

AREZZO **&CO**

Conference Call
2Q15

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.

2Q14 Highlights

Net Revenue

Net revenue reached R\$285.5 million in the 2Q15, an increase of 12.5% against 2Q14.

Gross Profit

In 2Q15, gross profit was R\$120.6 million, with a 42.2% of net margin.

EBITDA

EBITDA for 2Q15 amounted to R\$43.0 million, a growth of 1.7% in relation to 2Q14, with a margin of 15.1%.

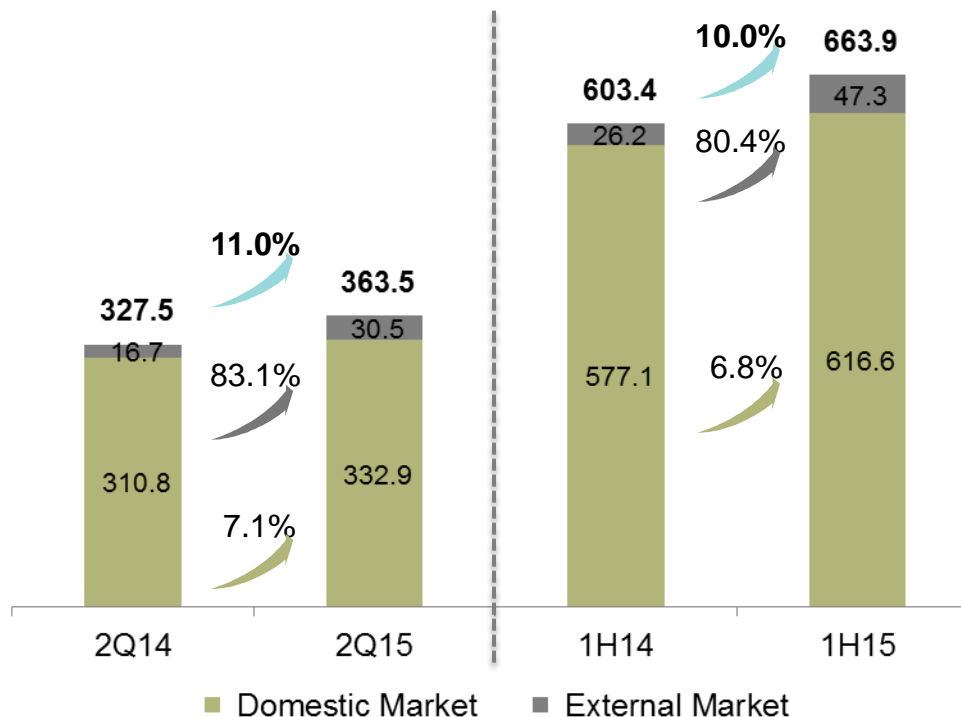
Net Profit

In 2Q15, net income reached R\$31.9 million, with net margin of 11.2%, and an increase of 1.0% in comparison with 2Q14.

Sales Area Expansion

In this quarter, Arezzo&Co opened three stores, with a growth of 8.8% in sales area and the opening of others 49 stores over the last 12 months.

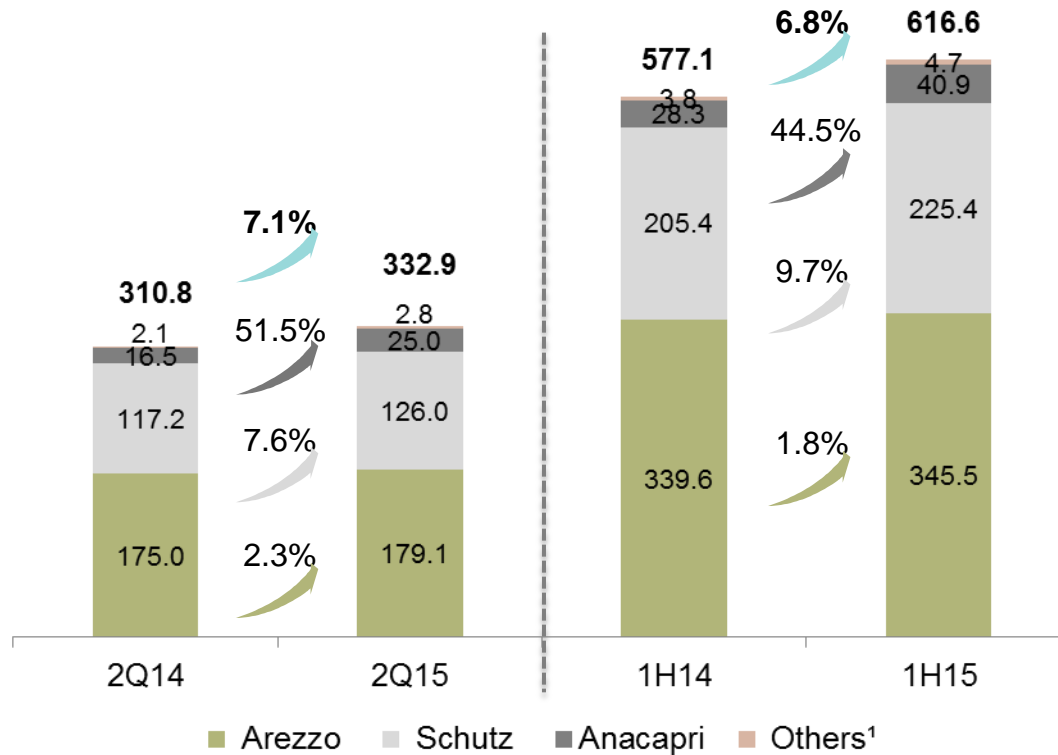
Gross Revenues – Domestic and Export Market (R\$ million)



