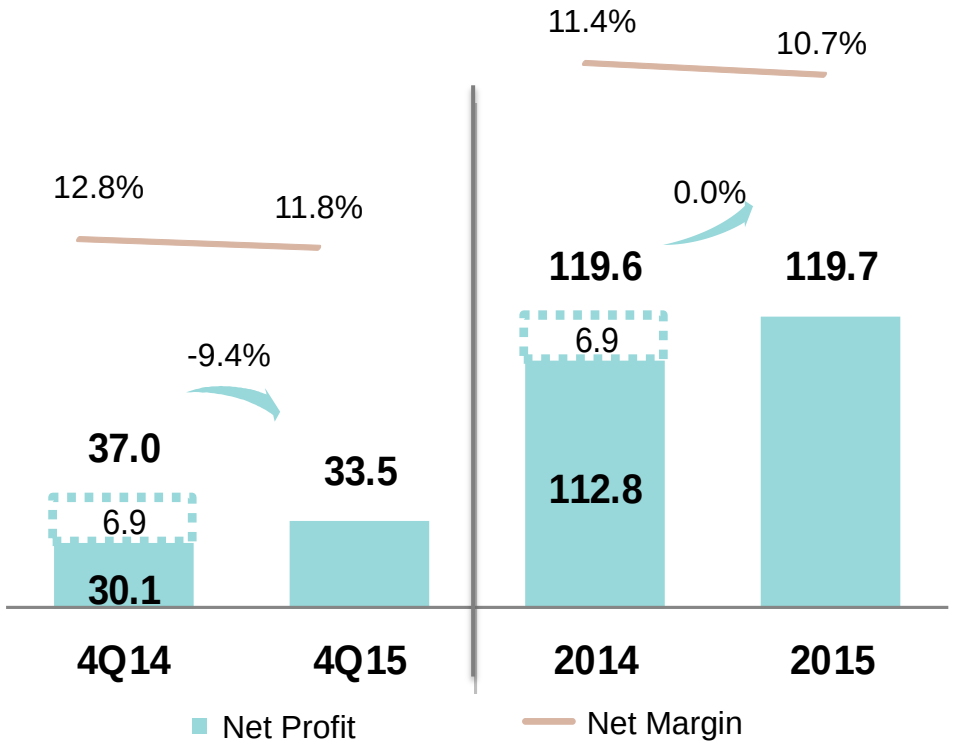
EBITDA (R$ million)



In 4Q15, gross profit reached R$126.4 million, with gross margin of 44.5%, and a stable recurrent growth. EBITDA for 4Q15 amounted to R$44.7 million, with a margin of 15.8%.

Net Income and Net Margin

Net Income (R$ million)



The Company's net income totaled R$33.5 million in 4Q15, a recurrent decrease of 9.4% in the quarter with a 11.8% net margin.

Cash Flow

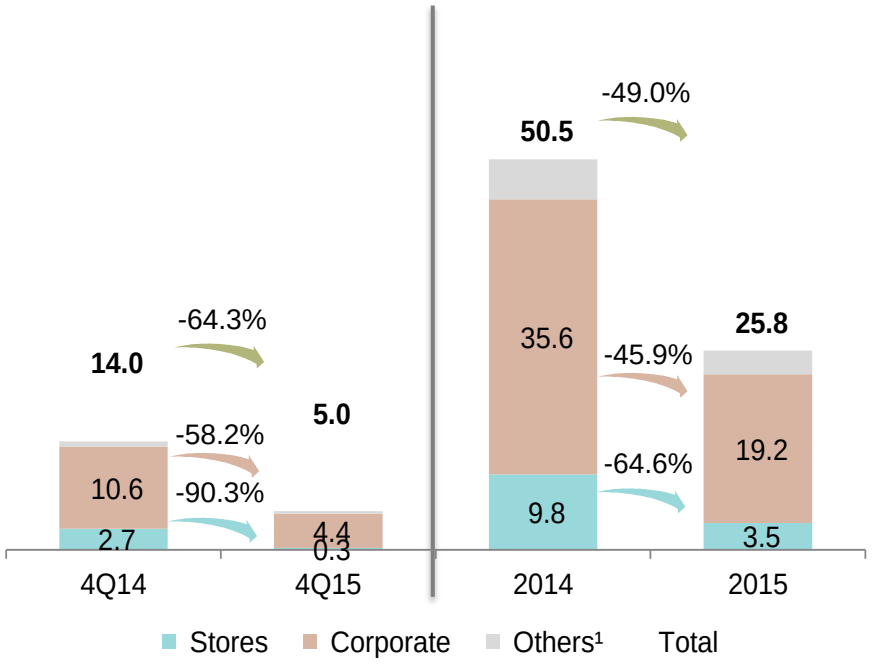
Operating Cash Flow (R$ thousand)

Operating Cash Flow	4Q14	4Q15	QoQ (R$)	QoQ (%)	2014	2015	YoY (R$)	YoY (%)
Income before income tax and social contribution	**39,642**	**41,751**	**2,109**	**5.3%**	**161,487**	**164,557**	**3,070**	**1.9%**
Depreciation and amortization	**3,631**	**6,182**	**2,551**	**70.3%**	**13,230**	**24,208**	**10,978**	**83.0%**
Other	**(631)**	**(9,741)**	**(9,110)**	**1443.7%**	**(812)**	**(9,758)**	**(8,946)**	**1101.7%**
Decrease (increase) in current assets / liabilities	**11,850**	**26,640**	**14,790**	**124.8%**	**(9,760)**	**(48,317)**	**(38,557)**	**395.1%**
Trade accounts receivables	3,107	44,922	41,815	1345.8%	(30,538)	(18,708)	11,830	-38.7%
Inventories	17,506	13,688	(3,818)	-21.8%	(13,763)	(11,754)	2,009	-14.6%
Suppliers	(15,657)	(36,862)	(21,205)	135.4%	35,456	(5,434)	(40,890)	n/a
Change in other noncurrent and current assets and liabilities	6,894	4,892	(2,002)	-29.0%	(915)	(12,421)	(11,506)	1257.5%
Payment of income tax and social contribution	**(21,100)**	**(15,582)**	**5,518**	**-26.2%**	**(54,180)**	**(39,443)**	**14,737**	**-27.2%**
Net cash flow generated by operational activities	**33,392**	**49,250**	**15,858**	**47.5%**	**109,965**	**91,247**	**(18,718)**	**-17.0%**

In the quarter, Arezzo&Co showed a strong cash generation of 49.3 million, reflecting the higher operating result and a lower volume of account receivables in the period.

Capital Expenditure (CAPEX) and Indebtedness

CAPEX (R$ million)



Indebtedness (R$ million)

Cash position and Indebtedness	4Q14	3Q15	4Q15
Cash	**200,385**	**193,486**	**225,762**
Total debt	99,410	126,928	123,153
Short term	65,081	98,422	85,336
% total debt	65.5%	77.5%	69.3%
Long-term	34,329	28,506	37,817
% total debt	34.5%	22.5%	30.7%
Net debt	**(100,975)**	**(66,558)**	**(102,609)**
EBITDA LTM	**161,299**	**161,091**	**165,496**
Net debt/EBITDA LTM	**-0.6x**	**-0.4x**	**-0.6x**

In 4Q15, the Company invested R$5.0 million, mainly in infrastructure technology. Indebtedness policy remained conservative.

1) Others: decreasing of 55.8% in 4Q15 and 40.7% in 2015.

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