

AREZZO **&CO**

Conference Call
3Q15

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.

3Q15 Highlights

Gross Revenue

Gross revenue reached R\$403.7 million in the 3Q15, an increase of 6.5% against 3Q14.

Gross Profit

In 3Q15, gross profit was R\$133.0 million, a growth of 6.5%.

EBITDA

EBITDA for 3Q15 amounted to R\$49.7 million, with a margin of 15.8%.

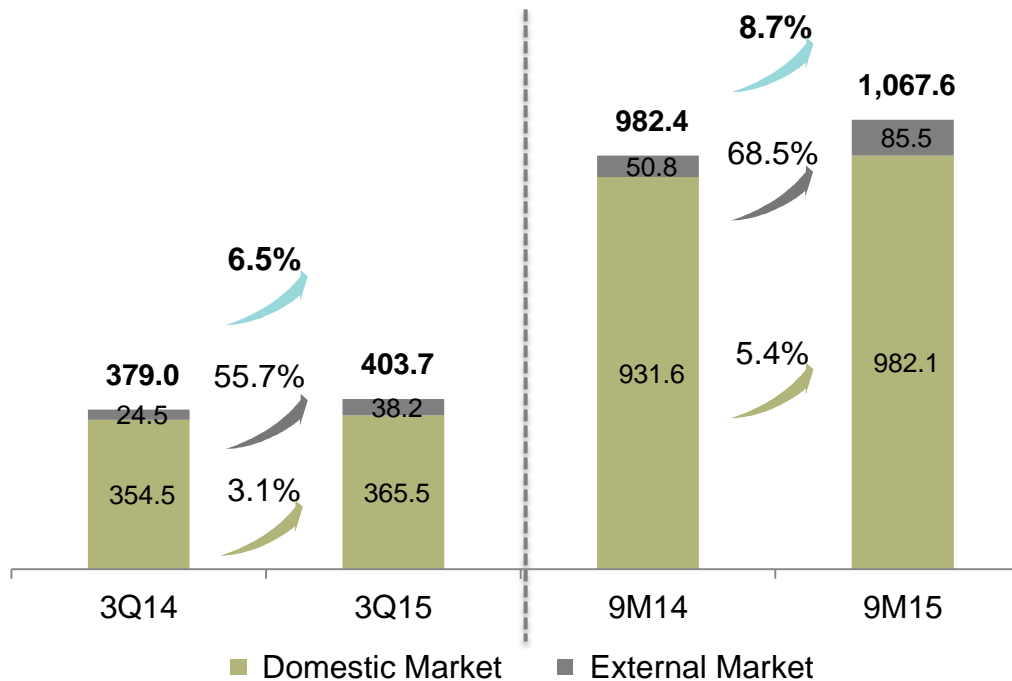
Net Profit

In 3Q15, net income reached R\$36.1 million, with net margin of 11.5%, and an increase of 7.4% in comparison with 3Q14.

Sales Area Expansion

During the quarter, Arezzo&Co's opened eight stores and expanded another four, with growth of 9.7% in the sales area. totaling 46 stores over the last 12 months.

