Conference Call
2Q11 Results

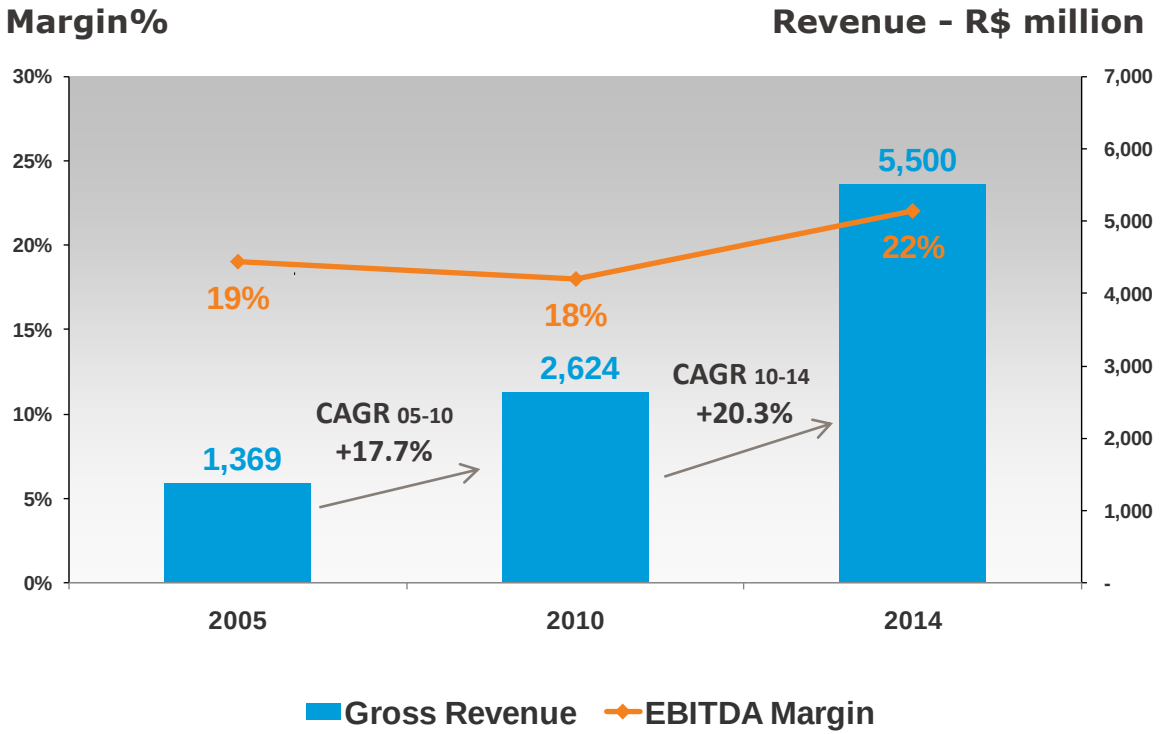
August 15, 2011

ALPARGATAS

Márcio Utsch
CEO

- **Talent in building and managing brands**
- **Excellence in producing footwear**
- **Flexible production**
- **Effective business management**

- **Clear growth strategy with value creation**



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2Q11 Indicators

Consolidated Financial Results (R$ million, except margins)	2Q10	2Q11	▲
Net Revenue	540.3	612.1	13.3%
Gross Profit	246.0	272.1	10.6%
Gross Margin	45.5%	44.5%	-1.0 p.p.
EBITDA	87.2	102.5	17.5%
EBITDA Margin	16.1%	16.7%	0.6 p.p.
Adjusted Net Income (1)	85.4	73.9	-13.5%
Cash	463.3	666.4	43.8%
Net Financial Position	296.1	382.1	29.0%

(1) Excludes non recurring items

2Q11 Highlights

- **Change of the Company's name to Alpargatas S.A.**

- **New visual identity reflects the essence of a bold and creative company committed to the sustainability of its business.**

- **Announcement of the construction of a new sandals factory in Montes Carlos, Minas Gerais state, with CAPEX estimated at R$177 million and to be operational in 2H12.**

- **Increase in Alpargatas Argentina stake to 91.5%.**

- **Progress in the strategic fronts:**

    - **Innovation, especially R&D;**
    - **Supply chain;**
    - **Partnerships, particularly those with Disney;**
    - **Improved management of fixed costs and expenses; and**
    - **Human resources development.**

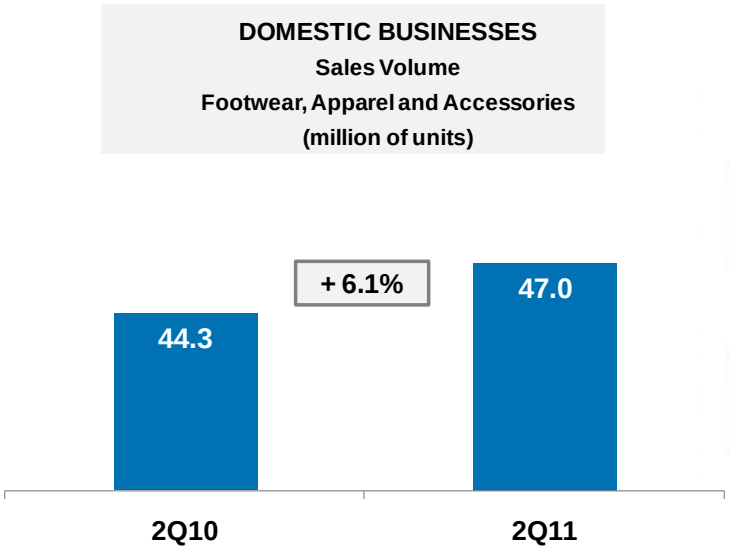
- **12.1% appreciation of the preferred shares in 1H11 (Ibovespa = -10%).**

Domestic Businesses



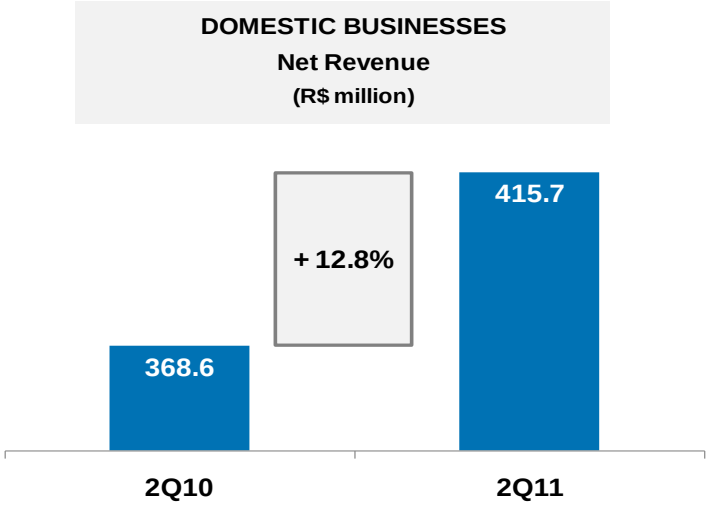
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Sales Volume and Net Revenue



Sales Volume

- Increase in sales volumes:
  - Sandals: 6.8%
  - Athletic footwear: 3.4%
  - Own retail and franchises: 27.3%
- New footwear and apparel of the following brands: Topper, Rainha, Mizuno and Timberland.
- Higher number of stores.
- Competitive prices.
- Communication.

