Conference Call 1Q13 Results

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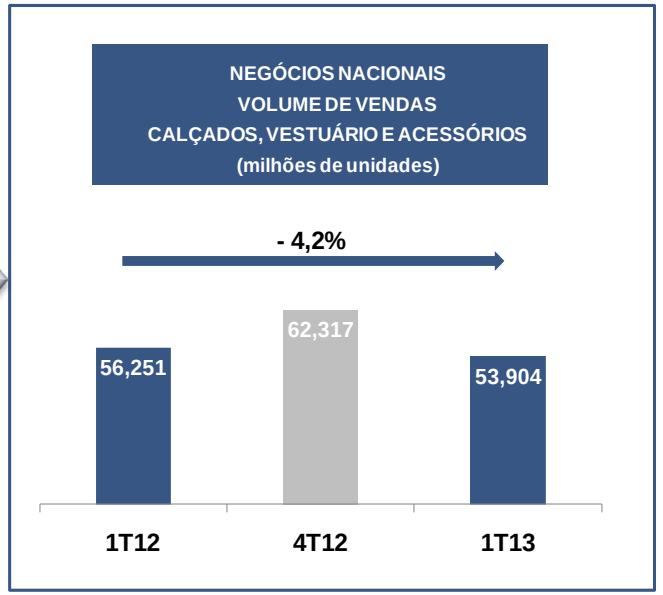
Domestic Operations

Márcio Utsch

Sales Volume

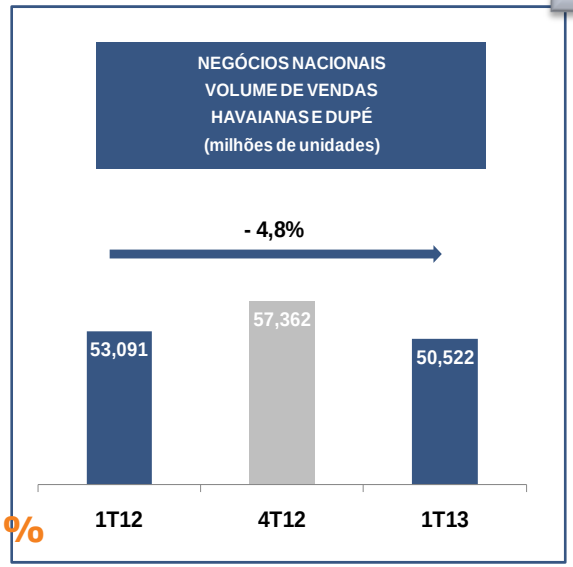
Growth in volume driven by:
- ✓ New products
- ✓ Campaigns
- ✓ Social media





- ✓ Restricted sandal production capacity until inauguration of the news sandals plant in Montes Claros

- ✓ *Força de Havaianas*[(1)]:
  - Spontaneous awareness: 98%
  - Purchase in the last 12 months: 78%
  - Most mentioned brand: 71%



(1) Survey conducted in 1Q13

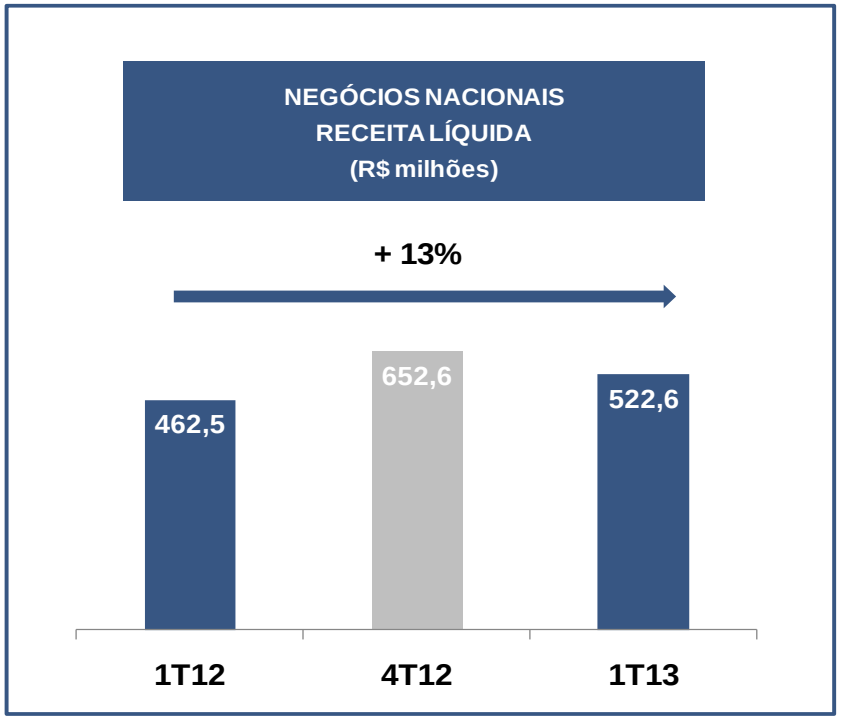
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Net Revenue

Revenue climbed 13%, mainly due to higher volumes, higher average price and a richer mix in sports footwear sales.

Average prices (vs. 1Q12):

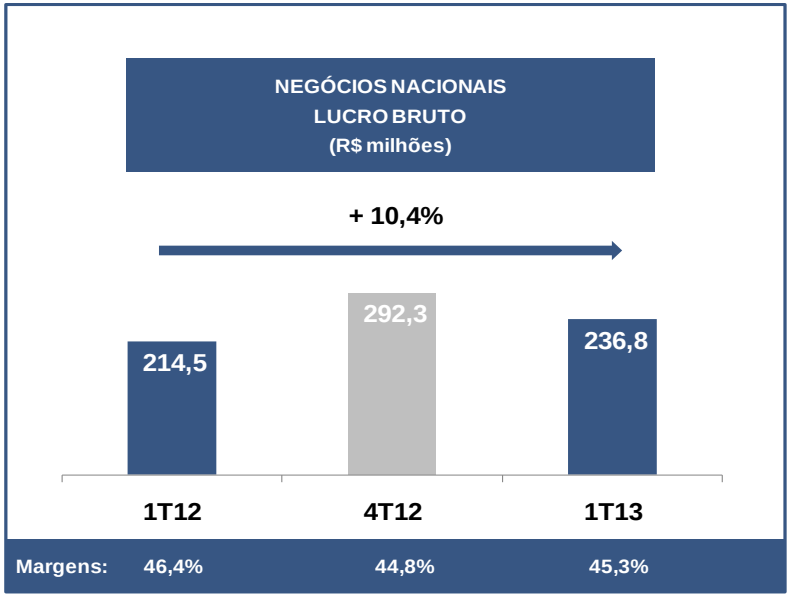
✓Sandals: +3%
✓Sports footwear: from 7.7% to 28%

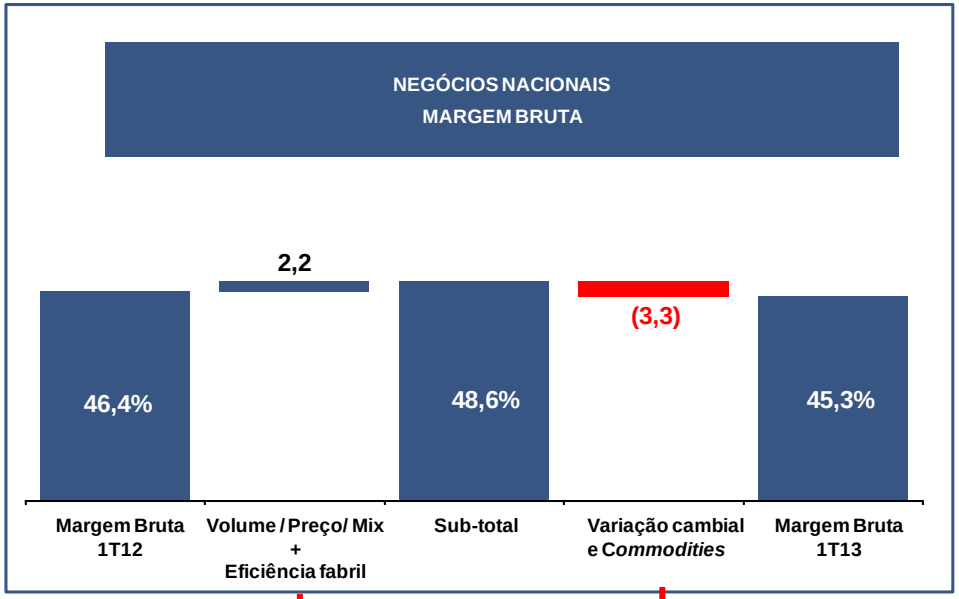


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Gross Profit

Higher volumes, a higher average price and a richer mix made gross profit increase by 10.4% and gross margin reach 45.3%





