

AREZZO **&CO**

**Conference call
4Q11 and 2011**

Important Disclaimer



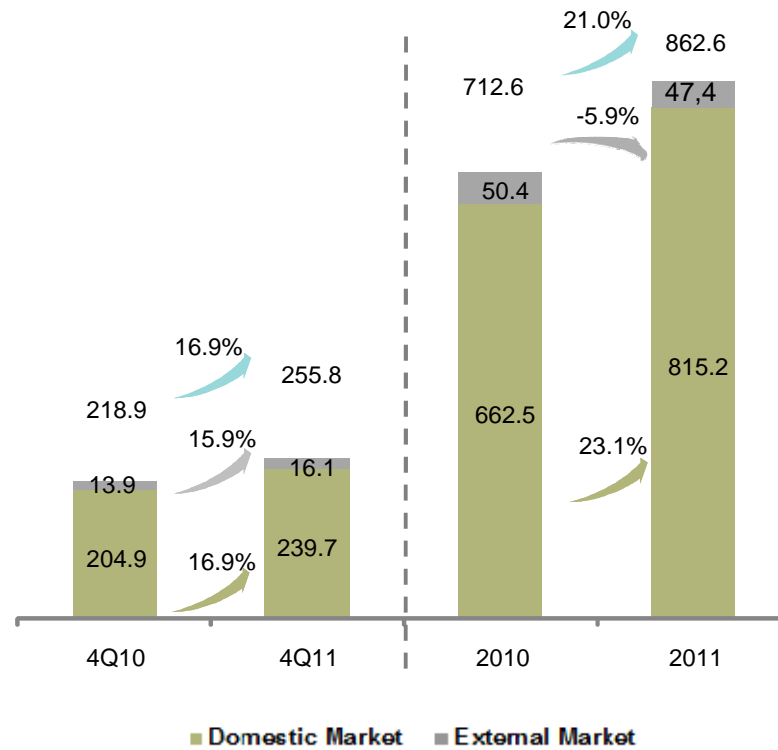
Statements regarding the Company's future business perspectives and projections of operational and financial results are merely estimates and projections, and as such they are subject to different risks and uncertainties, including, but not limited to, market conditions, domestic and foreign performance in general and in the Company's line of business. These risks and uncertainties cannot be controlled or sufficiently predicted by the Company management and may significantly affect its perspectives, estimates, and projections. Statements on future perspectives, estimates, and projections do not represent and should not be construed as a guarantee of performance. The operational information contained herein, as well as information not directly derived from the financial statements, have not been subject to a special review by the Company's independent auditors and may involve premises and estimates adopted by the management.

4Q11 and 2011 Highlights

Net Revenue	Net Revenue in 4Q11 of R\$ 199.2 million, up 14.0% on 4Q10. In 2011, Net Revenue was R\$ 678.9 million, increasing 18.8% on 2010;
EBITDA	EBITDA in 4Q11 of R\$ 33.2 million, with margin of 16.7%. In 2011, EBITDA was R\$ 117.7 million, growing 23.3% from 2010;
Net Income	Net Profit in 4Q11 of R\$ 26.9 million, up 25.1% on 4Q10. In 2011, Net Profit was R\$ 91.6 million, increasing 42.0% from 2010;
SSS (Same Store Sales)	SSS (owned stores) in 4Q11 increased by 15.0% over 4Q10 and by 11.4% in 2011 over 2010. SSS (franchises - sell-in) increased by 2.2% and 11.3% over 4Q10 and 2010 respectively;
Expansion	As planned for 2011, Arezzo&Co expanded its store chain by 38 points of sale , expansion of 21.7% in selling area in relation to 2010.

