



Grendene®

Disclaimer

This presentation contains statements that can represent expectations about future events or results. These statements are based on certain suppositions and analyses made by the company in accordance with its experience, with the economic environment and market conditions, and expected future developments, many of which are beyond the company's control. Important factors could lead to significant differences between real results and the statements on expectations about future events or results, including the company's business strategy, Brazilian and international economic conditions, technology, financial strategy, developments in the footwear industry, conditions of the financial market, and uncertainty on the company's future results from operations, plans, objectives, expectations and intentions – among other factors. In view of these aspects, the company's results could differ significantly from those indicated or implicit in any statements of expectations about future events or results.

Agenda

History
Highlights
Corporate structure
Plants
Production
Sustainability
Footwear sector
Strategy
Products
Results
Guidance

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Mission

- To create a type of fashion that is democratic, responding rapidly to the market's needs, while generating attractive returns for the company's and its partners.

Values

- Profit, Competitiveness, Innovation & Agility and Ethics.

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Grendene®

Timeline

The beginning

**1971**

Grendene was founded.
With two injection machines, 15 employees and novelty: to produce plastic packaging for wine.

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Grendene®

Timeline

1975

With diversification, was the pioneer to produce shoes with nylon as raw material.

**1978**

The launch of the *Nuar* sandal, an old dream came true.

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Grendene®

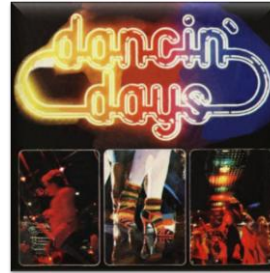
Timeline

1979

The sandal collection with the brand Melissa has conquered the world.



Melissa innovation, being the first shoe brand to do merchandising on Brazilian television soap opera in "Dancin' Days".



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Grendene®

Timeline

1983

The succesful collaboration between **Melissa** and greatest designers like: Jean-Paul Gaultier, Thierry Mugler, Jacqueline Jacobson and Elisabeth De Seneville.



1986

Launch of the **Rider** sandals line, target for the masculine public.



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Timeline

1990/93/97

In Ceará, the plant at **Fortaleza, Sobral** and **Crato**, was inaugurated.



1994

Launch of the **Grendha** product line, targeting the feminine public.

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Grendene®

Histórico

2001

Launch of the **Ipanema** line and partnership with top model **Gisele Bündchen**.



Foto: A. Carreiro – Out/2004

2004

Grendene started having common shares ("GRND3") negotiated at the *Novo Mercado* of **BM&FBOVESPA**.

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Histórico

Continuidade

- | | |
|---|--|
| ❖ Opening of Galeria Melissa in São Paulo. | ❖ Launch of the Ilhabela, Zaxy, Ipanema RJ and Cartago brands. |
| ❖ In the State of Bahia, the plant at Teixeira de Freitas , was inaugurated. | ❖ Dividend policy – Grendene will distribute dividends quarterly from 2009 on. |
| ❖ Relaunch of the Rider Brand. | ❖ After thirty years making history as a fashion accessory, Melissa makes a surprise move and releases the brand's perfume to celebrate the occasion. |
| ❖ Melissa becomes a member of the Council of Fashion Designers of America (CFDA). | ❖ Opening of Galeria Melissa in Nova York. |

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Highlights

Grendene is one of the world's largest producers of footwear.

Production capacity: 200 million pairs/year

Average production: 500,000 pairs/day.

Employees: 24,000 in December 31, 2011.

New products in 2011: 1,002.

World presence: more than 90 countries.

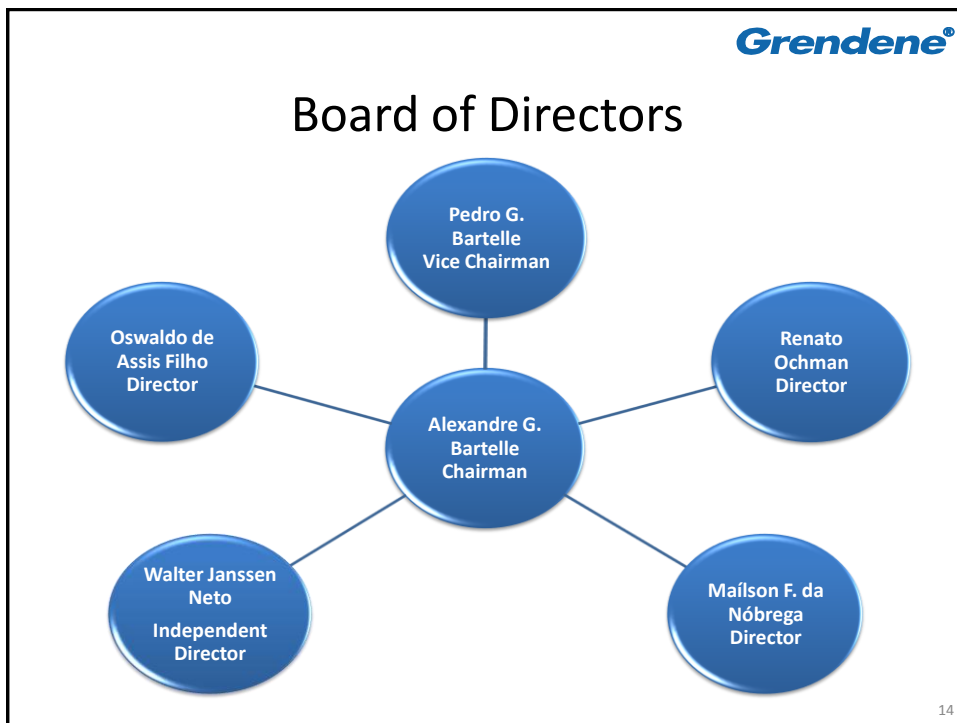
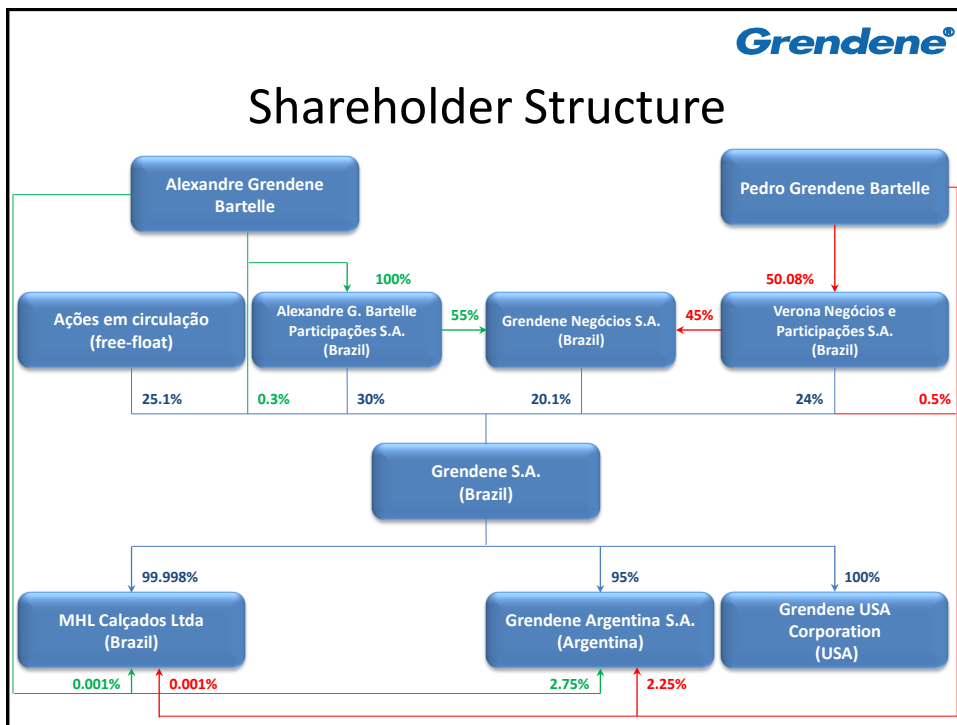
Brands with strong personality.

Innovation in product, distribution and media.