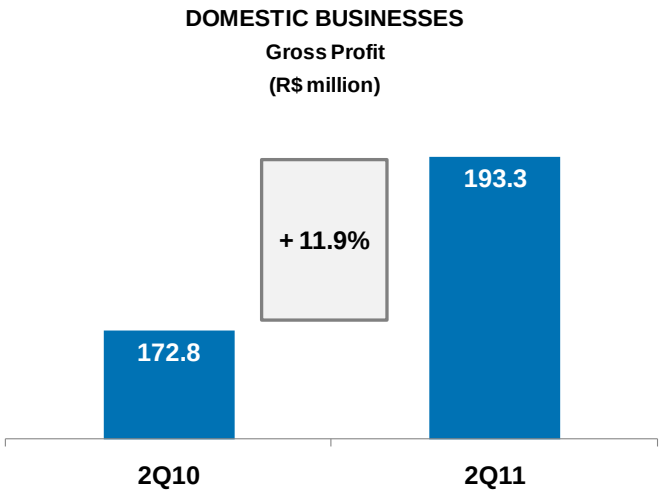


Net Revenue

- Increase in Revenues:
  - Sandals: 13%
  - Sporting Goods: 8%
  - Retail: 30% or 9% same-stores sales
    - Havaianas franchises: 107% or 20% same-stores sales

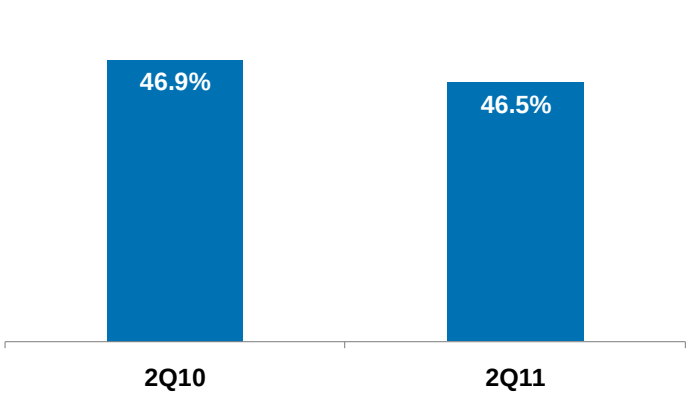
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Gross Profit and Margin



Gross Profit

- Strong growth of the domestic businesses revenue: 12.8%.
- Upgrade in the footwear manufacturing processes.
- Those factors partially offset the 15.8% raise in synthetic rubber prices in the quarter.
- In 3Q11, rubber should follow oil prices trend, which have already begin to fall.



Gross Margin

- Greater scale and production cost control benefit the gross margin, that, despite higher costs shrunk only 0.4 pp.

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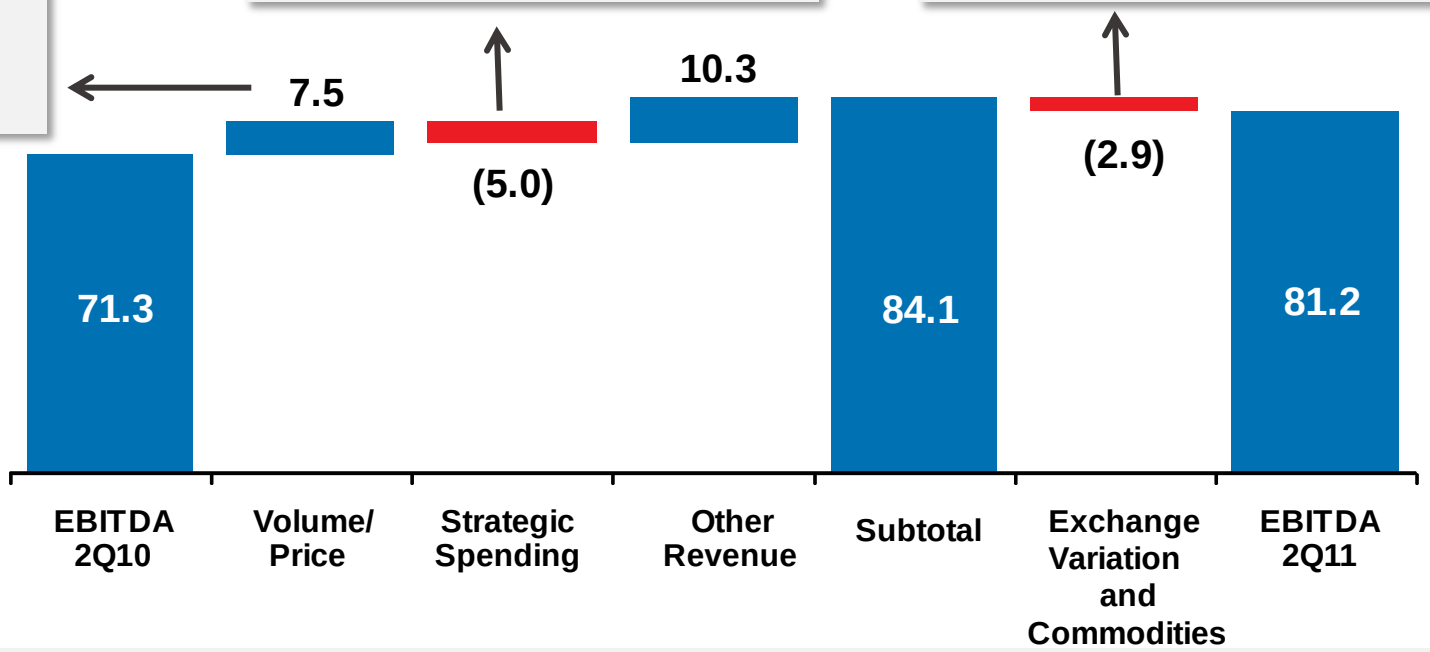
EBITDA (R$ million)

EBITDA increases 13.9% and the margin moves up by 0.2 pp. Excluding the impact of exchange variation and higher commodity prices, EBITDA grows 18% and the margin 0.9 pp.

6.1% increase in domestic businesses sales volume and higher sandals and athletic footwear prices.

Greater investments in brand communication were important to boost sales in the quarter.