Company Growth

Gross Revenues – (R\$ million)

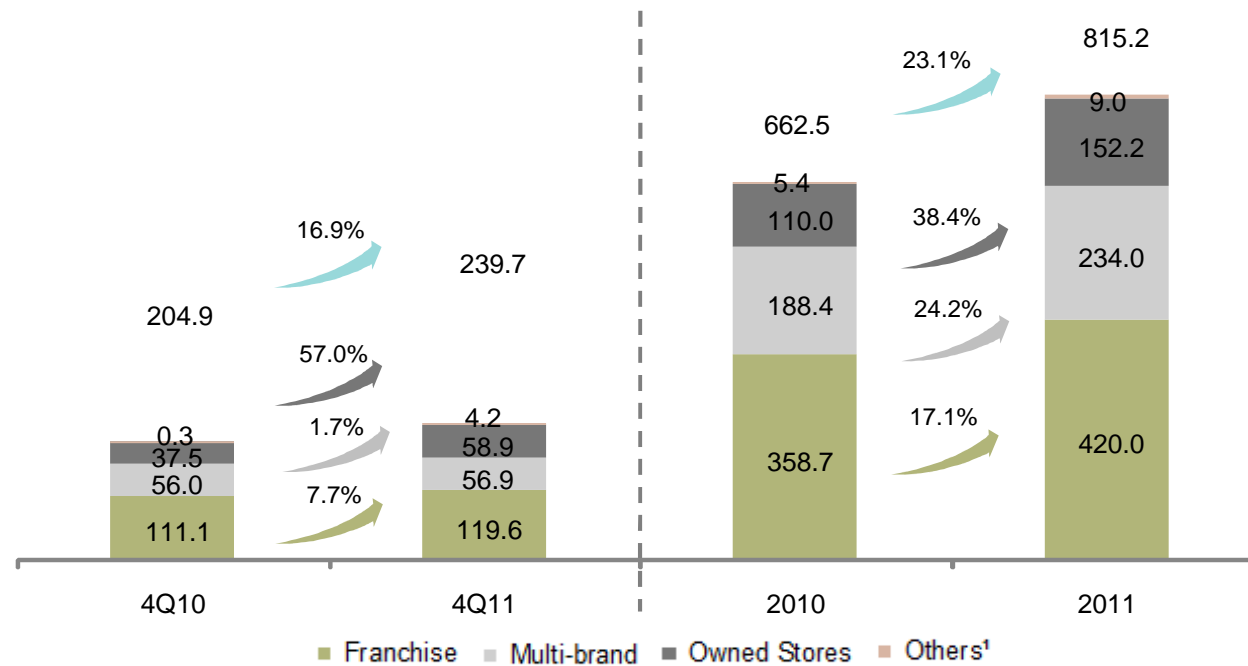


Gross Revenue amounted to R\$ 862.6 million in 2011, increasing 21.0% over 2010

Gross Revenues Breakdown by Channel



Gross Revenues by channel – Domestic Market (R\$ million)