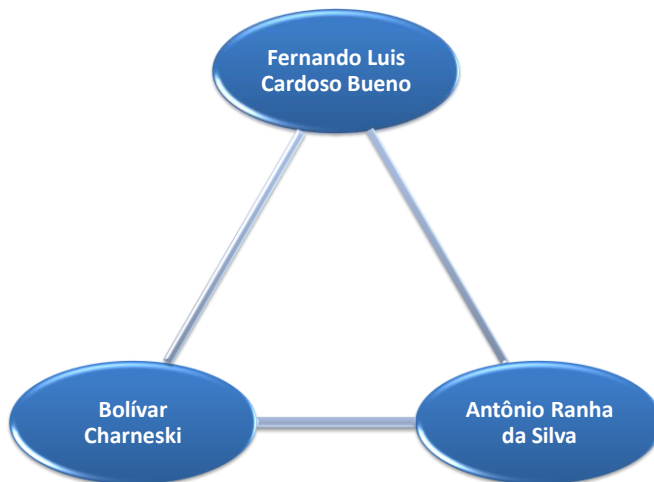
Listed on **BM&FBOVESPA**; free float: 25%.

Solid capital structure and strong cash flow.

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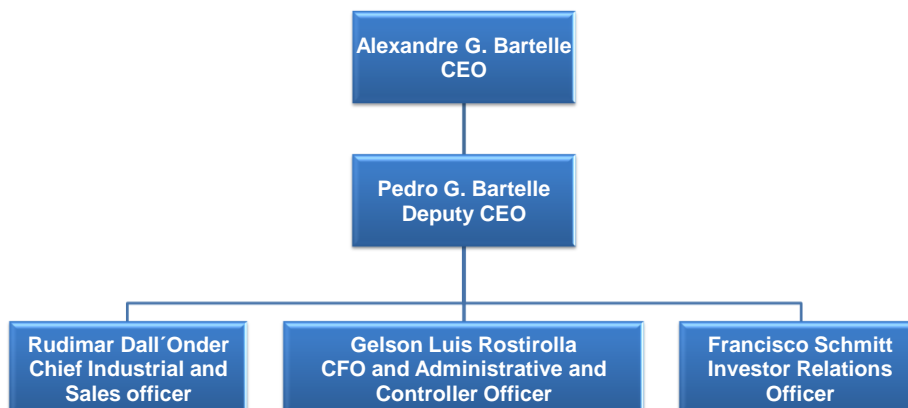


Audit Board



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Executive board of directors



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Plants

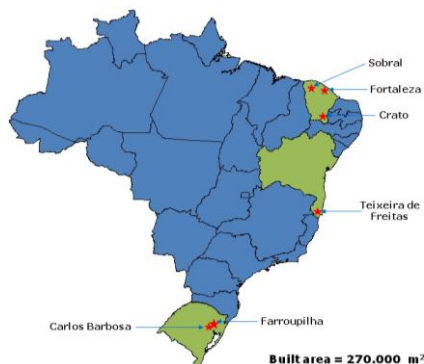


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Location of industrial plants and productive process

Brazil



Verticalization = Agility

PVC formulation

Design

Moulds

R&D

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Grendene®

Industrial Plants



Carlos Barbosa / RS



Sobral / CE



Fortaleza / CE



Teixeira de
Freitas/BA



Crato / CE



Farroupilha / RS

Installed
capacity:
200,000,000
pairs / year

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Productive process



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Sustainability




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Grendene®

Our challenge


Inefficient energy use




Erosion



Desertification



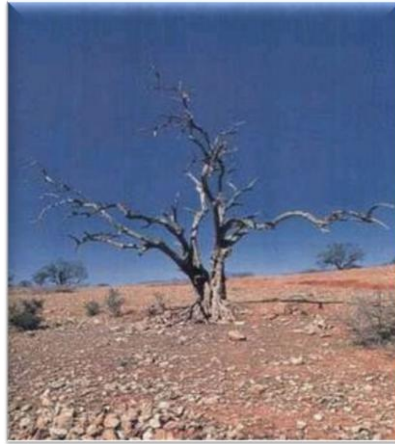
No sanitation



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Grendene®

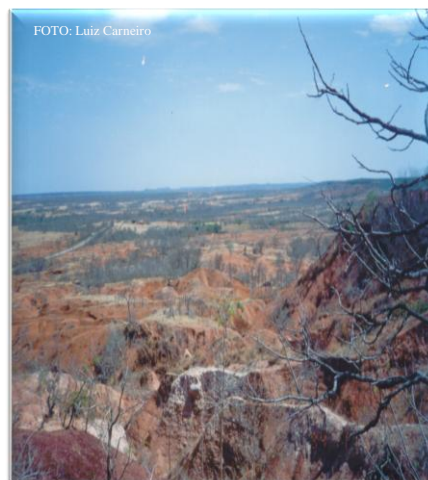
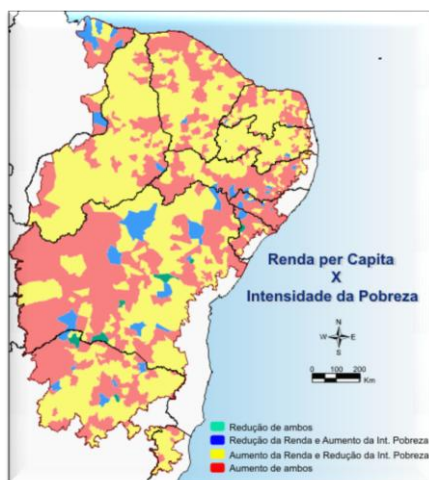
The landscape



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Grendene®

Low income



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Grendene®

Poverty



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Grendene®

Climate Problems



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Grendene®

Our response



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Grendene®

Social responsibility



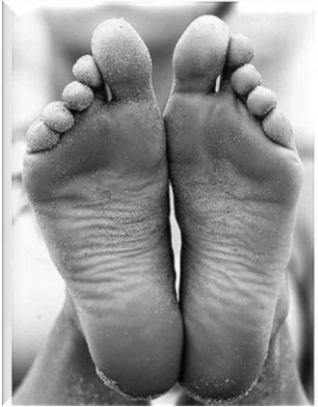
Providing employment and income, healthy food,
education / vocational training and health.



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Grendene®

Social responsibility



Over the
years
Grendene has
helped to put
on the shoes
of people.



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Social and Environmental Responsibility

PVC that is unused or damaged in the
process, plus leftovers and scraps are
fully reused.



Unused paints are removed from the
water for reuse of the paint and the
water.



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Grendene®

Social and Environmental Responsibility

The water is treated in a decantation lake and reused for conserving the vegetation.



The water used for watering the plants comes from reusing factory water.



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Grendene®

Footwear Sector



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Brazil's Footwear Sector

Profile

8,200 producers in 2010

348,000 direct employees

Production: 849 million pairs* in 2011 (894 million pairs in 2010)

World's 3rd largest producer.

Apparent consumption, Brazilian domestic market: 770 million pairs and 3.9 pairs per capita*/year in 2011 (780 million pairs and 4.0 pairs in 2010)

Exports: 113 million pairs* to more than 140 countries in 2011 (-21.0% vs. 2010)

Source:

IEMI/RAIS/ABICALÇADOS/SECEX

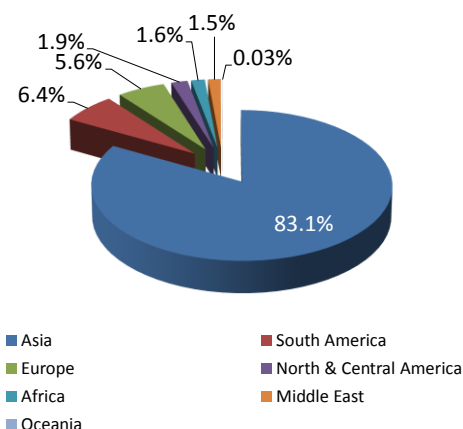
(*) Estimated by Grendene

The industry itself is not much more than 150 years old – companies are typically small and labor-intensive, with no entry or exit barriers.

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Footwear Sector

Distribution of footwear production by continent in 2009



Country	Production 2009 (million pairs)
China	9,500
India	2,100
Brazil	814
Vietnam	661
Indonesia	578
Others	2,958
Total	16,611

The 5 principal countries produce: 13,653 million pairs = 82% of total world production.

