

## 1Q17 Results

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Conference Call

April 28, 2017

9:30 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 1Q17 Results in IFRS Consolidated data

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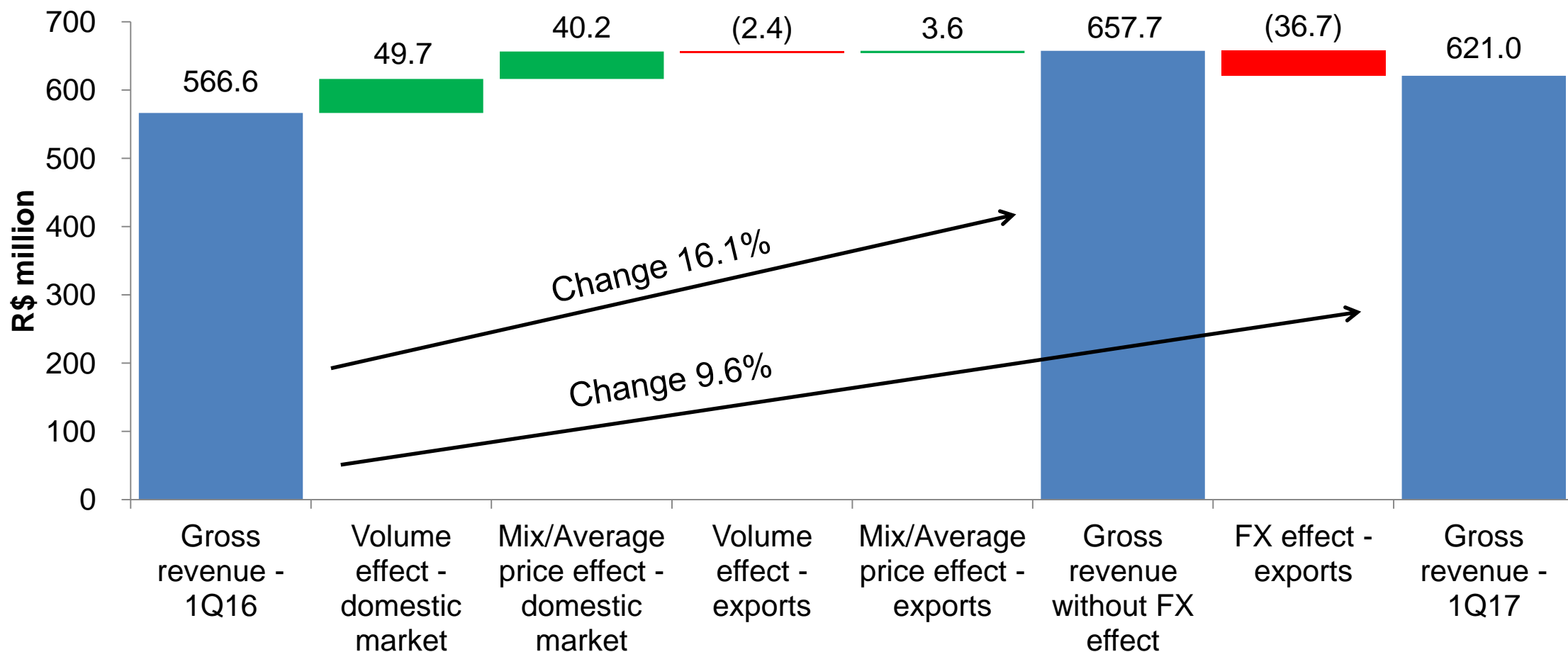
# Highlights 1Q17 (YOY 2016)

<b>Gross revenue</b>	Domestic market: R\$ 470.7 million			<b>23.6%</b>
	Exports: R\$ 150.3 million			<b>(19.1%)</b>
<b>Net profit</b>	R\$ 171.8 million			<b>19.6%</b>
<b>EBIT</b>	R\$ 109.7 million			<b>33.3%</b>
	Margin 21.5%			<b>4.2 p.p.</b>
<b>Exchange</b>	Negative impact: R\$ 36.7 million			
<b>Volumes</b>	Domestic market: 26.9 million of pairs			<b>13.0%</b>
	Exports: 11.0 million of pairs			<b>(1.3%)</b>
<b>Average price</b>	Domestic market	R\$ 17.53		<b>9.3%</b>
	Exports	R\$ 13.64		<b>(18.1%)</b>
		US\$ 4.34		<b>1.9%</b>

