



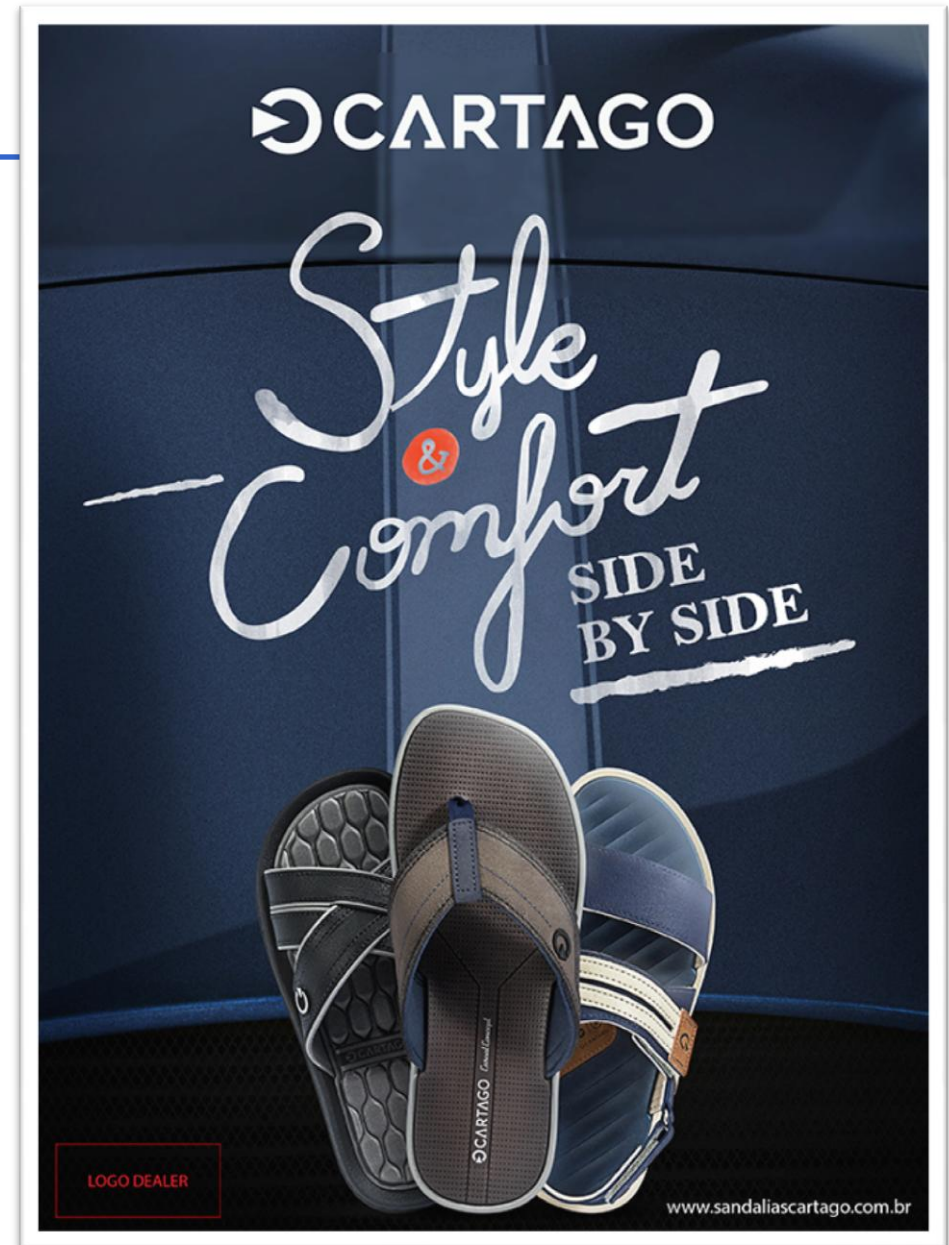
4Q16 & 2016 Results

Conference Call

February 17, 2017

7:30 a.m. (Eastern Time)

10:30 a.m. (Brasilia Time)

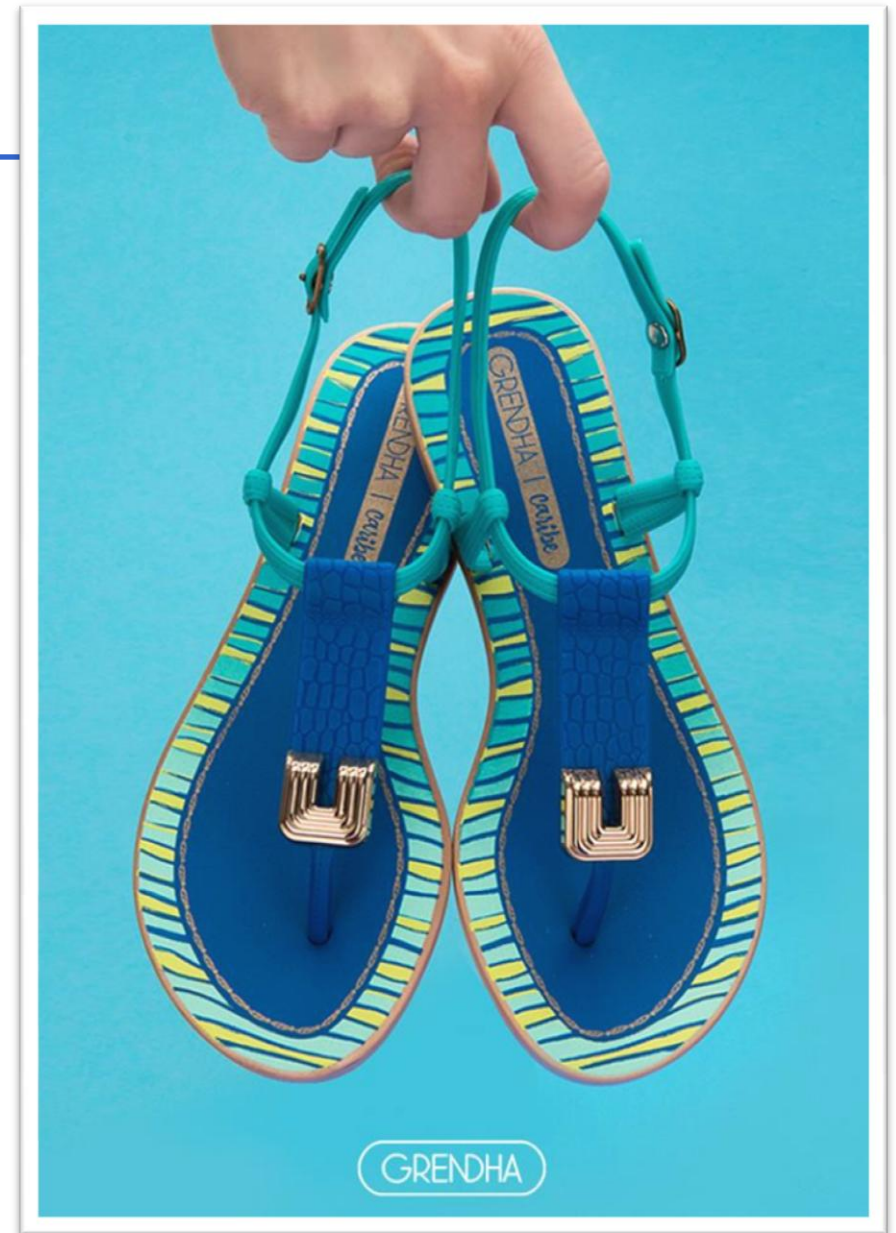


Disclaimer












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.



