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TOUCH

4Q17 RESULTS

4Q17 HIGHLIGHTS

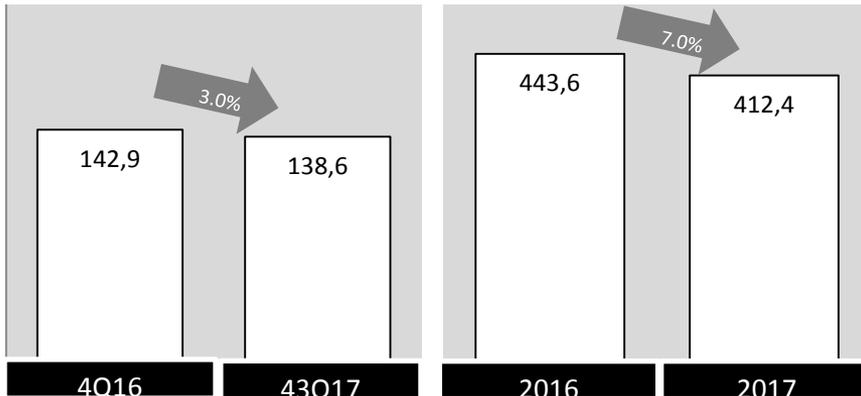


- Net Revenue** ➤ Gross Revenue reached R\$138.6 million, showing signs of recovery compared to the last quarters;
- Classic Brands** ➤ Revenue from the Classic category increased by 1.3% and the category's share increased by 1.7 p.p., driven by the launch of Technos Connect 3.0;
- Working Capital** ➤ Lowest level of working capital in the last five years, with a reduction of 55 days;
- Net debt** ➤ A decrease of 25.0%, or R\$25.8 million, in net debt in 4Q17 compared to 4Q16;
- Non-recurring adjustment of accounting provisions** ➤ Non-recurring adjustment of accounting provisions with increases of R\$6.1 million in the provision for obsolete inventories and R\$12.8 million in the provision for impairment of trade receivables, reversal of provisions for labor contingencies in the amount of R\$5.0 million and reversal of provisions for tax contingencies in the amount of R\$11.0 million;
- Adjusted EBITDA** ➤ Excluding the effect of provisions, Adjusted EBITDA increased by 20.2% in 4Q17 versus 4Q16.

GROSS REVENUE



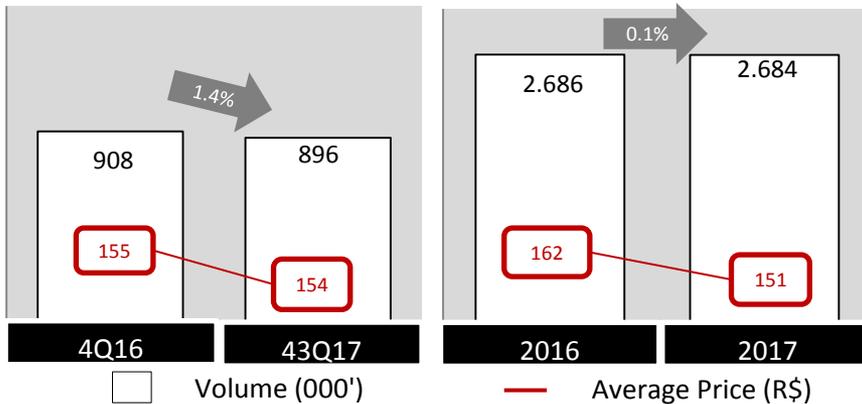
GROSS REVENUE



Gross Revenue:

- R\$ 138.6 million (-3.0%) in 4Q17
- R\$ 412.4 million (-7.0%) in 2017

VOLUME OF WATCHES VS. AVERAGE PRICE



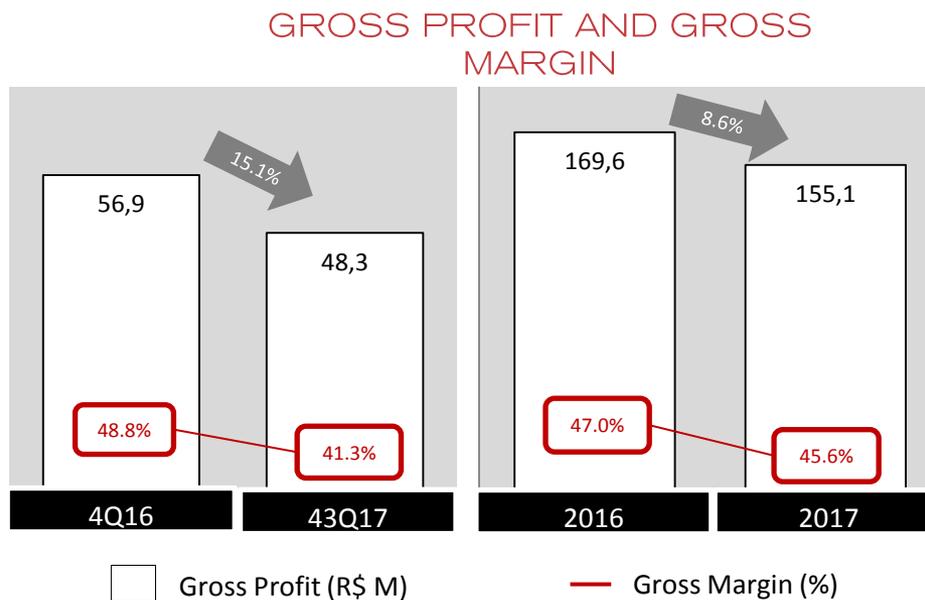
Volume:

