SPRINGS GLOBAL

Springs Global: EBITDA reaches R$ 63.5 million, with a 35.4% growth

São Paulo, April 19th, 2016 - Springs Global Participações S.A. (Springs Global), the Americas' largest company in bedding, tabletop and bath products, reported in the first quarter of 2016 (1Q16) growth of 9.9% in net revenue, which totaled R$ 602.6 million, and continued its course of margin expansion.

The highlights of Springs Global's performance in 1Q16 were:

- Net revenue of R$ 602.6 million, 9.9% higher than the first quarter of 2015 (1Q15)
- Gross margin of 26.3%, with a 1.3 percentage point (pp) expansion against 1Q15
- EBITDA[(a)] of R$ 63.5 million, with a year-over-year (yoy) increase of 35.4%
- EBITDA margin of 10.5%, against 8.6% in 1Q15
- Income from operations amounted to R$ 43.9 million, 65.7% higher yoy
- Net result negatively impacted by the Brazilian real devaluation against the US dollar, which resulted in net exchange rate variation of R$ 14.4 million in 1Q16 and a variation of R$ 35.7 million yoy
- EBITDA margin improvement in all business units
- Rebalancing of the capital structure with a new credit line of up to US$ 63 million, to be paid in five years, in the North America – Wholesale business unit
- Growth of 6.2% yoy in the average sell-out revenue per store in the business unit South America - Retail

in R$ million	1Q16 (A)	1Q15 (B)	(A)/(B) %
Gross revenue	726.7	662.4	9.7%
Net revenue	602.6	548.3	9.9%
Gross profit	158.5	137.0	15.7%
Gross Margin %	*26.3%*	*25.0%*	*1.3 p.p.*
EBITDA	**63.5**	**46.9**	**35.4%**
EBITDA Margin %	*10.5%*	*8.6%*	*2.0 p.p.*
Income from operations	**43.9**	**26.5**	**65.7%**
Number of stores	220	232	(5.2%)

Table 1 – Key financial indicators

The financial and operational information presented in this release, except when otherwise indicated, is in accordance with accounting policies adopted in Brazil, which are in accordance with international accounting standards (International Financial Reporting Standards – IFRS)

About Springs Global

Springs Global is the America's largest company in bedding, tabletop and bath products, with traditional and leading brands in the segments in which it operates, strategically positioned to target customers of different socioeconomic profiles. Springs Global operates vertically integrated plants, with high degree of automation and flexibility, located in Brazil, United States and Argentina.

BM&FBovespa: SGPS3

As of 03/31/2016:

Closing share price: R$ 3.31

Market cap: R$ 165.5 million

Conference call

Date: 04/20/2016
Time: 2 pm São Paulo time / 1 pm New York time / 6 pm London time

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To access the webcast **click here** or access the website **http://www.springs.com/ri**.

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Revenue

The consolidated net revenue reached R$ 602.6 million in 1Q16, 9.9% higher than 1Q15, positively impacted by the exchange rate effect in the Company´s revenues in US dollars that more than offset lower sales volume.

We are increasing our market share in the Brazilian market, mainly due to the substitution of imported products, which lost their competitiveness as a result of the Brazilian real devaluation.

The South America – Wholesale business unit will increase its exports by substituting the imports of some Asian components of the North America – Wholesale business unit with Brazilian products. The long purchase cycle for retailers, which is approximately one year long, enables us to work on export opportunities to retailers for delivery in 2017 onwards.

South America represented 57% of total revenue in 1Q16, while North America represented 43% of total revenue.

The Bedding, Tabletop and Bath ("CAMEBA")[b] line was responsible for 46% of 1Q16 revenue, the utility bedding line[c] for 34%, and intermediate products[d] for 10%.

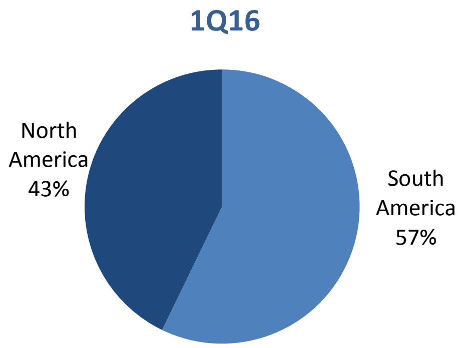

Chart 1 – Revenue per region

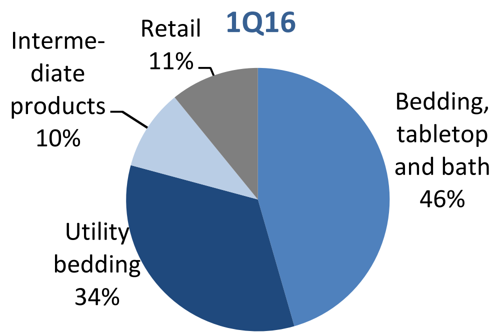

Chart 2 – Revenue per product line

Costs and Expenses

The cost of goods sold (COGS) was R$ 444.1 million in 1Q16, with a yoy increase of 8.0%, and represented 73.7% of net revenue.

The main raw materials are cotton and polyester that, together with chemicals, packaging and trims, are included in materials costs, which amounted to R$ 287.3 million in 1Q16, with a 12.0% yoy expansion, mainly due to exchange rate.