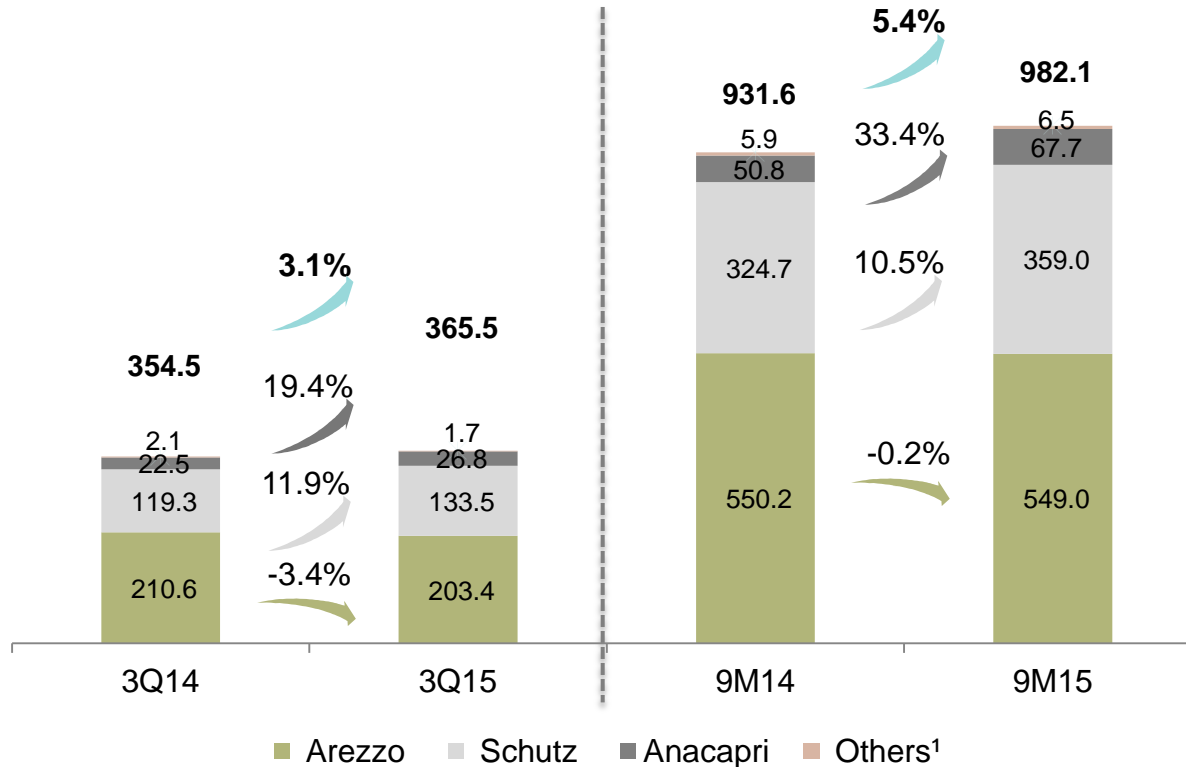
Gross Revenues – Domestic and Export Market (R\$ million)



Gross revenue reached R\$403.7 million in the 3Q15, an increase of 6.5% against 3Q14, with particular mention to external market with a growth of 55.7%.