Source: World Shoe Review 2010 / ABICALÇADOS

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The footwear sector in Brazil

Million pairs	2006	2007	2008	2009	2010	2011
Production	830	808	816	814	894	849*
Imports	19	29	39	30	29	34
Exports	180	177	166	127	143	113
Apparent consumption	669	660	689	717	780	770*
Per capita consumption (pairs)	3.6	3.5	3.6	3.7	4.0	3.9*

Source: IEMI / SECEX / ABICALÇADOS

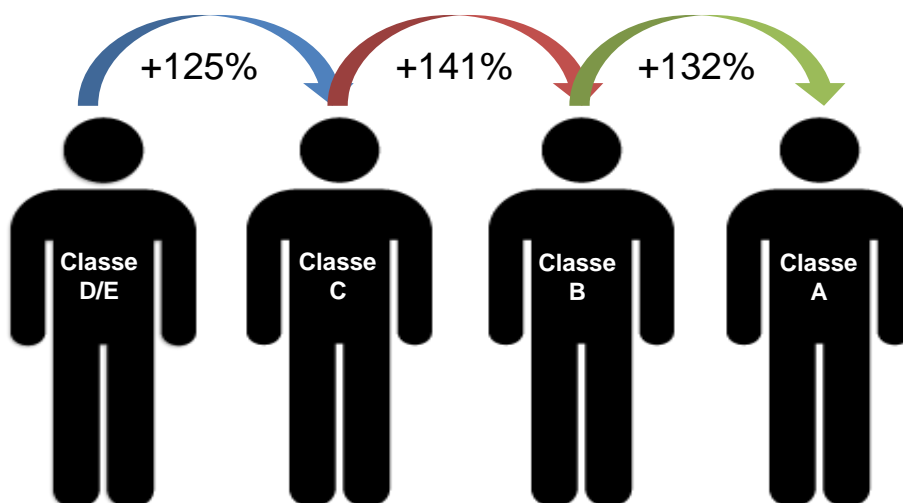
* Numbers estimated by Grendene

Consumption – 2009	Total	Per capita
United Kingdom	410	6.6
United States	1,987	6.4
France	364	5.8
Japan	689	5.4
Italy	316	5.3

Source: World Shoe
Review 2010 /
ABICALÇADOS

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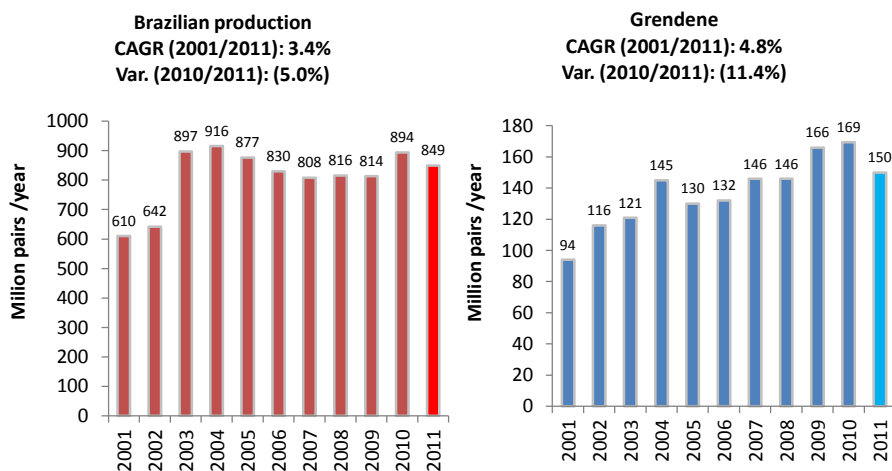
Brazil – increments in spending with changes in income group (clothing and footwear)



Source: Exame magazine / Lojas Renner investor relations website

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Grendene x Brazilian footwear sector

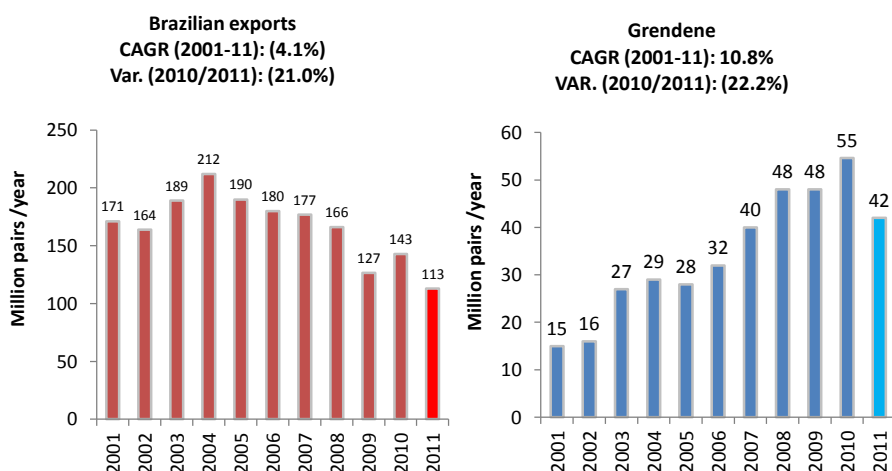


Source: IEMI / Abicalçados

Grendene has grown faster than the Brazilian footwear industry.

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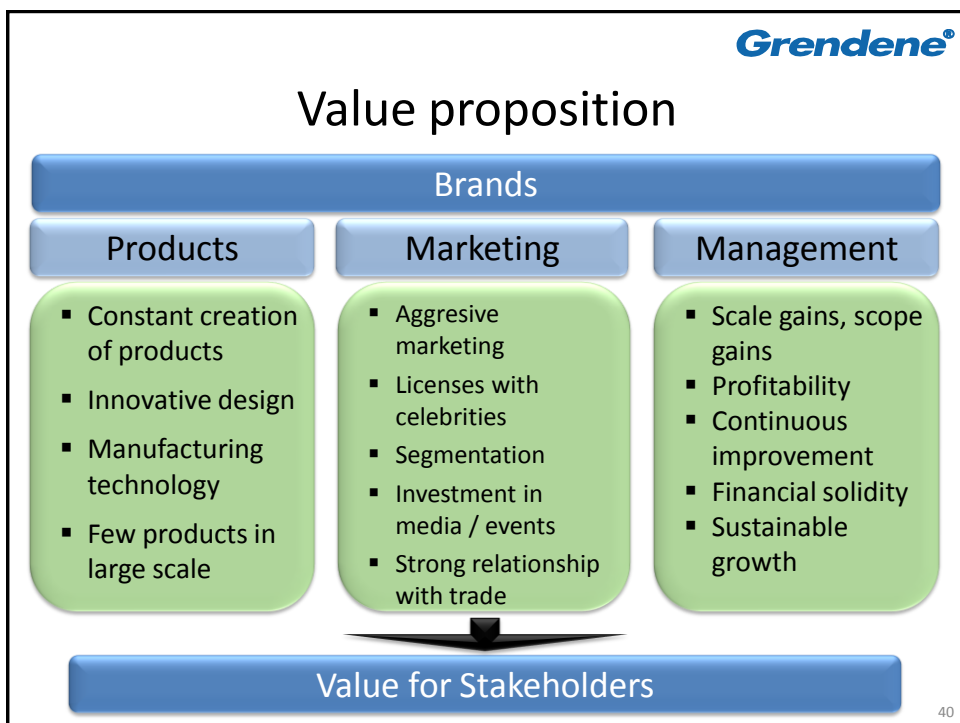
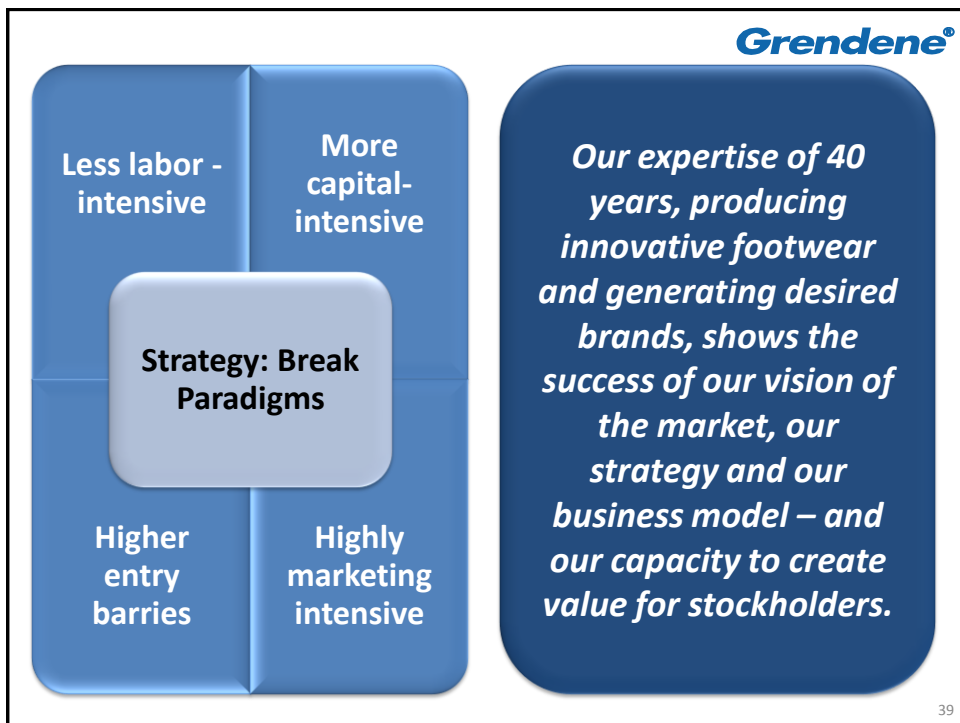
Exports: Grendene vs. Brazil



Source: DECEX / MDIC / ABICALÇADOS

Grendene's exports were 37.6% of total Brazilian footwear exports in 2011 (38.2% in 2010).