Analysis of 4Q16
Results in IFRS
Consolidated data



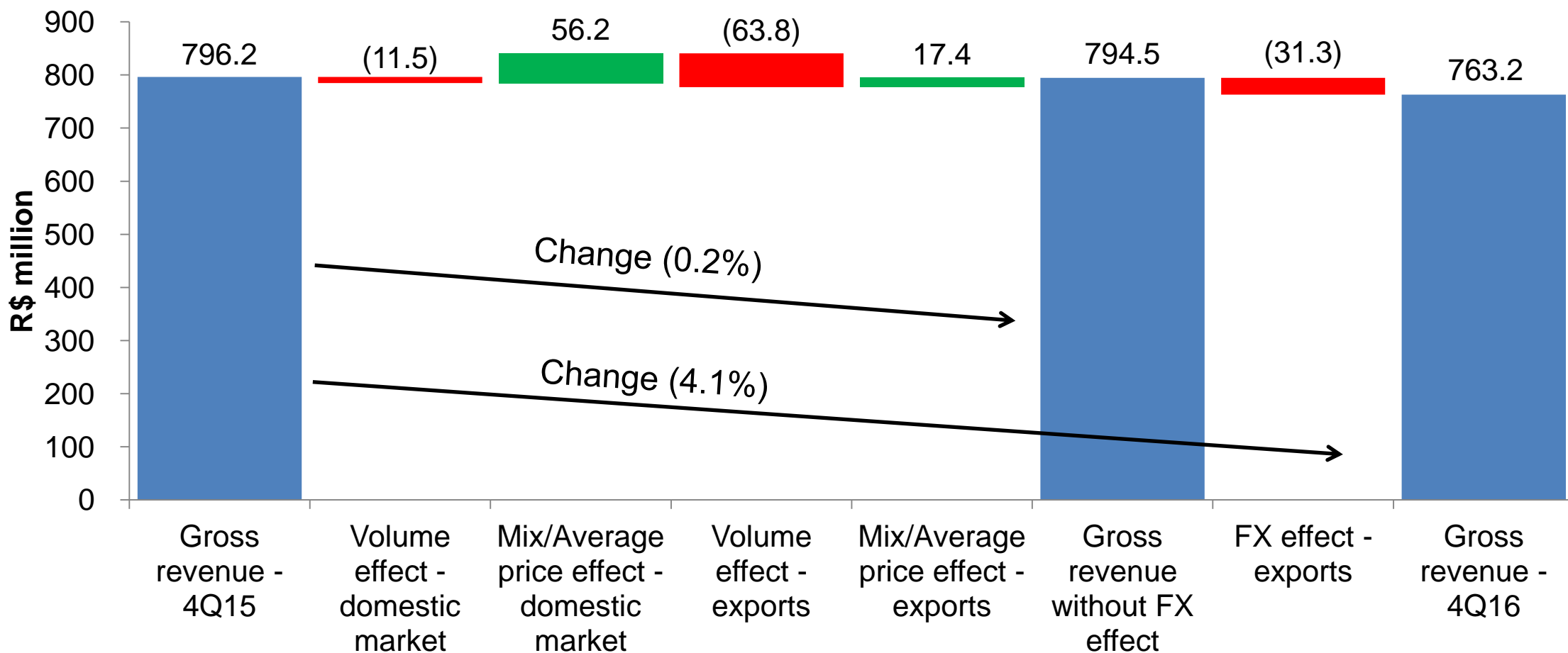
Highlights 4Q16 (YOY 2015)

Gross revenue	Domestic market: R\$ 575.3 million			8.4%
	Exports: R\$ 187.9 million			(29.3%)
Net profit	R\$ 247.0 million			2.8%
EBIT	R\$ 155.2 million			(9.3%)
	Margin 24.8%			(0.6 p.p.)
Exchange	Negative impact: R\$ 31.3 million			
Volumes	Domestic market: 39.3 million of pairs			(2.2%)
	Exports: 11.2 million of pairs			(24.0%)
Average price	Domestic market	R\$ 14.64		10.8%
	Exports	R\$ 16.76		(6.9%)
		US\$ 5.09		8.8%

Gross sales revenue

– Domestic market and exports

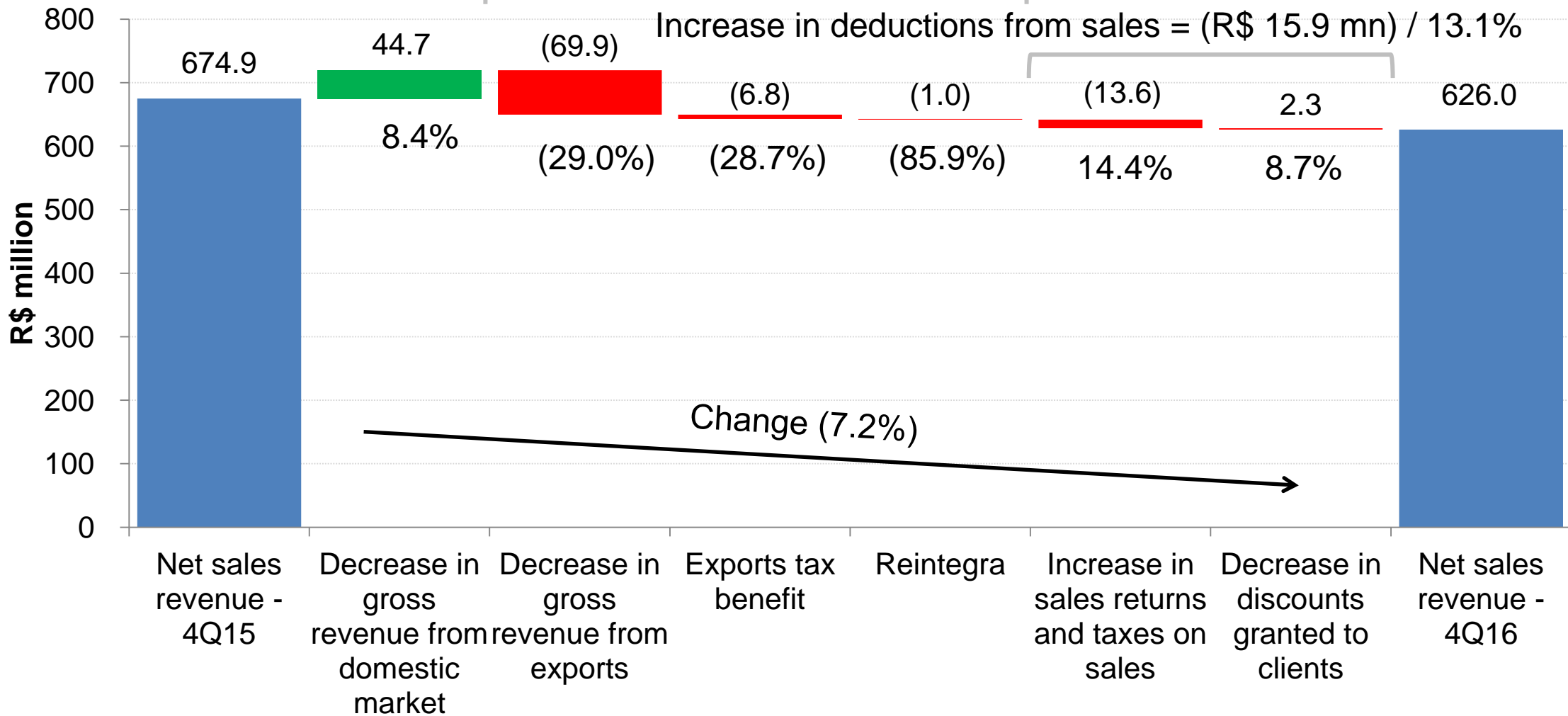
Analysed by effect of volume, mix and average price