Gross Revenue Breakdown by Brand – Domestic Market

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

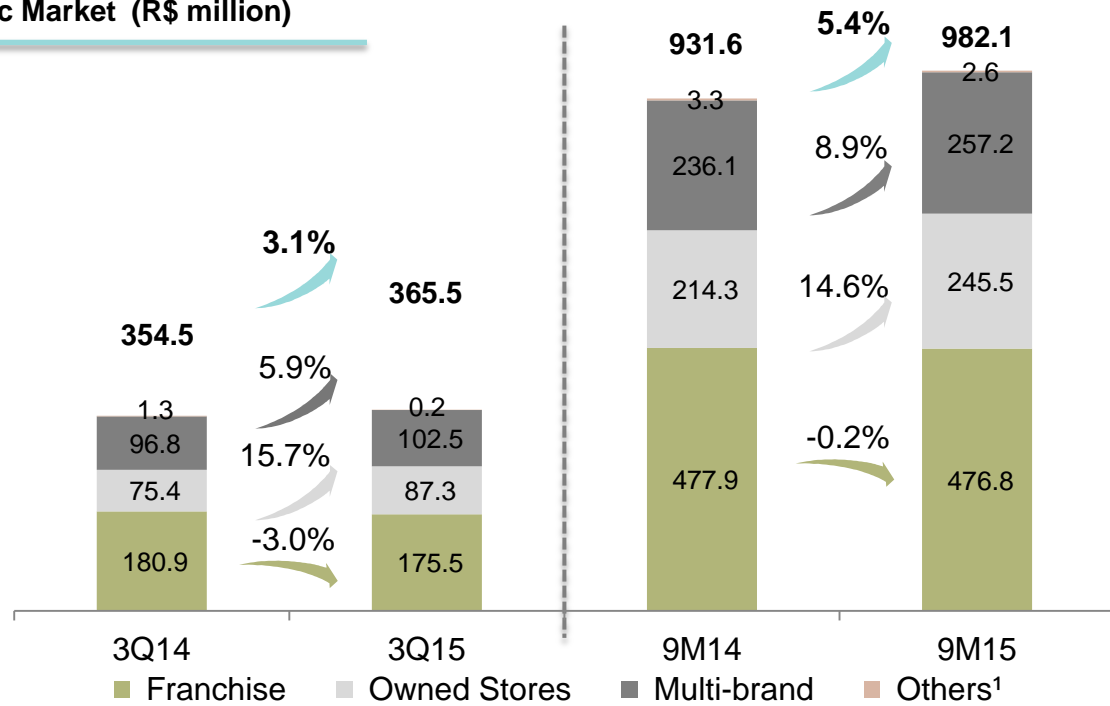


In domestic market, the highlight was the Anacapri brand, growing 19.4%, leveraged by the opening of 27 franchises in the last twelve months, and for the Schutz brand, which increased 11.9%, boosted by the strength strategy of monobrand stores and the great performance of handbags category.

1) Others: Decreasing of 18.3% in the 3Q15 and an increasing of 9.4% in the 9M15.

Gross Revenue Breakdown by Channel – Domestic Market

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



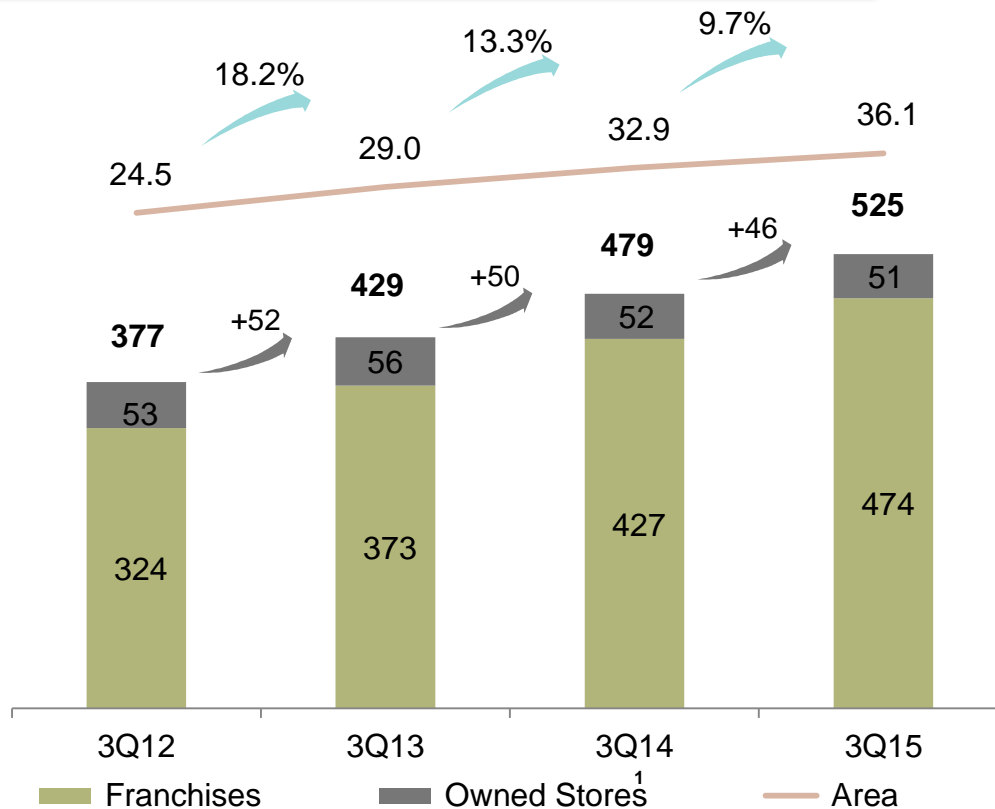
SSS Sell-out (owned stores + web + franchises)	10.4%	-6.8%	7.5%	-1.3%
SSS Sell-out (owned stores + franchises)	8.0%	-7.2%	6.1%	-2.2%
SSS Sell-in (franchises)	-0.4%	-8.1%	2.7%	-6.2%

In 3Q15, the highlight for the Owned Stores channel, presenting a growth of 15.7%, leveraged by the web commerce growth.