Benefits from Lean Manufacturing project reflected in the margin

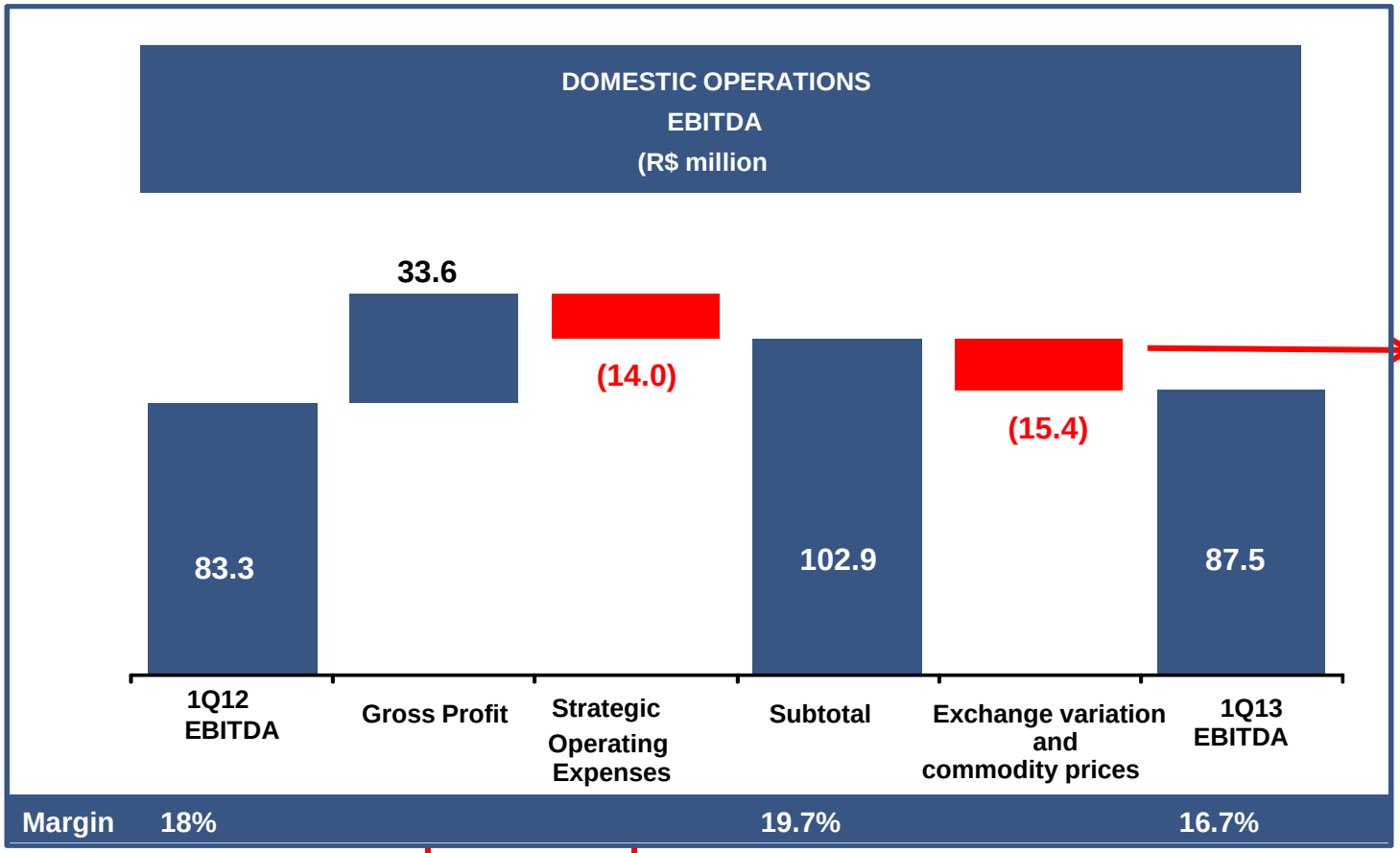
✓ **13% devaluation of the real against the dollar increased cost of commodity raw materials and imported footwear.**

✓ **Higher cost of rubber:**
- **4% vs. 1Q12**
- **26% vs. 1Q11**

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EBITDA

EBITDA grew by 5% and margin reached 16.7%



Higher cost of commodity raw materials and imported footwear

+ Revenue
+ Manufacturing efficiency

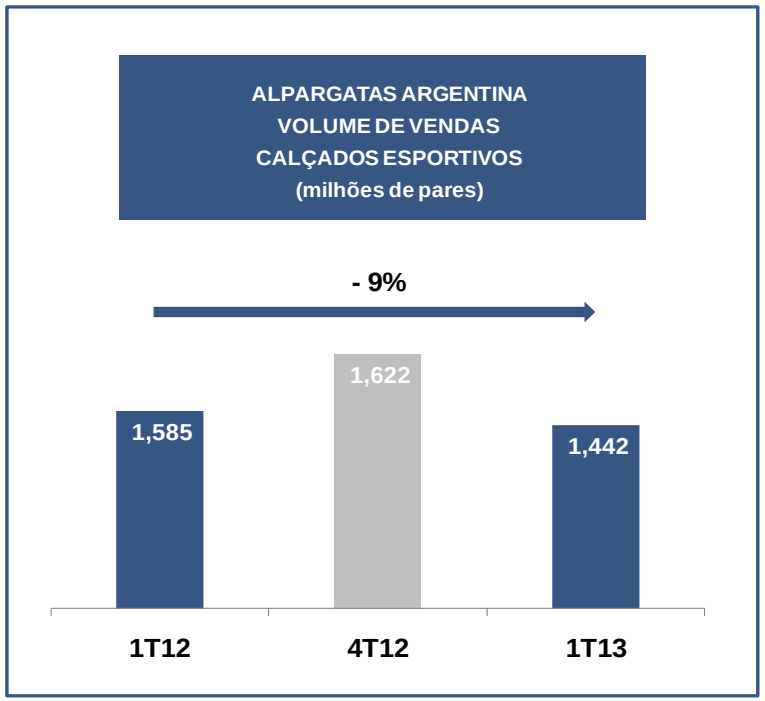
✓ Brand communication
✓ Development and launch of products
✓ Entry in new sporting categories

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Argentina

Sales Volume

Lower sales volume in sports footwear reflects weaker demand



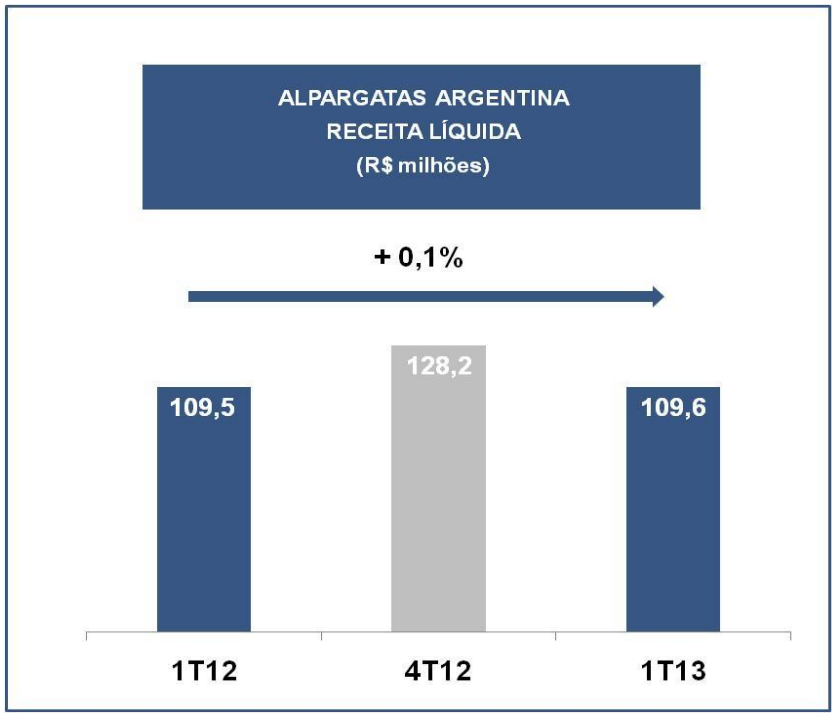
Measures being developed in 2013:

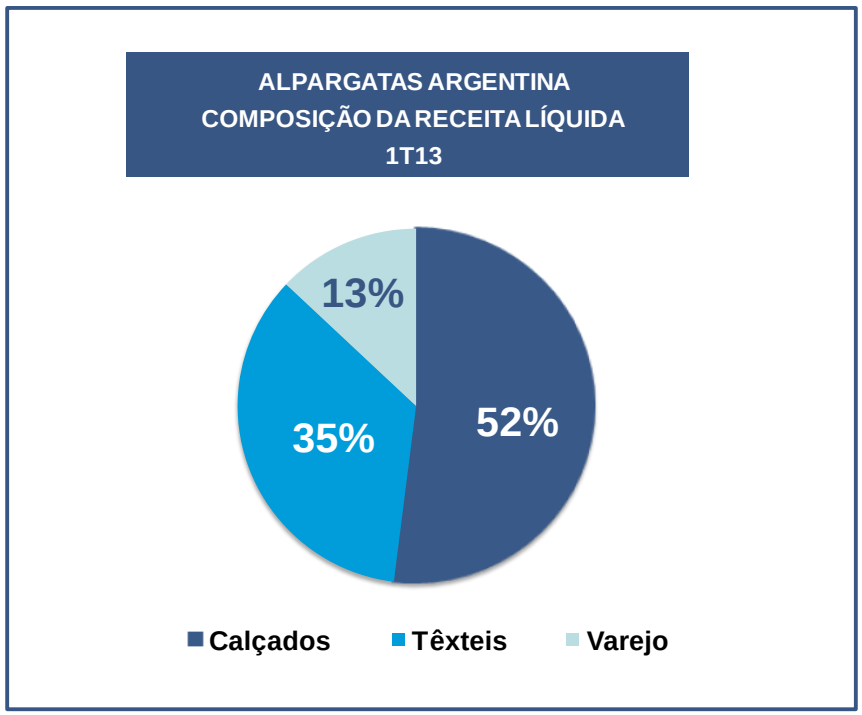
- ✓ Greater variety in sports footwear in existing distribution channels
- ✓ Entry into new channels with an increased number of points of sale
- ✓ The export of some Rainha and Topper models to Brazil
- ✓ Acceleration in Mizuno distribution network