Gross revenue reached R\$363.5 million in the 2Q15, an increase of 11.0% against 2Q14, with particular mention to external market with a growth of 83.1%.

Gross Revenue Breakdown by Brand – Domestic Market

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

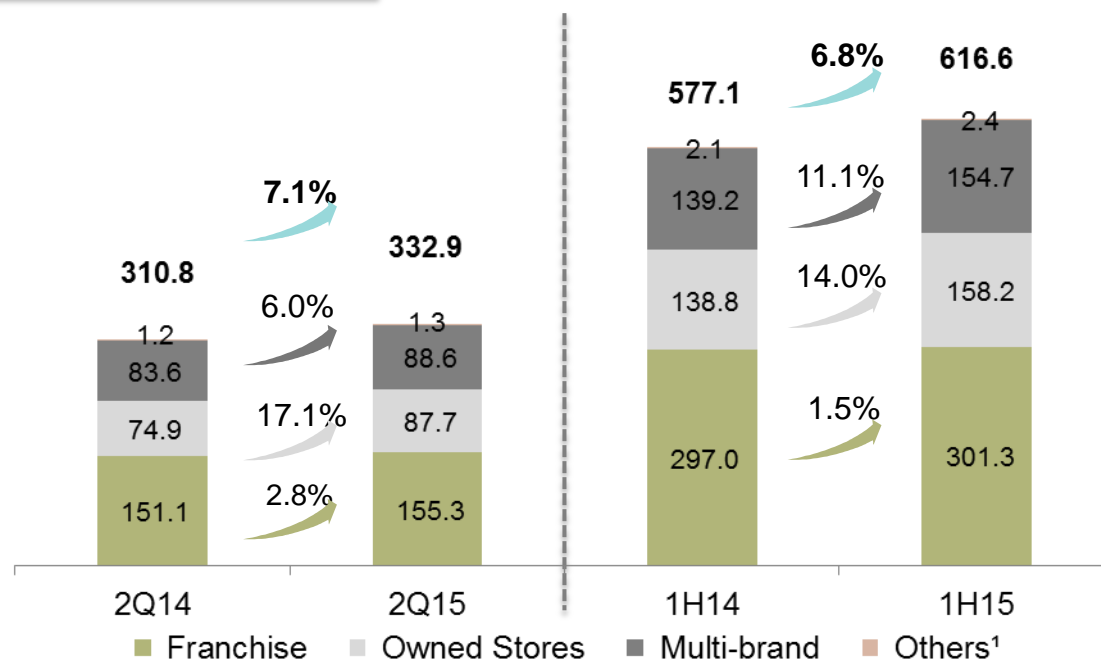


In domestic market, the highlight was the Anacapri brand, growing 51.5%, leveraged by the opening of 30 franchises in the last twelve months, and for the Schutz brand, which increased 7.6%, boosted by handbags category presenting a great performance of 42.0% over 2Q14.

1) Others: Increasing of 32.8% in the 2Q15 and 24.7% in the 1H15.