15.8% increase in rubber prices over 2Q10.



Margin	19.3%			20.2%		19.5%

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International Businesses

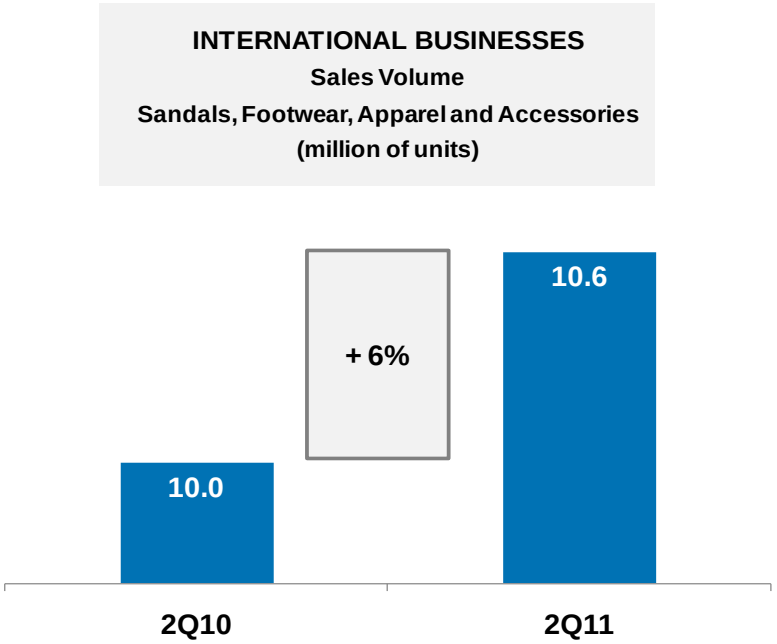






Sales Volume





Sales Volume

- **Increase in sales volume:**
  - **USA: 22.7%**
  - **Europe: 22.5%**
  - **Exports: 5%**

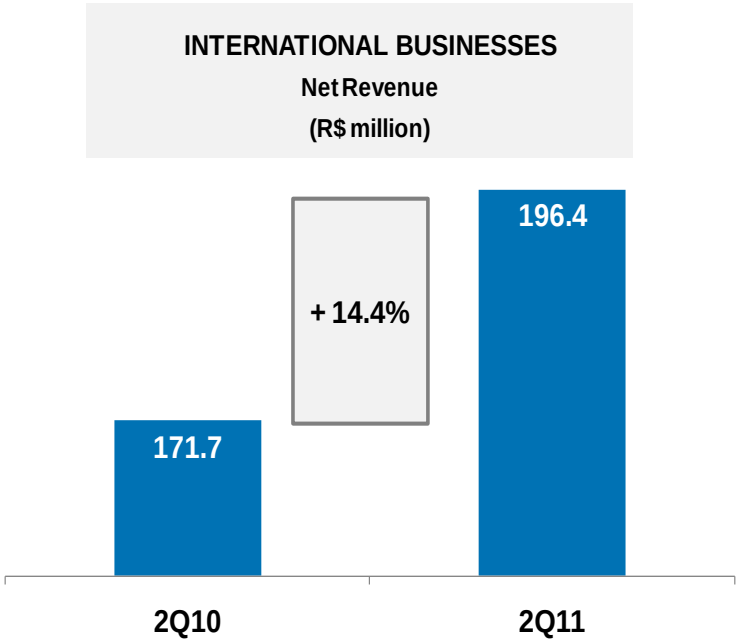
- **New own stores in London, Paris and Rome, joining those in Valencia, Barcelona, Huntington Beach (California) and New York**

- **Beginning of sales in India and Pakistan will further increase exports.**

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Net Revenue





Net Revenue

1. Argentina

- R$ 115 million in 2Q11.
- 12.1% increase due to 22% growth in sales of more expensive athletic footwear.

2. USA, Europe and Exports

- R$ 81.4 million.
- 17.8% gain due to increased sandals sales volume.

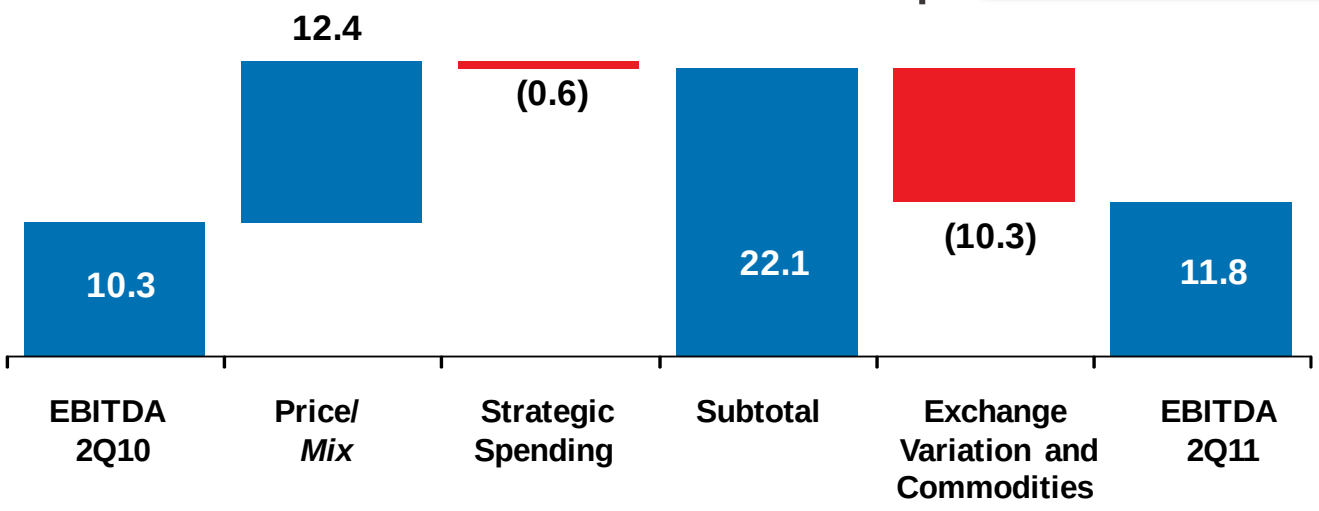
Foreign currency revenue increase:
- Dollar: 32,5%
- Argentine peso: 32%
- Euro: 23.5%

EBITDA – Alpargatas Argentina
(R$ million)

EBITDA increases 14.6% and EBITDA margin 0.2 pp. Excluding the impact of exchange variation and higher commodity prices EBITDA grows 114.6% with a margin moving up by 9.2 pp.

Readjustment in sales prices in order to offset inflation and a more expensive footwear sales mix.

77% higher cotton pices and appreciation of the Brazilian real aggainst the Argentine peso.