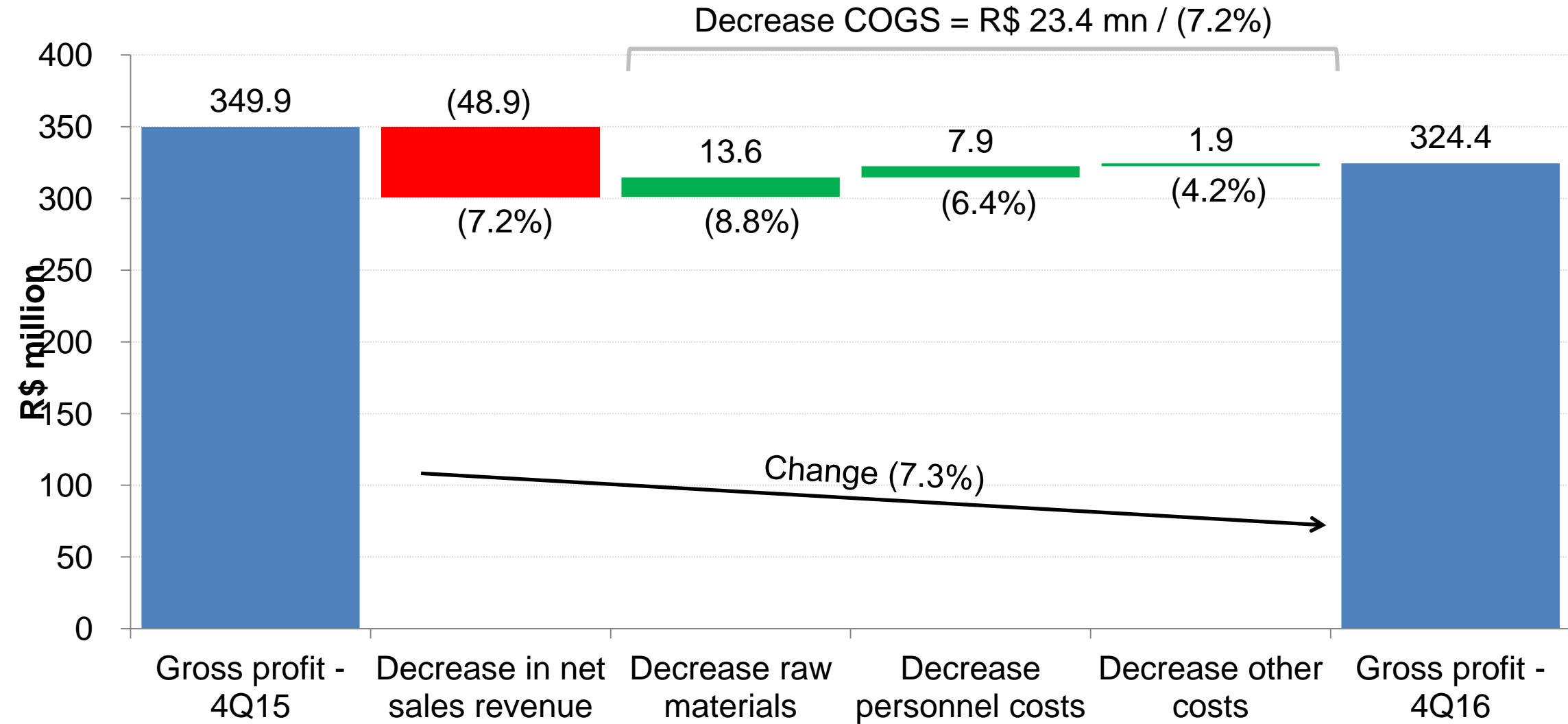
Average US dollar: 4Q15 = R\$ 3.8426 / 4Q16 = R\$ 3.2934 - Δ (14.3%)

Net sales revenue

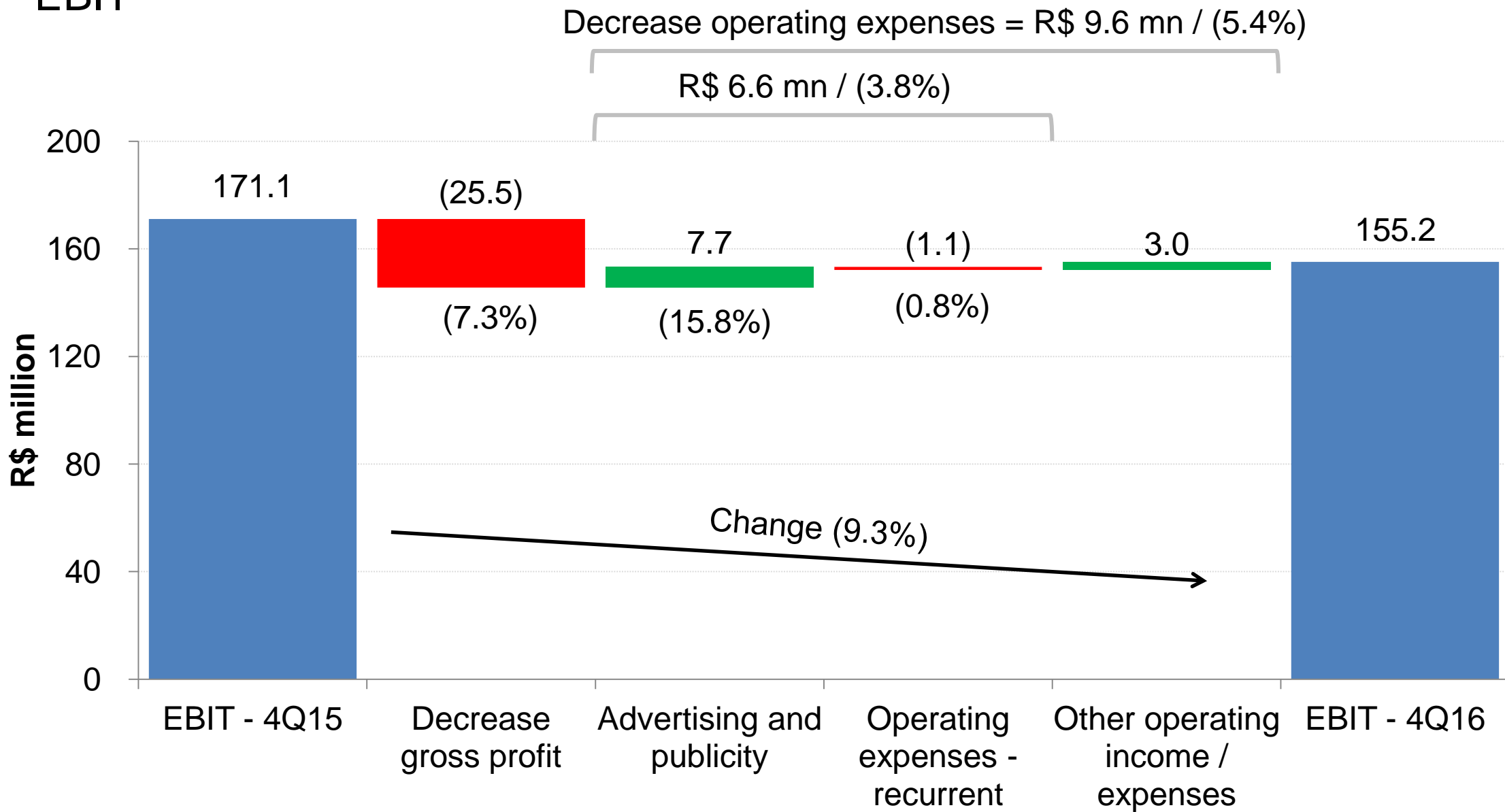
Decrease in exports revenues (sum) = (R\$ 77.7 mn) / (29.3%)