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Products



Products that meet essential and basic needs at low cost.

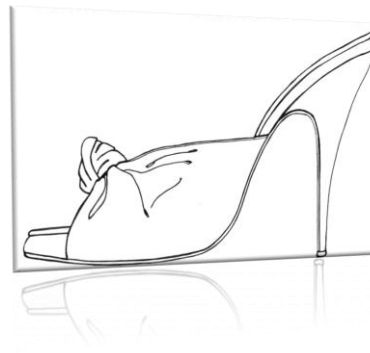
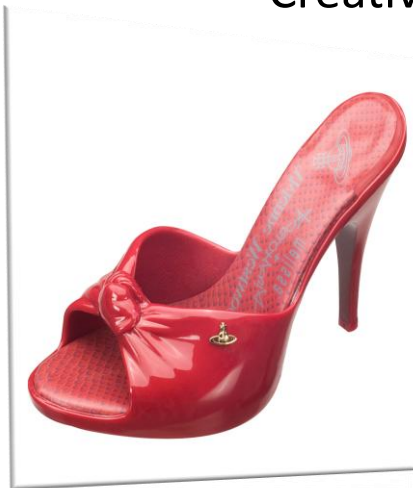


Products for all the income levels: A, B, C, D and E – with very good cost x benefit.

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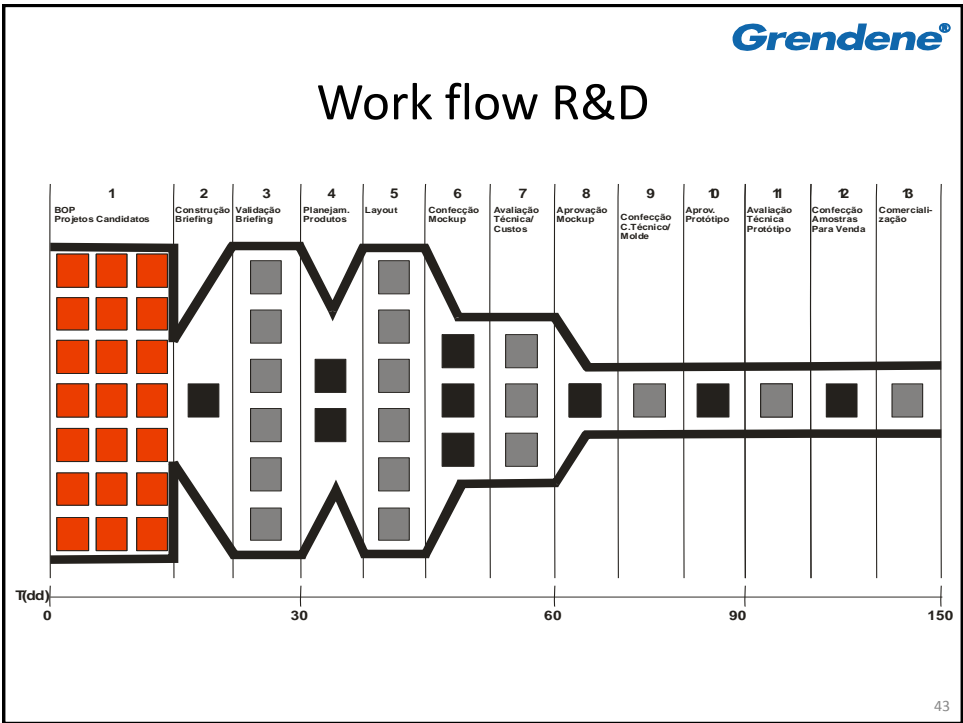
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Creative Process



Melissa + Vivienne Westwood

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iPANEMA®

Ipanema at the Camarote Expresso 2222 – Salvador - Bahia

SPFW

Fashion Rio

Merchandising

Ipanema at the Camarote Brahma 2012 Rio de Janeiro

Ipanema new shop online

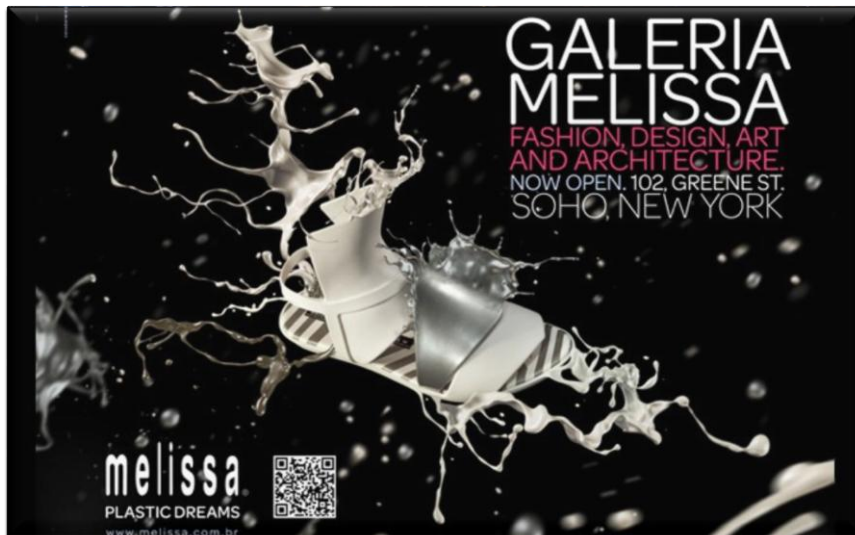
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Management process



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**MELISSA
PLASTIC
PARADISE**

Grendene®



Vivienne Westwood Anglomania
+
Melissa Gillie



Melissa Virtue



Melissa Protection



Melissa Jean + Jason Wu



Melissa Incense



Melissa Moon II

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Grendene®



2012
rider SANDALS



THE SOUL OF BRAZIL.
rider SANDALS
Site for retailers and distributors:
www.grendene.com.br

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Grendene®

grendha®



Grendha IS Navajo II



Grendha Luna



Grendha Velvet

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Zaxy



Zaxy Star II



Zaxy Club



Zaxy Dance

Grendene® kids 

Grendene®



Ben 10 Air Alien



Hello Kitty
Tudo de Bom



Barbie Power
Pink



Homem Aranha
Spider Color I

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Grendene®

Disney Mickey
Toy Baby



Backyardigans Fantasy
Baby



Patati Patatá
Diversão Baby



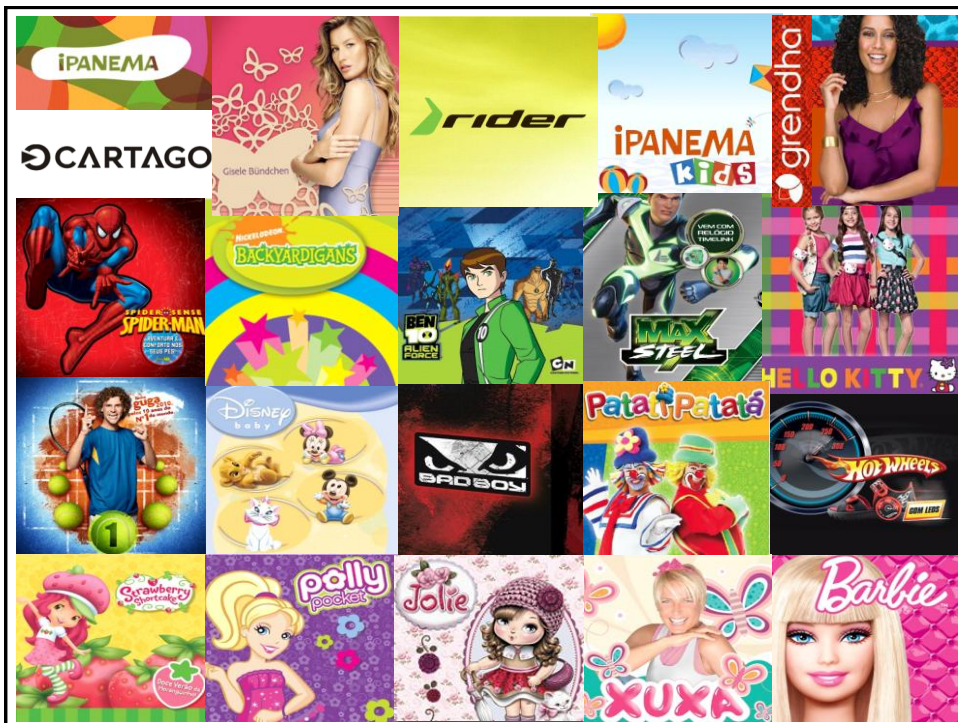
Barbie Shine
Baby





Grendene® baby 

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Grendene®

Celebrities



Gisele Bündchen



Shakira



Sheron Menezes



Fiorella Mattheis



Ivete Sangalo



Sophie Charlotte



Taís Araújo

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Grendene®

Sales channels: Brazil

DI SANTINNI



Retail

CENTAURO
Seu esporte, nossa paixão.