# Gross sales revenue

– Domestic market and exports

Analysed by effect of volume, mix and average price



Average US dollar: 1Q16 = R\$ 3.9100 / 1Q17 = R\$ 3.1429 - Δ (19.6%)

# Performance

– CAGR, Compound average growth rate:

\* excluding the non-recurring effect – A3NP

R\$ mn	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	1Q14*	1Q15*	1Q16	1Q17	CAGR
Gross revenue	331.4	371.5	456.6	392.1	495.4	603.6	615.4	637.9	566.6	621.0	7.2%
Change Y-o-Y		12.1%	22.9%	(14.1%)	26.3%	21.8%	2.0%	3.7%	(11.2%)	9.6%	
Net profit	41.0	64.3	46.9	63.5	82.1	102.3	97.5	137.8	143.6	171.8	17.3%
Change Y-o-Y		56.8%	(27.0%)	35.5%	29.1%	24.7%	(4.8%)	41.4%	4.2%	19.6%	

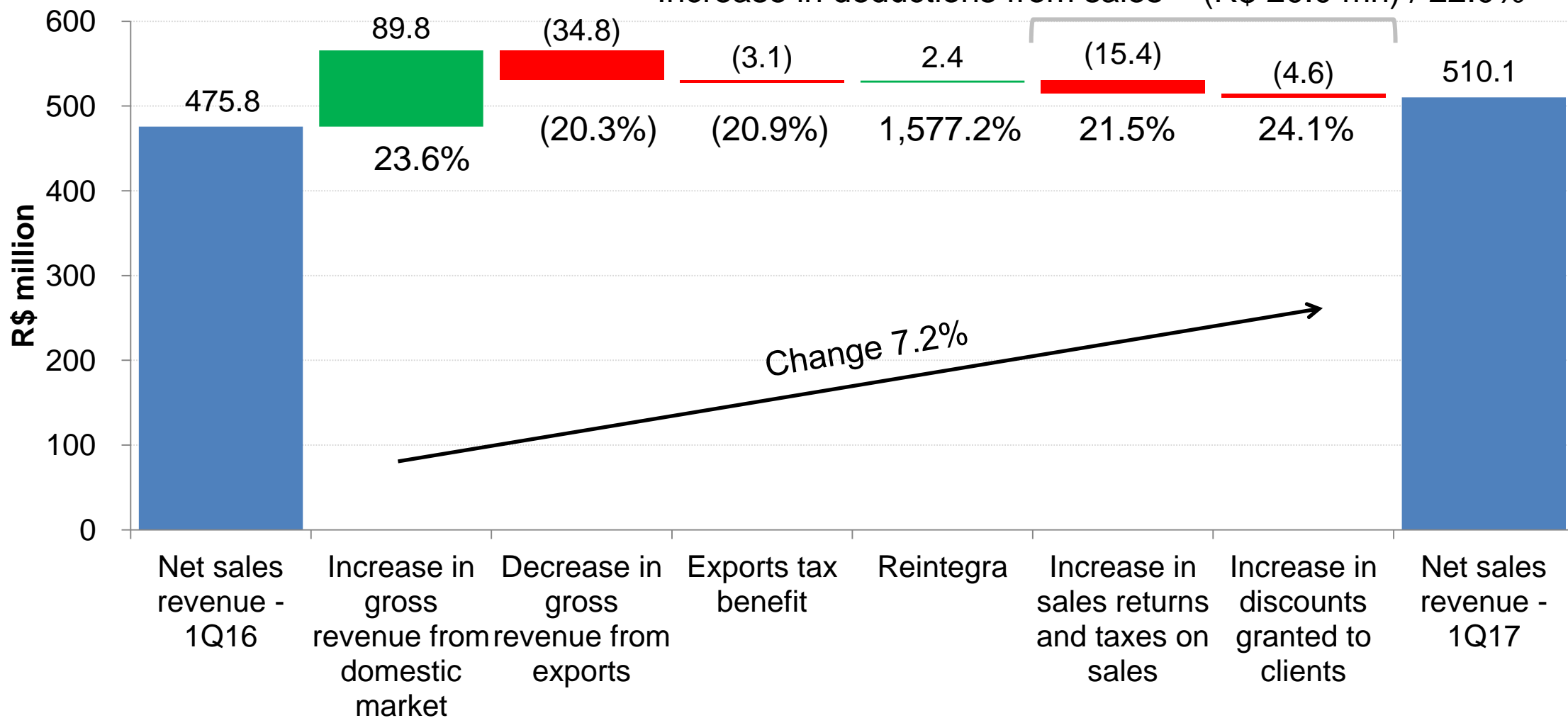
R\$ million	1Q08	1Q09	1Q10	1Q11	1Q12	1Q13	1Q14*	1Q15*	1Q16	1Q17	CAGR
Advertising expenses	17.4	18.7	18.4	18.7	30.0	32.9	26.4	23.9	22.5	21.1	2.2%
% of Net Revenue	6.6%	6.1%	4.9%	5.9%	7.6%	6.8%	5.3%	4.5%	4.7%	4.1%	