Net Revenue

Net revenue 2.4% higher in Argentinean pesos due to the growth of:

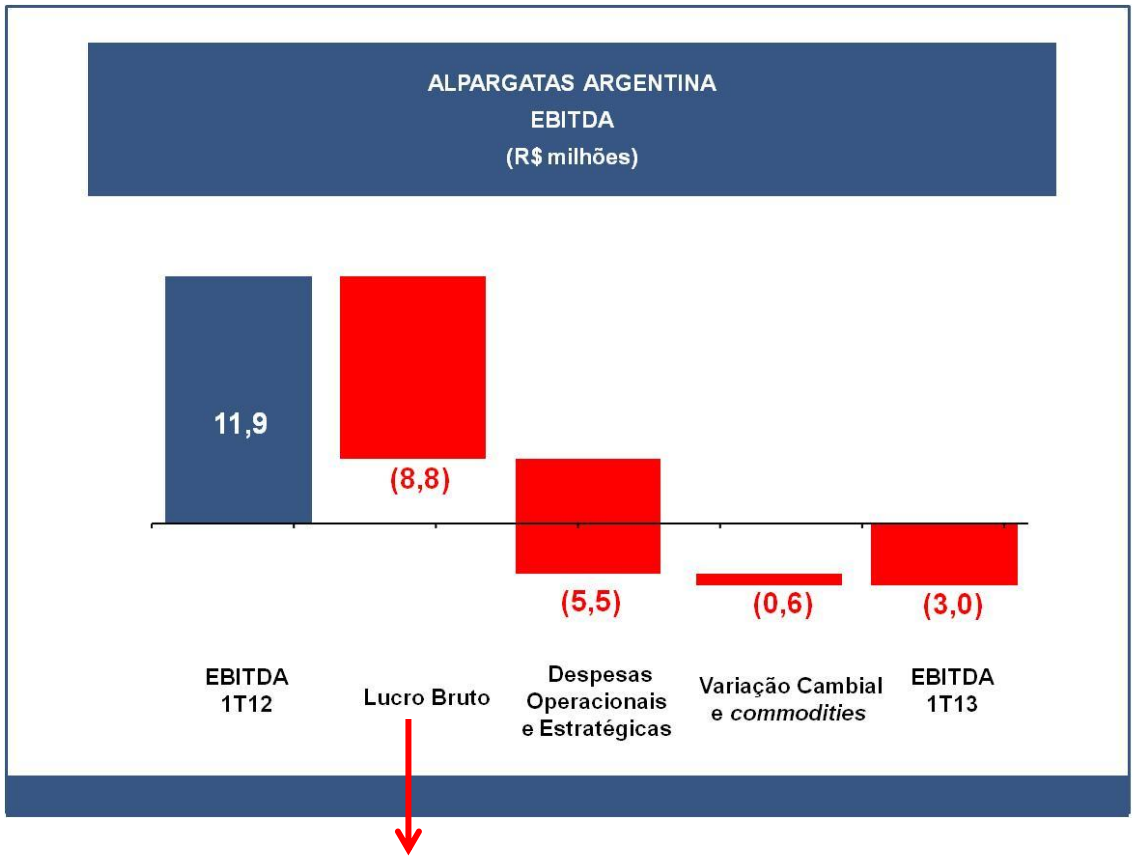
- ✓ textile business (+14%)
- ✓ retail (+58%)





Increase in the revenue in pesos was offset by the devaluation of 2.4% against the real

EBITDA reflected the decline in gross profitability



The Rumbo 38 project should increase gross profitability

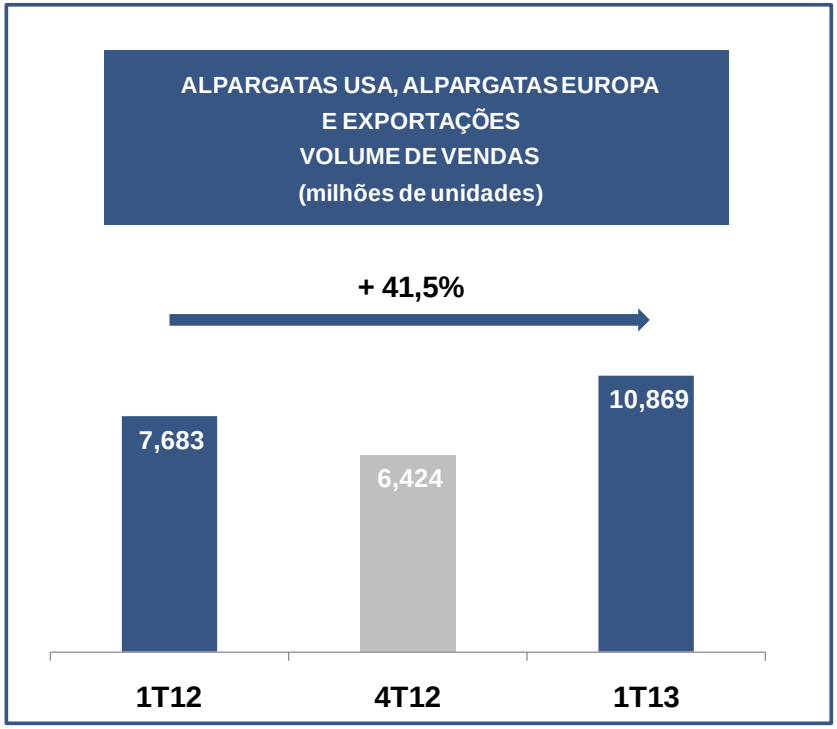
- ✓ Cost-efficient packaging
- ✓ Replacement of production inputs
- ✓ Economy of scale
- ✓ Efficiency in transportation logistics

USA, Europe & Exports

Sales Volume and Revenue

Volume climbed 41.5% led by the sales increases of:
- ✓ 56% in Europe
- ✓ 21% in the United States
- ✓ 38% in exports

Net revenue grew 72.6% due to:
- ✓ prices on average 5% higher in Europe and 7% in the USA
- ✓ richer product mix, particularly in exports to Asia
- ✓ opening of stores in Europe
- ✓ stronger dollar and euro vs. the Brazilian real