Retail

55

Grendene®

Sales channels: Brazil

C&A



Magazine

Carrefour



Self service

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Grendene®

Sales channels: Brazil



Selective distribution



Selective distribution

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Grendene®

International sales channels



RSH Malaysia
Studio R Store – Sunway



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Grendene®

International sales channels



Famous Footwear

Chain stores with more than 1,200 points of sale in the U.S.

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International sales channels



Hard Rock Store Orlando, FL

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Galeria Melissa – Concept store



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827, Oscar Freire St, São Paulo, SP

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Melissa Gallery – New York



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102 Greene St, Manhattan, New York/ US

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Results (in IFRS)



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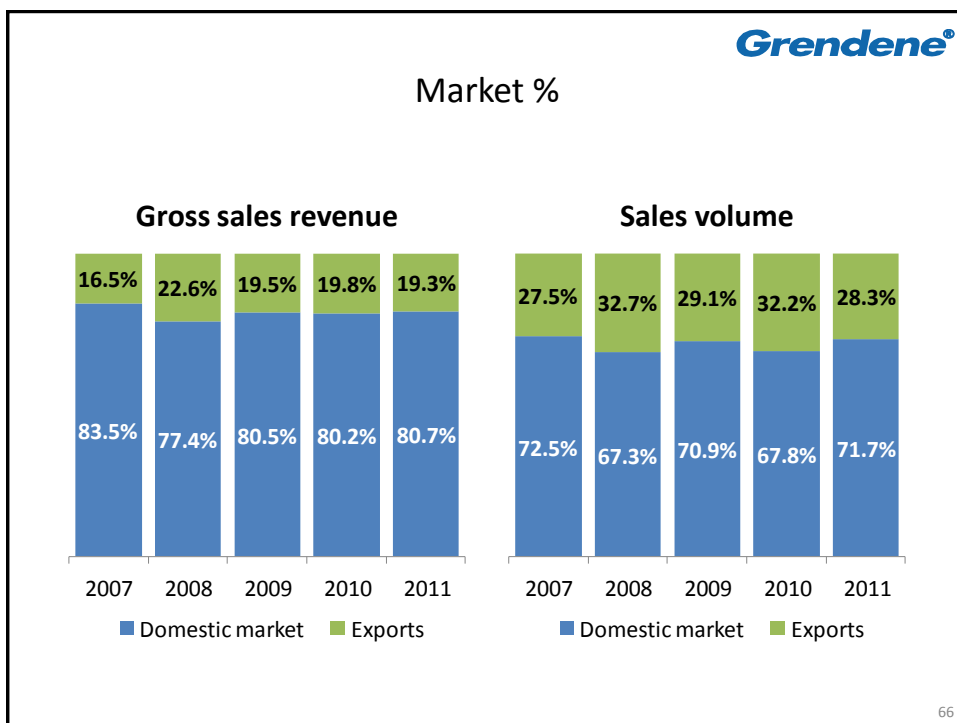
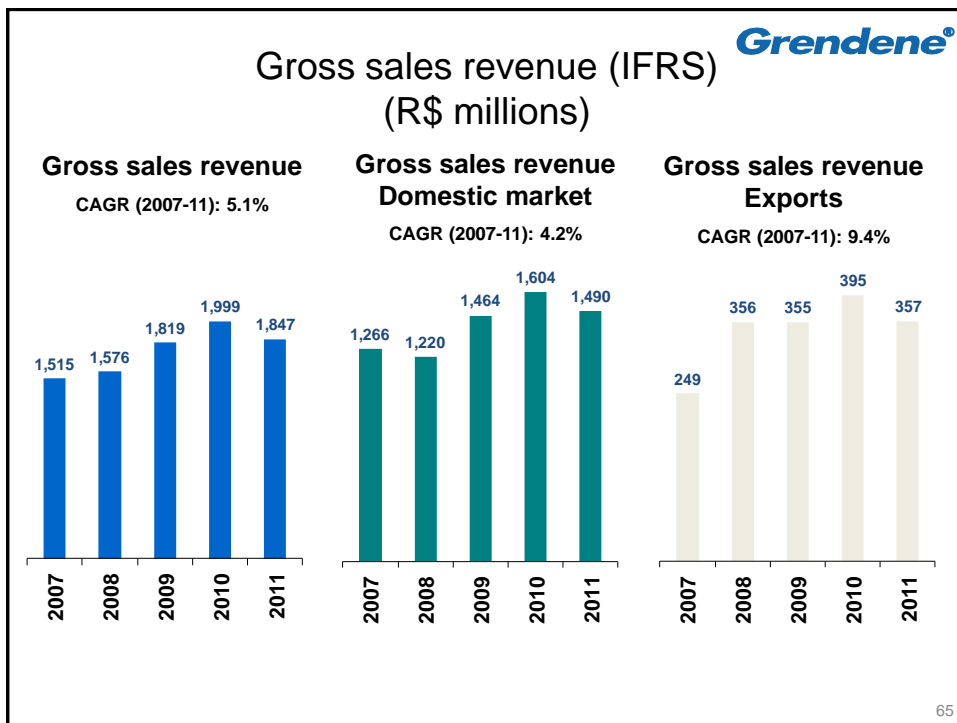
Main financial and economic indicators