Gross Revenue Breakdown by Channel – Domestic Market

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



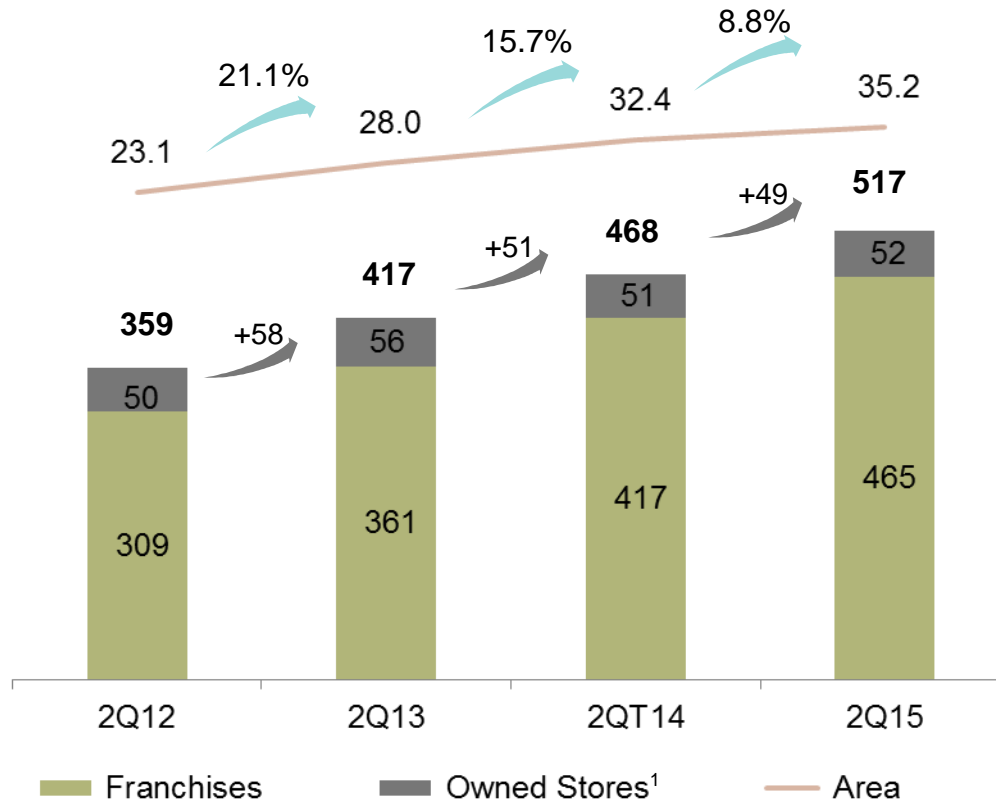
SSS Sell-out (owned stores + web + franchises)	7.7%	1.4%	5.9%	1.8%
SSS Sell-out (owned stores + franchises)	6.7%	0.6%	5.1%	0.6%
SSS Sell-in (franchises)	1.1%	-6.0%	4.7%	-5.0%

In 2Q15, all channels presented growth, with particular reference to the 17.1% growth in Owned Stores channel, leveraged by the expansion of 8.5% in sales area, excluding outlets, in addition to the web commerce growth.

1) Others: Increasing 12.8% in 2Q15 and 16.6% in 1H15.