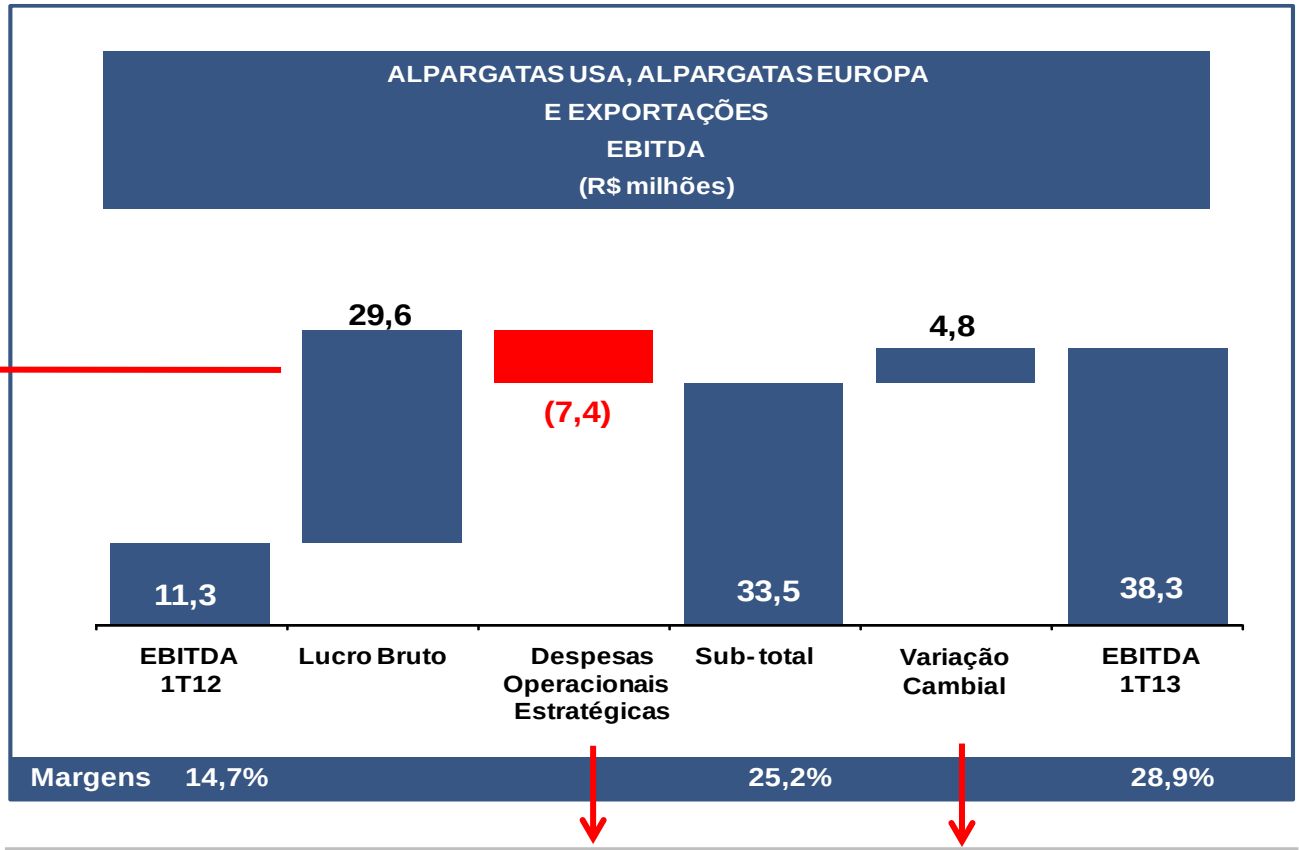




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EBITDA totaled R$38.3 million. The margin of 28.9% reflects productivity gain in operating expenses.

- ✓ Increase in revenue
- ✓ Greater dilution of fixed costs



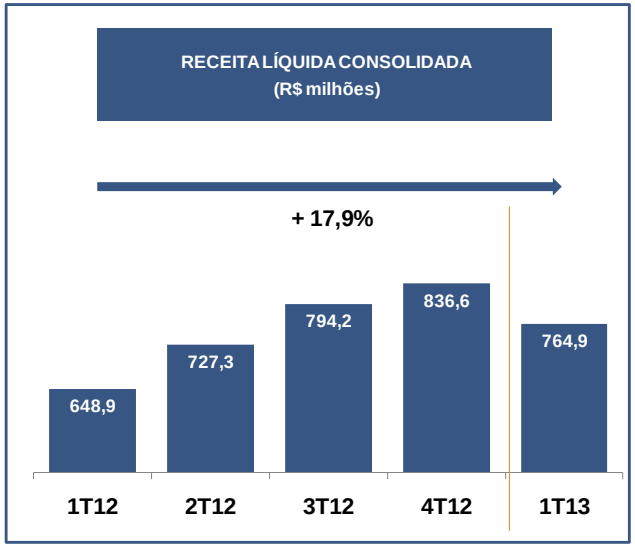
More investments in:
- ✓ Communication
- ✓ Opening of stores