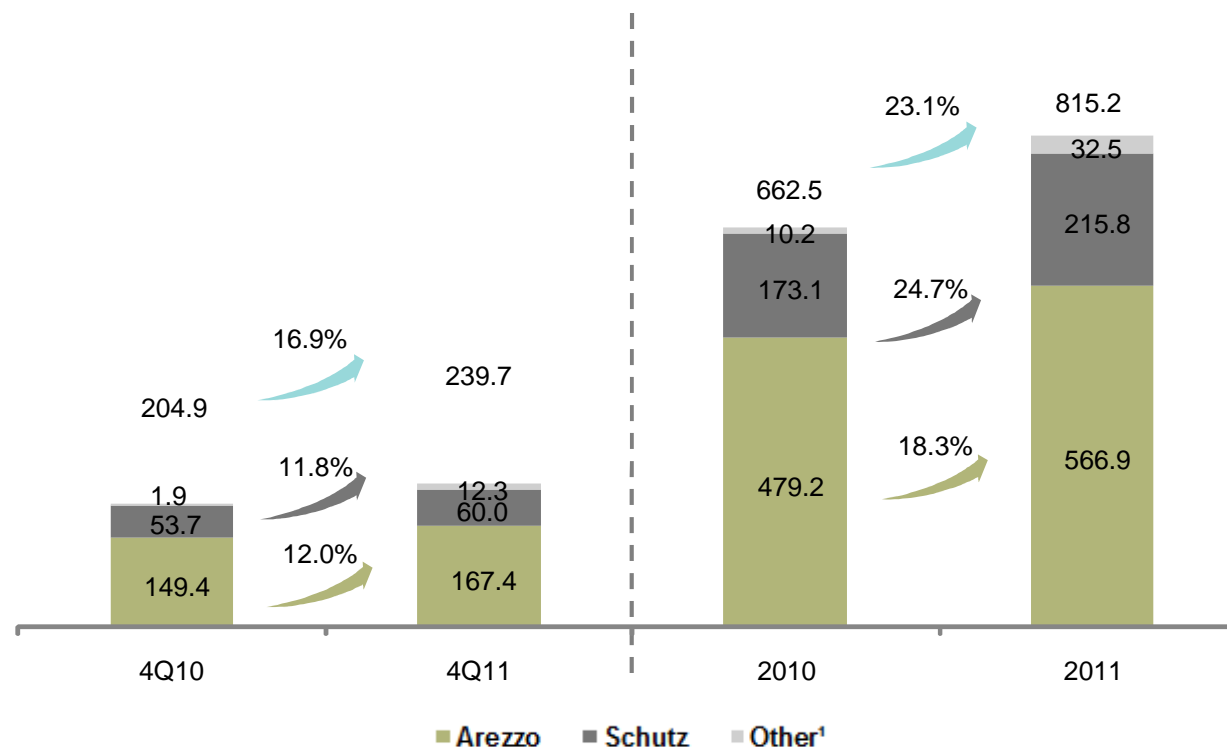
SSS Sell-out (Owned Stores)	4.7%	15.0%	17.6%	11.4%
SSS Sell-in (Franchises)	17.2%	2.2%	29.1%	11.3%

Solid performance for all distribution channels, specially owned stores with 57.0% growth in 4Q11 and 38.4% in 2011

(1) Others: increase of 1180.7 % in 4Q11 and of 65.4% in 2011.