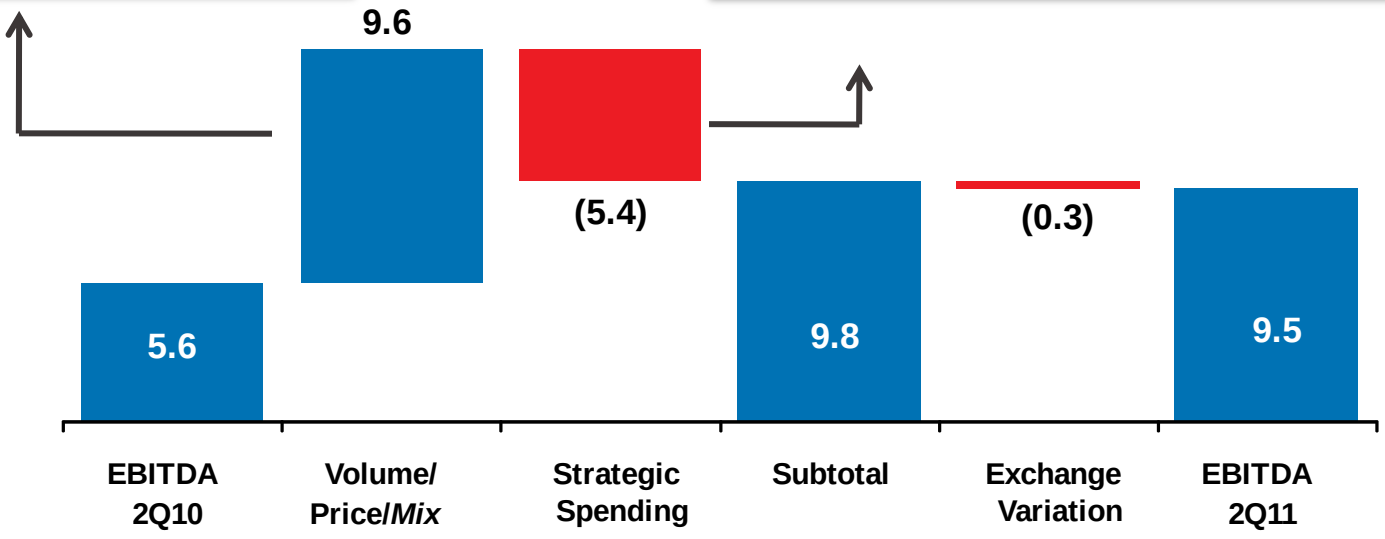
Margin	10.0%		19.2%	10.3%

EBITDA (R$ million)
Alpargatas USA, Europe and Exports

69.6% growth of EBITDA and 3.6 pp increase in EBITDA margin. Exluding exchange variation impact, the increase jump to 75% and the margin raises 3.9 pp.

Increases in USA, Europe and Exports sales volumes. Additional own stores were Opened in Europe.

Larger operating structure in Europe (new stores, business increase), Greater communication and increase of distribution freights within Europe.



Margin	8.1%			12.0%	11.7%

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José Roberto Lettiere
CFO

2T11 Consolidado







Performance Indicators



Operating Results Sales Volume (million of units)	2Q10	2Q11	▲	1H10	1H11	▲
Domestic Businesses	44.3	47.0	6.1%	93.5	98.1	4.9%
International Businesses	10.0	10.6	6.0%	19.2	20.7	7.8%
Consolidated	54.3	57.6	6.1%	112.7	118.8	5.4%

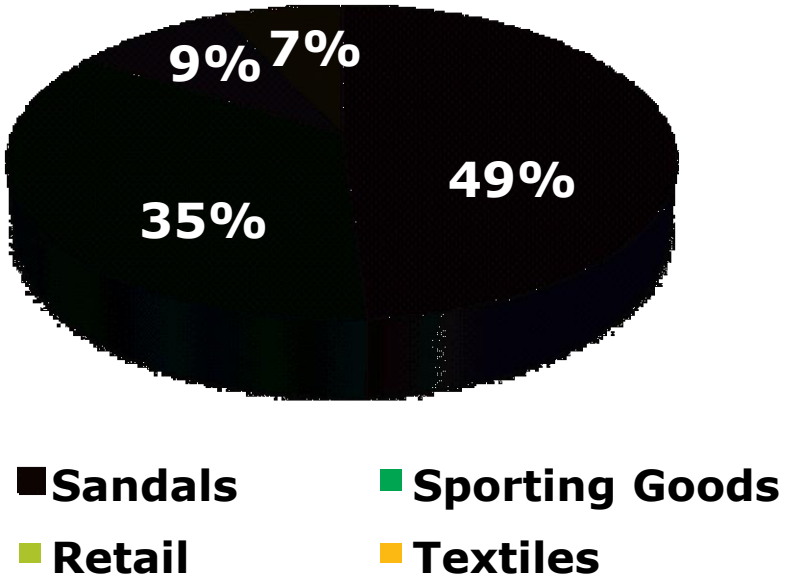
Consolidated Financial Results (R$ million, except margins)	2Q10	2Q11	▲	1H10	1H11	▲
Net Revenue	540.3	612.1	13.3%	1,039.9	1,198.8	15.3%
Gross Profit	246.0	272.1	10.6%	487.4	544.2	11.7%
Gross Margin	45.5%	44.5%	-1.0 p.p.	46.9%	45.4%	-1.5 p.p.
EBITDA	87.2	102.5	17.5%	189.5	208.3	9.9%
EBITDA Margin	16.1%	16.7%	0.6 p.p.	18.2%	17.4%	-0.8 p.p.
Adjusted Net Income [(1)]	85.4	73.9	-13.5%	152.3	161.1	5.8%
Cash	463.3	666.4	43.8%	463.3	666.4	43.8%
Net Financial Position	296.1	382.1	29.0%	296.1	382.1	29.0%

(1) Excludes non recurring items

Net Revenue Breakdown



Sandals and Sporting Goods together represent 84% of consolidated net revenue.