1) Others: Decreasing of 81.1% in 3Q15 and 20.4% in 9M15.

Distribution Channel Expansion

Owned Stores and Franchises Expansion



Number of Stores – Domestic Market

AREZZO

Franchises	360
Owned Stores	16
Multi Brands	1,177

SCHUTZ

Franchises	48
Owned Stores	28
Multi Brands	1,376

ALEXANDRE BIRMAN

Owned Stores	2
Multi Brands	7

ANACAPRI

Franchises	61
Owned Stores	4
Multi Brands	1,060

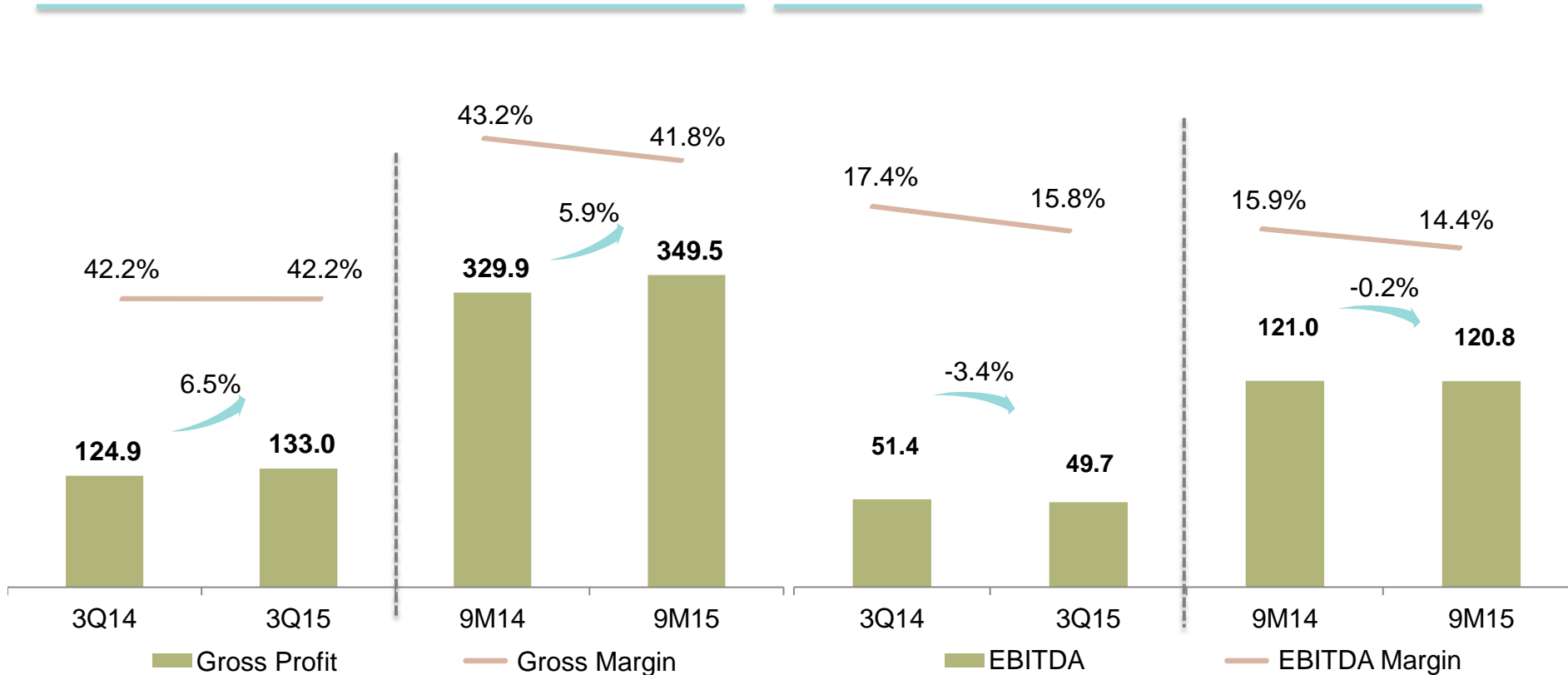
The sales area increased 9.7% in the 3Q15 due to the opening of 46 stores and expansion of ten stores in the last 12 months.