Gross Revenues Breakdown by Brand

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

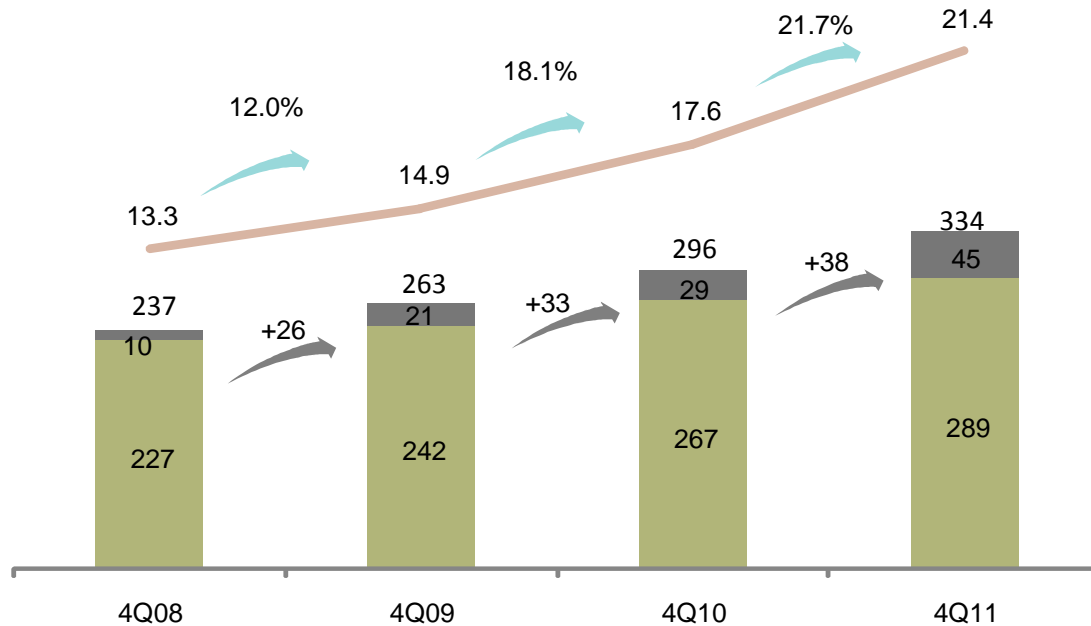


Arezzo, main brand of the Group, recorded gross revenue growth of 18.3% in the year. Schutz recorded gross revenue growth of 24.7% in the year

(1) Other brands: Alexandre Birman and Anacapri's Domestic market. Gross revenues presented a growth of 544.1 % in 4Q11 and of 217.6 % in 2011.

Distribution Channel Expansion

Owned Stores and Franchises Expansion



AREZZO

Franchises	288
Owned Stores ¹	19
Multi Brands ²	969

SCHUTZ

Franchises	1
Owned Stores ¹	17
Multi Brands ²	1.408

Alexandre Birman

Owned Stores	1
Multi Brands ²	18

ANACAPRI

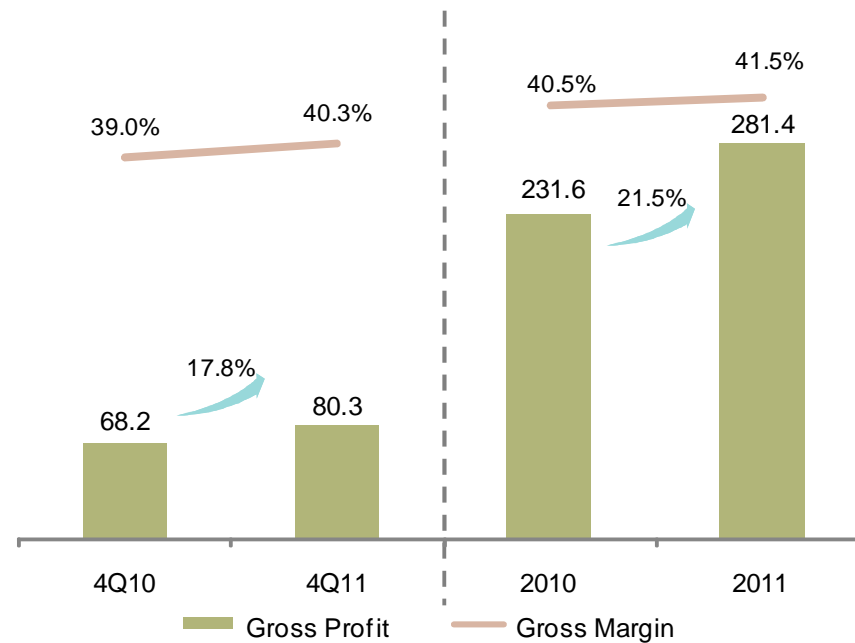
Owned Stores	8
Multi Brands ²	726

Company operated 334 stores in 2011 year-end, growing 21.7% from previous year

Note: area given in thousand m²
 (1) Includes 6 outlets stores
 (2) Domestic Market