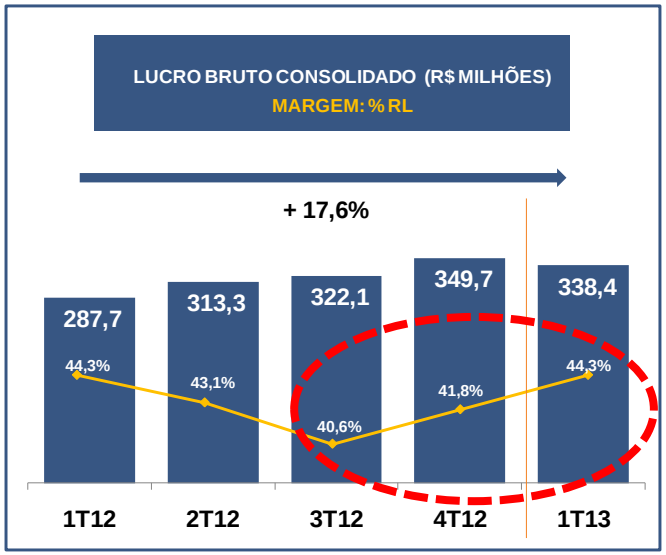
Stronger dollar and euro

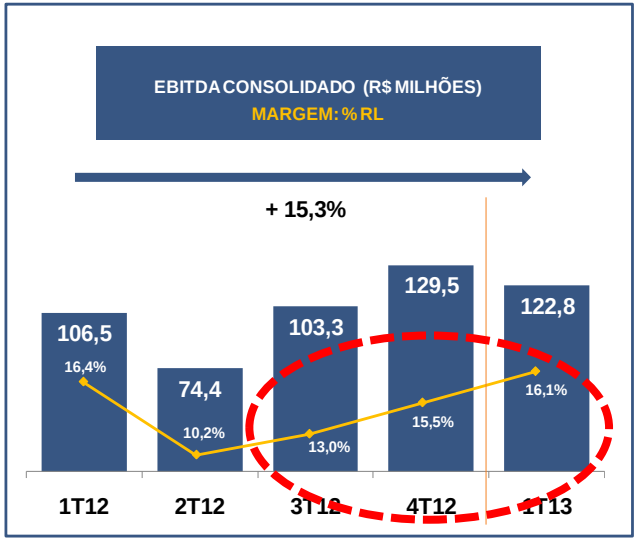
1Q13
Consolidated Results

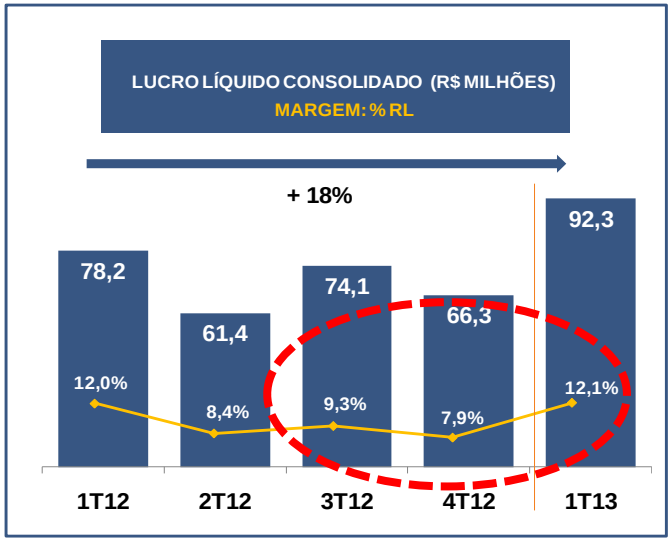
José Roberto Lettiere

Continuation of revenue and profitability growth curves



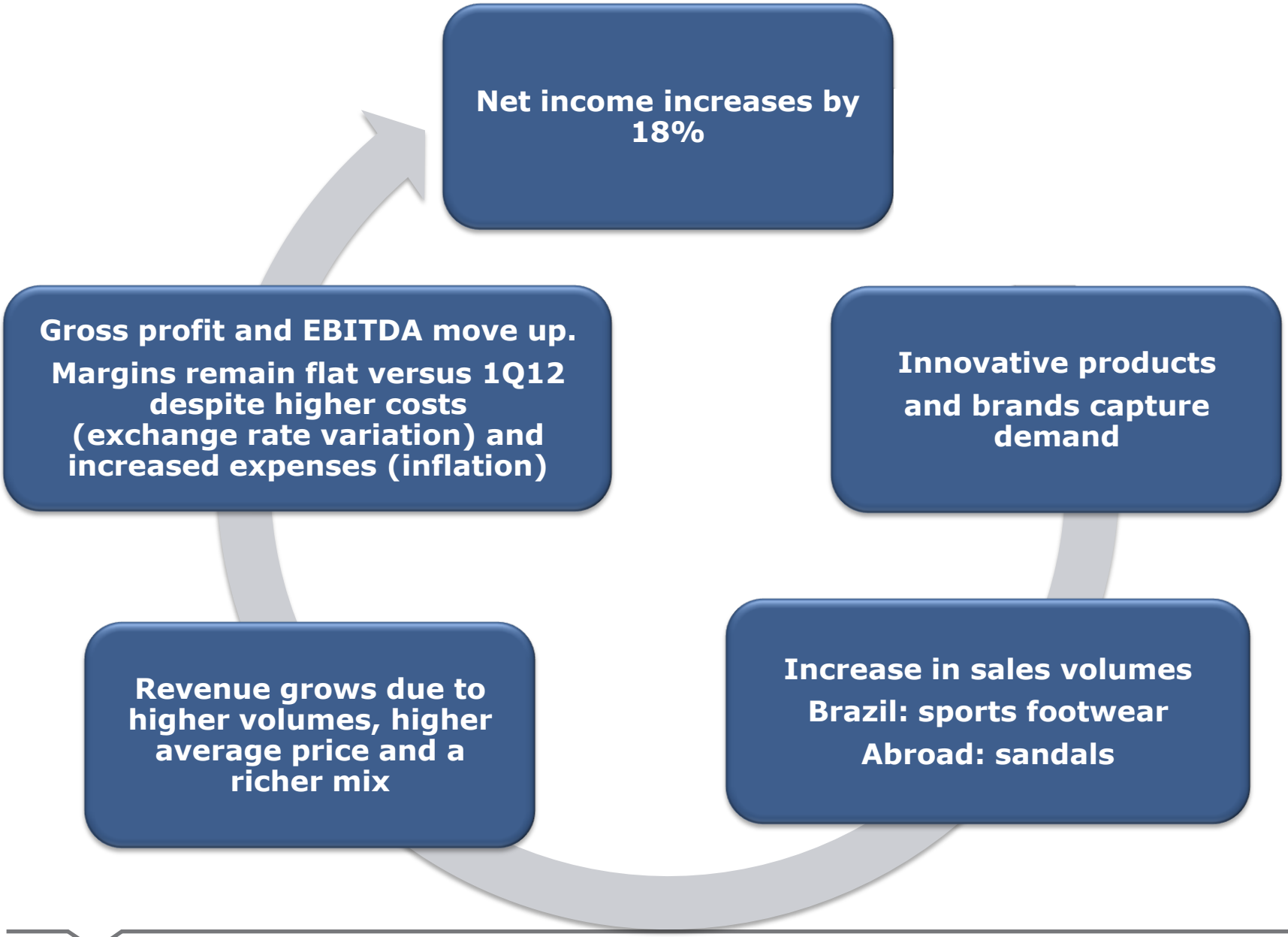






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Flow of the 1Q13 Results

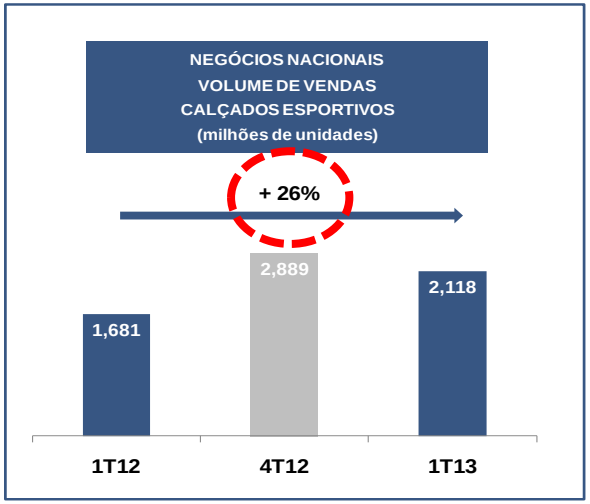


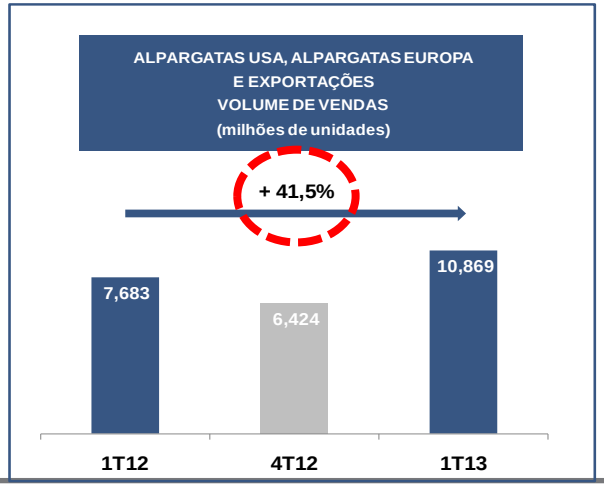
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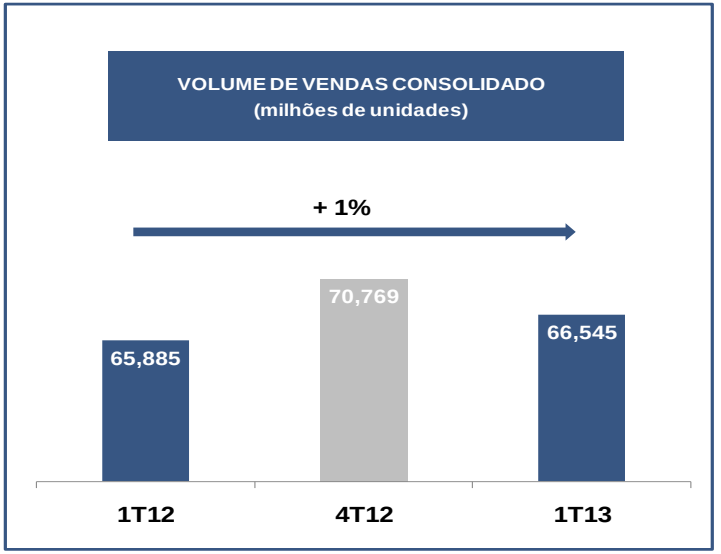
Sales Volume

Innovative products and brands capture demand

Increase in sales volume
Brazil: sports footwear
Abroad: sandals



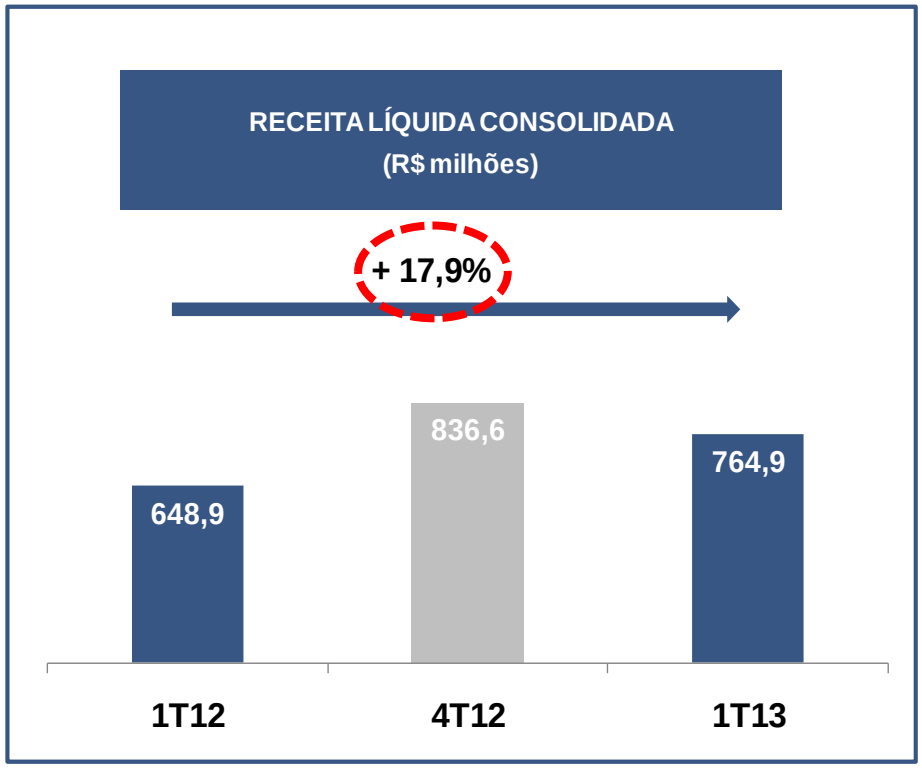




Net Revenue

Increase in sales volume
Brazil: sports footwear
Abroad: sandals

Revenue grows due to higher volumes, higher average price and a richer mix



Average increase in sales prices:

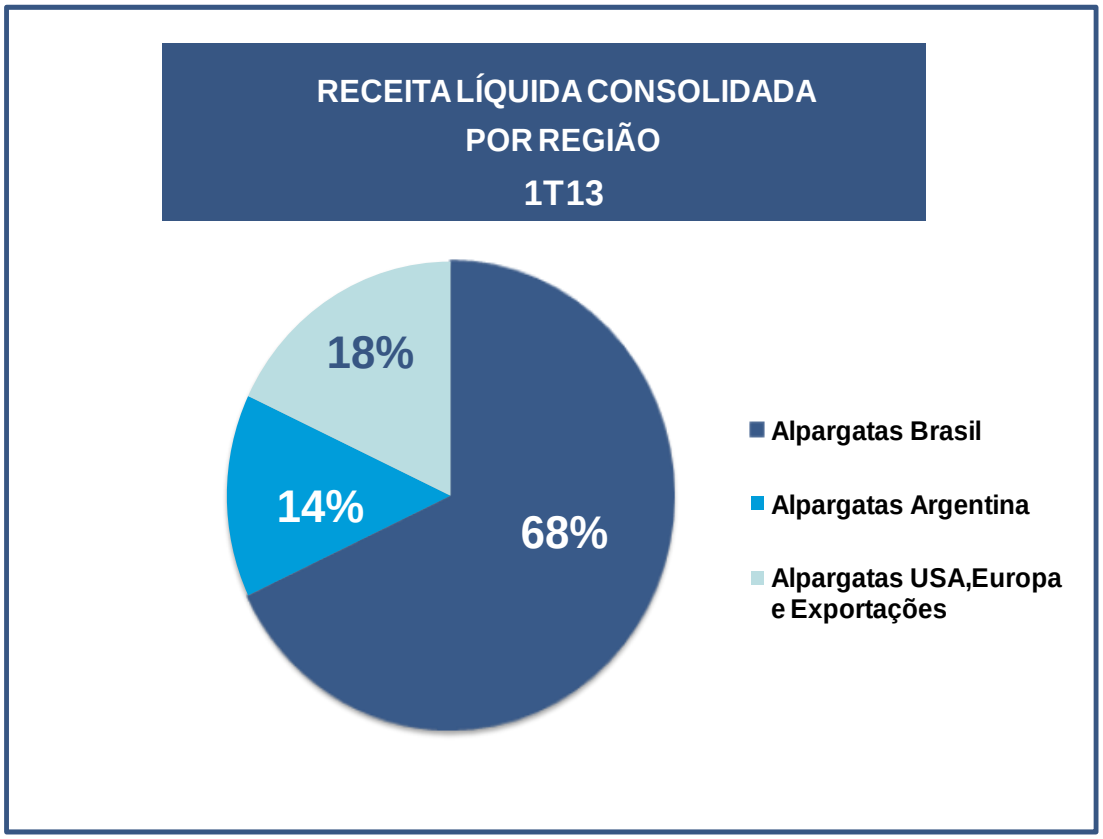
SANDALS:
- ✓ **Brazil: 3% (reais)**
- ✓ **Europe: 5% (euros)**
- ✓ **USA: 7% (dollar)**

SPORTS FOOTWEAR:
- ✓**Brazil: 7.7% to 28%**

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Net Revenue (cont.)