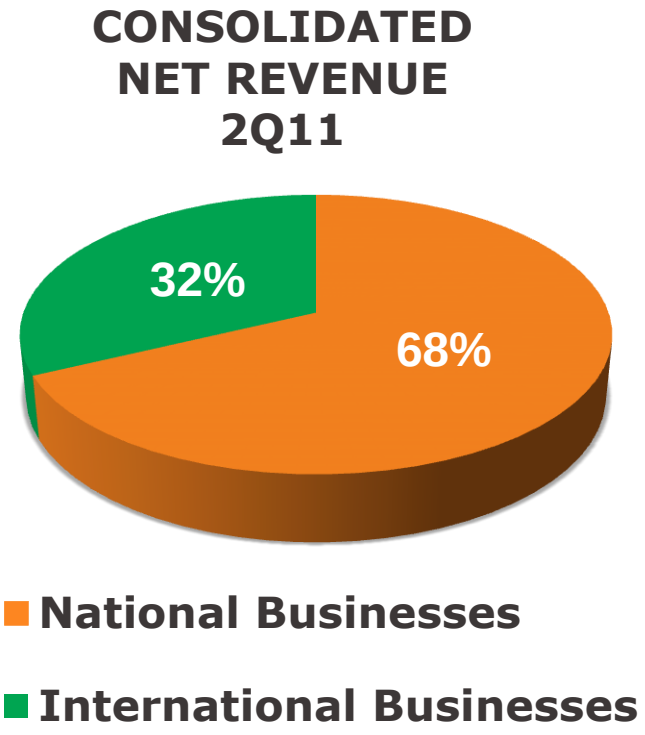


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Net Revenue Breakdown



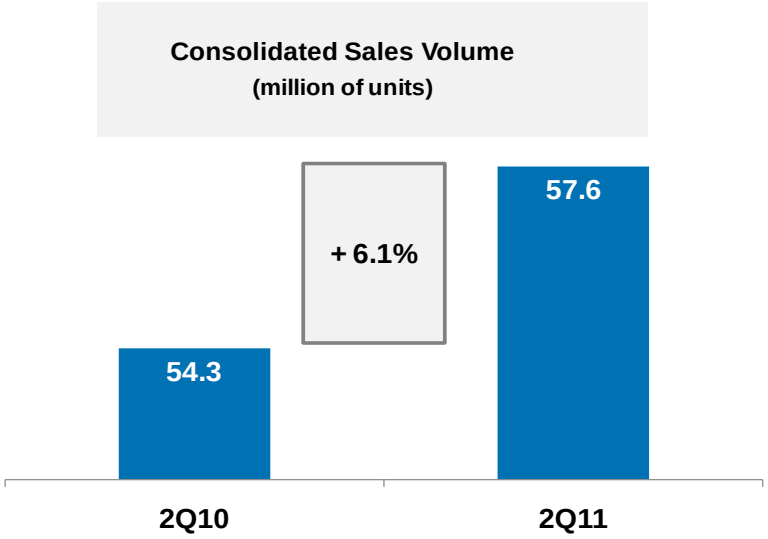
International businesses are expanding and increasing their share in the Company's consolidated net revenue.

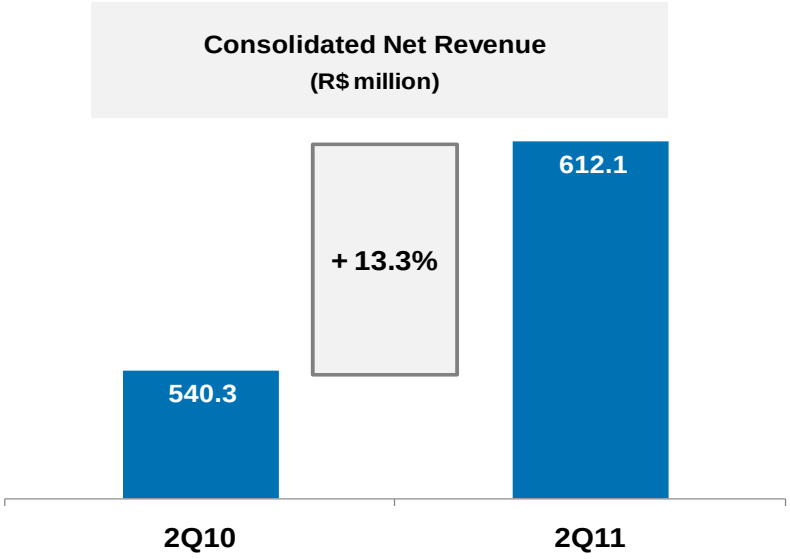


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Sales Volume and Net Revenue







Sales Volume

- Increase in sales volumes:
  - Domestic businesses: 6.1%
  - International businesses: 6%

- Factors that support the boost in sales:
  - Strenght of brands;
  - Innovation in launched products;
  - Communication;
  - Increase in the number of brands exclusive stores; and
  - Competitive prices.