Gross Profit

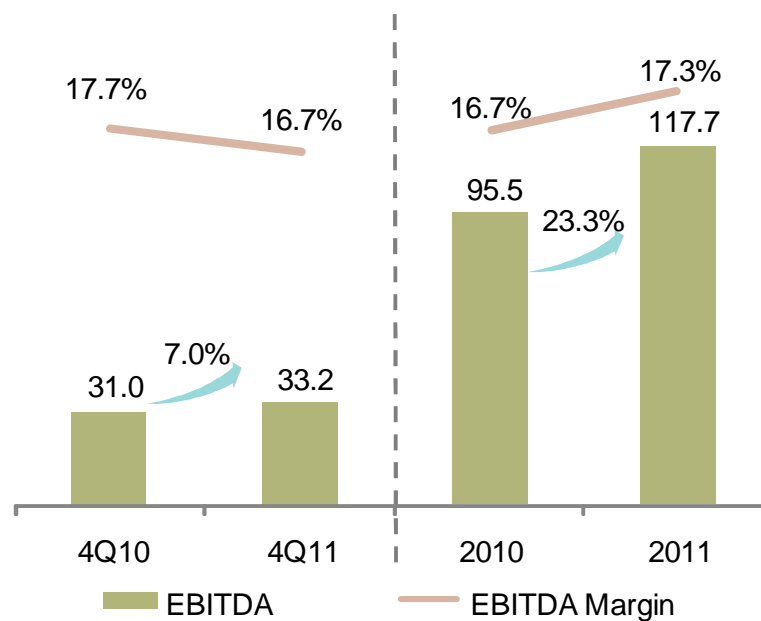
Gross Profit (R\$ million) and Gross Margin (%)



Gross margin increased 1.3 p.p. in 4Q11 and 1.0 p.p. in 2011 when compared to the previous year, mainly due to change in distribution channel mix

EBITDA

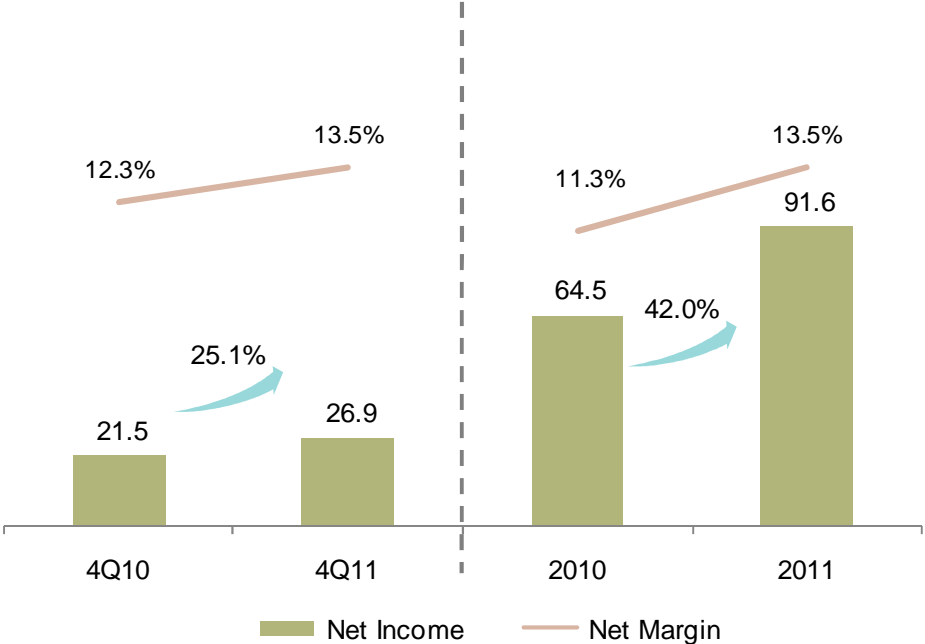
EBITDA (R\$ million) and EBITDA Margin (%)



EBITDA margin decreased 1.0 p.p. in 4Q11 over 4Q10, while EBITDA margin expanded 0.6 p.p. in 2011 over 2010

Net Income and Net Margin

Net Income (R\$ million) and Net Margin (%)