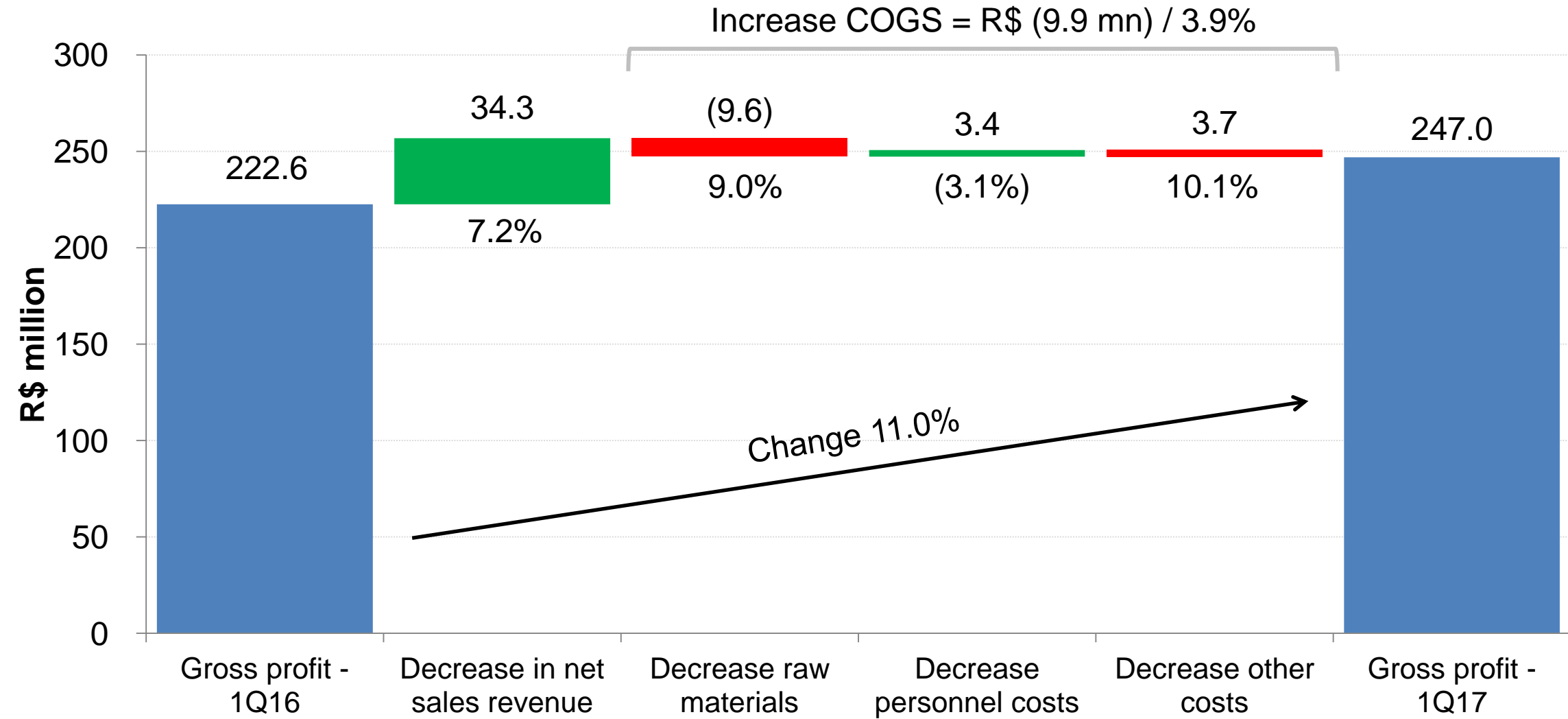
# Net sales revenue

Decrease in exports revenues (sum) = (R\$ 35.5 mn) / (19.1%)