32% of Alpargatas' revenue was generated overseas

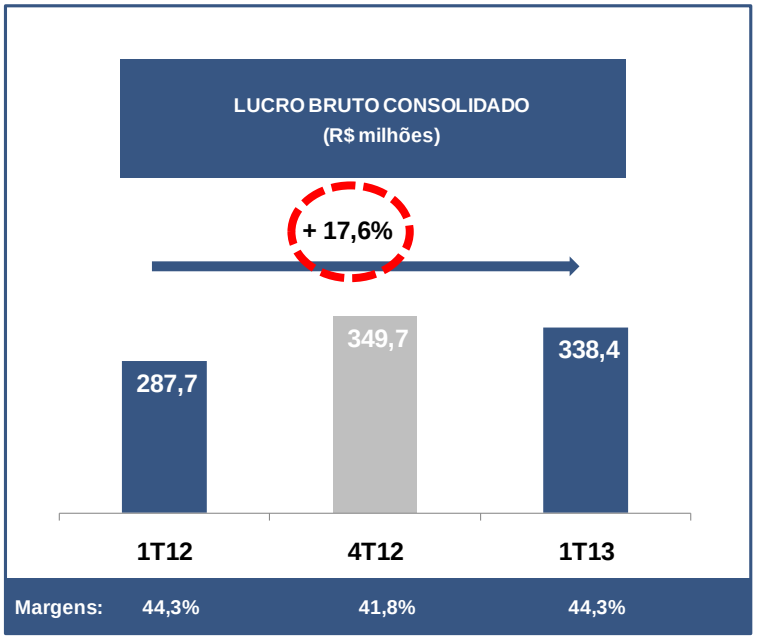


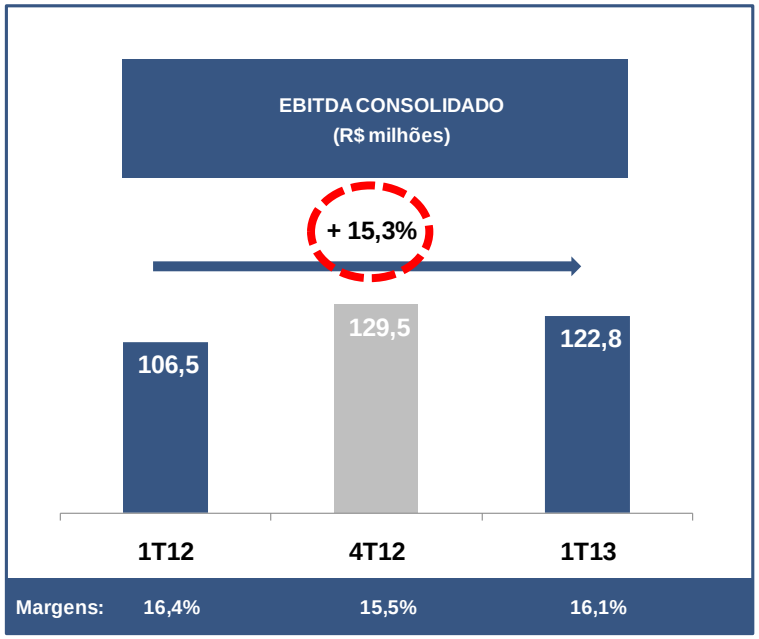
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Gross Profit and EBITDA

Revenue grows due to higher volumes, higher average price and a richer mix

Gross profit and EBITDA move up. Margins remain flat versus 1Q12 despite higher costs (exchange rate variation) and increased expenses (inflation)





Productivity gain in operating expenses benefits the EBITDA margin

- ✓ **1Q12 = 30.3% of net revenue**
- ✓ **1Q13 = 28.9% of net revenue**

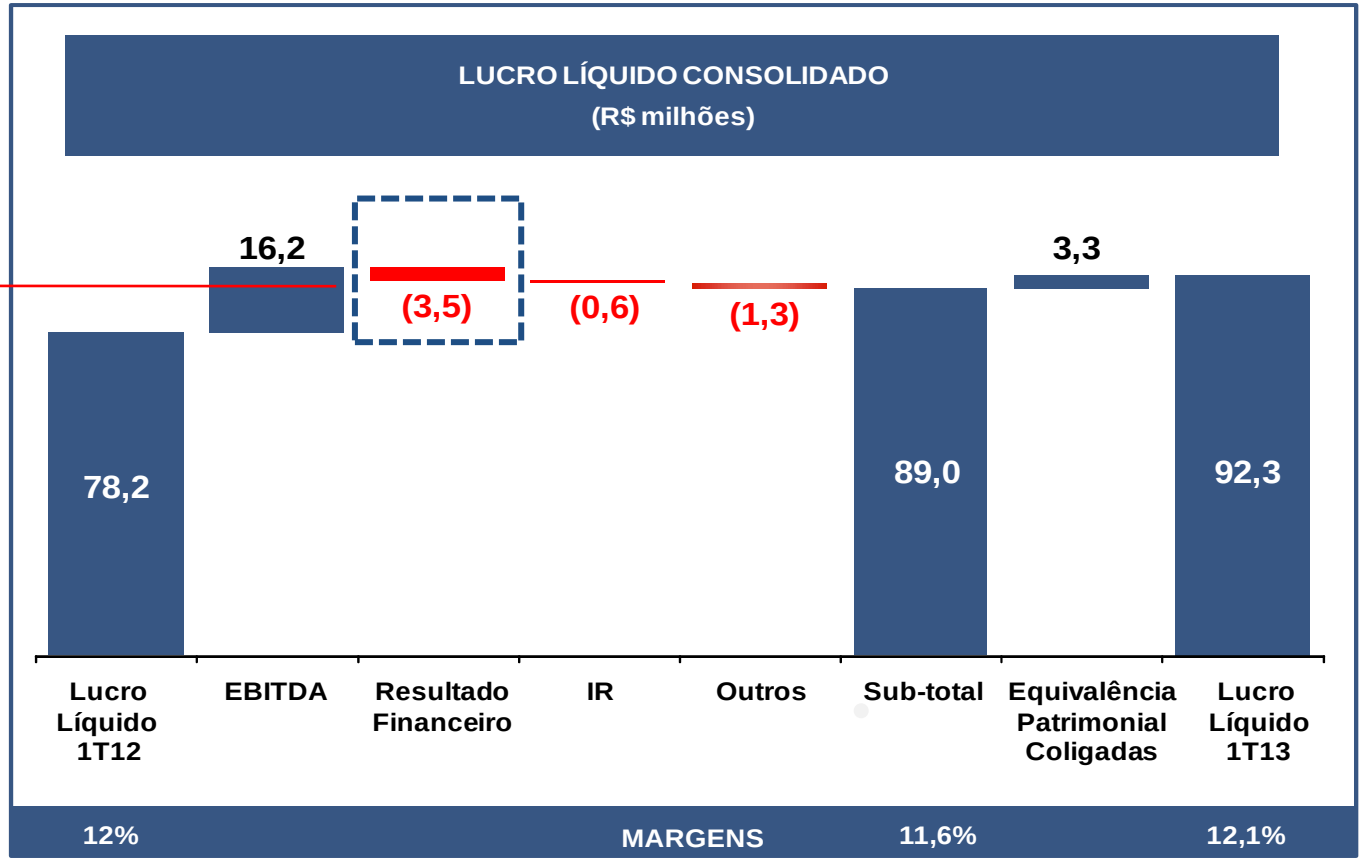
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Net Income