1) Includes eight outlets with total area of 2,199 sqm

Gross Profit and EBITDA

Gross Profit (R\$ million)

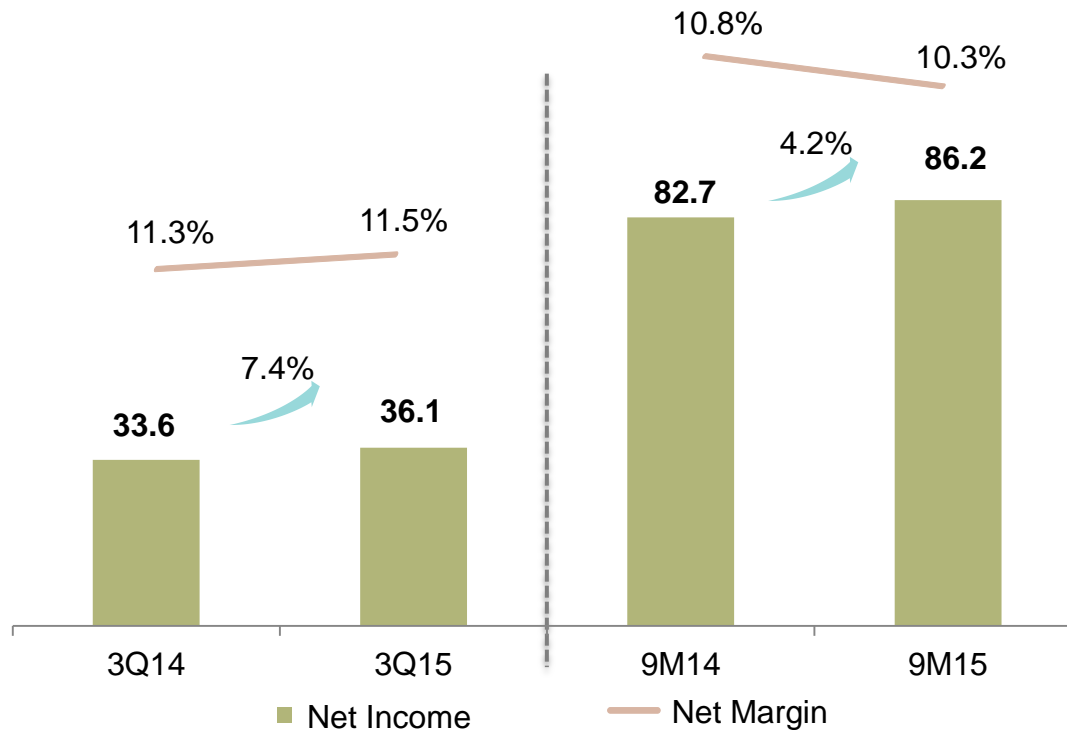
EBITDA (R\$ million)



In 3Q15, gross profit reached R\$133.0 million, an increase of 6.5%, with gross margin of 42.2%. EBITDA for 3Q15 amounted to R\$49.7 million, with a margin of 15.8%.

Net Income and Net Margin

Net Income (R\$ million)



The Company's net income totaled R\$36.1 million in 3Q15, a growth of 7.4% in the quarter with a 11.5% net margin.