Increase in deductions from sales = (R\$ 20.0 mn) / 22.0%

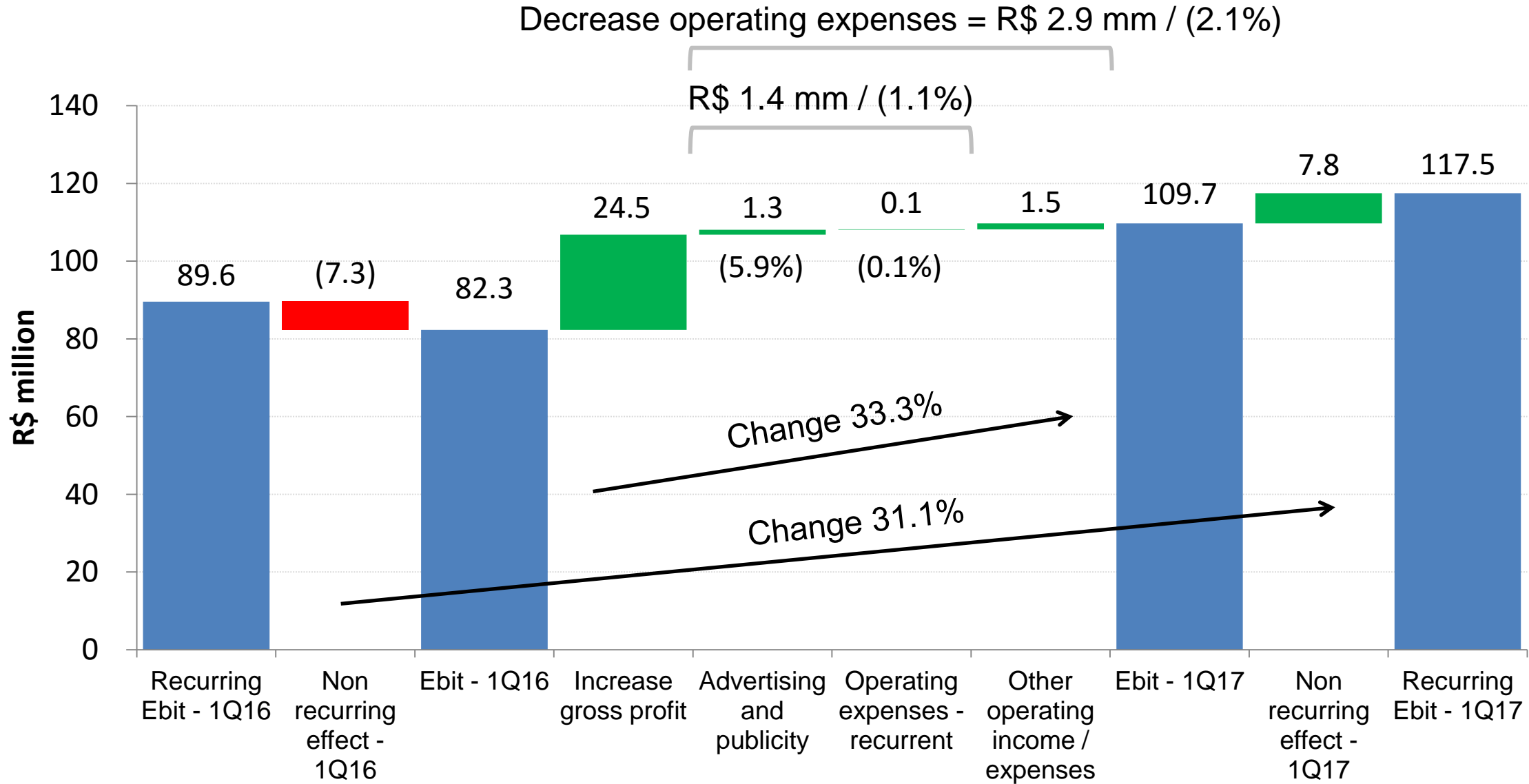


# Gross profit





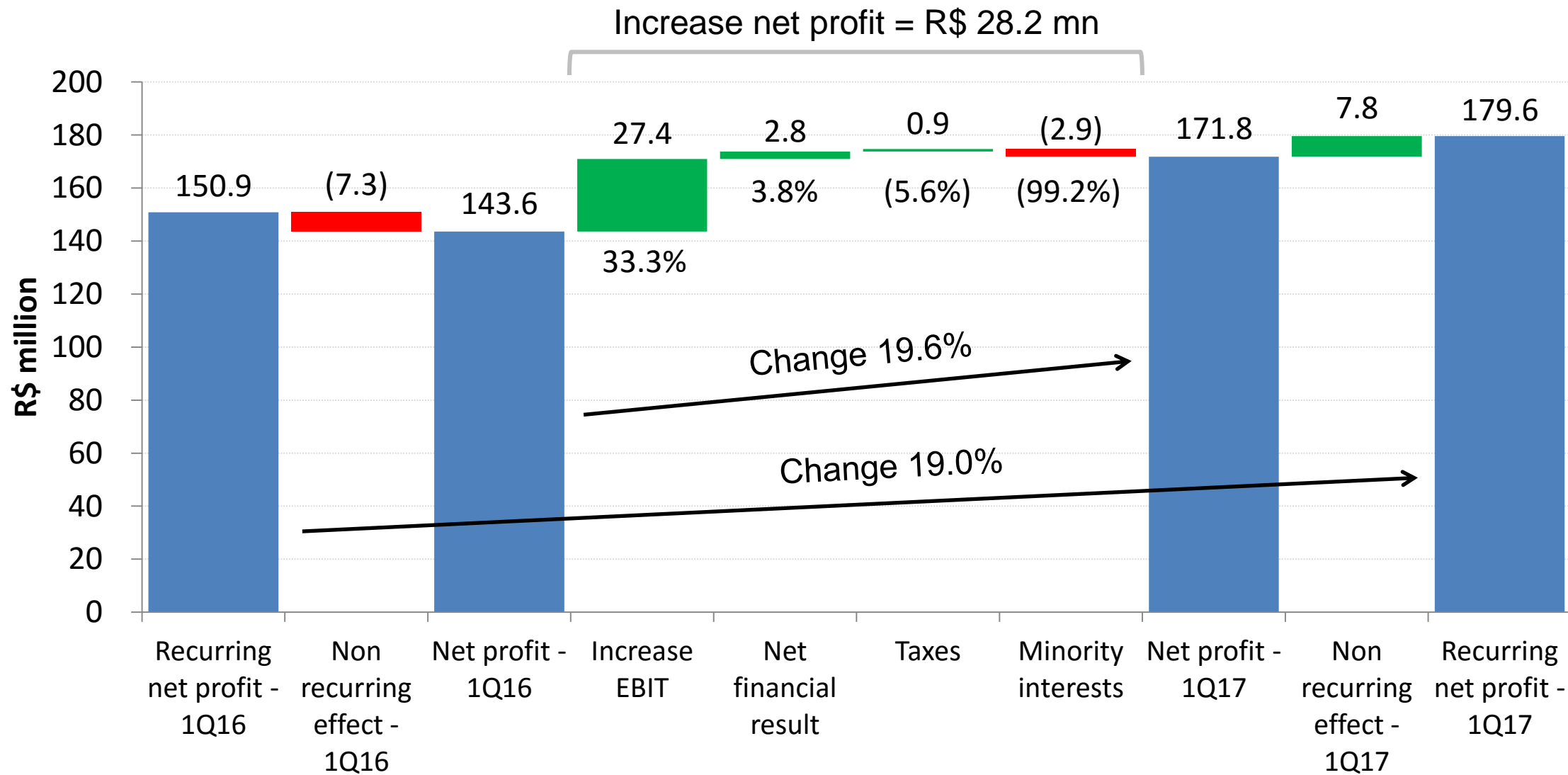
# EBIT



## Net financial revenues (expenses)

(R\$ million)	1Q16	1Q17	Change, %	Change, R\$
Interest received from clients	0,6	0,4	(30,5%)	(0.2)
Revenue from cash investments	52,9	52,5	(0,9%)	(0.4)
Other financial revenues	1,9	1,0	(45,6%)	(0.9)
<b>Subtotal</b>	<b>55,4</b>	<b>53,9</b>	<b>(2,7%)</b>	<b>(1.5)</b>
Costs of financings	(4,8)	(2,8)	(40,5%)	2.0
Cofins and PIS taxes on Financial revenues	(3,6)	(2,5)	(29,3%)	1.1
Other financial expenses	(1,8)	(1,0)	(48,4%)	0.8
<b>Subtotal</b>	<b>(10,2)</b>	<b>(6,3)</b>	<b>(38,0%)</b>	<b>3.9</b>
<b>Net financial revenues (expenses) (1)</b>	<b>45,2</b>	<b>47,6</b>	<b>5,3%</b>	<b>2.4</b>
Revenue from FX derivatives – BM&FBovespa	24,2	15,3	(36,8%)	(8.9)
Foreign exchange gains	31,2	8,4	(73,0%)	(22.8)
<b>Subtotal</b>	<b>55,4</b>	<b>23,7</b>	<b>(57,2%)</b>	<b>(31.7)</b>
Op. expenses on FX derivatives – BM&FBovespa	(3,8)	(3,6)	(5,3%)	0.2
Expenses of FX variation	(37,1)	(10,7)	(71,1%)	26.4