Gross profit



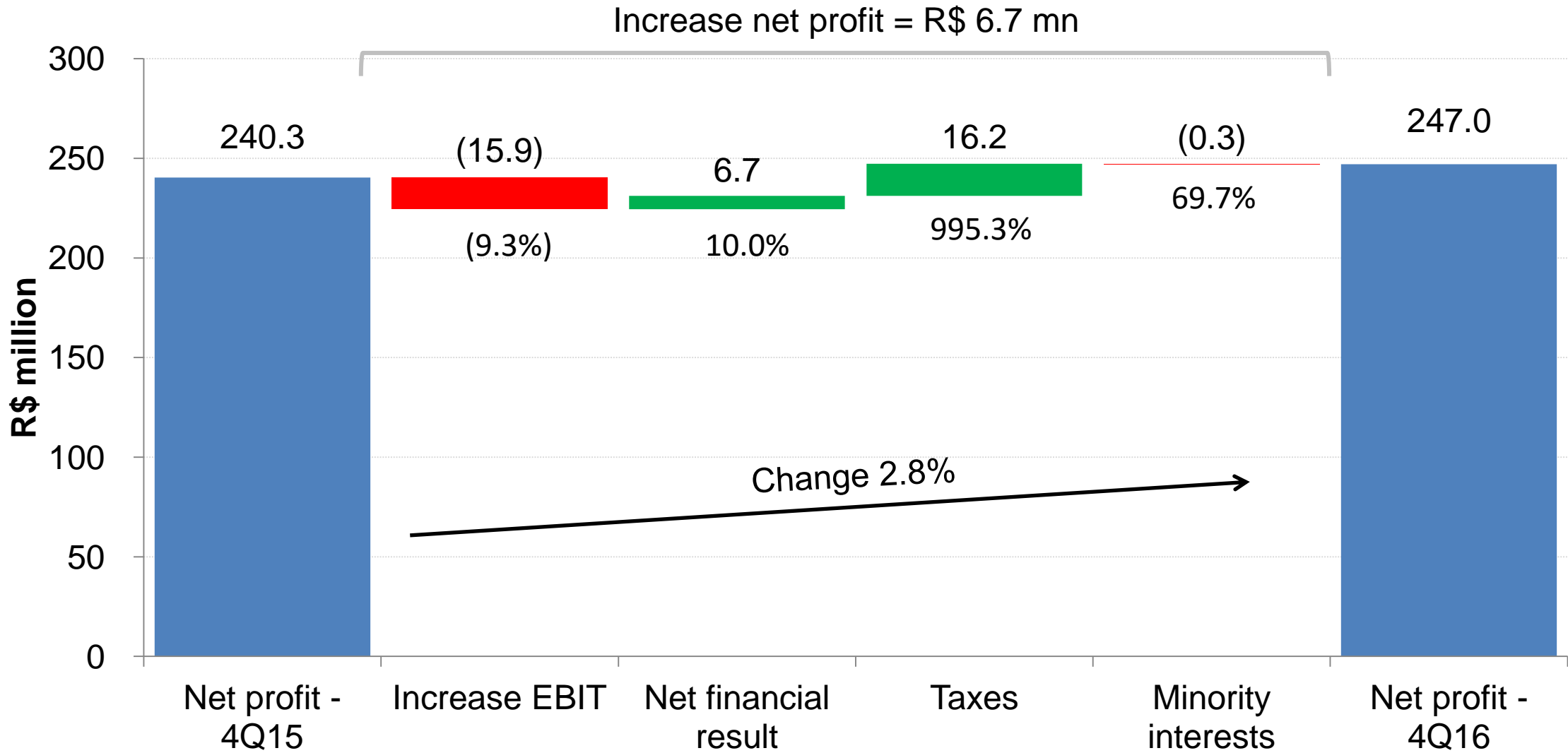
EBIT



Net financial revenues (expenses)

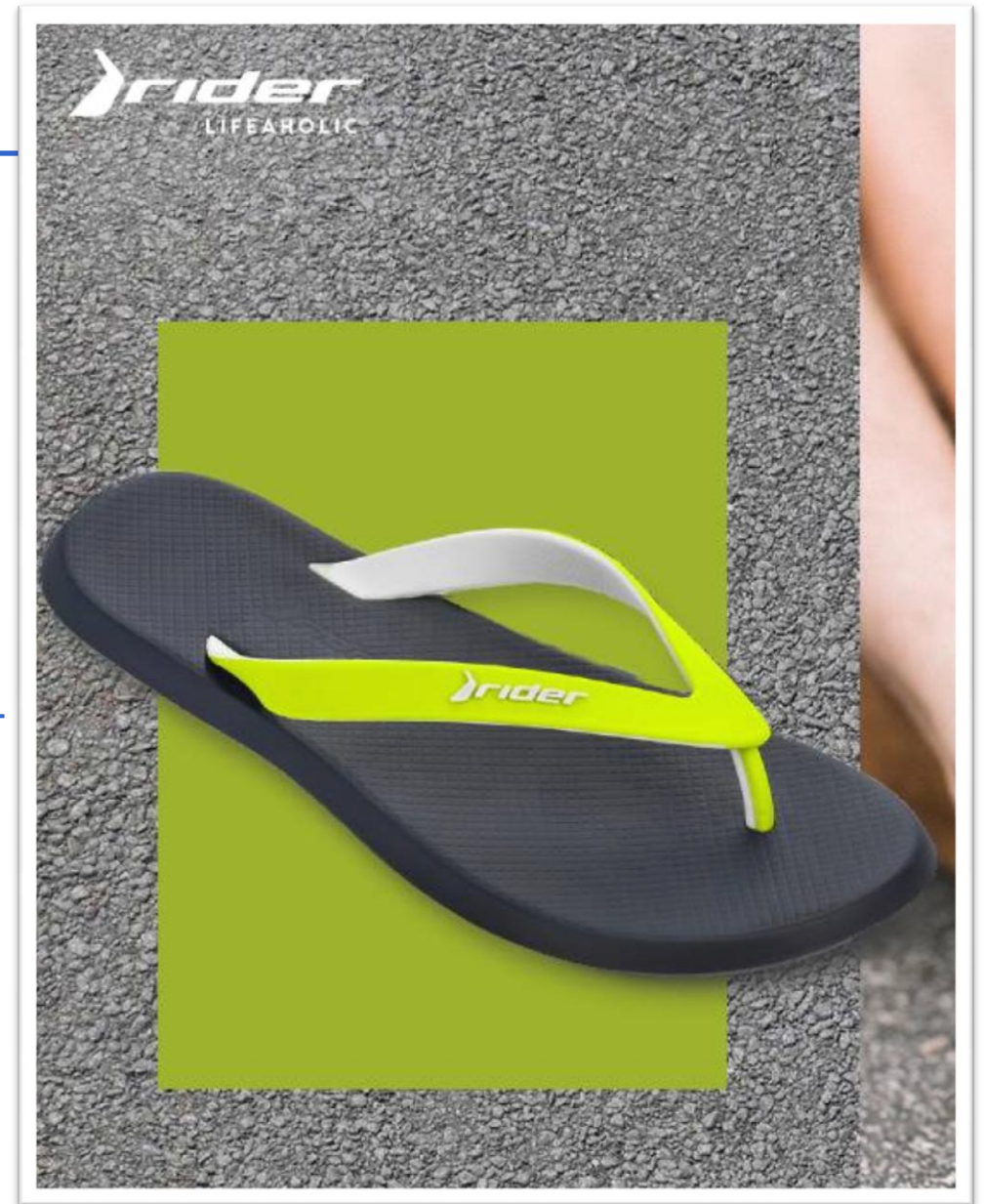
(R\$ million)	4Q15	4Q16	Change, %	Change, R\$
Interest received from clients	1.2	0.4	(63.8%)	(0.8)
Revenue from cash investments	47.8	49.9	4.4%	2.1
Other financial revenues	1.0	0.6	(39.9%)	(0.4)
Subtotal	50.0	50.9	1.9%	0.9
Costs of financings	(5.7)	(3.6)	(36.0%)	2.1
Cofins and PIS taxes on Financial revenues	(2.5)	(1.8)	(28.2%)	0.7
Other financial expenses	(1.6)	(1.0)	(41.4%)	0.6
Subtotal	(9.8)	(6.4)	(34.9%)	3.4
Net financial revenues (expenses) (1)	40.2	44.5	10.9%	4.3
Revenue from FX derivatives – BM&FBovespa	27.5	16.1	(41.6%)	(11.4)
Foreign exchange gains	11.0	14.6	32.6%	3.6
Subtotal	38.5	30.7	(20.3%)	(7.8)
Op. expenses on FX derivatives – BM&FBovespa	(15.4)	(5.4)	(65.1%)	10.0
Expenses of FX variation	(17.0)	(17.0)	0.1%	0.0
Subtotal	(32.4)	(22.4)	(31.0%)	10.0
Net gain (loss) on FX variations (2)	6.1	8.3	36.5%	2.2
Adjustments to present value (APV)	20.8	21.0	0.6%	0.2
Financial result – APV (3)	20.8	21.0	0.6%	0.2
Net financial revenues (expenses) (1) + (2) + (3)	67.1	73.8	10.0%	6.7

