



Grendene®

Brazilian Corporate Forum December 4th, 2007

Company's Overview

Grendene is one of the world's largest producer of synthetic footwear, in house technology, approximately 180 mn pairs / year of installed capacity and 18 thousand actives employees.

Diversification / Products

- Presence in both markets: domestic ~86% in revenues (*R\$*) and 76% in volume; exports ~14% in revenues (*R\$*) and 24% in volume (2006)
- Segmentation: feminine, masculine, kids and mass consumption
- Constant innovation, product differentiation and value recognition, launching more than 400 products per year

Brands / marketing

- Strong marketing culture, strong national and global brands and the most important licenses
- Marketing campaigns associated to a sustainability projects and celebrities
- Alternative media, marketing segmentation, market niches, actions with traders and points of sales

Management improvements

- Rigid management discipline in costs and expenses reduction
- Raw material management and use of alternative materials
- National and international coverage in terms of logistic and distribution
- Human resources: Grendene Academy, IDP, management earning-oriented

Corporate governance

- 100% common shares and tag long
- Dividends policy to distribute up 100% of net income distributable
- Independent members in the board of directors
- Sustainability approach: triple bottom line (economic result, maximizing social impact and minimizing environmental impact)

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Domestic market and exports



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NEOCYCL



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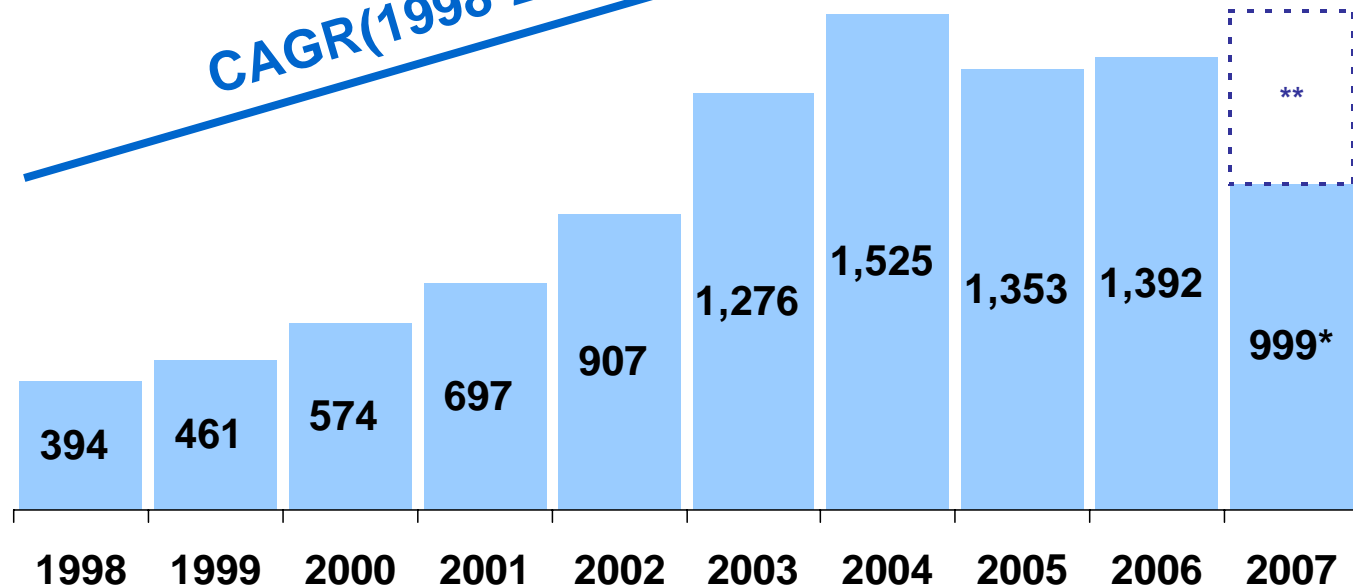
Gross revenue (R\$ million)