<b>Subtotal</b>	<b>(40,9)</b>	<b>(14,3)</b>	<b>(64,9%)</b>	<b>26.6</b>
<b>Net gain (loss) on FX variations (2)</b>	<b>14,5</b>	<b>9,4</b>	<b>(35,1%)</b>	<b>(5.1)</b>
Adjustments to present value (APV)	14,7	20,2	37,3%	5.5
<b>Financial result – APV (3)</b>	<b>14,7</b>	<b>20,2</b>	<b>37,3%</b>	<b>5.5</b>
<b>Net financial revenues (expenses) (1) + (2) + (3)</b>	<b>74,4</b>	<b>77,2</b>	<b>3,8%</b>	<b>2.8</b>

# Net profit



# Earnings

Basis for the distribution of dividends	R\$
<b>Net profit for the year</b>	<b>171.794.051,35</b>
( - ) Tax incentives reserve	(67.501.355,95)
<b>Legal reserve calculation basis</b>	<b>104.292.695,40</b>
( - ) Legal reserve	(5.214.634,77)
<b>Dividend for the profit reported up to March 31, 2017</b>	<b>99.078.060,63</b>
<b>Total of Dividends + Interest on Equity proposed by management<sup>1</sup></b>	<b>99.078.060,63</b>
<i>Minimum obligatory dividend payable (25%)</i>	<i>24.769.515,16</i>
<i>Dividend proposed in excess of the obligatory minimum dividend</i>	<i>74.308.545,47</i>
<b>Sum</b>	<b>99.078.060,63</b>

<sup>1</sup> Dividends will be paid “ad referendum” the OGM that considers the balance sheet and financial statements for 2017.