- 896 thousand (-1.4%) in 4Q17
- 2.684 million (-0.1%) in 2017

Average Price :

- R\$ 154 (-0.8%) in 4Q17
- R\$ 151 (-6.6%) in 2017

GROSS PROFIT AND GROSS MARGIN



Gross Profit:

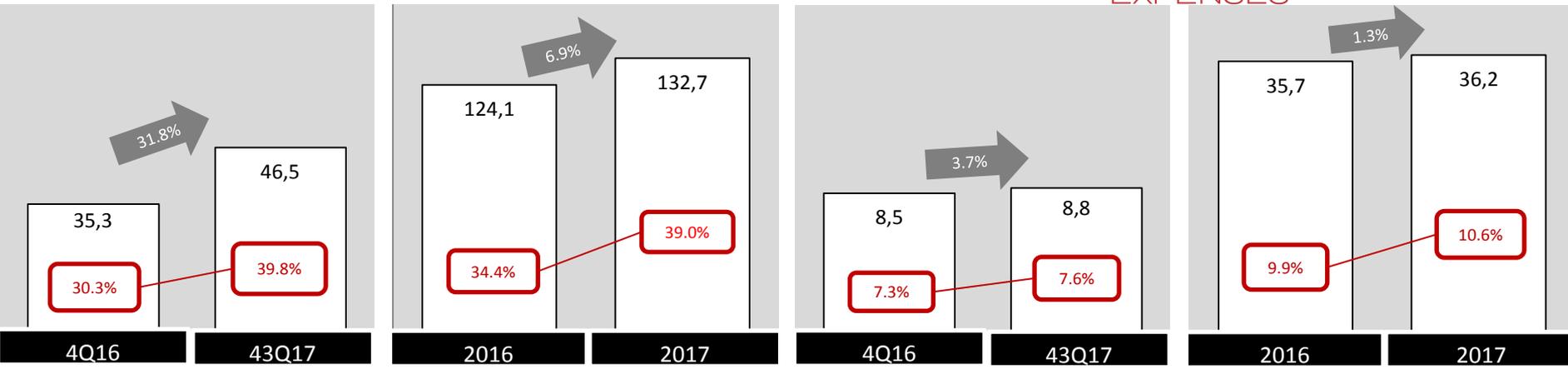
- R\$ 48.3 million (-15.1%) in 4Q17
- R\$ 155.1 million (-8.6%) in 2017

Gross Margin :

- 41.3% (-7.5 p.p.) in 4Q17
- 45.6% (-1,4 p.p.) in 2017

SALES EXPENSES

ADMINISTRATIVE EXPENSES



Sales Expenses (R\$ M)
 Net Revenue (%)
 Administrative expenses (R\$ M)
 Net Revenue (%)

Sales Expenses :

- R\$ 46.5 million (+31.8%) in 4Q17
- R\$ 132.7 million (+6.9%) in 2017

Administrative Expenses :

- R\$ 8.8 million (+3.7%) in 4Q17
- R\$ 36.2 million (+1.3%) in 2017

R\$ million	4Q16	Days	4Q17	Days
(+) Accounts Receivable	219.6	219	191.6	203
(+) Inventories	125.9	237	105.6	205
(-) Accounts Payable	32.5	61	35.0	68
(=) Working Capital	313.0	395	262.2	340

- Accounts Receivable : -16 days
- Inventories : -32 days
- Accounts Payable : +7 days
- Total Working Capital : -55 days

NET CASH



R\$ million	4Q16	3Q17	4Q17
Gross Debt	(120.0)	(89.2)	(92.0)
(-) Cash	17.0	12.0	14.8
(=) (Debt)/Net Cash	(103.0)	(77.2)	(77.2)

- Compared to the same period in 2016, there was an decrease of 25.0%, or R\$25.8 million
- Compared to 3Q17, there was an increased of cash flow of R\$2.8 million or 18.9%

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