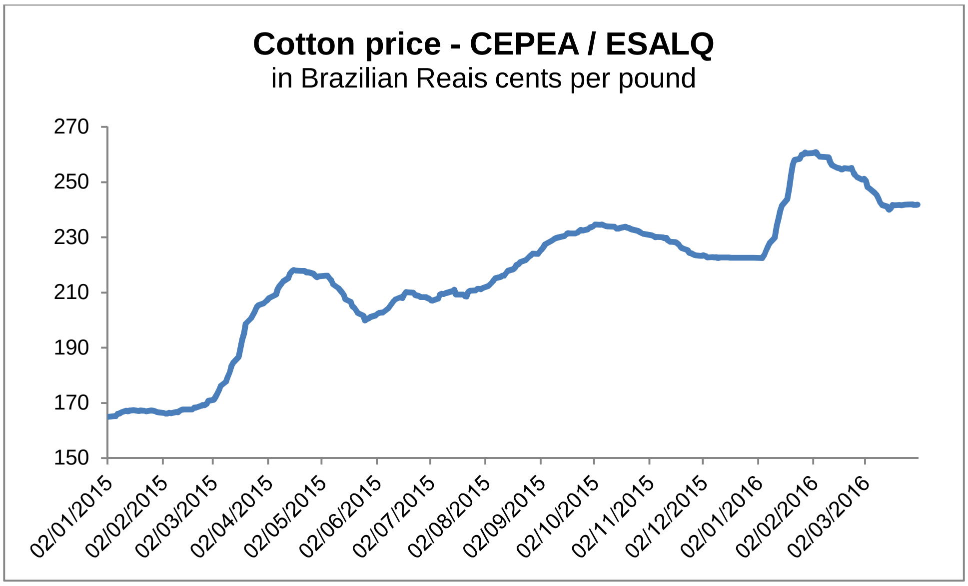

Chart 3 – Cotton price, source CEPEA

The conversion of raw materials into finished goods requires, mainly, labor, electricity and other utilities, designated as conversion costs and others, that reached R$ 138.9 million in 1Q16, with a 2.2% yoy increase. Due to their nature, these costs are impacted by economy of scale, being diluted when capacity utilization increases.

Depreciation costs of production and distribution assets totaled R$ 17.9 million in 1Q16, with a decrease of 5.3% yoy.

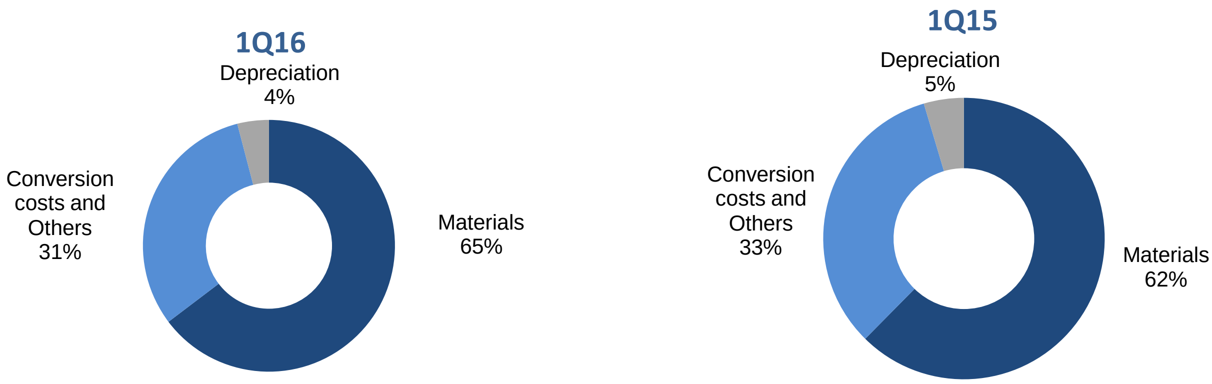

Chart 4 – COGS breakdown

Regarding operational expenses, selling expenses reached R$ 72.4 million, representing 12.0% of net revenue, with a yoy decline of 1.7 pp. General and administrative expenses (G&A) amounted to R$ 36.3 million, equivalent to 6.0% of net revenue, in line with the value of the same period in the previous year.

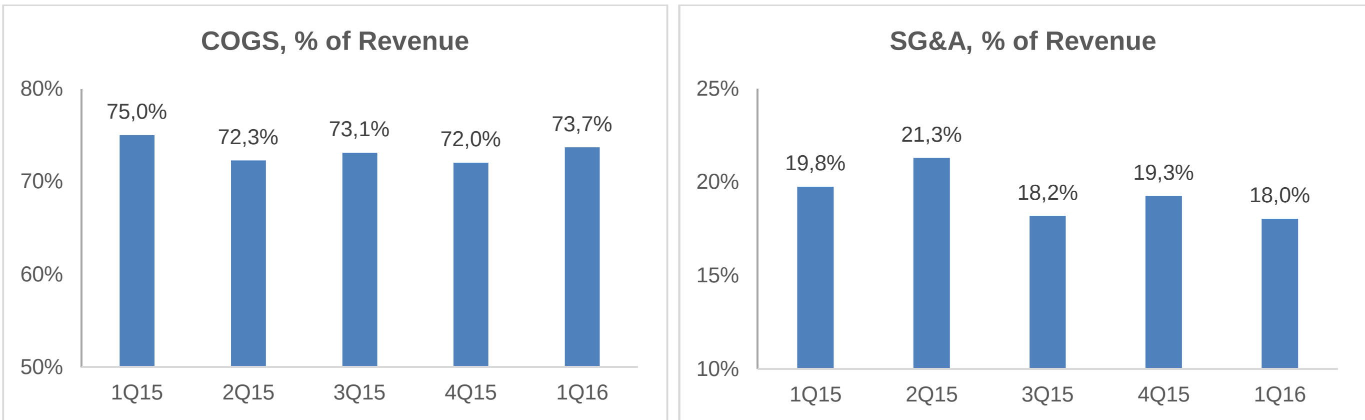

Chart 5 – COGS and SG&A, as % of net revenue

EBITDA

Cash generation, as measured by EBITDA, reached R$ 63.5 million in 1Q16, with a 35.4% yoy expansion. The increase of R$ 21.5 million in gross profit more than offset the growth of operational expenses (R$ 4.1 million) and the decline of depreciation (R$ 0.9 million). EBITDA margin was 10.5% in 1Q16, against 8.6% in 1Q15.