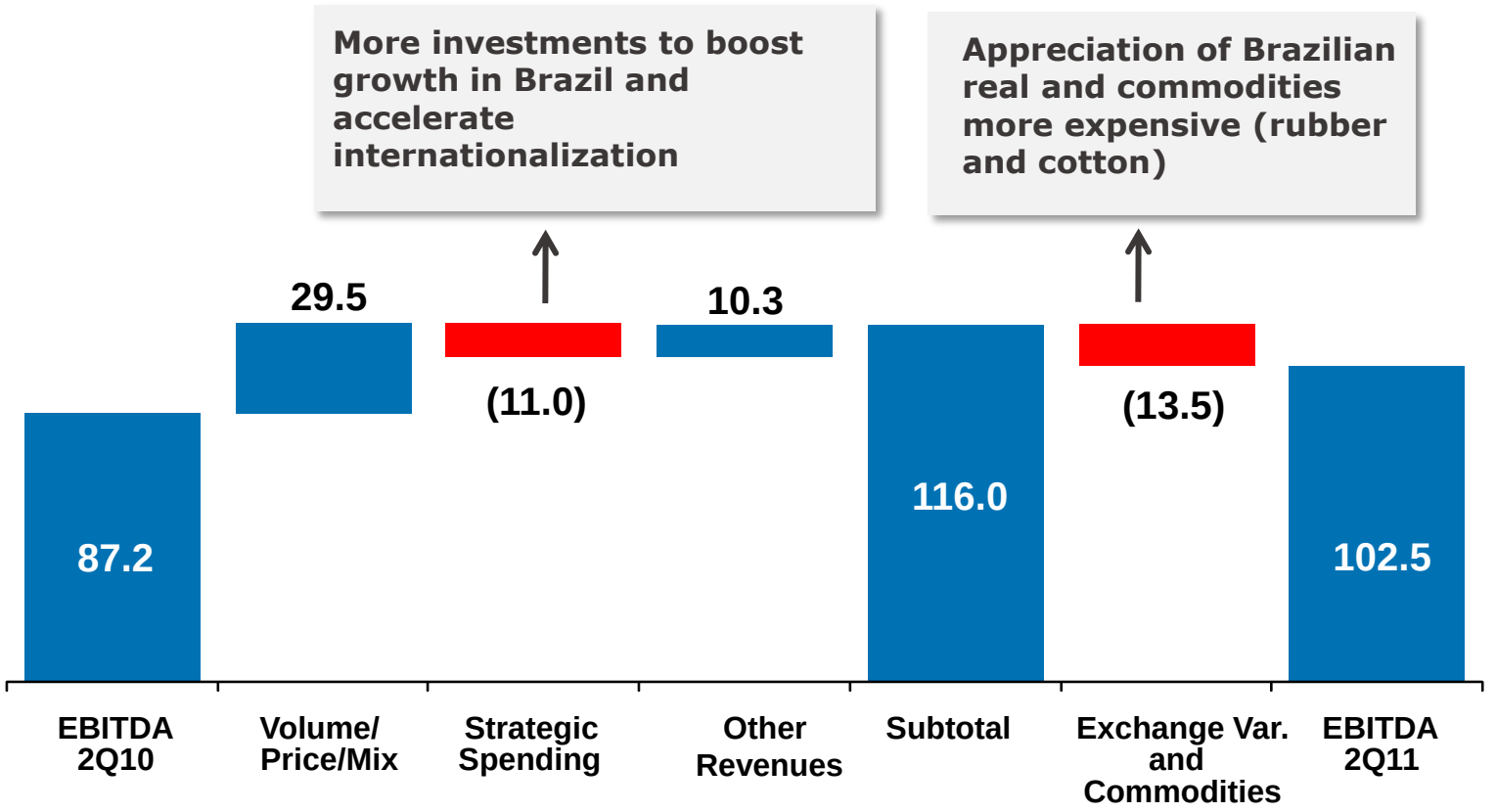
Net Revenue

- Increase in Revenues:
  - Domestic Businesses: 12.8%
    - Sandals: 13%
    - Sporting Goods: 8%
    - Retail: 30%
  - International Businesses: 14.4%
    - Argentina: 12.1%
    - USA, Europe and Exports: 17.8%

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EBITDA
(R$ million)

EBITDA increases 17.5% and EBITDA margin moves up 0.6 pp. Excluding the impact of exchange variation, the increases jump to 33% and 3.1 pp, respectively

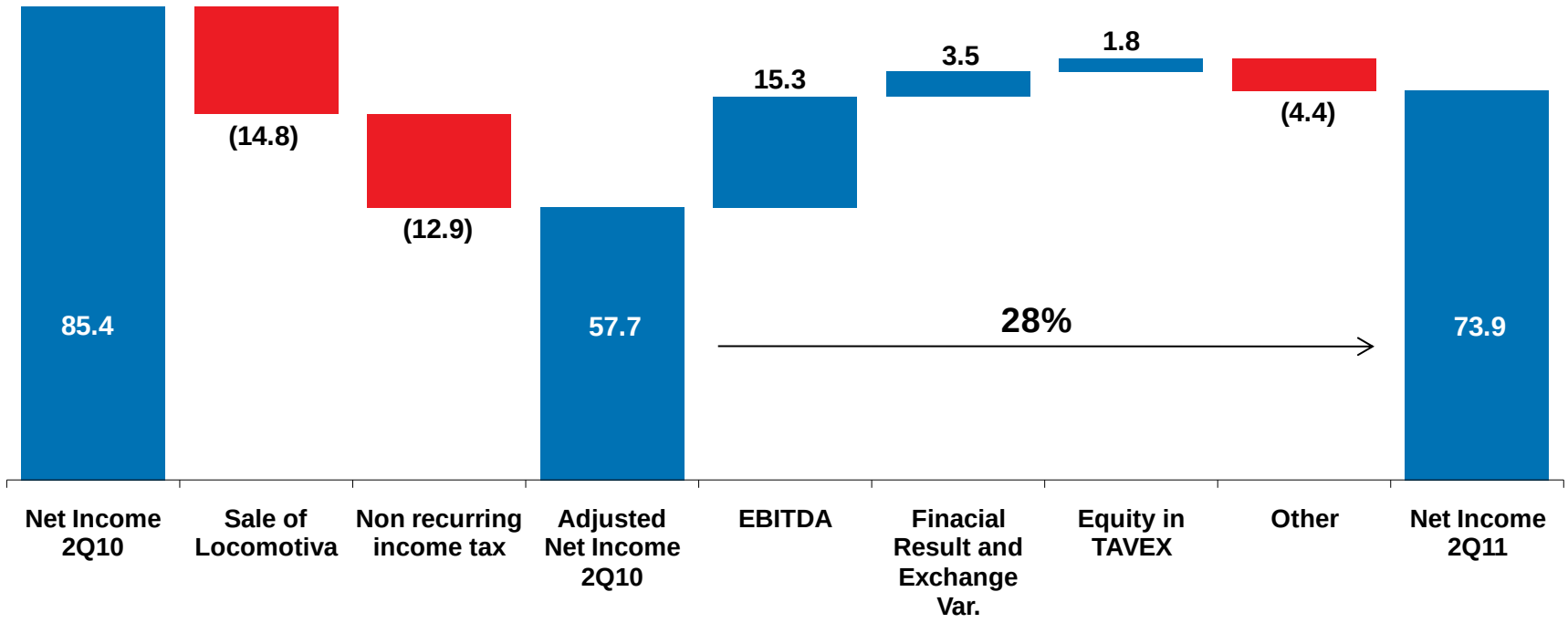


Margin	16.1%			19.0%		16.7%

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Net Income
(R$ million)

Net income of R$73.9 million in 2Q11, 28% up on 2Q10, adjusted for non-recurring items