# Dividend

Allocation of the proposed corporate actions payments (I.E. and dividend)	R\$
( + ) Interest on Equity (I.E.), gross	30.000.000,00 <sup>1</sup>
( + ) 1 <sup>st</sup> interim dividend	69.078.060,63 <sup>1</sup>
<b>Total of dividends + Interest on Equity proposed by management, gross</b>	<b>99.078.060,63 <sup>1</sup></b>
( - ) Income tax withheld at source on Interest on Equity – (15%)	(4.500.000,00)
<b>Total of dividends + Interest on Equity proposed by management, net</b>	<b>94.578.060,63 <sup>1</sup></b>

Dividends proposed <sup>1</sup>							
Type	Date approved	Ex- date	Date of start payment	Gross amount R\$	Gross amount per share R\$	Net amount R\$	Net amount per share R\$
Dividend	04/27/17	05/03/17	05/17/17	69,078,060.63	0.229714663	69,078,060.63	0.229714663
I.E.	04/27/17	05/03/17	05/17/17	30,000,000.00	0.099763077	25,500,000.00	0.084798615
Sum				99,078,060.63	0.329477740	94,578,060.63	0.314513278

<sup>1</sup> Dividends will be paid “ad referendum” the OGM that considers the balance sheet and financial statements for 2017.

**ZAXY**



**Thank You!**