Disney Princess

CAGR(1998-2006): 17.1%

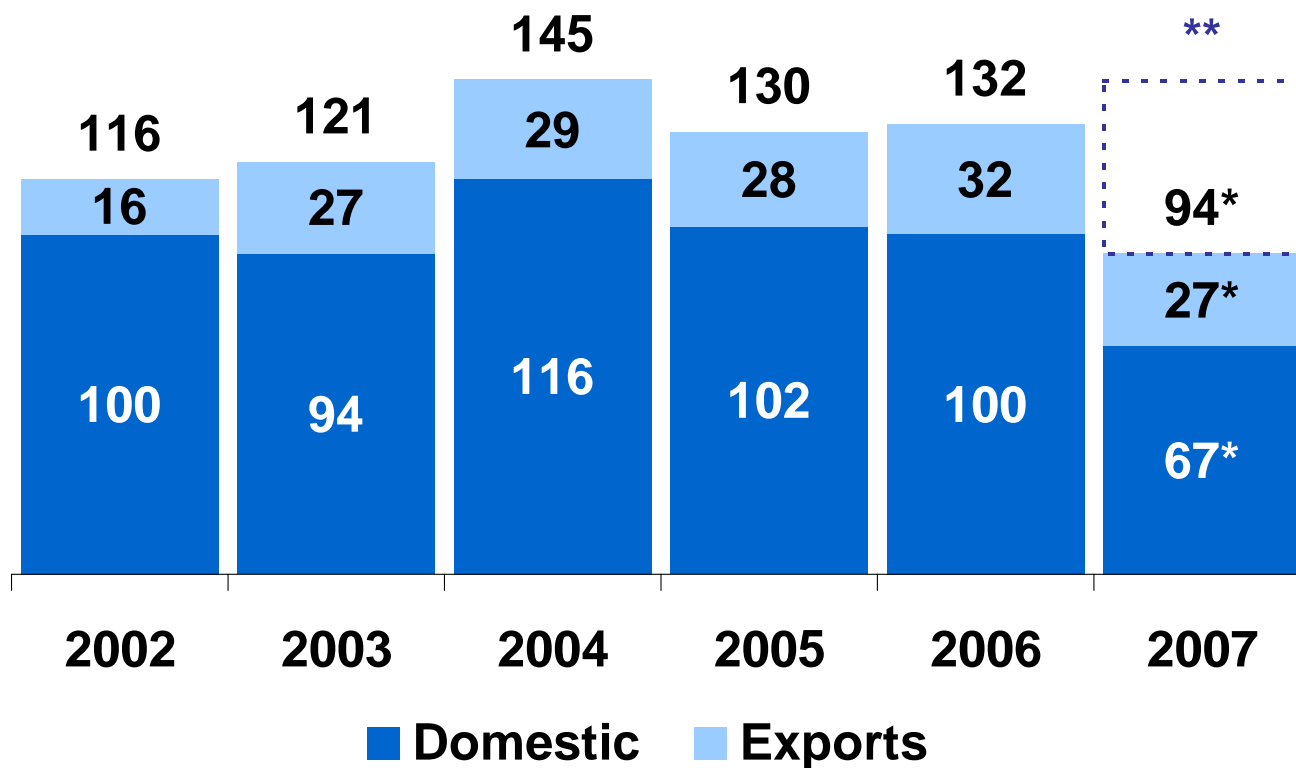
October 31, 2007
USD 1.00 = R\$ 1.744



* Gross revenues in 9M07

** Guidance: 2007 vs 2006 expected - Gross revenue: approximately 10% higher

5 | Volume (in million pairs)