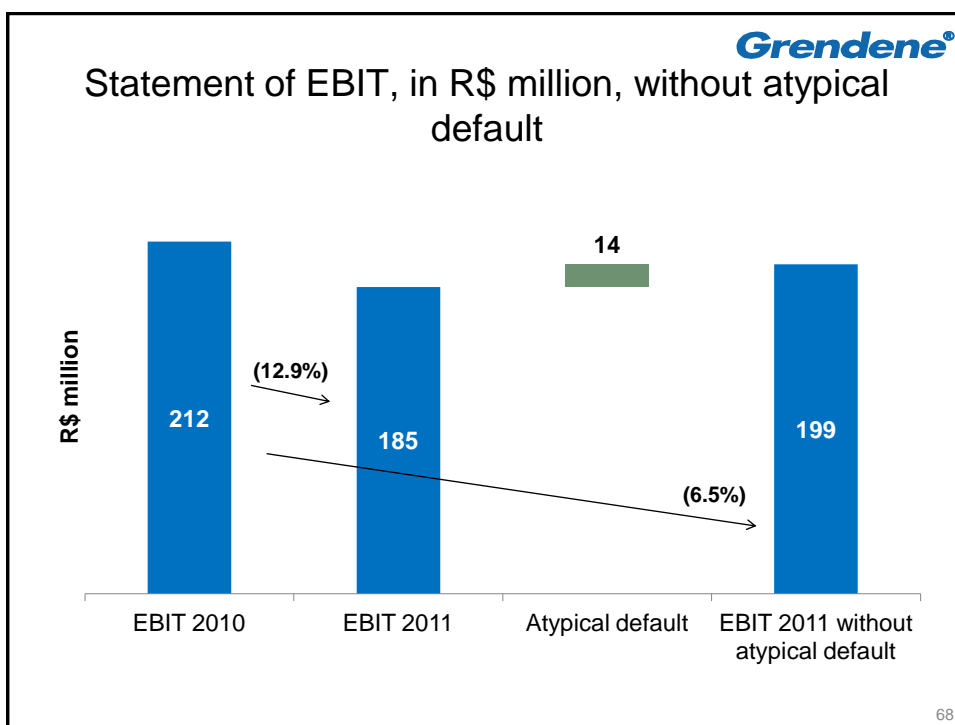
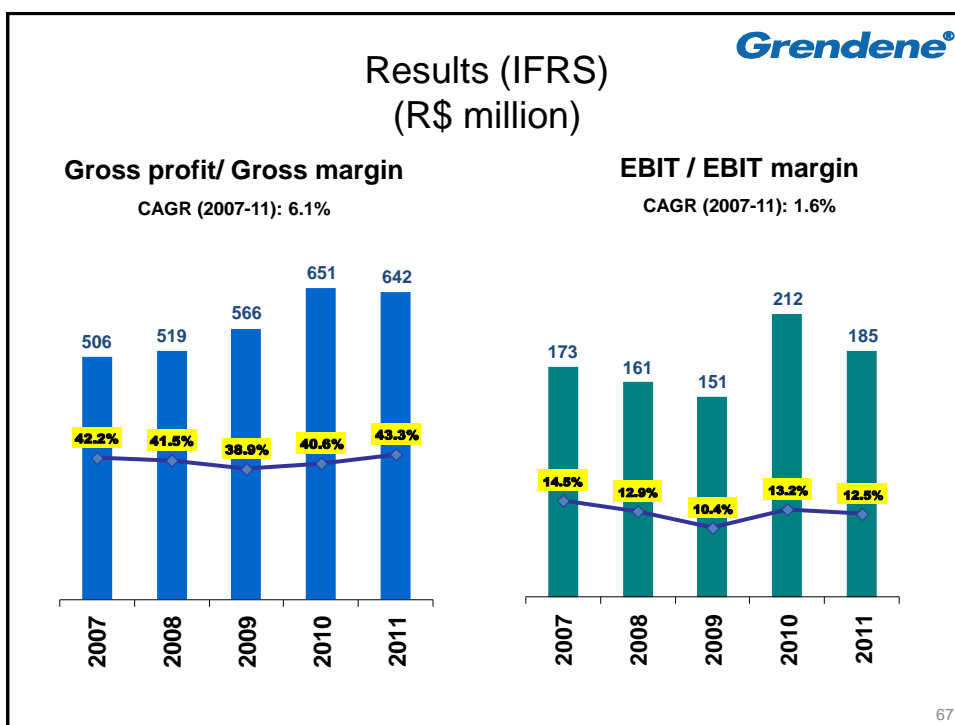
R\$ million	2010	2011	Change % 2010-2011
Net sales revenue	1,604.5	1,482.6	(7.6%)
Net income	312.4	305.4	(2.2%)
Margins %	2010	2011	Change. p.p.
Gross	40.6%	43.3%	2.7
EBIT	13.2%	12.5%	(0.7)
EBITDA	15.0%	14.4%	(0.6)
Net	19.5%	20.6%	1.1

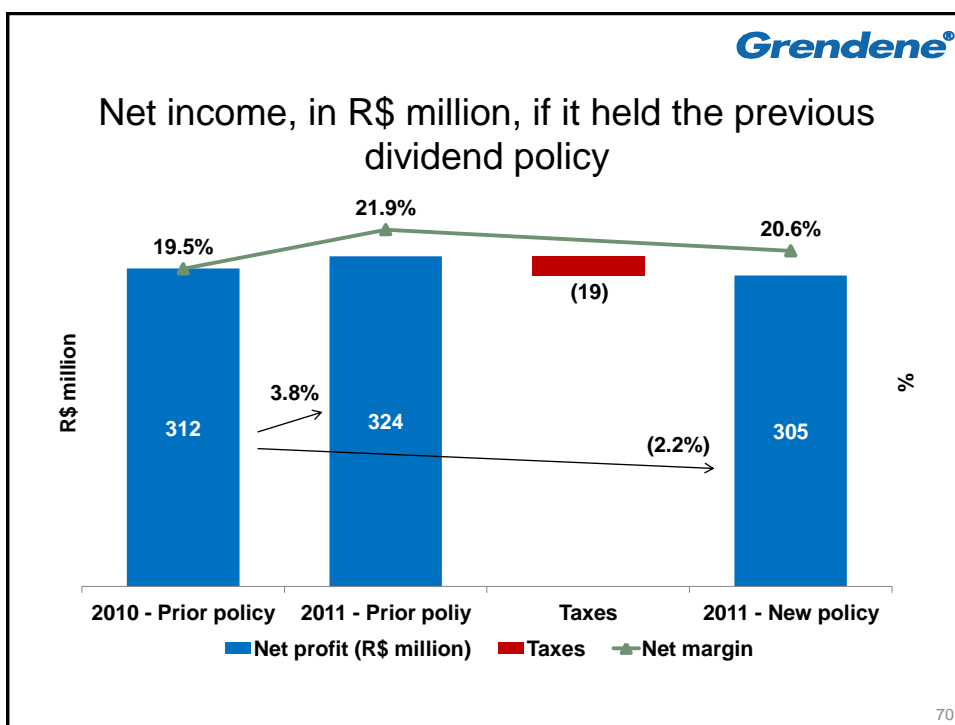
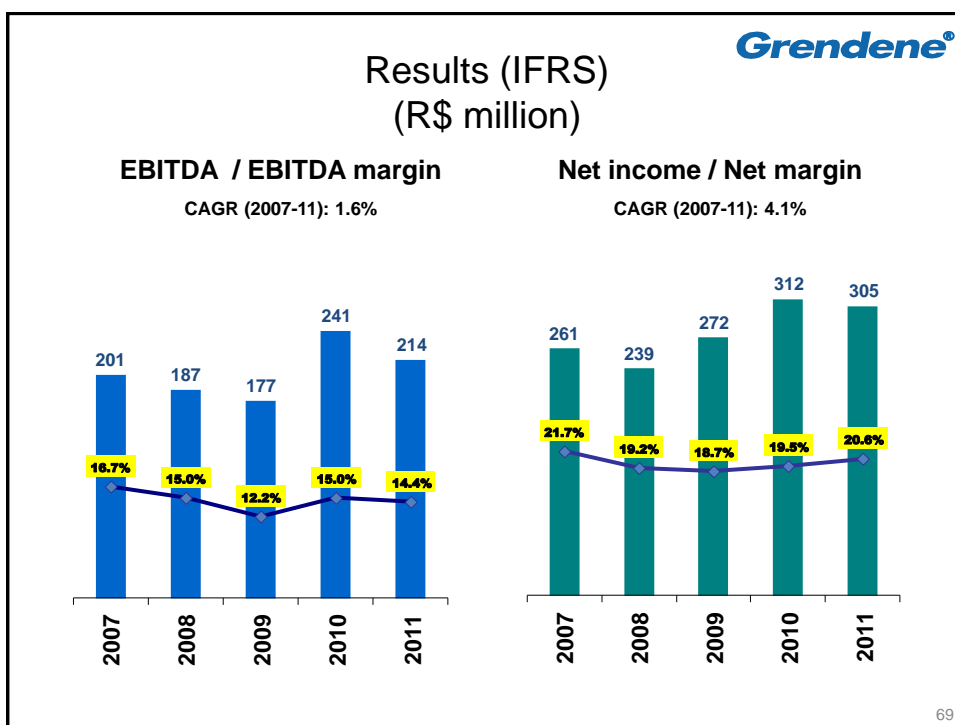
iPANEMA®