In the last twelve months ended on March 31, 2016, LTM EBITDA reached R$ 249.6 million.

Profit

Gross profit totaled R$ 158.5 million in 1Q16, with gross margin of 26.3%. There was a 15.7% growth in gross profit, leveraged by the increase in revenue and by the 1.3 pp expansion in gross margin.

The financial result was a negative R$ 64.1 million in 1Q16, against a negative R$ 20.9 million in 1Q15, mainly due to a decline of R$ 35.7 million yoy in net exchange rate variations in the Company's assets denominated in US dollars.

The financial income increased by R$ 1.0 million, while financial expenses – interest expenses – grew by R$ 6.8 million, due to the higher SELIC rate, the Brazilian reference interest rate. Bank charges, taxes, discounts and others grew R$ 1.8 million yoy.

The balance of exchange rate variation was negative R$ 14.4 million in 1Q16, reflecting the devaluation of the Brazilian real in the assets in US dollars, against positive R$ 21.3 million in 1Q15.

The financial result impacted negatively the net result in 1Q16, totaling a loss of R$ 22.2 million, against net income of R$ 6.6 million in 1Q15. It is important to highlight that this result should be reverted during the fiscal year.

The majority of our Brazilian manufacturing units has federal and state tax incentives that expire on different dates, from the end of 2016 until the end of 2021, respectively. Moreover, we continued to benefit from payroll tax relief, with a rate of 2.5% of sales in 1Q16, versus 1.0% in 1Q15.

Capex and Working Capital

Capital expenditures (Capex) totaled R$ 21.5 million in 1Q16, mainly focused on asset modernization and preparation of export production lines in the Company´s manufacturing facilities.

The working capital needs amounted to R$ 1,022.2 million at the end of 1Q16, practically stable quarter-over-quarter (qoq). The requests for extension of due dates of invoices from Brazilian clients that do not offer credit risk led to an increase of accounts receivable in the South America – Wholesale business unit.

We have maintained a conservative approach related to credit concession to Brazilian clients, a fact that limits, in some level, the sales in the South America – Wholesale business unit.

We expect a continued reduction in the Company´s working capital due to the conversion of owned to franchised stores and to the increase of the share of Brazilian products in our collections.

In 2015, 13 stores were converted and the conversion process will continue in 2016, which, among other benefits, will enable the reduction of working capital.

Additionally, increasing the nationalization of our collections, mainly in the brands that serve the monobrand retail segment, will enable us to work with lower stock of finished goods.

Debt indicators

We continue reducing our leverage, as measured by net debt/LTM EBITDA, which was 3.3x by the end of 1Q16. Moreover, we are confident that this ratio will be below 3.0x by the end of the fiscal year of 2016.

