

	Cement	Energy Concessions	Highway Concessions	Engineering and Construction	Apparel and Footwear	Real Estate Development	Shipbuilding
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Havaianas Store,
São Paulo (SP)

Apparel and Footwear

Cement

Energy
ConcessionsHighway
ConcessionsEngineering and
ConstructionApparel and
FootwearReal Estate
Development

Shipbuilding

Camargo Corrêa Group also operates in apparel, footwear, and accessories through Alpargatas S.A., which manages brands associated with innovation, design, technology, and communication: Havaianas, Dupé, Topper, Rainha, Mizuno, Timberland, and Sete Léguas.

The share price appreciation of over 15% and the 23% return on capital are unquestionable signs of Alpargatas' success in 2011. These earnings stem from a consistent business strategy systematically carried out by an excellence-driven team that is grabbing the favorable opportunities of increased domestic consumption in Brazil.

Alpargatas' strategy to be a manager of leading brands is to consolidate its leadership on the Brazilian footwear market, to expand internationally, and to increase the product offer, both in apparel and footwear. The company intends to go global in apparel and footwear, relying on a solid retail chain of its own.

To sustain this strategy, Alpargatas invests about 2% to 3% of its revenue every year in research, design, and development. It also invests significant amounts in point of sale materials and advertising campaigns to highlight the brands' qualities.

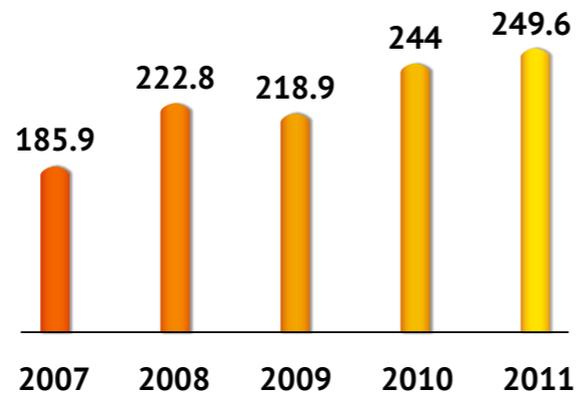


Shirleide Azevedo da Silva, Alpargatas factory in Campina Grande (PB)

Alpargatas has all elements required to fulfill its vision. It has 17.6 thousand skilled and motivated employees, and has established a history of success in development and management of brands and consolidated its internal processes. In 2011, the company conducted several structuring projects to sustain its pace of growth, including new logistical and industrial sourcing processes, a global management platform, and the Global Financial Planning (Prophyx). Moreover, it has a sound financial balance allowing to search for opportunities to acquire leading brands in Brazil and abroad.

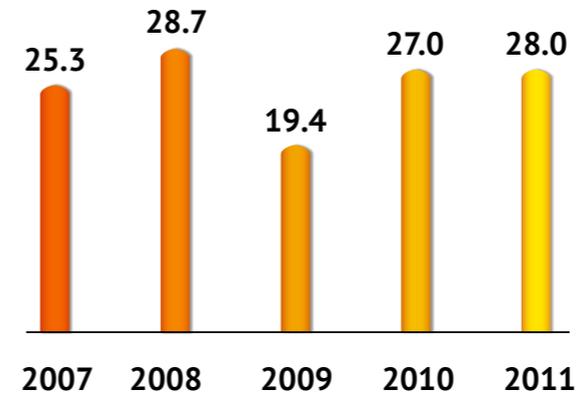
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Consolidated Sales
(million units)*



*Footwear, apparel, and accessories

Exports
(million pairs)



Business in 2011 combined the sustained high demands and challenges, such as the 40% raise in the price of raw material (rubber) and the workers' collective bargaining resulting in average salary increase of 16%, which was well above the inflation in the period.