Distribution Channel Expansion

Owned Stores and Franchises Expansion



Number of Stores – Domestic Market

AREZZO

Franchises	356
Owned Stores	17
Multi Brands	1.153

SCHUTZ

Franchises	48
Owned Stores	28
Multi Brands	1.376

ALEXANDRE BIRMAN

Owned Stores	2
Multi Brands	8

ANACAPRI

Franchises	56
Owned Stores	4
Multi Brands	1.038

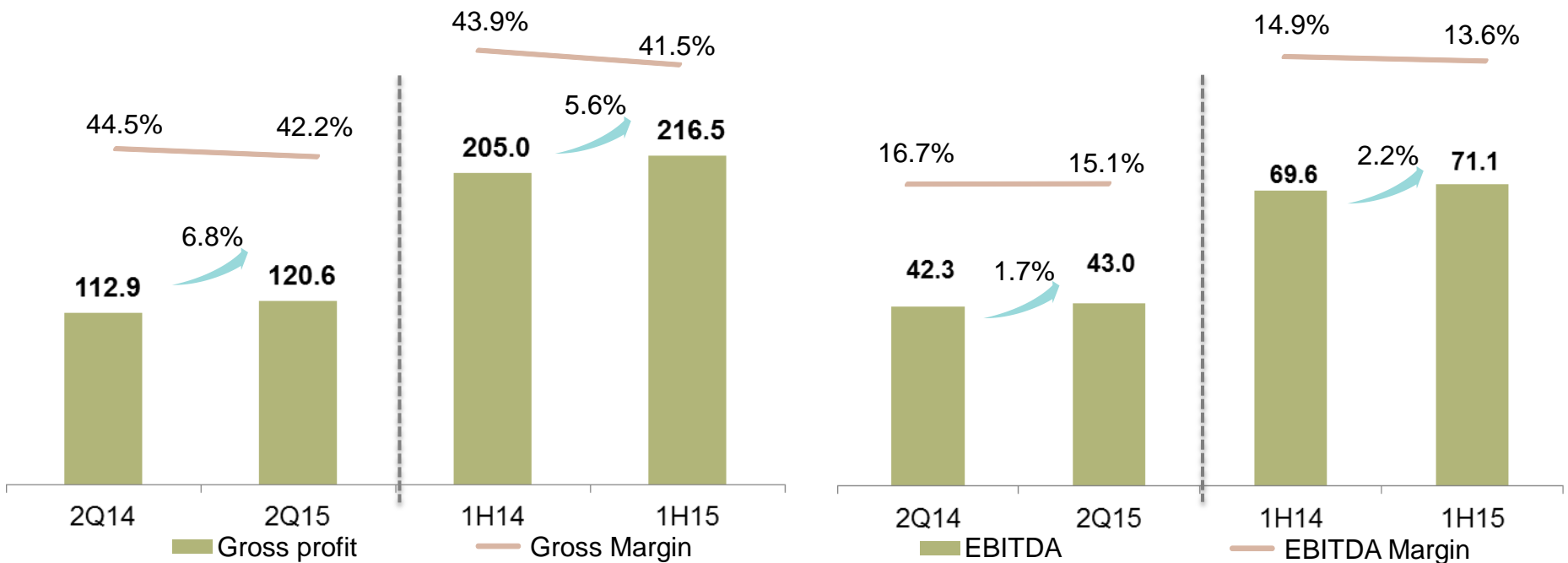
The sales area increased 8.8% in the 2Q15 due to the opening of 49 stores and expansion of eight stores in the last 12 months.

1) Includes 5 outlets with total area of 2,032 sqm

Gross Profit and EBITDA

Gross Profit (R\$ million)

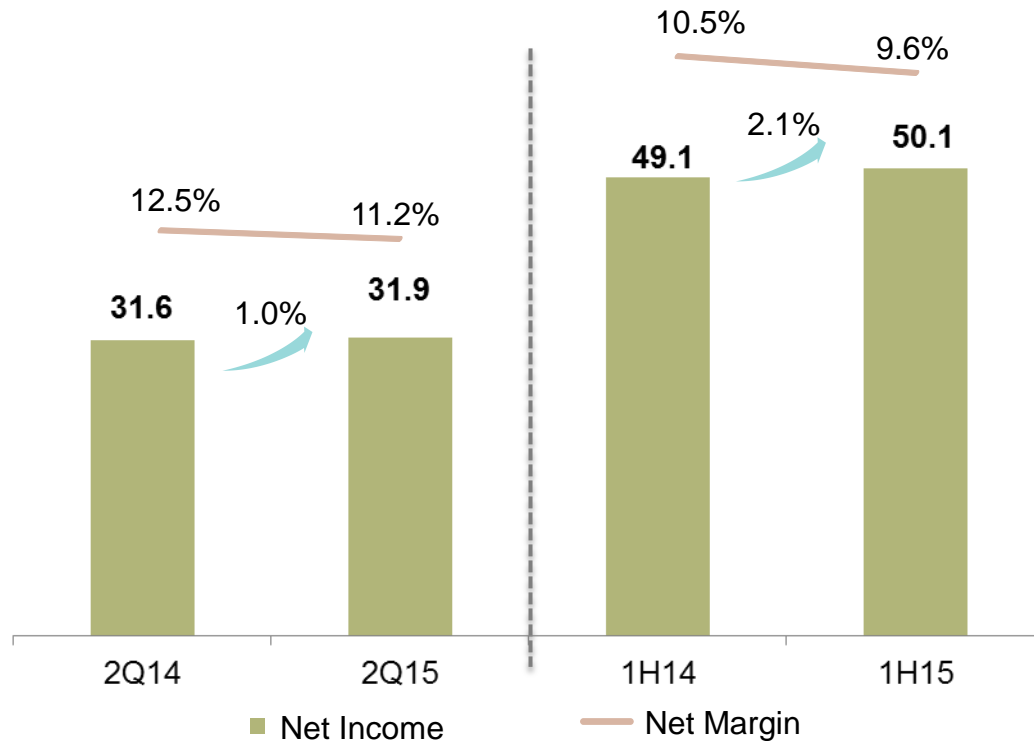
EBITDA (R\$ million)



In 2Q15, gross profit reached R\$120.6 million, an increase of 6.8%, with gross margin of 42.2%. EBITDA for 2Q15 amounted to R\$43.0 million, with a margin of 15.1%.