* Volume in 9M07

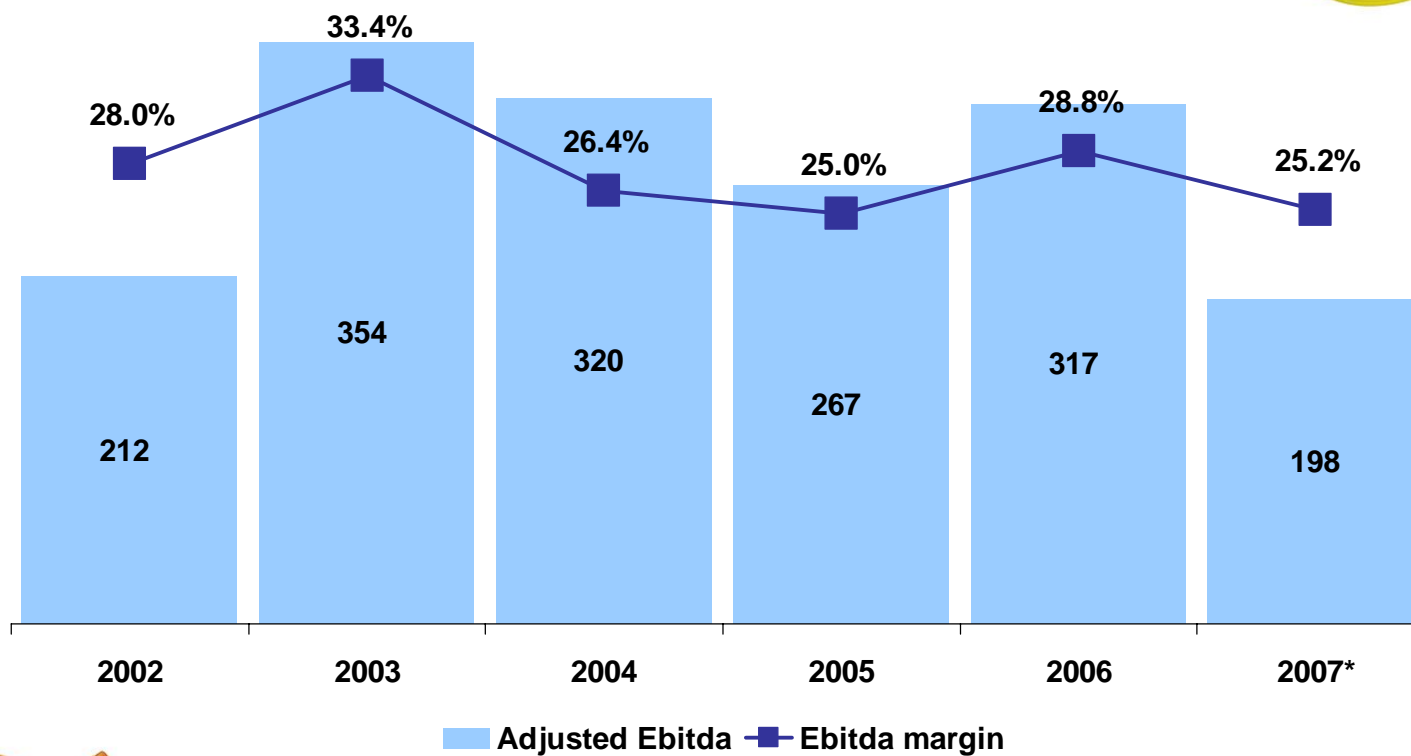
** Guidance: 2007 vs 2006 expected – Volume: approximately 10% higher



Pucca
Funny Love

6

EBITDA (R\$ million)



* Adjusted Ebitda in 9M07

Exports highlights

- Grendene accounted for 20.4% **market share** in **9M07** to vis-a-vis 16.7% in 9M06 (Decex)
- **Brands globalization:** Melissa & Ipanema Gisele Bündchen
- **Consumption growth** in Europe, South America
- Presence in **more than 70 countries**
- **Exports breakdown** by volume and region



Spiderman

	2005		Pairs (in '000)		2006/05
		%	2006	%	Var. %
North America	12.169	44,0%	13.457	42,7%	10,6%
South America	9.786	35,4%	12.211	38,8%	24,8%
Europe	3.607	13,0%	3.408	10,8%	(5,5%)
Others	2.094	7,6%	2.427	7,7%	15,9%
Total	27.656	100,0%	31.503	100,0%	13,9%

	9M06		Pairs (in '000)		9M07/9M06
		%	9M07	%	Var. %
North America	10.411	45,9%	7.638	28,2%	(26,6%)
South America	7.884	34,8%	10.459	38,6%	32,7%
Europe	2.580	11,4%	4.529	16,7%	75,5%
Others	1.785	7,9%	4.459	16,5%	149,8%
Total	22.660	100,0%	27.085	100,0%	19,5%

Own brands & Main licenses

Grendene®
melissa.