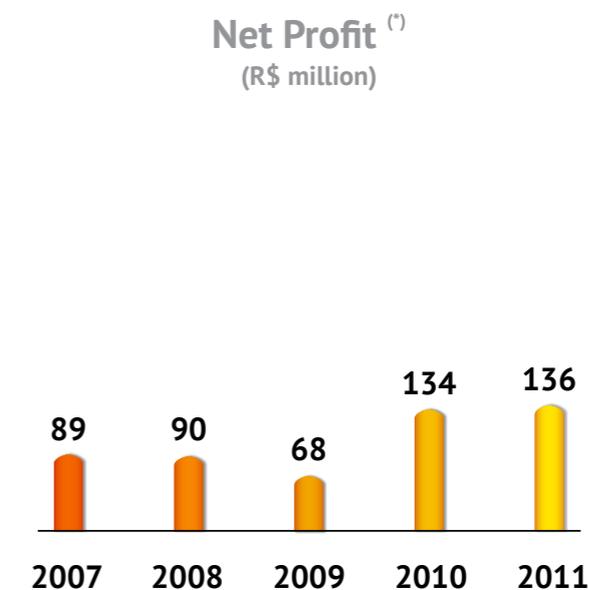
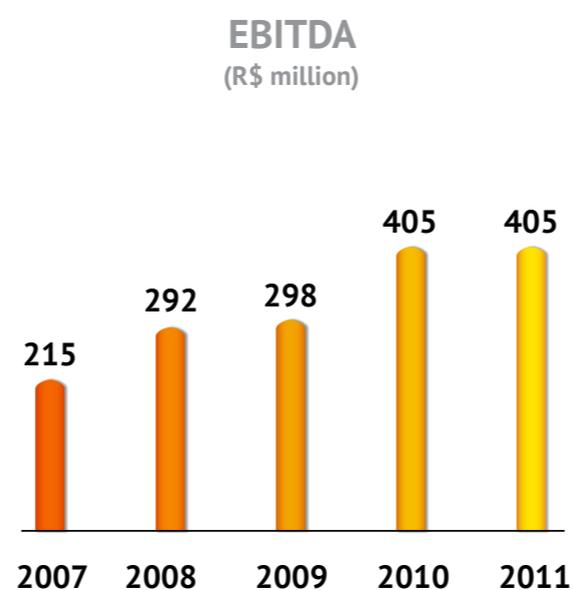
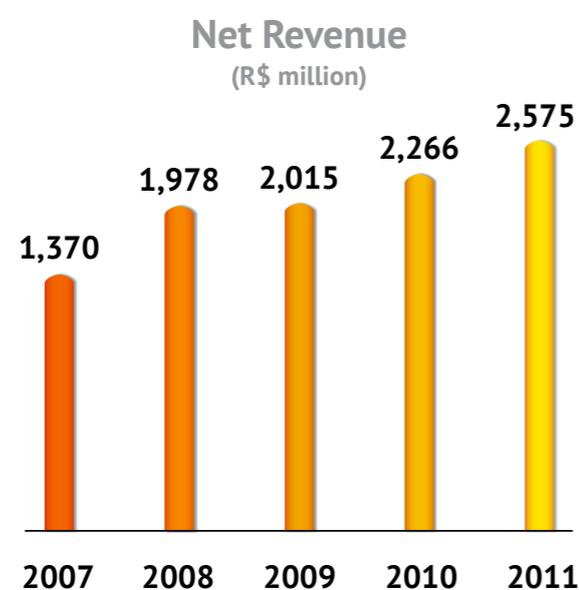
In 2011, important steps were taken in line with Alpargatas' internationalization strategy: the company started to export to India, Pakistan, China, and Indonesia; Topper stores were inaugurated in the main shopping malls of Buenos Aires, and by the year's end there were six Havaianas stores in London, Paris, New York, Rome, Barcelona, and Valencia. To support such universalization, the company changed its visual identity by

adopting a modern logo and removing the "São Paulo" wording from its name, which is now simply Alpargatas S.A.

From these actions, the Company sold in the year 222.6 million pairs and 16.8 million apparel items. Exports amounted to 28.0 million pairs, up from the 27.0 million in the previous year.

This performance provided Alpargatas with net revenue of R\$ 2,575 million, up 13.6% over 2010. Cash flow, as measured by EBITDA (earnings before interest, taxes, depreciation, and amortization) reached R\$ 405 million (15.7% margin), which is stable over the previous year (2010), and the net profit was R\$ 136 million.

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(*) Values are proportional to Camargo Corrêa Group's shareholding interest in Alpargatas

Outlook

Despite expectations of harder macroeconomic conditions for 2012, especially on mature markets, Alpargatas will remain focused on sustaining its brands, and may embrace other brands through acquisitions. In Brazil, the growth strategy involves actions aimed at each brand. The initiatives for sandals – to consolidate Havaianas as a dominant brand, and expand Dupé's brand awareness where Havaianas is not present – will be backed up by the inauguration of a plant in Montes Claros (MG) in the second half of 2012. The company will expand by 30%-40% the sandal output capacity, which today is 252 million pairs/year. On international markets, the Company will continue to strengthen its operations to pursue, through geographic expansion, the results that are increasingly more important in sales.