Net profit
















Analysis of 2016
Results in IFRS
Consolidated data



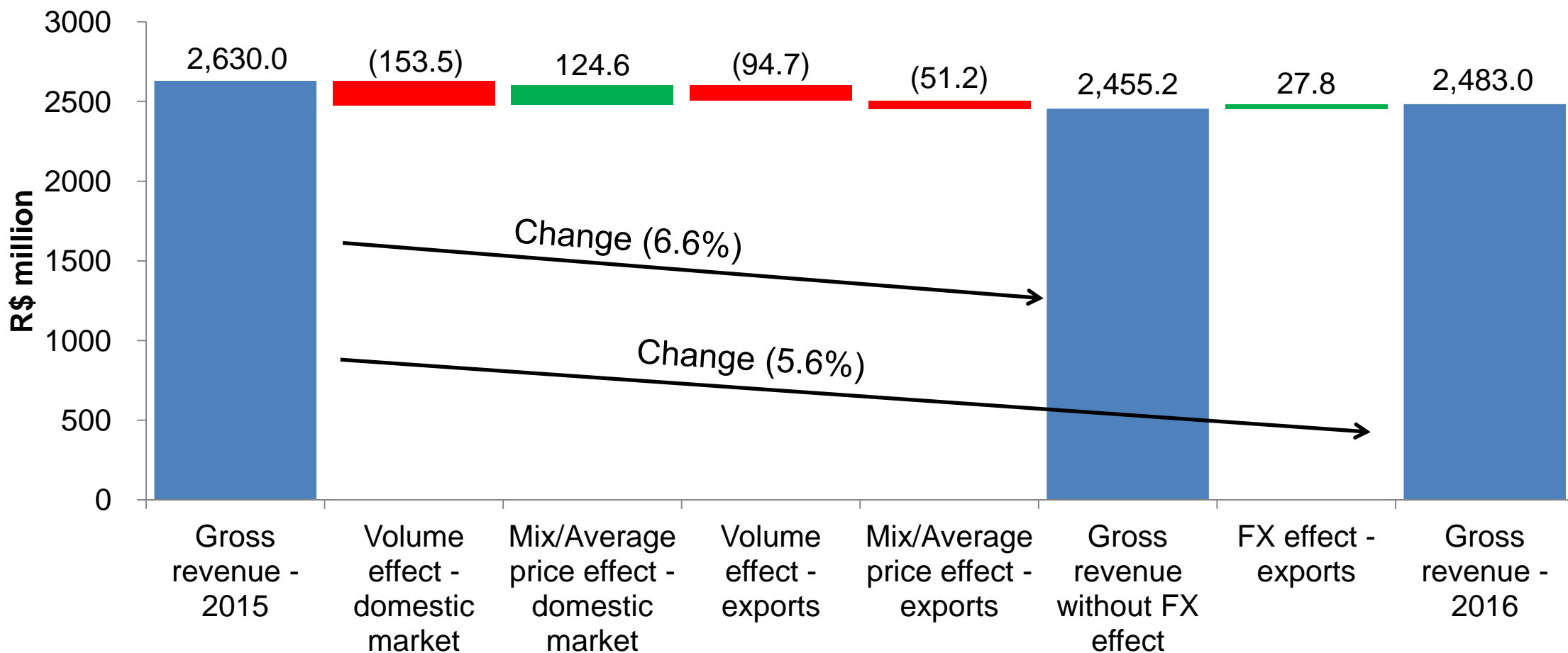
Highlights 2016 (YOY 2015)

Gross revenue	Domestic market: R\$ 1,870.3 million			(1.5%)
	Exports: R\$ 612.7 million			(16.2%)
Net profit	R\$ 634.5 million			5.2%
EBIT	R\$ 399.6 million			(12.1%)
	Margin 19.5%			(1.2 p.p.)
Exchange	Positive impact: R\$ 27.8 million			
Volumes	Domestic market: 123.6 million pairs			(8.1%)
	Exports: 40.0 million pairs			(13.0%)
Average price	Domestic market	R\$ 15.13		7.2%
	Exports	R\$ 15.33		(3.6%)
		US\$ 4.39		(8.2%)

Gross sales revenue

– Domestic market and exports

Analysed by effect of volume, mix and average price



Average US dollar: 2015 = R\$ 3.3315 / 2016 = R\$ 3.4901 - Δ 4.8%

Performance

– CAGR, Compound average growth rate, from 2008 – 2016:

* excluding the non-recurring effect – A3NP

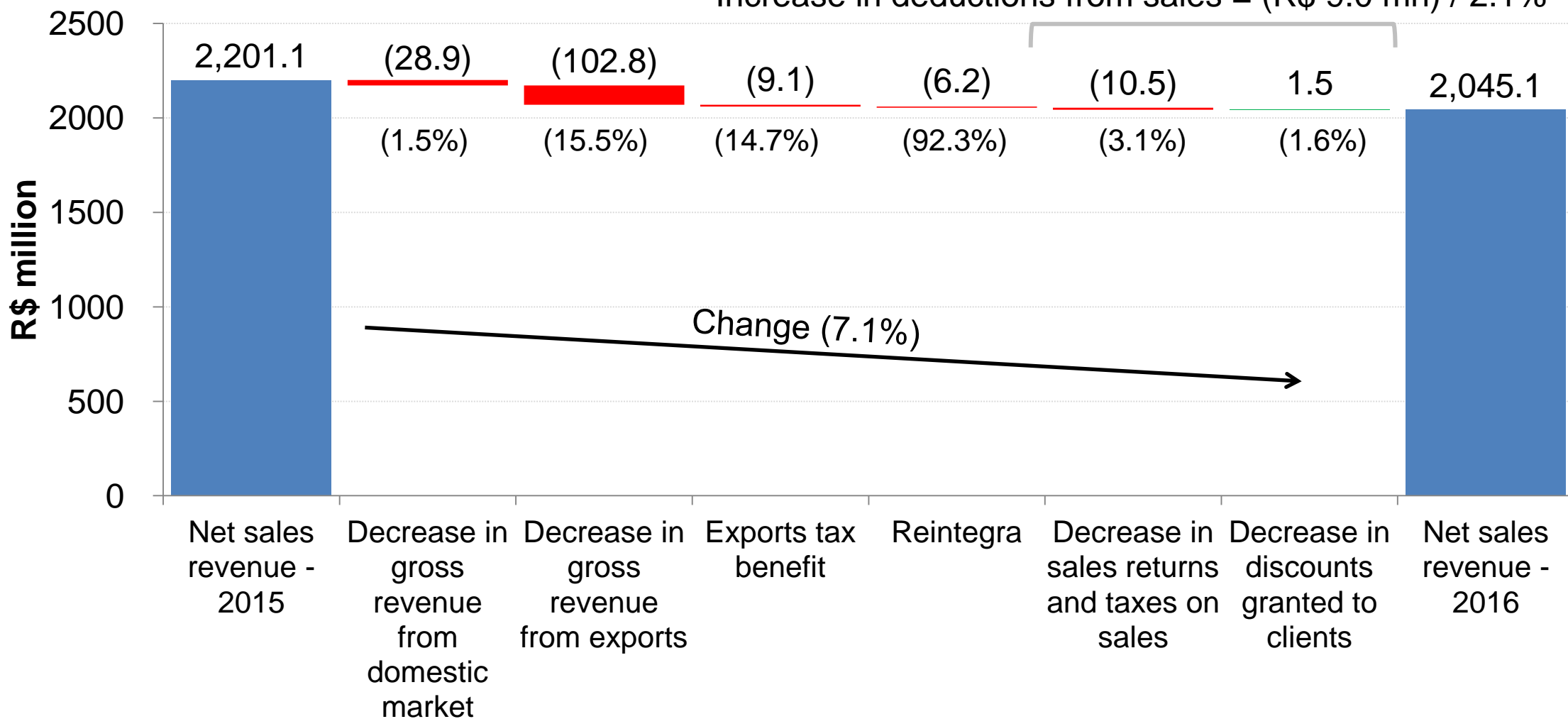
R\$ million	2008	2009	2010	2011	2012	2013	2014*	2015*	2016	CAGR
Gross revenue	1,576.0	1,819.4	1,998.6	1,831.6	2,324.5	2,711.4	2,719.4	2,630.0	2,483.0	5.8%
YoY Change		15.4%	9.9%	(8.4%)	26.9%	16.6%	0.3%	(3,3%)	(5.6%)	
Net profit	239.4	272.2	312.4	305.4	429.0	433.5	493.7	603.0	634.5	13.0%
YoY Change		13.7%	14.8%	(2.2%)	40.5%	1.1%	13.9%	22.1%	5.2%	