Gross profit and EBITDA move up

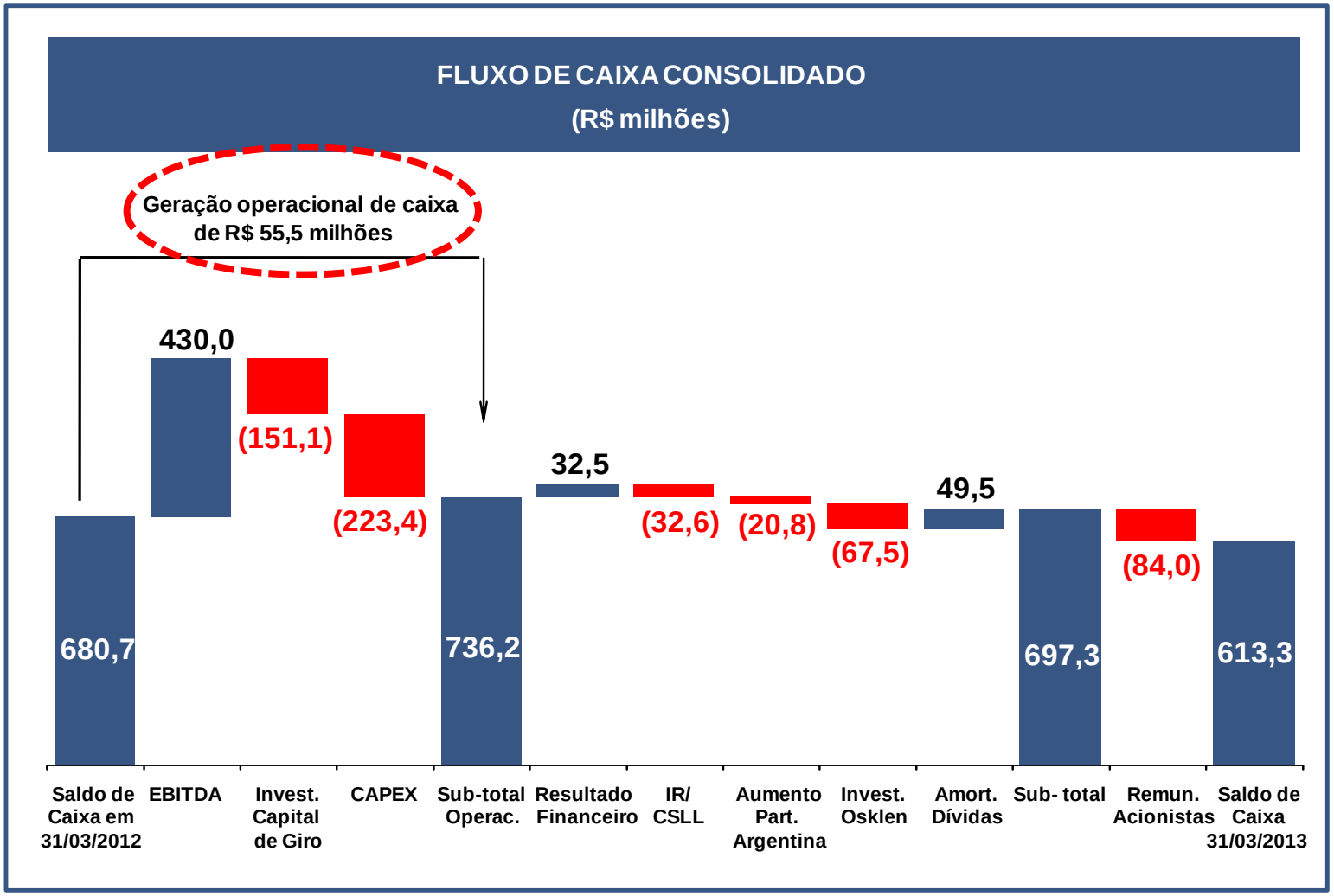
Net income grows 18%

Decrease in interest rates by which cash investments are remunerated



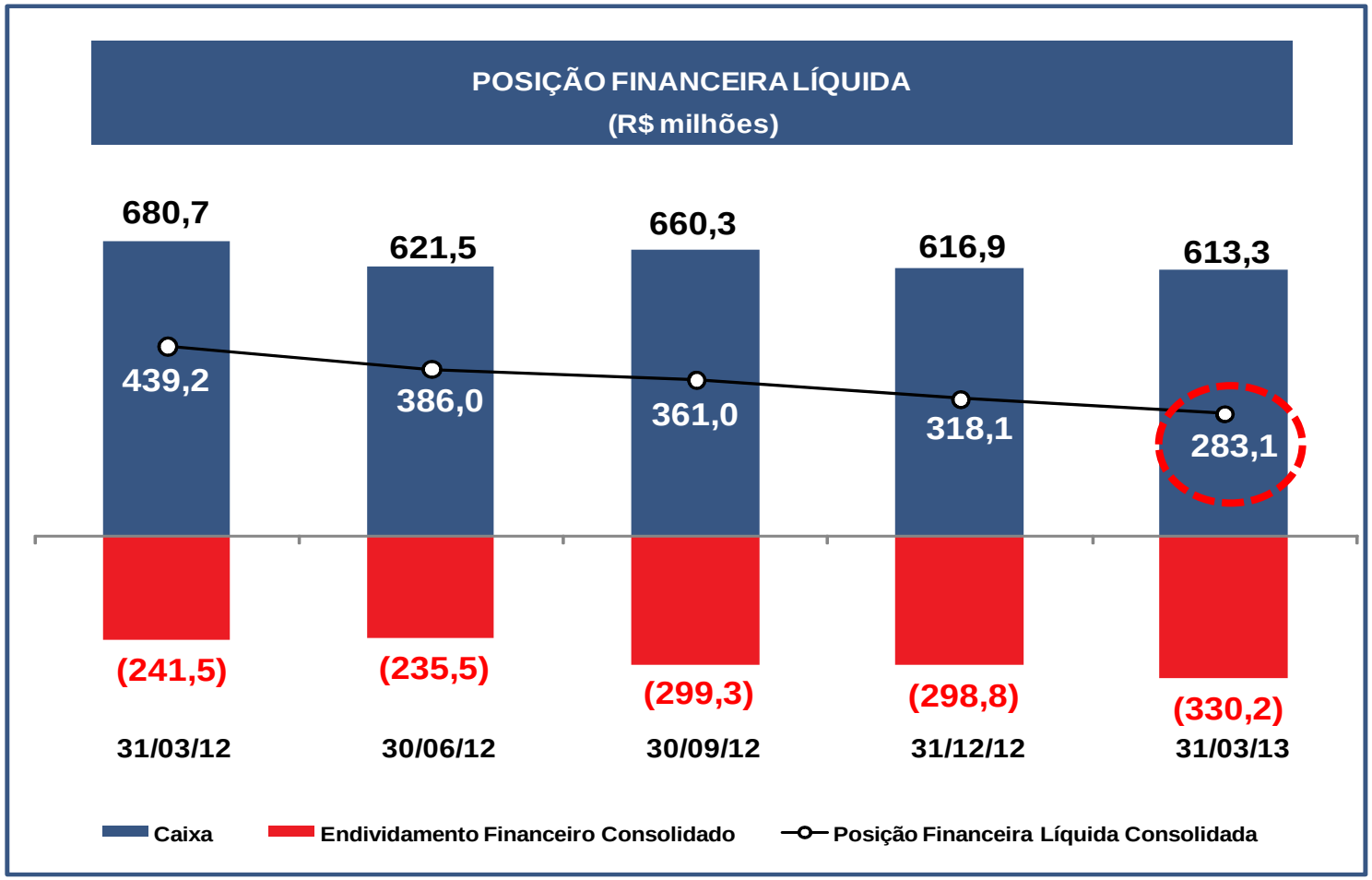
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Operational generation totaled R$55.5 million in 12 months



Net Financial Position

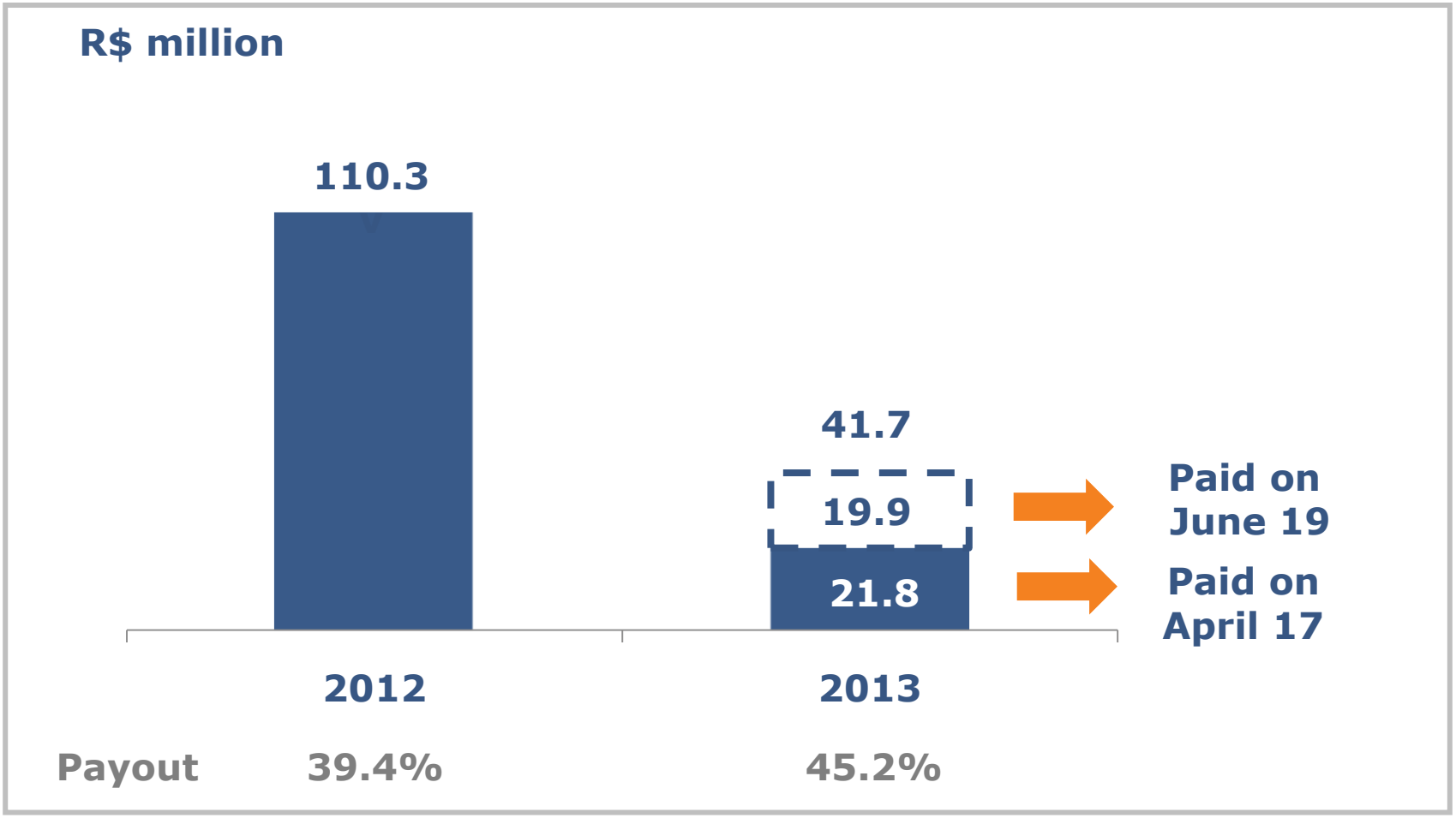
Financial solidity continues being a strength of Alpargatas