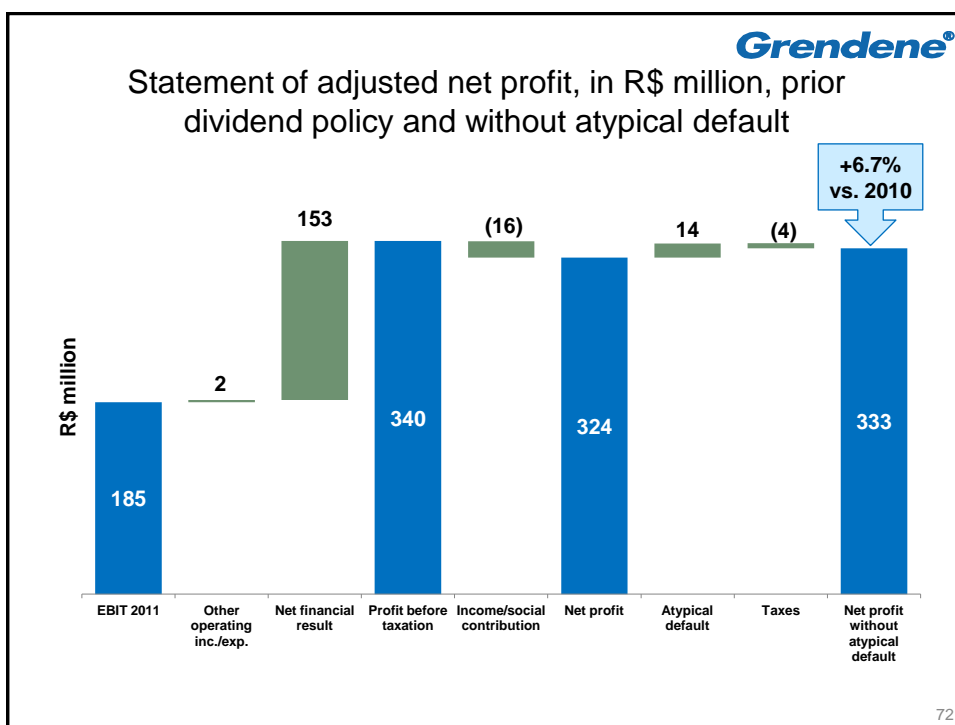
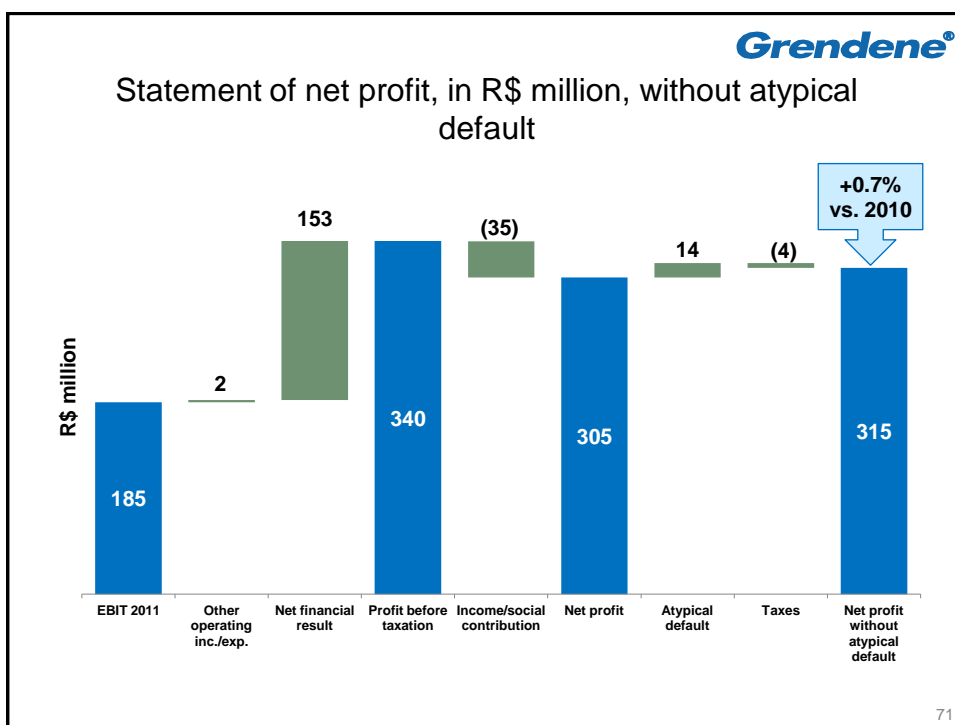


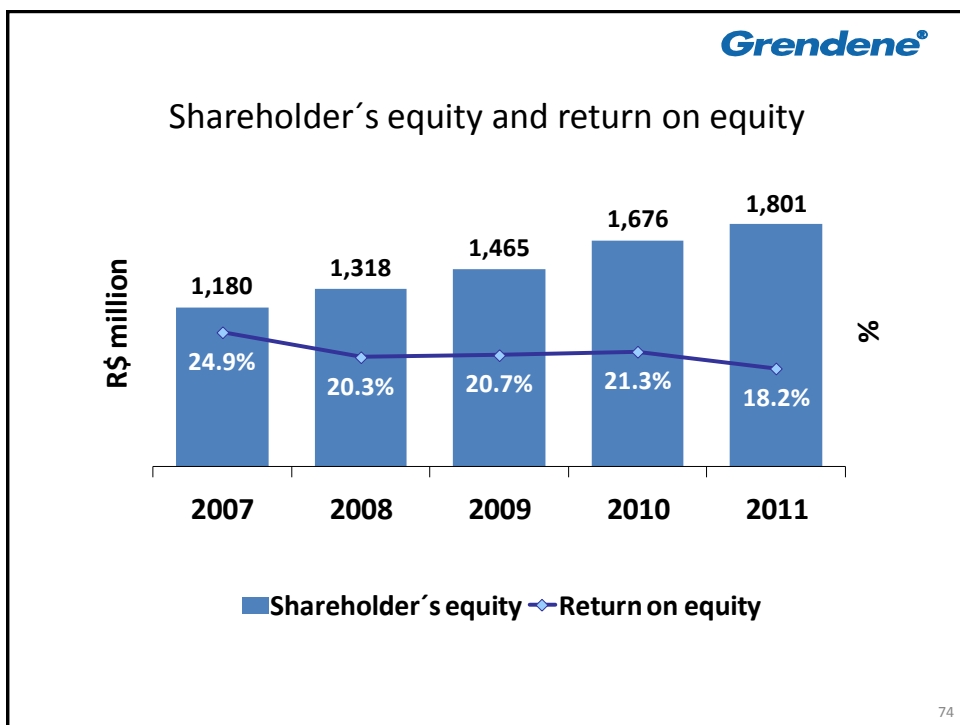
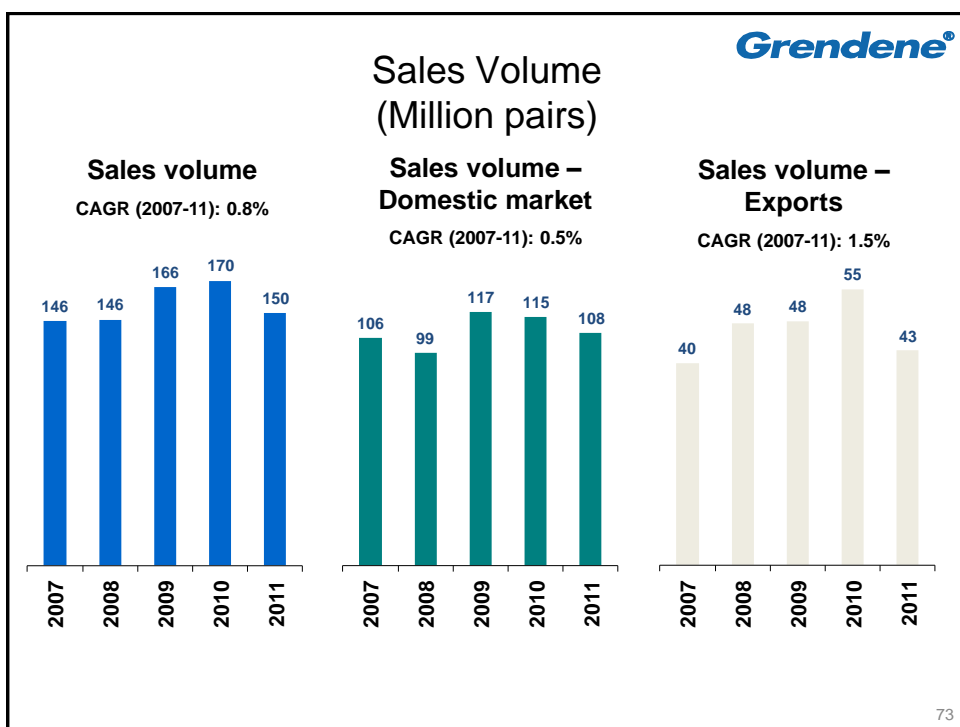
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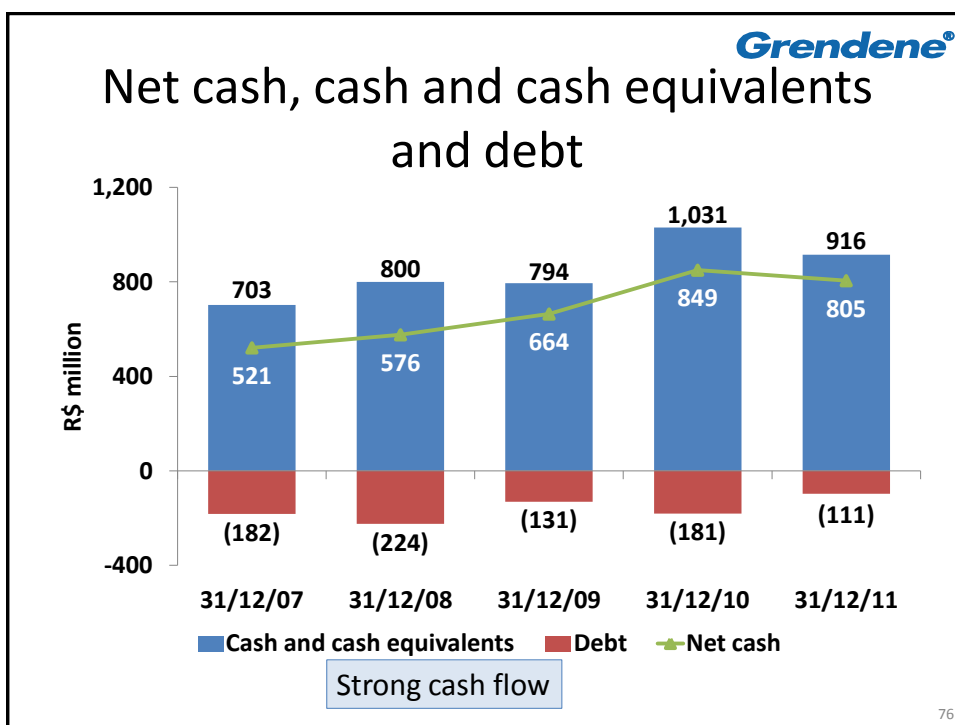