R\$ million	2008	2009	2010	2011	2012	2013	2014	2015	2016	CAGR
Advertising expenses	107.6	116.1	127.1	138.7	147.0	163.7	169.2	148.9	122.8	1.7%
% of Net revenue	8.6%	8.0%	7.9%	9.4%	7.8%	7.5%	7.6%	6.8%	6.0%	

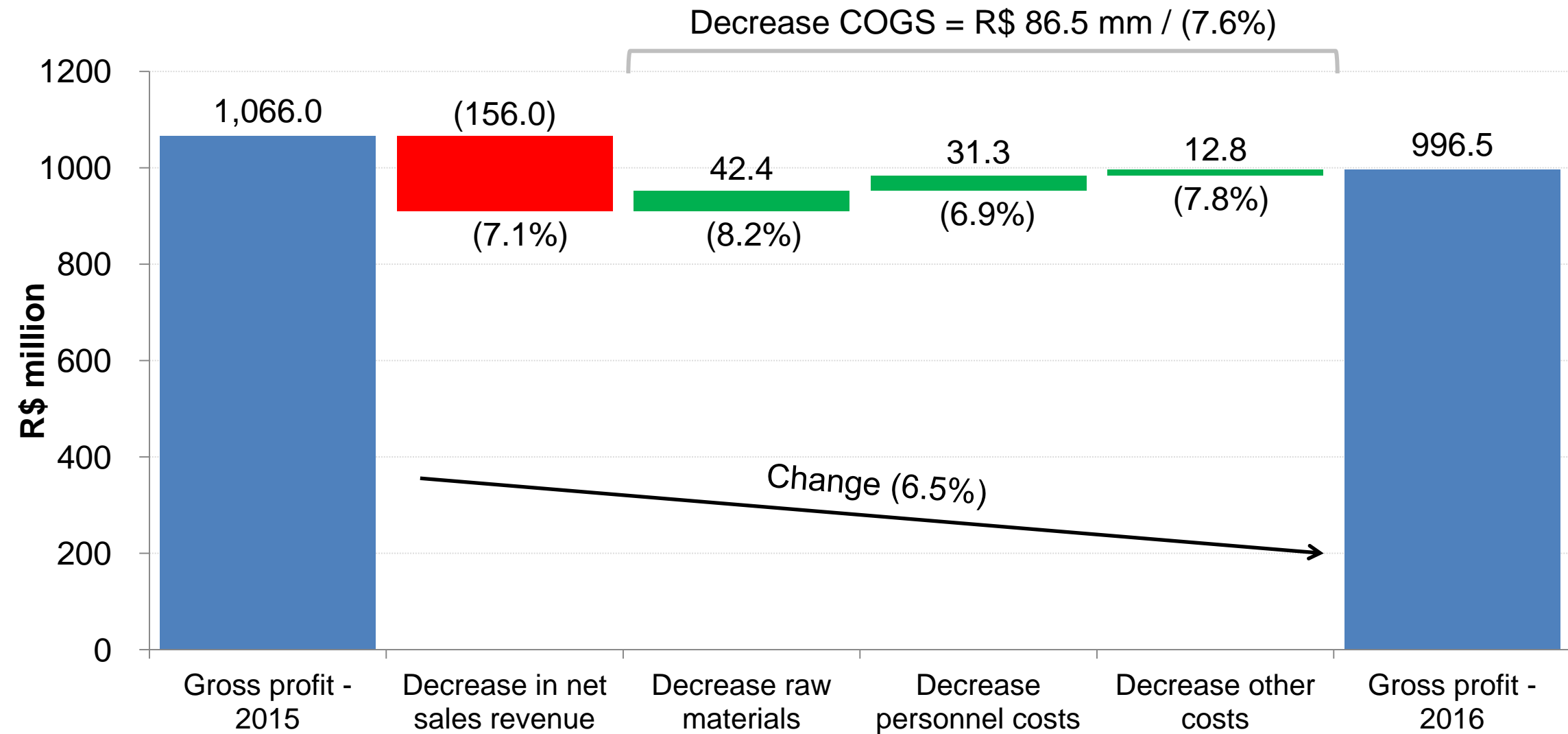
Net sales revenue

Decrease in exports revenues (sum) = (R\$ 118.1 mn) / (16.2%)

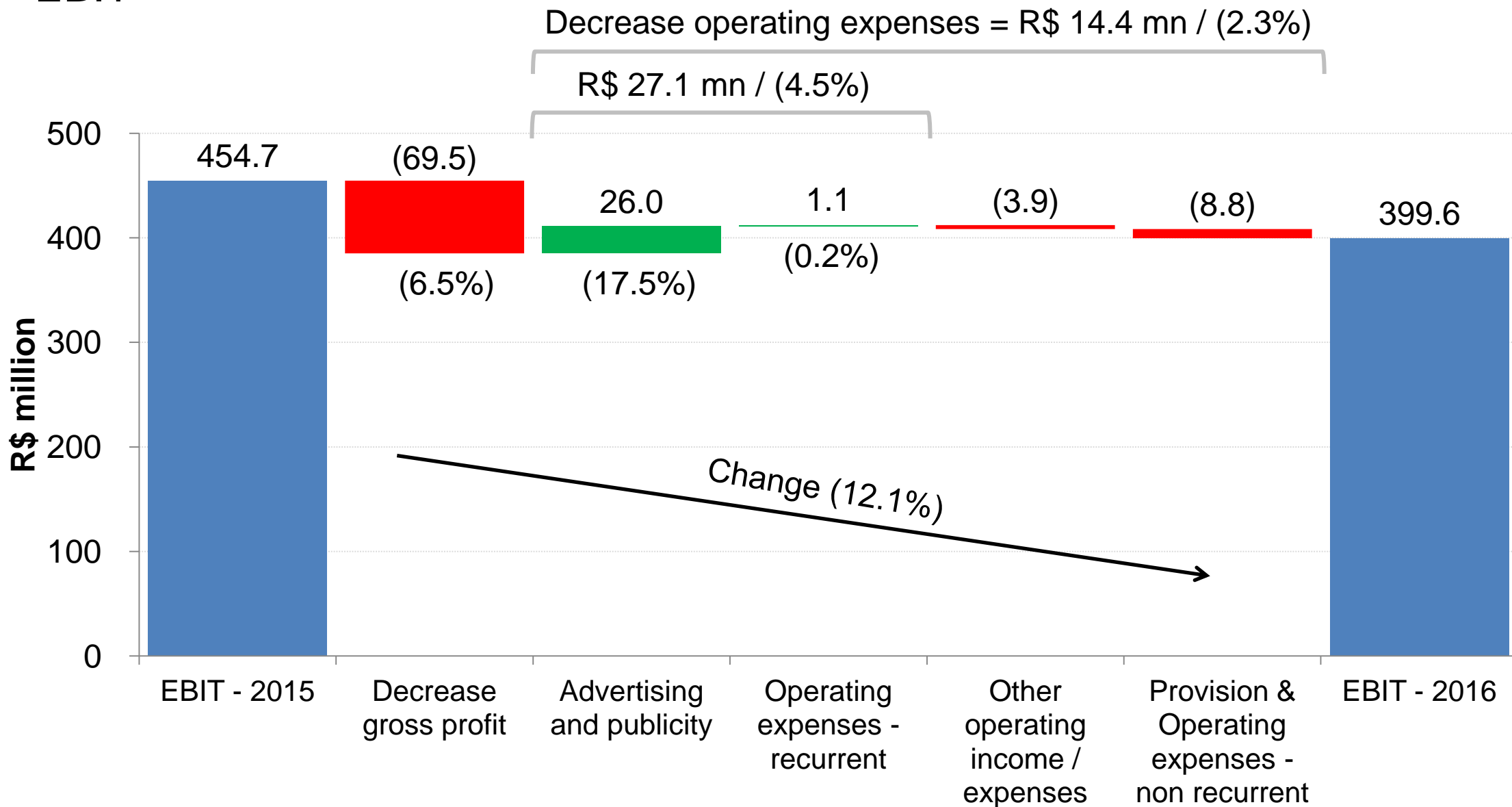
Increase in deductions from sales = (R\$ 9.0 mn) / 2.1%