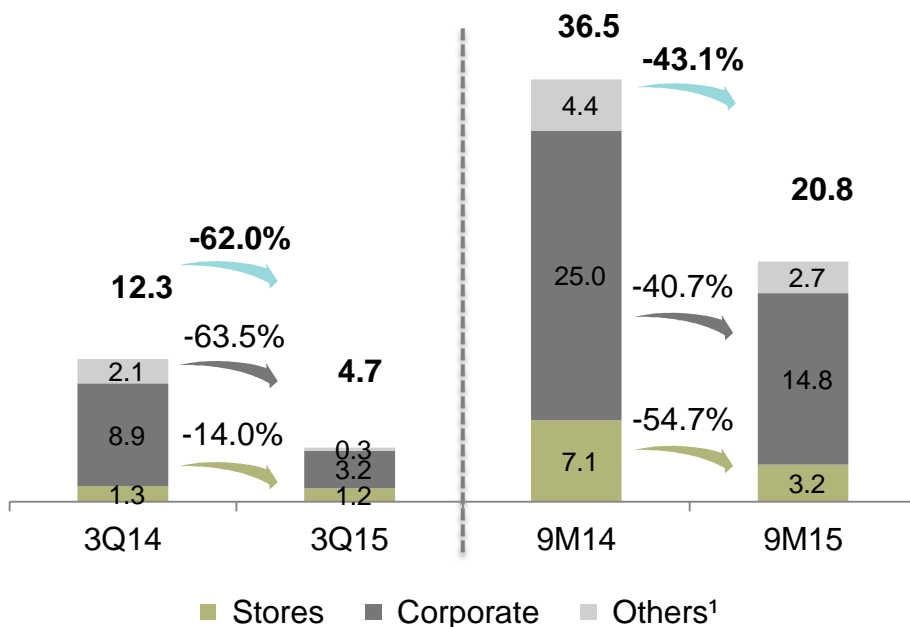
Operating Cash Flow (R\$ thousand)

Operating Cash Flow	3Q14	3Q15	Change in R\$	Change in R\$	9M14	9M15	Change in %	Change in %
Income before income tax and social contribution	51,815	53,545	1,730	3.3%	121,845	122,806	961	0.8%
Depreciation and amortization	3,293	6,121	2,828	85.9%	9,599	18,026	8,427	87.8%
Other	1,249	1,169	(80)	-6.4%	(181)	(17)	164	-90.6%
Decrease (increase) in current assets / liabilities	(9,957)	(46,494)	(36,537)	366.9%	(21,610)	(74,957)	(53,347)	246.9%
Trade accounts receivables	(45,337)	(50,216)	(4,879)	10.8%	(33,645)	(63,630)	(29,985)	89.1%
Inventories	4,666	(5,839)	(10,505)	n/a	(31,269)	(25,442)	5,827	-18.6%
Suppliers	28,843	15,857	(12,986)	-45.0%	51,113	31,428	(19,685)	-38.5%
Change in other noncurrent and current assets and liabilities	1,871	(6,296)	(8,167)	n/a	(7,809)	(17,313)	(9,504)	121.7%
Payment of income tax and social contribution	(12,538)	(9,733)	2,805	-22.4%	(33,080)	(23,861)	9,219	-27.9%
Net cash flow generated by operational activities	33,862	4,608	(29,254)	-86.4%	76,573	41,997	(34,576)	-45.2%

Arezzo&Co generated R\$4.6 million in operating cash in 3Q15, due mainly to the higher operating profit for the period and impacted by an increase in working capital.

Capital Expenditure (CAPEX) and Indebtedness

CAPEX (R\$ million)



Indebtedness (R\$ million)

Cash position and Indebtedness	3T14	2T15	3T15
Cash	175,856	176,311	193,486
Total debt	86,473	98,387	126,928
Short term	61,249	67,946	98,422
% total debt	70.8%	69.1%	77.5%
Long-term	25,224	30,441	28,506
% total debt	29.2%	30.9%	22.5%
Net debt	(89,383)	(77,924)	(66,558)
EBITDA LTM	164,586	162,820	161,091
Net debt/EBITDA LTM	-0.5x	-0.5x	-0.4x

In 3Q15, the Company invested R\$4.7 million, a decreasing of 62% over the same period of 3Q14, following the Cia. strategy of investment reduction in 2015. Indebtedness policy remained conservative.

1) Others: Decreasing of 86.7% in 3Q15 and 38.2% in 9M15.

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