RIDER®

Grendene®
Kids

grendha

ilhabela

IPANEMA

PEGA FORTE

Grendene®

Results



Main financial and economic indicators

(R\$ million)	3Q06	3Q07	Var.%	9M06	9M07	Var.%
Gross Revenues	373.7	418.7	12.0%	908.9	998.9	9.9%
Domestic	333.3	371.6	11.5%	779.7	840.5	7.8%
Exports	40.4	47.1	16.6%	129.2	158.4	22.6%
Net Sales	295.5	329.3	11.4%	720.8	786.5	9.1%
Gross Profit	144.4	155.4	7.7%	303.0	323.5	6.8%
Adjusted EBITDA	101.3	102.1	0.8%	190.8	197.9	3.7%
Net Financial Result	5.0	(6.3)	n.s.	26.9	1.7	(93.7%)
Adjusted Net Income	76.7	81.6	6.5%	159.9	160.3	0.2%
Adjusted Net Income (*)	76.7	78.2	2.0%	149.8	155.5	3.8%
EPS (R\$ per share)	0.77	0.82	6.5%	1.60	1.60	0.2%
Sales Volume (million pairs)	34.2	37.8	10.5%	89.9	94.7	5.4%
Average Price (R\$)	10.92	11.07	1.4%	10.11	10.55	4.4%
Adjusted Margins – as a % of net sales	3Q06	3Q07	Var.(bps)	9M06	9M07	Var.(bps)
Gross	48.9%	47.2%	(170)	42.0%	41.1%	(90)
EBITDA	34.3%	31.0%	(330)	26.5%	25.2%	(130)
Net	25.9%	24.8%	(110)	22.2%	20.4%	(180)
Net (*)	25.9%	23.8%	(210)	20.8%	19.8%	(100)

(*) without non-recurring income

Medium and long term strategy

- **Top line growth emphasis:** to present growth in the revenue and sales volume indicators, with defined strategies for domestic and export markets
- Objective to **grow structurally**, developing in its differentiated business model
- Enough room for **organic growth** and value and volume market share gains, evaluating opportunities that can be a good deal for the Company
- **Constant costs and expenses control**, looking for productivity and margin gains
- **Globalization** in some **brands** to improve revenues and volume in exports
- **Exports** improving with sustained growth (nine quarters in a row)
- **Products launching validation:** retailers, traders and consumers (research)
- **Investment** in differentiated evolution in the plastic technology = **Grendene's DNA**
- Emphasis in increase more and more the **competitiveness**
- **Tripod:** (i) *low-end and high-end product mix in the portfolio*; (ii) *market and segments diversification*; and (iii) *ideal product mix: cost / price / marketing*



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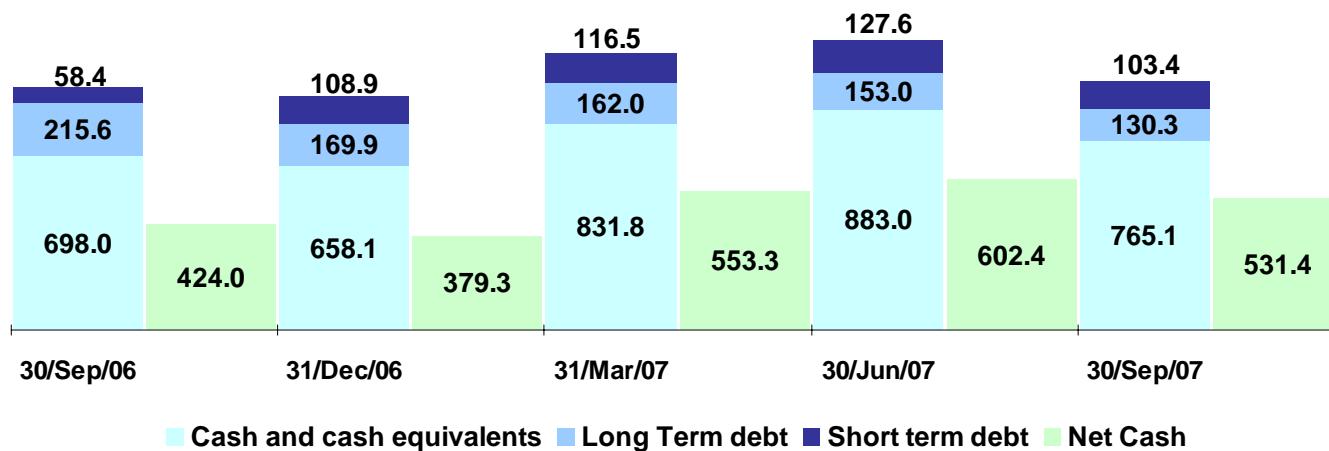
Debt, Tax Benefits,
Dividends and Capex