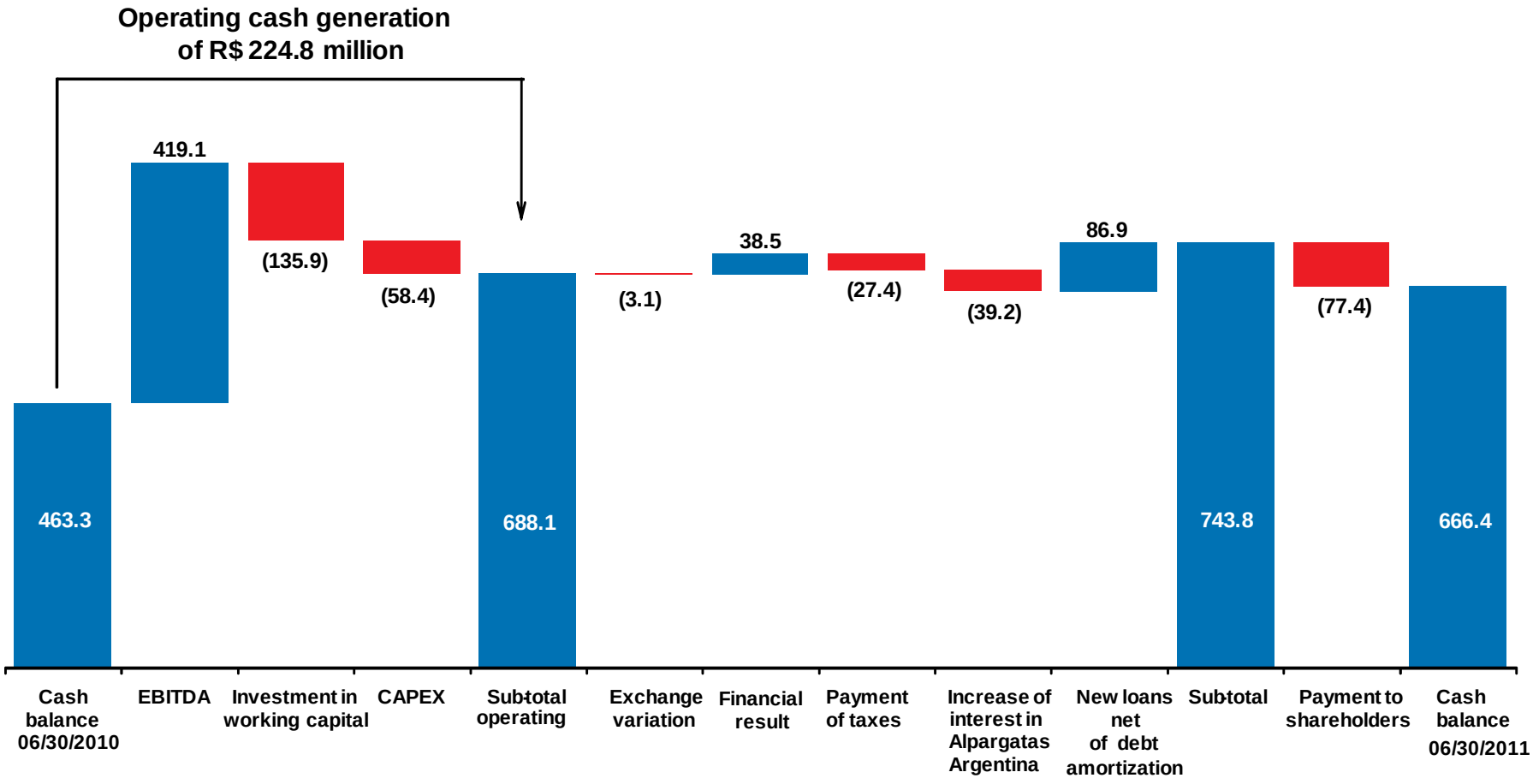


Margin	**15.8%**	**10.7%**	**12.1%**

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Cash Flow
(R$ million)

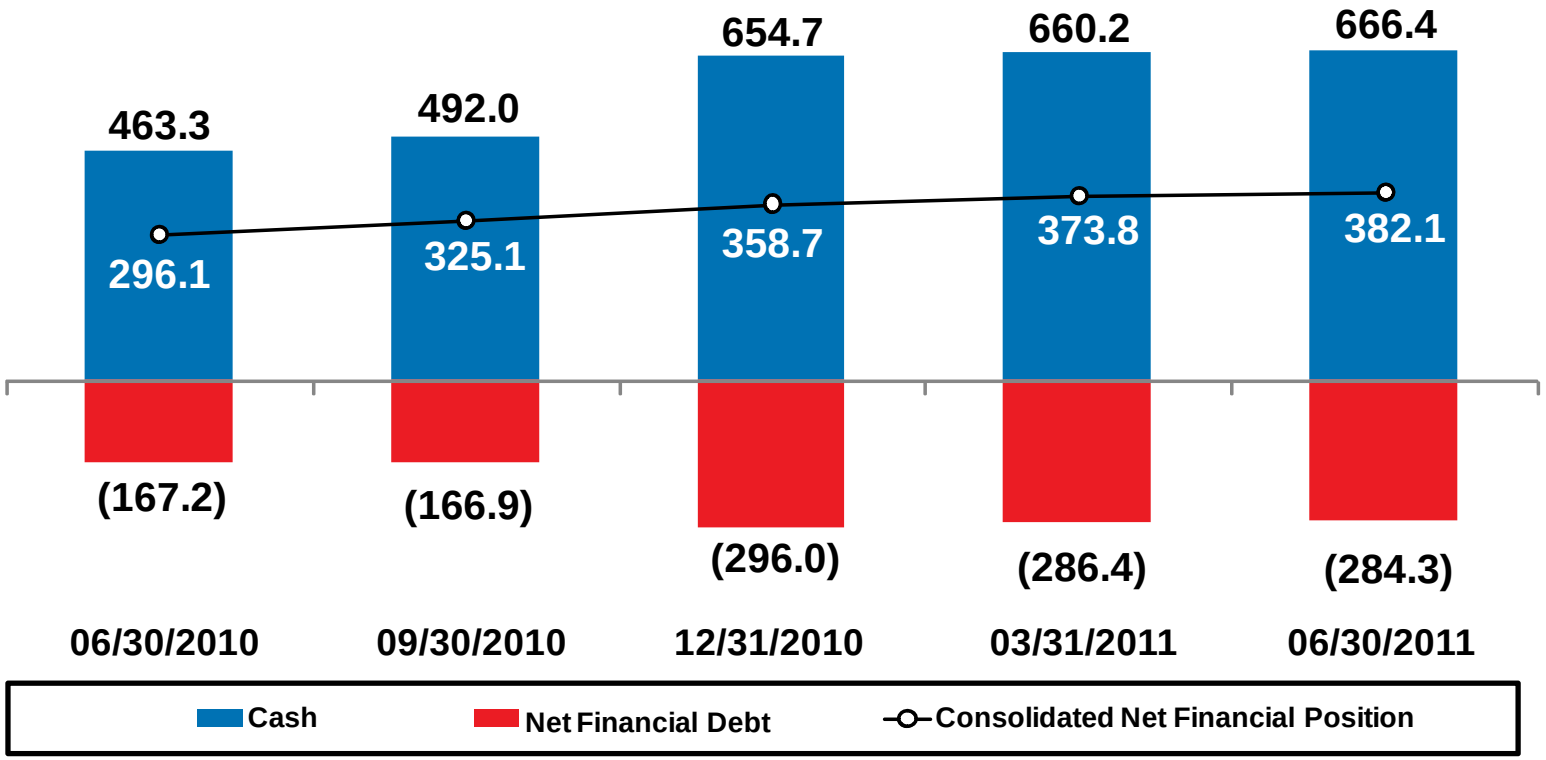
Operating cash flow increased to R$ 224.8 million YoY



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Net Financial Position
(R$ million)

Financial position of R$ 382.1 million reinforces the Company's financial solidity