Gross profit



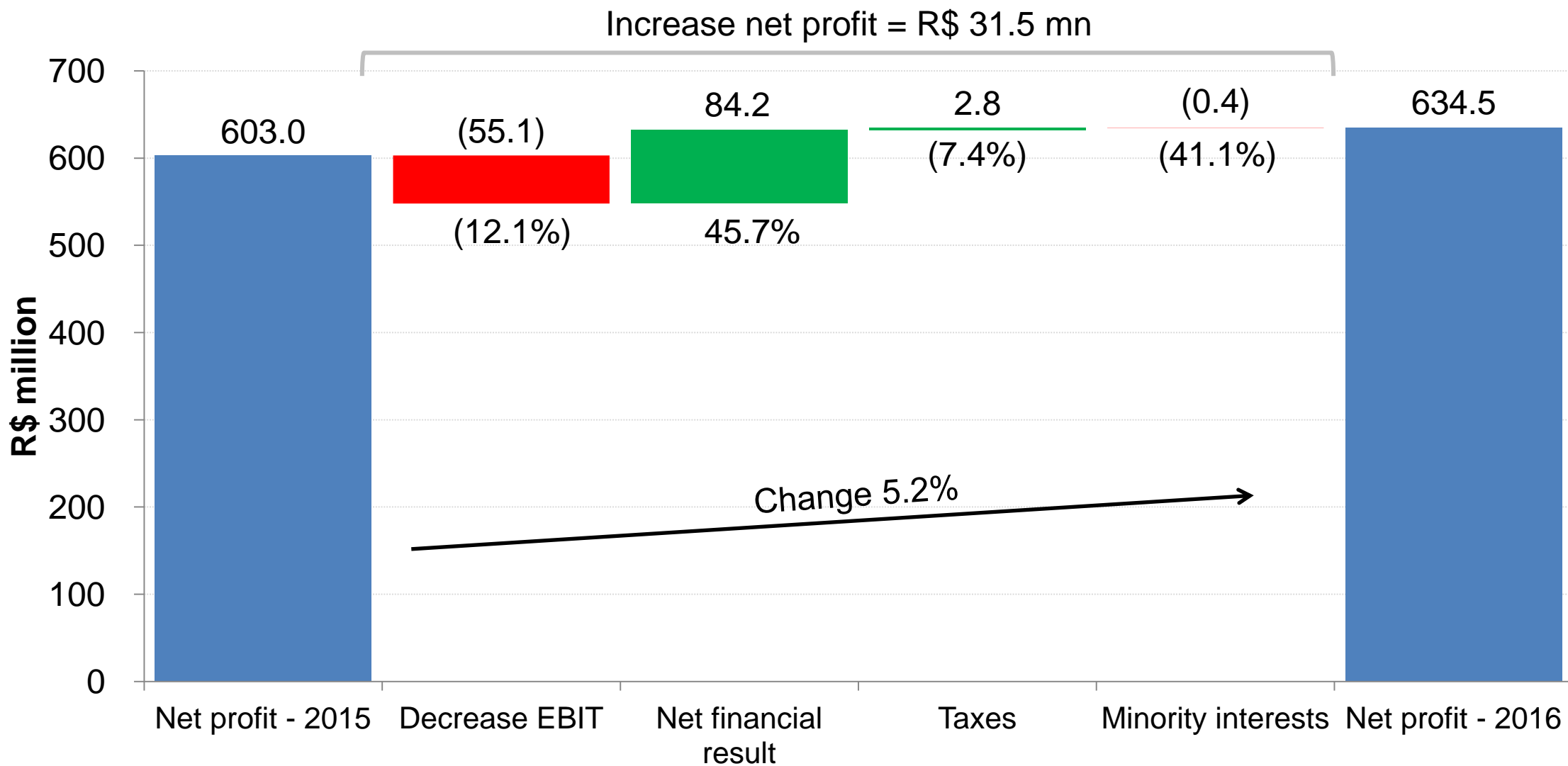
EBIT



Net financial revenues (expenses)

(R\$ million)	2015	2016	Change, %	Change, R\$
Interest received from clients	2.9	2.2	(24.2%)	(0.7)
Revenue from cash investments	168.1	207.7	23.6%	39.6
Other financial revenues	4.1	3.3	(19.7%)	(0.8)
Subtotal	175.1	213.2	21.8%	38.1
Costs of financings	(20.5)	(18.3)	(10.3%)	2.2
Cofins and PIS taxes on Financial revenues	(5.0)	(11.0)	119.6%	(6.0)
Other financial expenses	(7.5)	(4.9)	(34.1%)	2.6
Subtotal	(33.0)	(34.2)	4.0%	(1.2)
Net financial revenues (expenses) (1)	142.1	179.0	25.9%	36.9
Revenue from FX derivatives – BM&FBovespa	66.3	49.1	(26.0%)	(17.2)
Foreign exchange gains	118.8	69.7	(41.3%)	(49.1)
Subtotal	185.1	118.8	(35.8%)	(66.3)
Op. expenses on FX derivatives – BM&FBovespa	(123.6)	(11.6)	(90.6%)	112.0
Expenses of FX variation	(80.3)	(82.4)	2.6%	(2.1)
Subtotal	(203.9)	(94.0)	(53.9%)	109.9
Net gain (loss) on FX variations (2)	(18.8)	24.8	(232.1%)	43.6
Adjustments to present value (APV)	61.0	64.7	6.1%	3.7
Financial result – APV (3)	61.0	64.7	6.1%	3.7
Net financial revenues (expenses) (1) + (2) + (3)	184.3	268.5	45.7%	84.2

Net profit



Earnings

Basis for the distribution of dividends	R\$
Net profit for the year	634,491,601.48
(-) Tax incentives reserve	(264,614,866.54)
Legal reserve calculation basis	369,876,734.94
(-) Legal reserve	(18,493,836.74)
Dividend for the profit reported up to December 31, 2016	351,382,898.20
Total of Dividends + Interest on Equity proposed by management	351,382,898.20 ¹
<i>Minimum obligatory dividend payable (25%)</i>	<i>87,845,724.55</i>
<i>Dividend proposed in excess of the obligatory minimum dividend</i>	<i>263,537,173.65</i>
Sum	351,382,898.20

¹ Dividends will be paid “ad referendum” the OGM that considers the balance sheet and financial statements for 2016.

Earnings

Allocation of the proposed corporate actions payments (I.E. and dividend)	R\$
(+) Interest on Equity (I.E.), gross – paid in advance	30.000.000,00 ¹
(+) Dividends paid in advance	172.789.040,29 ¹
(+) Interest on Equity, gross	130.000.000,00 ¹
(+) Balance of dividends	18.593.857,91 ¹
Total of dividends + Interest on Equity proposed by management, gross	351.382.898,20 ¹
(-) Income tax withheld at source on Interest on Equity – (15% ²)	(24.000.000,00)
Total of dividends + Interest on Equity proposed by management, net	327.382.898,20 ¹

1 Dividends will be paid “ad referendum” the OGM that considers the balance sheet and financial statements for 2016.

2 Except for persons who prove their immunity status or release from retention by legal provision with Itaú Unibanco S.A.

Earnings

Corporate action payment proposed					
Decision	Date approved	Ex- date	Date of start of payment	Gross amount R\$	Gross amount per share R\$
Interest on Equity ¹	Apr. 28, 2016	May 4, 2016	May 18, 2016	30,000,000.00	0.099760575
Dividend ¹	Apr. 28, 2016	May 4, 2016	May 18, 2016	51,190,824.65	0.170227536
Dividend ¹	Jul. 28, 2016	Aug. 3, 2016	Aug. 17, 2016	45,505,162.63	0.151320706
Dividend ¹	Oct. 20, 2016	Oct. 28, 2016	Nov. 16, 2016	76,093,053.01	0.253036223
Interest on Equity ^{1 e 2}	Feb. 16, 2017	Apr. 13, 2017	Apr. 26, 2017	130,000,000.00	0.432396906
Dividend – balance ^{1 e 2}	Feb. 16, 2017	Apr. 13, 2017	Apr. 26, 2017	18,593,857.91	0.061845589
Sum				351,382,898.20	1.168587535 ²

- ¹ Dividends will be paid “ad referendum” the OGM that considers the balance sheet and financial statements for 2016.
- ² Value of the corporate action payments per share is subject to alteration depending on the balance of shares in treasury on the cutoff date.