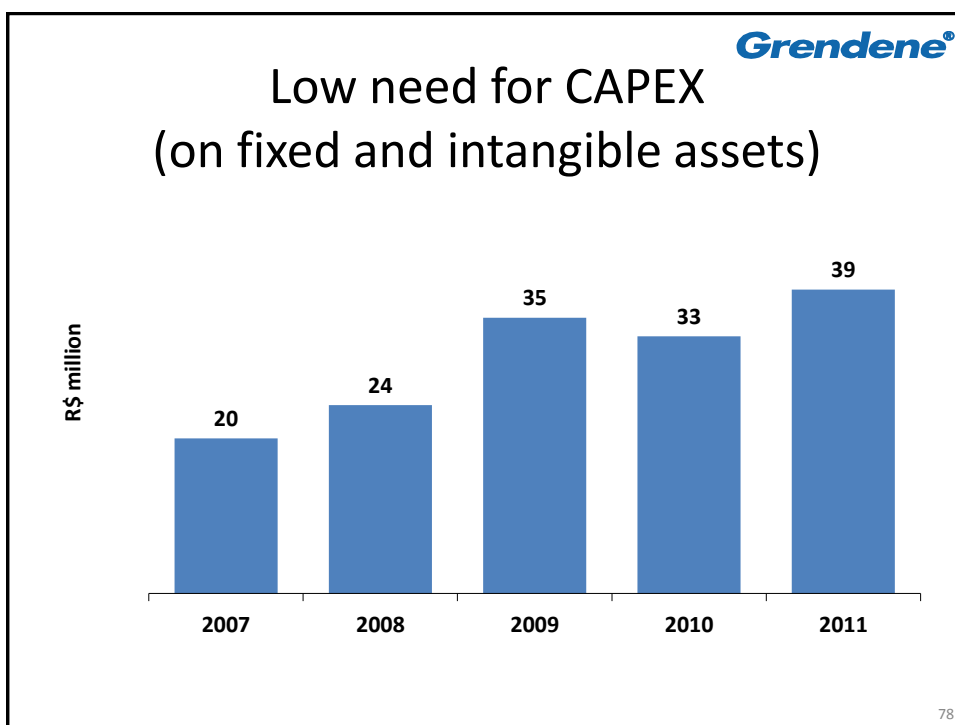
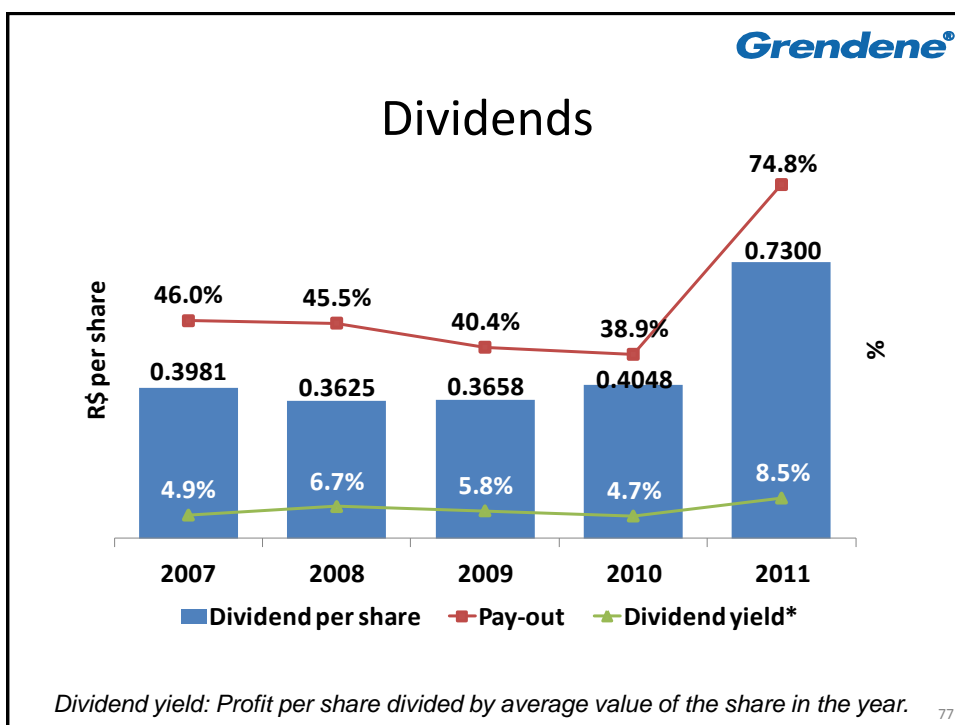






<div>Operational result (IFRS)</div> <div>(R\$ '000)</div> <div>Grendene®</div>							
	2010	% V	2011	%V	%H	Marginal	%V
Domestic market	1,603,820	100.0%	1,489,883	100.5%	(7.1)%	(113.937)	93.5%
Exports	394,766	24.6%	356,823	24.1%	(9.6)%	(37.943)	31.1%
Gross sales revenue	1,998,586	124.6%	1,846,706	124.6%	(7.6)%	(151.880)	124.6%
Sales deduction	(394,079)	(24.6%)	(364,070)	(24.6%)	(7.6)%	30.009	(24.6%)
Net sales revenue	1,604,507	100.0%	1,482,636	100.0%	(7.6)%	(121.871)	100.0%
Cost of sales	(953,261)	(59.4%)	(840,497)	(56.7%)	(11.8)%	112,764	(92.5%)
Gross profit	651,246	40.6%	642,139	43.3%	(1.4)%	(9,107)	7.5%
Operating income (expenses)							
Selling expenses	(377,010)	(23.5%)	(396,096)	(26.7%)	5.1%	(19,086)	15.7%
General & administrative expenses	(58,938)	(3.7%)	(57,086)	(3.9%)	(3.1)%	1,852	(1.5%)
Management fees	(2,940)	(0.2%)	(4,091)	(0.3%)	39.1%	(1,151)	0.9%
EBIT	212,358	13.2%	184,866	12.5%	(12.9)%	(27,492)	22.6 %
Other operating income	3,368	0.2%	6,678	0.5%	98.3%	3,310	(2.7%)
Other operating expenses	(7,313)	(0.5%)	(4,251)	(0.3%)	(41.9)%	3,062	(2.5%)
Operating result before financial revenue (expenses)	208,413	13.0%	187,293	12.6%	(10.1)%	(21,120)	17.3%
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Guidance



Targets for: 2011-2015

Growth of gross revenue at a CAGR between 8% and 12% in the five years.

Growth of net profit at a CAGR between 12% and 15% in the five years.

Advertising expenses: average: 8% - 10% of net revenue in this period.

We expect in this period to have some years with higher growth than these rates, and others with lower growth, but on average we intend to achieve these targets.

Grendene®

Thank you!

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