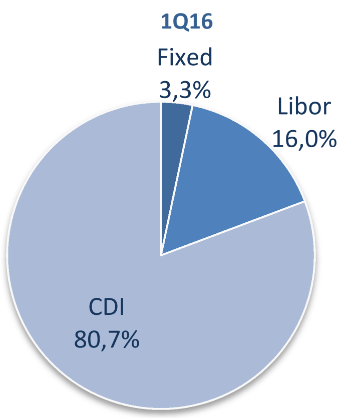

Chart 6 – Debt per index

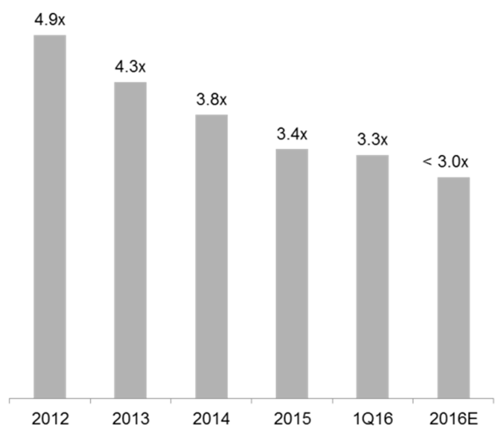

Chart 7 – Net Debt / LTM EBITDA

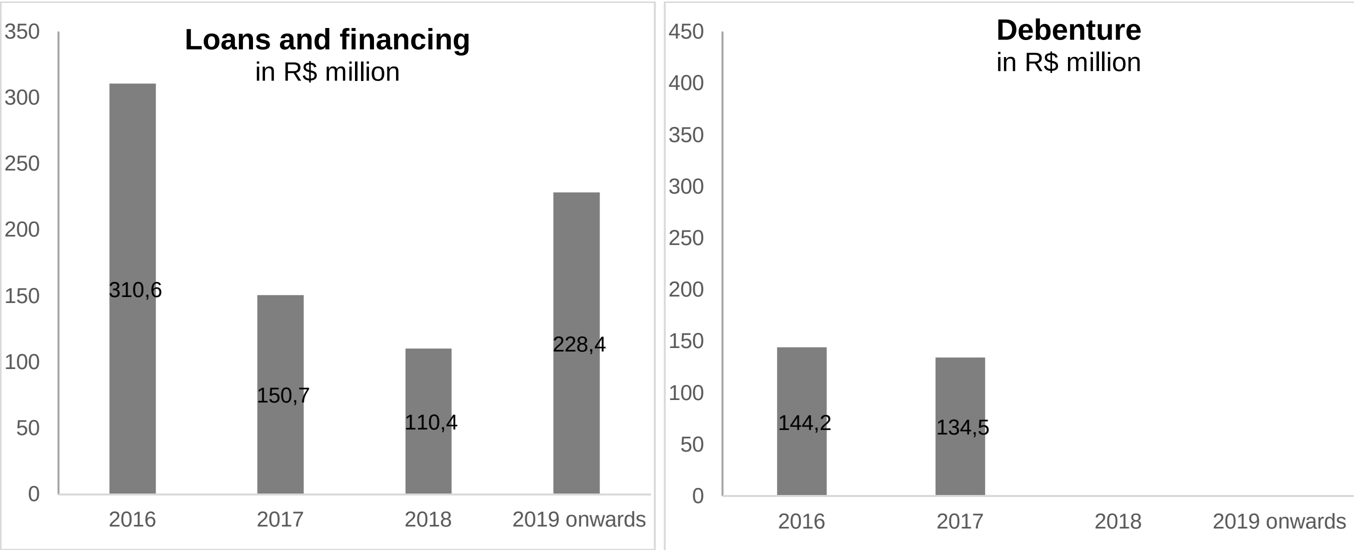

Chart 8 – Debt Amortization Schedule

In this quarter, we rebalanced our capital structure with a new credit line of up to US$ 63 million, to be paid in five years, in the North America – Wholesale business unit. As a result, we increased the ratio of cash and marketable securities/short-term debt from 0.3 to 0.5, between the quarters. Moreover, our short term debt declined 9.6% qoq.

The net debt[(e)], which was R$ 834.7 million as of March 31, 2016, increased temporarily in this quarter due to capex disbursements aiming to leverage the Company´s exports and to postponement of the due date of invoices from some selected clients with good credit ratings in the South America – Wholesale business unit.

The improvement of our operating income and, as a result, our cash generation will allow, at the same time, the decrease of net debt and the increase of EBITDA, contributing to the reduction of the indicator Net debt/EBITDA, which should be below 3.0x by the end of the 2016 fiscal year.

Projections

Springs Global maintains its strategy to consolidate its leading market position in the bedding, tabletop and bath market, and to expand its multibrand and monobrand retail channel, prioritizing franchises, which are less capital intensive.

We will continue to improve the profitability of our business by (a) higher capacity utilization of our plants in Brazil, mainly by export growth, resulting in higher absorption of fixed costs, (b) conversion of intermediate products into finished products with higher value added, and (c) conversion of owned stores into franchises, in addition to the growth of the number of franchises.

For 2016, we expect growth of up to 19% in revenues and EBITDA margin expansion, in line with the Company's budget that comprises the following assumptions: (a) an average exchange rate of R$ 4.05 in 2016, (b) a drop of 3.0% of the Brazilian GDP, and (c) the conversion of 21 stores and the opening of 18 new retail stores.

in R$ million	2016 Guidance
Net revenue	
South America - Wholesale*	1,170 - 1,330
South America - Retail	230 - 270
North America - Wholesale	1,000 - 1,100
Total net revenue	**2,400 - 2,700**
EBIT	160 - 200
EBITDA	240 - 280
CAPEX	60 - 70
* Including intercompany revenue	

Table 2 – Projections

Share performance

Springs Global's shares, traded on the BM&FBOVESPA under the ticker SGPS3, appreciated 14.5% in 1Q16, with similar performance to the IBOVESPA index and outperforming the *Small Cap* index, in the same period. The daily average financial volume of our shares was R$ 114.8 thousand in 1Q16.

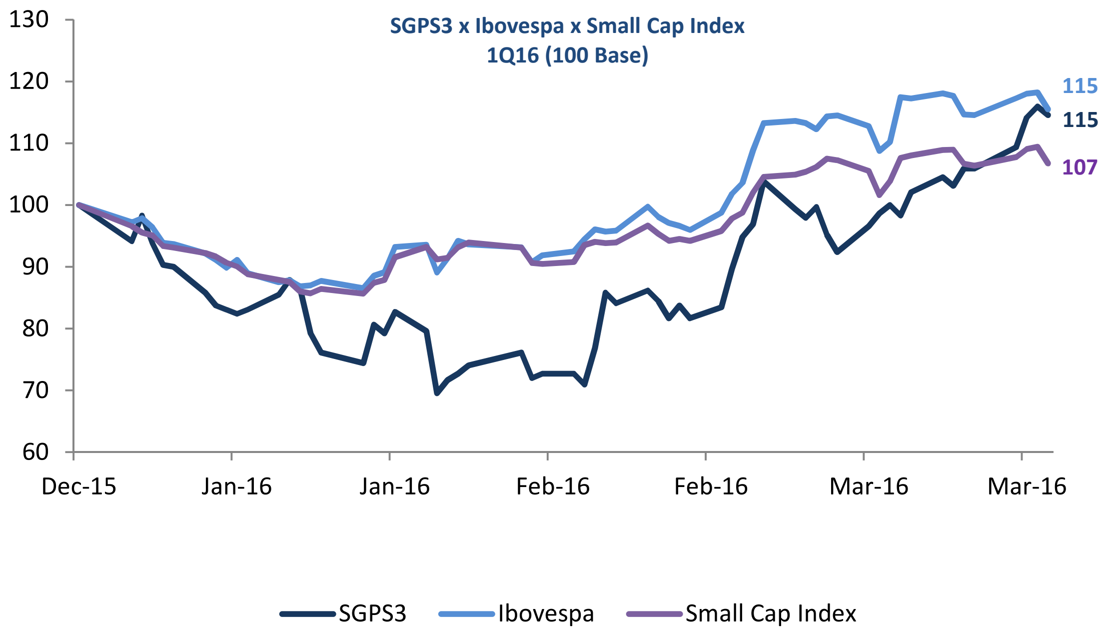

Chart 9 – Performance of SGPS3 share price

Performance of the business units

Springs Global presents its results segregated in the following business units: (a) South America – Wholesale, (b) South America - Retail, and (c) North America – Wholesale.