Return on Equity

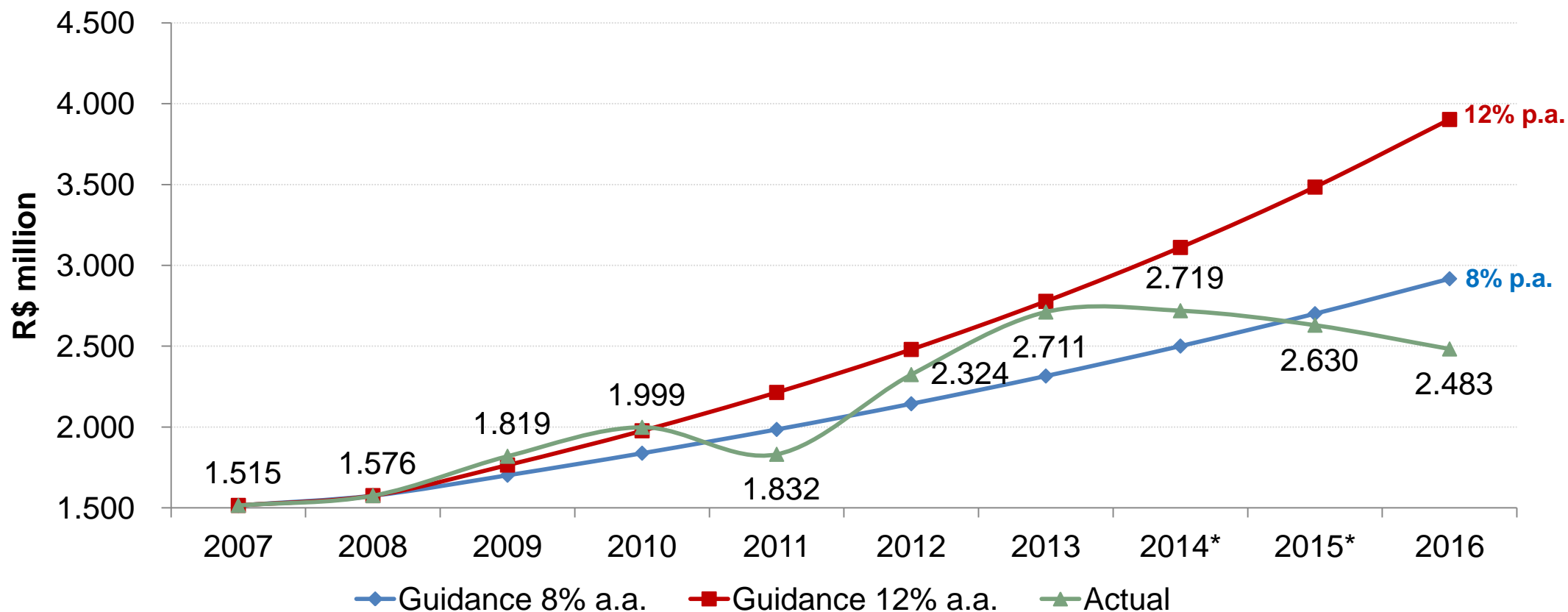
Year (R\$'000)	Initial Stockholders' Equity ¹	Net Profit	Dividends	Reinvestment	Return on Equity	Final Stockholders' Equity ¹
2005	733,566	200,116	81,181	118,935	27.3%	847,373
2006	847,373	257,343	128,261	129,082	30.4%	998,510
2007	998,510	260,508	119,724	140,784	26.1%	1,132,718
2008	1,132,718	239,367	109,000	130,367	21.1%	1,274,080
2009	1,274,080	272,211	110,000	162,211	21.4%	1,430,569
2010	1,430,569	312,399	121,738	190,661	21.8%	1,624,542
2011	1,624,542	305,446	219,526	85,920	18.8%	1,713,743
2012	1,713,743	429,003	293,503	135,500	25.0%	1,848,309
2013	1,848,309	433,540	300,057	133,483	23.5%	1,957,295
2014	1,957,295	490,244	220,814	269,430	25.0%	2,232,649
2015	2,232,649	551,223	275,925	275,298	24.7%	2,520,866
2016	2,520,866	634,492	351,383	283,109	25.2%	2,792,976
Accumulated		4,590,757	2,395,264	2,195,493	1,241.5%	

1) End-of-year stockholders' equity, i.e. excluding dividends, proposed for subsequent year.

Comparison of performance with targets

* excluding the non-recurring effect – A3NP

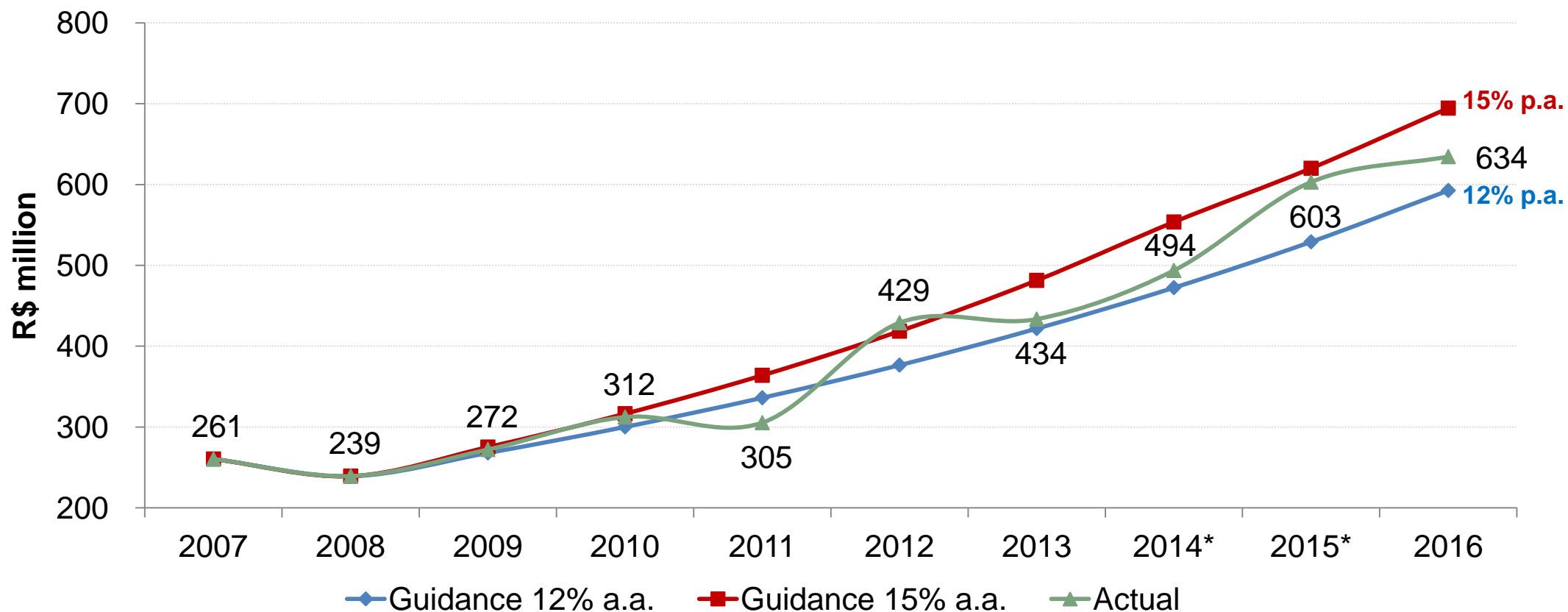
Gross revenue
CAGR between 8% and 12%
CAGR (2008-2016): 5.8% p.a.



Comparison of performance with targets

* excluding the non-recurring effect – A3NP

Net Profit
CAGR between 12% and 15%
CAGR (2008-2016): 13,0% p.a.



M A S H U P
melissa.



Thank You!