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Remuneration for Shareholders

Remuneration for shareholders totals R$41.7 million year to date



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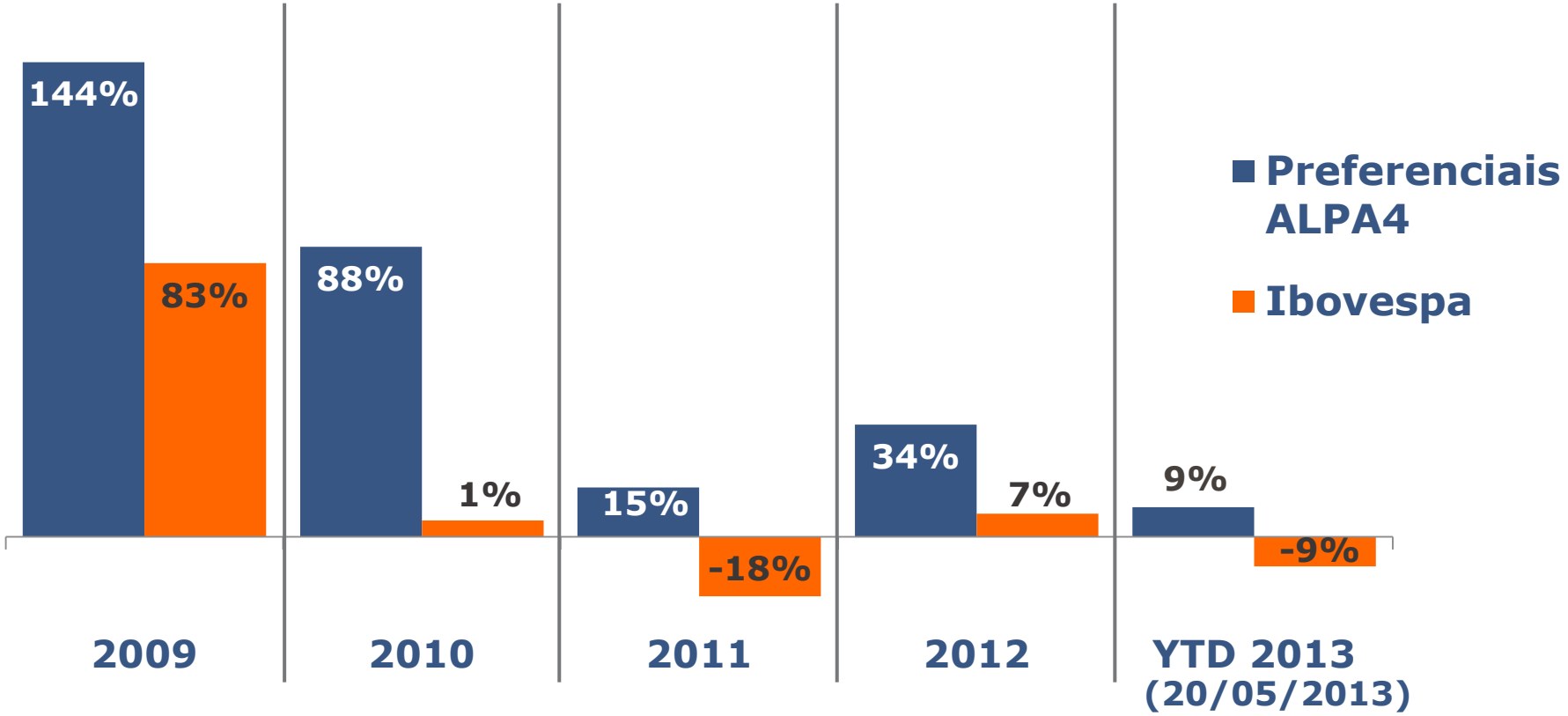
Remuneration for Shareholders

A bonus of 10 shares for every 100 shares complements remuneration for shareholders

- ✓ **Number of new shares: 38,880,147**
- ✓ **Bonus' unit cost: R$1.60626748736**
- ✓ **Ex-bonus: April 25th**
- ✓ **Credit of the new shares: April 30th**
- ✓ **Auction of fractions: Trading floor of May 10th**
- ✓ **Payment of fractions to shareholders: May 17th**

Share Performance

Year to date, ALPA4 has performed better than Ibovespa (Bovespa Index)

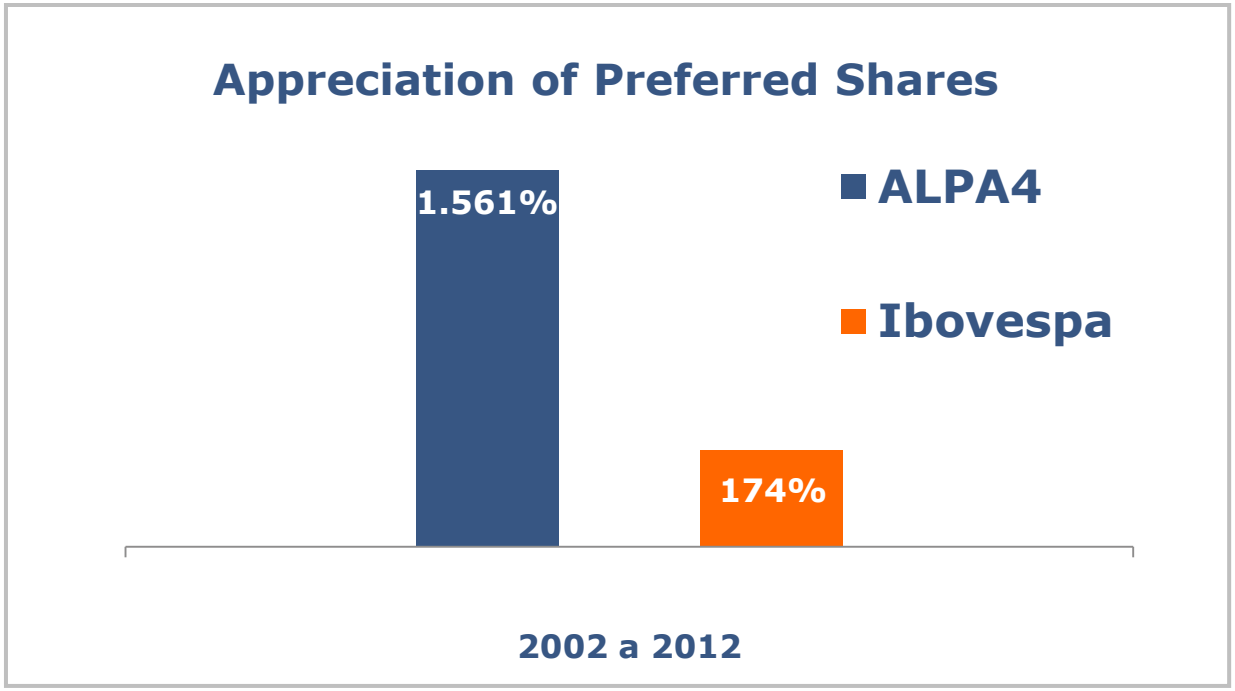


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100th anniversary as a publicly-traded company

✓ In 2013, Alpargatas celebrates 100 years since its IPO;

✓ The Company has developed solid relationships with shareholders based on respect, transparency, and accountability.



BM&FBOVESPA
A Nova Bolsa

NÍVEL 1
BM&FBOVESPA

Average appreciation of ALPA4: 32% per year

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Final message

Márcio Utsch