South America - Wholesale

Net revenue from the South America – Wholesale business unit amounted to R$ 297.4 million in 1Q16, in line with 1Q15, as the lower sales volume was offset by the positive effect from price and mix.

COGS totaled R$ 207.4 million in 1Q16, 4.5% lower yoy, allowing the gross margin to expand to 30.3% in 1Q16 from 27.4% in 1Q15. SG&A expenses amounted to R$ 51.4 million, equivalent to 17.3% of revenue, versus 17.6% of revenue in the same period of the previous year.

EBITDA reached R$ 52.5 million, 11.7% above 1Q15. EBITDA margin was 17.7%, against 15.7% in 1Q15.

We hosted, in this quarter, events for the launch of 2016 Fall/Winter collections of Santista and Artex in several Brazilian cities, with more than 400 clients in attendance. We showed several innovative products. In order to meet the consumers' needs in the current Brazilian macroeconomic environment, we increased the product lines and developed products with better perceived value for the same price.

South America - Retail

Net revenue from the South America – Retail business unit totaled R$ 63.7 million in 1Q16, in line with the same period in the previous year, despite the closing of 12 stores and the conversion of 13 owned stores to franchises. In 1Q16, we closed nine stores, of which five were Artex and four MMartan.

At the end of 1Q16, we had 220 stores, of which 85 were owned and 135 franchises, compared to 232 at the end of 1Q15. 16% of the stores have not yet reached maturity – achieved after the third full year – and, hence, still have the opportunity to grow sales and profitability.

Sell-out revenue[f] was R$ 111.6 million in 1Q16, in line with 1Q15, in spite of the 5% yoy reduction in the number of stores.

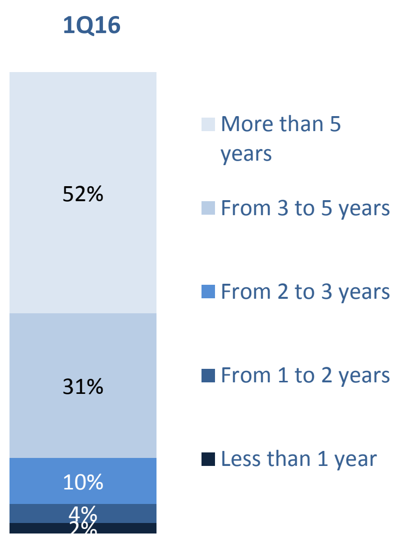

Chart 10 – Stores per maturity stage

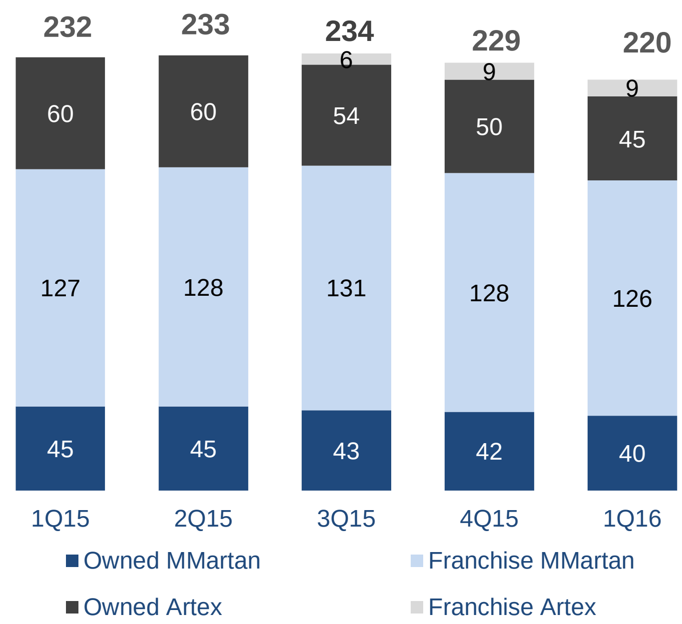

Chart 11 – Number of stores

COGS totaled R$ 32.5 million, 3.0% lower yoy, and gross margin expanded to 49.0% in 1Q16 from 47.1% in 1Q15, despite the higher share of franchises in our revenue.

SG&A expenses amounted to R$ 35.1 million, 7.6% lower yoy, mainly due to the conversion of owned stores to franchises and the closing of some stores.

EBITDA was a R$ 1.7 million loss in 1Q16, against a R$ 5.4 million loss in 1Q15, due to the reductions in COGS and SG&A.

We will prioritize in 2016 new conversion of owned stores into franchises, which will lead to a decrease in revenue, but also lower SG&A expenses, enabling margin expansion. At the same time, we will increase the number of Artex franchises, which will help to boost sales in the monobrand retail.

North America - Wholesale

Net revenue from the North America – Wholesale business unit reached R$ 258.0 million in 1Q16, with a 28.9% yoy increase.

COGS amounted to R$ 220.7 million, 26.2% higher yoy, enabling the increase of gross margin to 14.5% in 1Q16 from 12.6% in 1Q15. SG&A expenses represented 8.3% of revenue in 1Q16, with a 0.2 pp yoy drop.

The US operation has expenses for non-recoverable leases, pension plans and post-retirement benefits, referred to as legacy costs, which currently amount to approximately US$ 9.5 million per year and will gradually reduce in future years.