Debt / Dividend Yield

Net cash of R\$ 531.4 million in 30/Sep/07

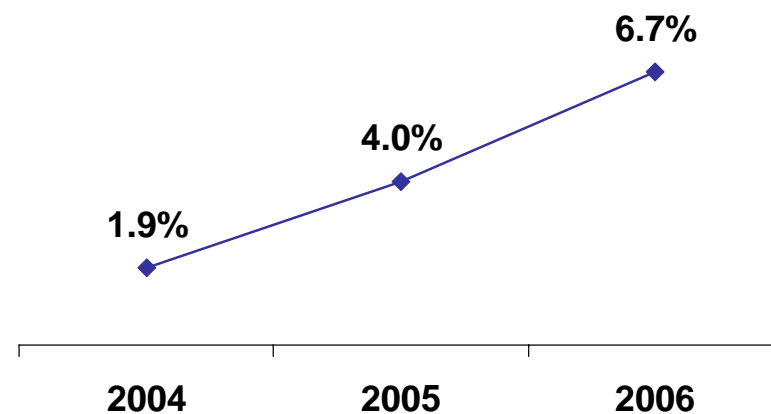
**Strong
financial
position**



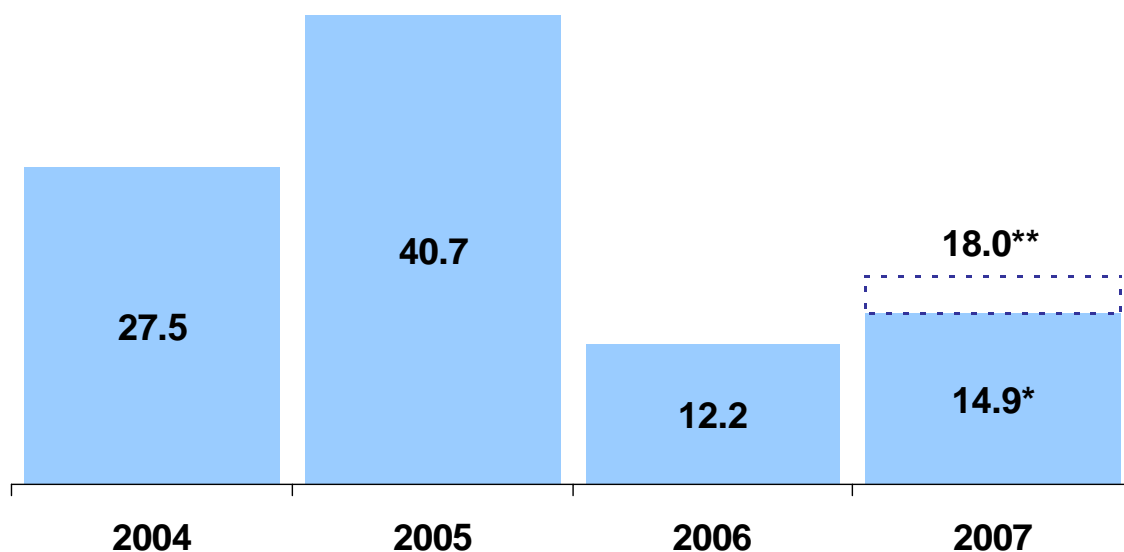
Strong Dividends payment

dividend of the period in Reais /
average share price

Dividend Yield



Low Capex



* CAPEX in 9M07



**** Guidance: 2007,
CAPEX expected
R\$ 18 million**

Capital expenditure R\$ mn	2004	2005	2006	2007*
Industrial buildings and plant	11.3	16.6	2.2	8.3
Machinery and equipment	10.7	20.2	6.3	4.0
IT equipment & software	2.4	2.3	1.3	1.8
Other capital expenditure (1)	3.1	1.6	2.4	0.8
TOTAL	27.5	40.7	12.2	14.9

(1) includes investments in vehicles, aircraft, real state, utensils, brands and patents

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Expectation



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Respect for water = Respect for life

Reasons for the estimates

Good outlook maintained:

- (i) maintenance of the strategy of **globalization** of the *Melissa* and *Ipanema Gisele Bundchen* brands with the launch in Australia in October 2007, which has had good results;
- (ii) **sustained growth** in all markets, with increase in volumes in various expanding markets and expansion in the number of countries;
- (iii) expansion of ***licensings and accessories in the children's segment with promotional campaigns***;
- (iii) ***improvement in real income and consumption in the Brazilian market***, with signs of recovery in consumption of semi-durables.



Thank You

More information: <http://www.grendene.com.br/www/ri>

(press release, annual report, fact-sheet, financial statements)

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