Net Income amounted to R\$ 91.6 million in 2011, an increase of 42% over 2010

Cash Generation



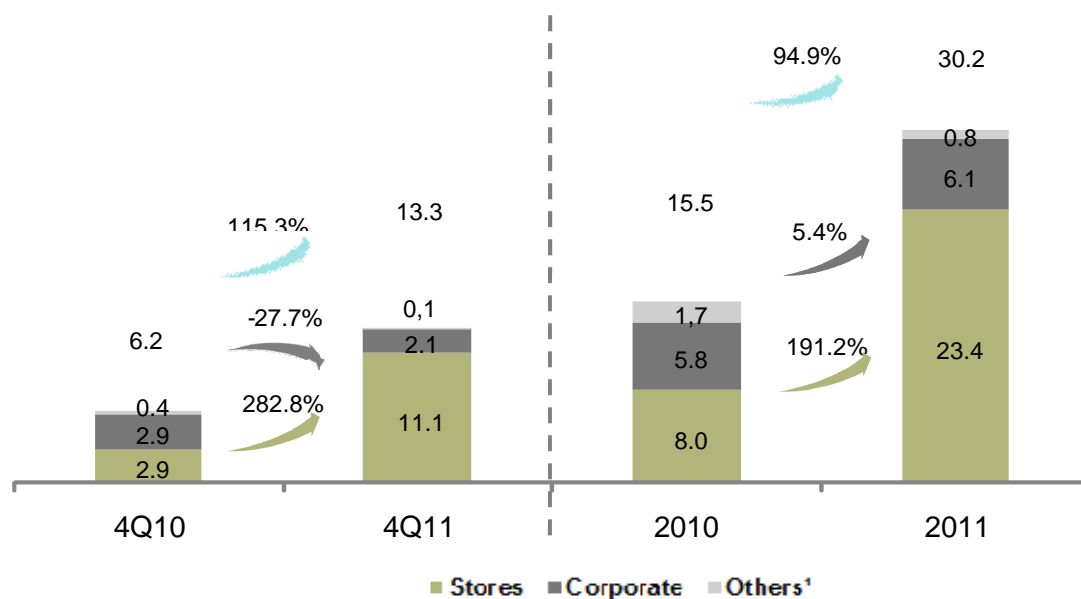
Operating Cash Generation (R\$ thousand)

Cash flows from operating activities	4Q10	4Q11	Growth or spread	2010	2011	Growth or spread
Income before income taxes	29,531	34,932	5,401	89,289	125,452	36,163
Depreciation and amortization	823	1,168	345	2,670	4,058	1,388
Others	1,187	(2,532)	(3,719)	1,735	(10,475)	(12,210)
Decrease (increase) in current assets / liabilities	(25,998)	(19,102)	6,896	(48,404)	(47,302)	1,102
Trade accounts receivable	(20,709)	(19,700)	1,009	(29,170)	(47,118)	(17,948)
Inventories	2,536	14,302	11,766	(27,657)	(8,518)	19,139
Suppliers	(14,615)	(12,765)	1,850	(330)	8,542	8,872
Change in other current assets and liabilities	6,790	(939)	(7,729)	8,753	(208)	(8,961)
Change in other non current assets and liabilities	(4,365)	1,971	6,336	(291)	(147)	144
Tax and contributions	(11,776)	(13,845)	(2,069)	(24,542)	(28,548)	(4,006)
Net cash generated by operating activities	(10,598)	2,592	13,190	20,457	43,038	22,581

Operating Cash Generation of R\$ 43.0 million in 2011, despite of R\$ 47.3 million in working capital consumption

Capital Expenditure (CAPEX) and Indebtedness

CAPEX (R\$ million)



Indebtedness (R\$ million)

Indebtedness	4Q10	3Q11	4Q11
Cash	13,004	178,999	173,550
Total indebtedness	46,769	35,065	38,659
Short term	27,370	16,270	20,885
% da Dívida Total	58.5%	46.4%	54.0%
Long term	19,399	18,795	17,774
% da Dívida Total	41.5%	53.6%	46.0%
Net debt	33,765	(143,934)	(134,891)
EBITDA LTM	95,572	115,561	117,729
Net debt /EBITDA LTM	0.35x	-1.25x	-1.15x

In 2011, Arezzo&Co invested R\$ 30.2 million, mainly used for 16 Owned Stores openings, 4 expansions and renovations, as well as for key investments in future stores openings and expansions

(1) Others: reduction of 79.1% in 4Q11 over 4Q10 and of 53.2% in 2011 over 2010.

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