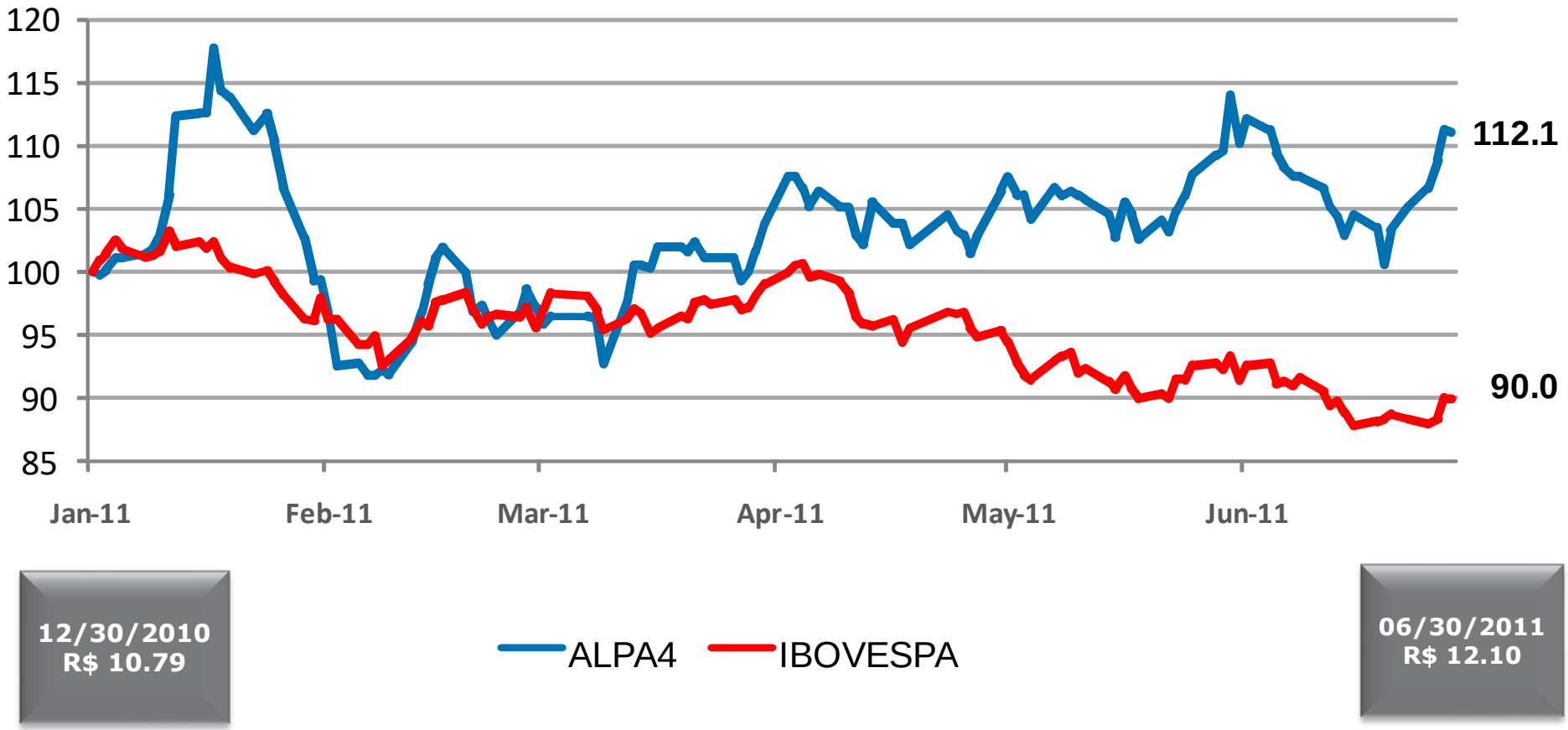


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Capital Market

ALPA4 Performance

In 1H11, ALPA4 appreciated 12.1%, while Ibovespa depreciated 10%.



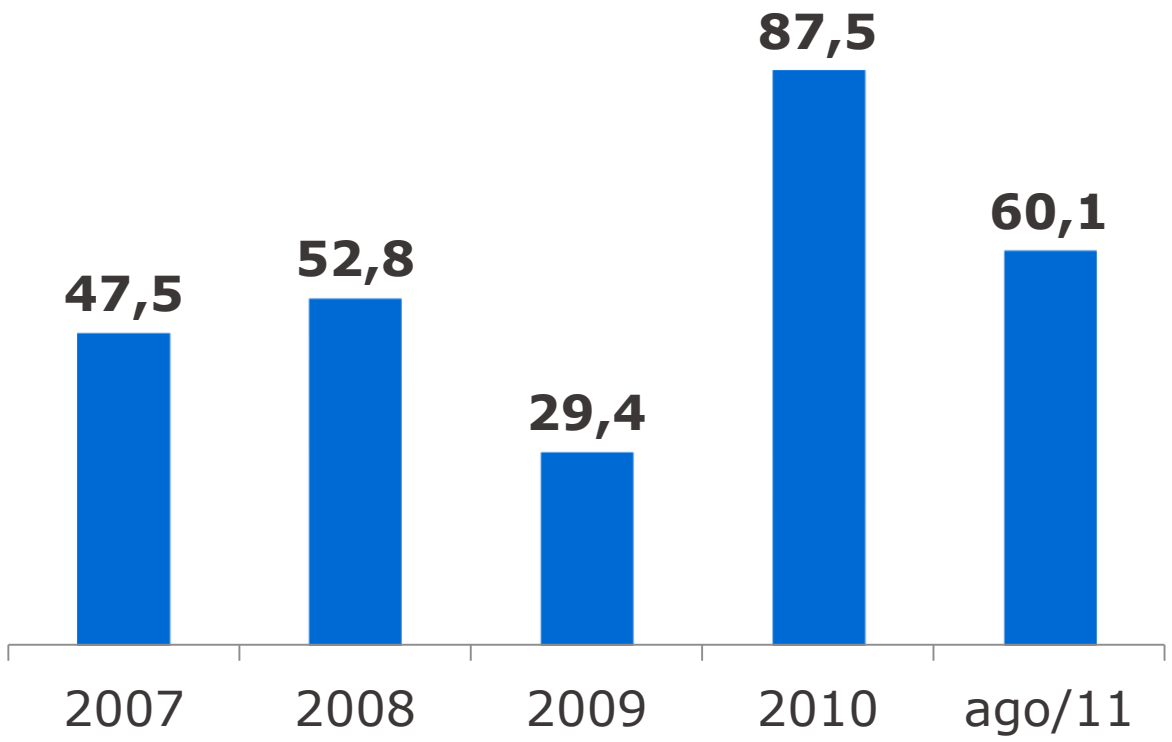
12/30/2010
R$ 10.79

06/30/2011
R$ 12.10

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Remuneração dos Acionistas
(R$ milhões)

Remuneração dos acionistas soma R$ 60,1 milhões em 2011



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Márcio Utsch
Final Comments

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Market expansion

Domestic and international businesses go foward

Alpargatas gains market share