Net Income and Net Margin

Net Income (R\$ million)



The Company's net income totaled R\$31.9 million in 2Q15, a growth of 1.0% in the quarter with a 11.2% net margin.

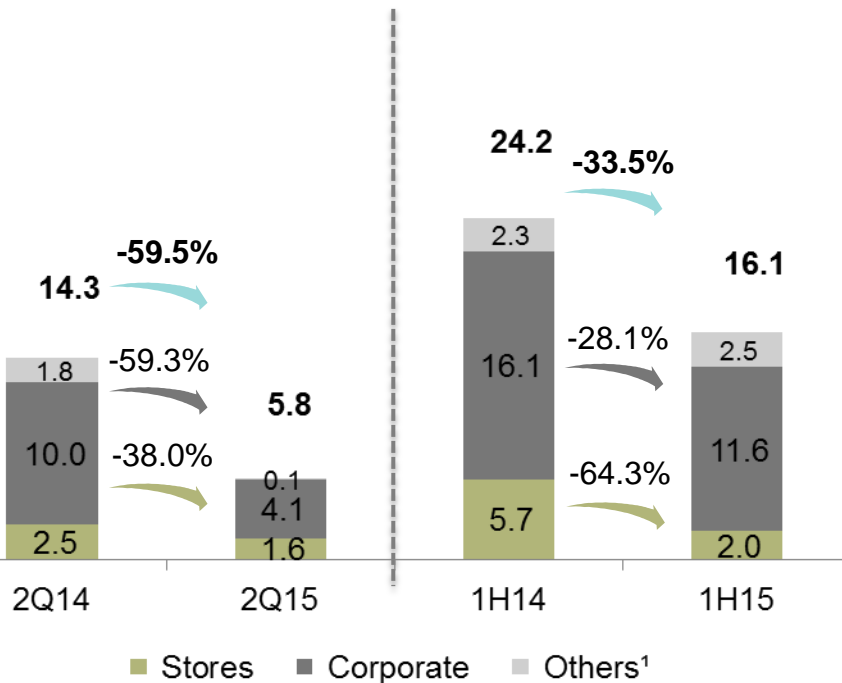
Operating Cash Flow (R\$ thousand)

Operating Cash Flow	2Q14	2Q15	Varição em R\$	Change in R\$	1H14	1H15	Varição em R\$	Change in R\$ %
Income before income tax and social contribution	43,033	38,911	(4,122)	-9.6%	70,030	69,261	(769)	-1.1%
Depreciation and amortization	3,097	6,121	3,024	97.6%	6,306	11,905	5,599	88.8%
Other	1,754	(5,335)	(7,089)	n/a	(1,430)	(1,186)	244	-17.1%
Decrease (increase) in current assets / liabilities	(20,855)	(15,386)	5,469	-26.2%	(11,653)	(28,463)	(16,810)	144.3%
Trade accounts receivables	9,189	5,511	(3,678)	-40.0%	11,692	(13,414)	(25,106)	n/a
Inventories	(18,161)	3,583	21,744	n/a	(35,935)	(19,603)	16,332	-45.4%
Suppliers	(17,130)	(18,559)	(1,429)	8.3%	22,270	15,571	(6,699)	-30.1%
Change in other noncurrent and current assets and liabilities	5,247	(5,921)	(11,168)	n/a	(9,680)	(11,017)	(1,337)	13.8%
Payment of income tax and social contribution	(18,200)	(11,109)	7,091	-39.0%	(20,542)	(14,128)	6,414	-31.2%
Net cash flow generated by operational activities	8,829	13,202	4,373	49.5%	42,711	37,389	(5,322)	-12.5%

Arezzo&Co generated R\$13.2 million in operating cash flow in 2Q15, due mainly to less need for working capital, specially for inventories.

Capital Expenditure (CAPEX) and Indebtedness

CAPEX (R\$ million)



Indebtedness (R\$ million)

Cash position and Indebtedness	2T14	1T15	2T15
Cash	159,196	210,149	176,311
Total debt	80,853	98,138	98,387
Short term	49,753	65,718	67,946
% total debt	61.5%	67.0%	69.1%
Long-term	31,100	32,420	30,441
% total debt	38.5%	33.0%	30.9%
Net debt	(78,343)	(112,011)	(77,924)
EBITDA LTM	159,916	162,122	162,820
Net debt/EBITDA LTM	-0.5x	-0.7x	-0.5x

In 2Q15, the Company invested R\$5.8 million, mainly due to investments in the Omni Channel strategy. Indebtedness policy remained conservative.

1) Others: Decreasing of 92.3% in 2Q15 and an increasing of 5.2% in 1H15.

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