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Tables

Table 3 – Net revenue per business unit

in R$ million	1Q16 (A)	%	1Q15 (B)	%	(A)/(B) %
South America	**344.6**	**57%**	**348.1**	**63%**	**(1.0%)**
Wholesale*	280.9	47%	284.8	52%	(1.4%)
Retail	63.7	11%	63.3	12%	0.6%
North America	**258.0**	**43%**	**200.2**	**37%**	**28.9%**
Total net revenue	**602.6**	**100%**	**548.3**	**100%**	**9.9%**
Intercompany	16.5		14.3		

* Excluding intercompany revenues

Table 4 – Net revenue per product line

	Net Revenue (R$ million)			Volume (tons)			Average price (R$)/Kg		
Product Lines	**1Q16 (A)**	**1Q15 (B)**	**(A)/(B) %**	**1Q16 (C)**	**1Q15 (D)**	**(C)/(D) %**	**1Q16 (E)**	**1Q15 (F)**	**(E)/(F) %**
Bedding, tabletop and bath	274.2	279.7	(2.0%)	8,656	9,820	(11.9%)	31.7	28.5	11.1%
Utility bedding	206.3	156.2	32.1%	10,737	10,897	(1.5%)	19.2	14.3	34.4%
Intermediate products	58.4	49.1	18.9%	6,611	6,466	2.2%	8.8	7.6	16.2%
Retail	63.7	63.3	0.6%						
Total	**602.6**	**548.3**	**9.9%**	**26,004**	**27,183**	**(4.3%)**	**23.2**	**20.2**	**14.9%**

Table 5 – Cost of goods sold (COGS) and Sales, General and Administrative expenses (SG&A)

in R$ million	1Q16 (A)	%	1Q15 (B)	%	(A)/(B) %
Materials	287.3	64.7%	256.5	62.4%	12.0%
Conversion costs and Others	138.9	31.3%	135.9	33.0%	2.2%
Depreciation	17.9	4.0%	18.9	4.6%	(5.3%)
COGS	**444.1**	**100.0%**	**411.3**	**100.0%**	**8.0%**
COGS, % Revenues	**73.7%**		**75.0%**		*(1.3 p.p.)*
Sales expenses	72.4	66.6%	75.3	69.5%	(3.8%)
General and administrative expenses	36.3	33.4%	33.1	30.5%	9.7%
SG&A	**108.7**	**100.0%**	**108.4**	**100.0%**	**0.3%**
SGA, % Revenues	**18.0%**		**19.8%**		*(1.7 p.p.)*

Table 6 – Reconciliation of EBITDA

in R$ million	1Q16 (A)	1Q15 (B)	(A)/(B) %
Income (Loss)	(22.2)	6.6	n.a.
(+) Income and social contribution taxes	2.0	(1.1)	n.a.
(+) Financial results	64.1	20.9	206.9%
(+) Depreciation and amortization	19.6	20.5	(4.4%)
EBITDA	**63.5**	**46.9**	**35.4%**

Table 7 – EBITDA per business unit and EBITDA margin

in R$ million	1Q16 (A)	1Q15 (B)	(A)/(B) %
South America	**50.8**	**41.6**	**22.1%**
Wholesale	52.5	47.0	11.7%
Retail	(1.7)	(5.4)	(68.5%)
North America	**13.4**	**6.3**	**112.7%**
Non-allocated expenses	(0.8)	(0.9)	(11.1%)
EBITDA total	**63.5**	**46.9**	**35.4%**
EBITDA Margin %	*10.5%*	*8.6%*	*2.0 p.p.*

Table 8 – Financial Results

in R$ million	1Q16 (A)	1Q15 (B)	(A)/(B) %
Financial income	6.3	5.3	18.9%
Financial expenses - interests	(39.2)	(32.4)	21.1%
Financial expenses - bank charges and others	(16.9)	(15.1)	11.7%
Exchange rate variations, net	(14.4)	21.3	n.a.
Financial results	**(64.1)**	**(20.9)**	**206.9%**

Table 9 – Investment

in R$ million	1Q16	1Q15
Manufacturing facilities	21.0	12.1
Retail	0.6	0.9
Total	**21.5**	**13.0**

Table 10 – Working Capital

in R$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Accounts receivable	528.9	508.8	517.6	4.0%	2.2%
Inventories	588.5	658.0	624.7	(10.6%)	(5.8%)
Advances to suppliers	40.6	39.5	49.7	3.0%	(18.2%)
Suppliers	(135.9)	(152.2)	(192.8)	(10.7%)	(29.5%)
Working capital	**1,022.2**	**1,054.1**	**999.2**	**(3.0%)**	**2.3%**

Table 11 – Indebtedness

in R$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Loans and financing	800.2	689.7	584.7	16.0%	36.9%
- Domestic currency	602.5	602.7	522.7	(0.0%)	15.3%
- Foreign currency	197.7	87.0	62.0	127.2%	218.8%
Debentures	278.7	268.3	274.4	3.9%	1.6%
Total Debt	**1,078.9**	**958.1**	**859.1**	**12.6%**	**25.6%**
Cash and marketable securities	(244.2)	(171.8)	(132.1)	42.1%	84.9%
Net debt	**834.7**	**786.2**	**727.0**	**6.2%**	**14.8%**

Table 12 – Main indicators - South America - Wholesale business unit

in R$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Net revenue	297.4	299.3	299.1	(0.6%)	(0.6%)
(-) COGS	(207.4)	(202.5)	(217.2)	2.4%	(4.5%)
Gross Profit	90.0	96.8	81.9	(7.0%)	9.9%
Gross Margin %	***30.3%***	***32.3%***	***27.4%***	***(2.1 p.p.)***	***2.9 p.p.***
(-) SG&A	(51.4)	(53.3)	(52.5)	(3.6%)	(2.1%)
(-) Others	(2.2)	(11.6)	1.3	(81.0%)	n.a.
Operational result	36.4	31.9	30.7	14.1%	18.6%
(+) Depreciation and Amortization	16.1	15.7	16.3	2.5%	(1.2%)
EBITDA	52.5	47.6	47.0	10.3%	11.7%
EBITDA Margin %	***17.7%***	***15.9%***	***15.7%***	***1.7 p.p.***	***1.9 p.p.***

Table 13 – Main indicators - South America - Retail business unit

Em R$ milhões	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Net revenue	63.7	75.3	63.3	(15.4%)	0.6%
(-) COGS	(32.5)	(43.8)	(33.5)	(25.8%)	(3.0%)
Gross profit	31.2	31.5	29.8	(1.0%)	4.7%
Gross Margin %	***49.0%***	***41.8%***	***47.1%***	***7.1 p.p.***	***1.9 p.p.***
(-) SG&A	(35.1)	(37.1)	(38.0)	(5.4%)	(7.6%)
(-) Others	(0.3)	(1.3)	(0.3)	(76.9%)	0.0%
Operational result	(4.2)	(6.9)	(8.5)	(39.1%)	(50.6%)
(+) Depreciation and Amortization	2.5	2.5	3.1	0.0%	(19.4%)
EBITDA	(1.7)	(4.4)	(5.4)	(61.4%)	(68.5%)
EBITDA Margin %	***-2.7%***	***-5.8%***	***-8.5%***	***3.2 p.p.***	***5.9 p.p.***
Number of stores	220	229	232	(3.9%)	(5.2%)
Owned MMartan	40	42	45		
Franchise MMartan	126	128	127		
Owned Artex	45	50	60		
Franchise Artex	9	9	-		
Gross Revenue sell out	111.6	120.9	110.8	(7.7%)	0.7%

Table 14 – Main indicators - North America - Wholesale business unit

in R$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Net revenue	258.0	263.4	200.2	(2.1%)	28.9%
(-) COGS	(220.7)	(221.5)	(174.9)	(0.4%)	26.2%
Gross Profit	37.3	41.9	25.3	(11.0%)	47.4%
Gross Margin %	***14.5%***	***15.9%***	***12.6%***	***(1.5 p.p.)***	***1.8 p.p.***
(-) SG&A	(21.4)	(26.0)	(17.0)	(17.7%)	25.9%
(-) Others	(3.5)	(3.9)	(3.1)	(10.3%)	12.9%
Operational result	12.4	12.0	5.2	3.3%	138.5%
(+) Depreciation and Amortization	1.0	1.0	1.1	0.0%	(9.1%)
EBITDA	13.4	13.0	6.3	3.1%	112.7%
EBITDA Margin %	***5.2%***	***4.9%***	***3.1%***	***0.3 p.p.***	***2.0 p.p.***

Glossary

(**a) EBITDA** - EBITDA is a non-accounting measurement which we prepare and which is reconciled with our financial statement in accordance with CVM Instruction 01/2007, when applicable. We have calculated our EBITDA (usually defined as earnings before interest, tax, depreciation and amortization) as net earnings before financial results, the effect of depreciation of our plants, equipment and other permanent assets and the amortization of intangible assets. EBITDA is not a measure recognized under BR GAAP, IFRS or US GAAP. It is not significantly standardized and cannot be compared to measurements with similar names provided by other companies. We have reported EBITDA because we use it to measure our performance. EBITDA should not be considered in isolation or as a substitute for "net income" or "operating income" as indicators of operational performance or cash flow, or for the measurement of liquidity or debt repayment capacity.

(b) Bedding, Tabletop and Bath ("CAMEBA") line - includes bed sheets and pillow cases, sheet sets, tablecloths, towels, rugs and bath accessories.

(c) Utility bedding line - includes pillows, mattress pads and quilts.

(d) Intermediate products - yarns and fabrics, in their natural state or dyed and printed, sold to small and medium-sized clothing, knitting and weaving companies.

(e) Net debt – Gross debt minus cash and marketable securities.

(f) Sell-out revenue – Revenue from sales channel to the end customers.

(g) Sell-in revenue – Revenue from sales from producer/franchisor to the sales channel.

Balance sheet

in R$ million	1Q16	4Q15	1Q15
Assets			
Current assets	**1,481.1**	**1,453.2**	**1,390.3**
Cash and cash equivalents	227.4	149.9	130.5
Marketable securities	1.8	2.0	1.6
Financial instruments	15.0	19.9	-
Accounts receivable	528.9	508.8	517.6
Inventories	588.5	658.0	624.7
Advances to suppliers	40.6	39.5	49.7
Recoverable taxes	29.2	31.4	43.4
Receivable - sale of property	11.7	8.3	-
Other receivables	37.9	35.4	22.8
Noncurrent assets	**1,159.9**	**1,145.1**	**1,133.6**
Long-term assets	**259.9**	**229.1**	**161.2**
Receivable - sale of property	39.2	40.9	-
Related parties	32.7	23.5	17.4
Recoverable taxes	9.6	3.6	4.5
Deferred income and social contribution taxes	58.2	58.3	65.1
Property, plant and equipment held for sale	53.9	59.1	48.5
Escrow deposits	20.3	20.5	18.0
Others	46.0	23.2	7.7
Permanent	**900.0**	**916.0**	**972.4**
Other investments	2.0	3.9	2.3
Property, plant and equipment	775.3	784.9	844.6
Intangible assets	122.7	127.2	125.5
Total assets	**2,641.0**	**2,598.3**	**2,523.9**

in R$ million	1Q16	4Q15	1Q15
Liabilities and Equity			
Current liabilities	**778.2**	**850.7**	**777.4**
Loans and financing	336.0	396.7	425.8
Debenture	144.2	134.5	7.5
Financial instruments	-	-	-
Suppliers	135.9	152.2	192.8
Taxes	16.6	17.3	7.9
Payroll and related charges	52.0	55.1	53.3
Government concessions	18.1	18.3	16.6
Noneconomic leases	6.4	7.0	5.2
Other payables	68.8	69.5	68.3
Noncurrent liabilities	**823.8**	**668.7**	**653.8**
Loans and financing	464.2	293.0	158.9
Debenture	134.5	133.8	266.9
Noneconomic leases	19.4	20.6	16.5
Related parties	0.1	0.1	-
Government concessions	49.5	49.0	48.0
Employee benefit plans	117.8	131.7	119.7
Miscellaneous accruals	22.8	23.3	22.7
Other obligations	15.5	17.1	21.1
Equity	**1,039.1**	**1,079.0**	**1,092.7**
Capital	1,860.3	1,860.3	1,860.3
Capital reserves	79.4	79.4	79.4
Assets and liabilities valuation adjustment	(33.6)	(33.5)	(40.3)
Cumulative translation adjustment	(260.0)	(248.1)	(210.2)
Earnings reserves	25.2	25.2	25.2
Accumulated deficit	(640.7)	(614.7)	(630.6)
Noncontrolling interest	8.6	10.5	8.9
Total liabilities and equity	**2,641.0**	**2,598.3**	**2,523.9**

Income Statement

in R$ million	1Q16 (A)	4Q15 (B)	1Q15 (C)	(A)/(B) %	(A)/(C) %
Gross revenues	726.7	715.4	662.4	1.6%	9.7%
Net revenues	**602.6**	**609.3**	**548.3**	**(1.1%)**	**9.9%**
Cost of goods sold	**(444.1)**	**(438.9)**	**(411.3)**	**1.2%**	**8.0%**
% of net sales	*73.7%*	*72.0%*	*75.0%*	*1.7 p.p.*	*(1.3 p.p.)*
Materials	(287.3)	(279.5)	(256.5)	2.8%	12.0%
Conversion costs and others	(138.9)	(141.9)	(135.9)	(2.1%)	2.2%
Depreciation	(17.9)	(17.5)	(18.9)	2.3%	(5.3%)
Gross profit	**158.5**	**170.4**	**137.0**	**(7.0%)**	**15.7%**
% Gross Margin	*26.3%*	*28.0%*	*25.0%*	*(1.7 p.p.)*	*1.3 p.p.*
SG&A	**(108.7)**	**(117.4)**	**(108.4)**	**(7.4%)**	**0.3%**
% of net sales	*18.0%*	*19.3%*	*19.8%*	*(1.2 p.p.)*	*(1.7 p.p.)*
Selling expenses	(72.4)	(73.9)	(75.3)	(2.0%)	(3.8%)
% of net sales	*12.0%*	*12.1%*	*13.7%*	*(0.1 p.p.)*	*(1.7 p.p.)*
General and administrative expenses	(36.3)	(43.5)	(33.1)	(16.6%)	9.7%
% of net sales	*6.0%*	*7.1%*	*6.0%*	*(1.1 p.p.)*	*(0.0 p.p.)*
Others, net	**(5.9)**	**(16.9)**	**(2.1)**	**(65.2%)**	**180.0%**
% of net sales	*(1.0%)*	*(2.8%)*	*(0.4%)*	*1.8 p.p.*	*(0.6 p.p.)*
Income from operations	**43.9**	**36.0**	**26.5**	**21.8%**	**65.7%**
% of net sales	*7.3%*	*5.9%*	*4.8%*	*1.4 p.p.*	*2.5 p.p.*
Financial result	(64.1)	(20.8)	(20.9)	208.9%	206.9%
Profit (Loss) before taxes	**(20.2)**	**15.3**	**5.5**	**n.a.**	**n.a.**
Income and social contribution taxes	(2.0)	(15.1)	1.1	(86.9%)	n.a.
Net income (loss)	**(22.2)**	**0.2**	**6.6**	**n.a.**	**n.a.**

Cash Flow Statement

in R$ million	1Q16	1Q15
Cash flows from operating activities		
Net income (loss) for the period	(22.2)	6.6
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	19.6	20.5
Income and social contribution taxes	2.0	(1.1)
(Gain) loss on disposal of property, plant and equipment and intangibles	1.4	(3.2)
Reversal of impairment losses of property, plant and equipment	-	-
Exchange rate variations	6.3	(16.9)
Bank charges and interests	33.9	26.1
	41.0	**32.1**
Changes in assets and liabilities		
Marketable securities	-	(0.3)
Accounts receivable	(48.3)	4.9
Inventories	48.8	(35.1)
Advances to suppliers	(1.6)	(3.1)
Suppliers	1.7	25.7
Others	(31.9)	18.9
Net cash provided by (used in) operating activities	**9.7**	**43.2**
Interest paid	(26.5)	(3.0)
Income and social contribution taxes paid	0.3	(0.9)
Net cash provided by (used in) operating activities after interest and taxes	**(16.4)**	**39.3**
Cash flows from investing activities		
Acquisition of permanent investments	-	-
Acquisition of property, plant and equipment	(21.5)	(13.0)
Acquisition of intangible assets	-	-
Disposal of property, plant and equipment	2.0	5.6
Loans between related parties	(1.6)	(0.6)
Net cash provided by (used in) investing activities	**(21.1)**	**(7.9)**
Cash flows from financing activities		
Proceeds from new loans	319.5	45.1
Issuance of debenture	-	-
Repayment of loans	(200.4)	(78.8)
Net cash provided by (used in) financing activities	**119.1**	**(33.7)**
Effect of exchange rate changes on cash and cash equivalents in foreign currencies	(4.2)	3.2
Increase (decrease) in cash and cash equivalents	**77.5**	**0.9**
Cash and cash equivalents:		
At the beginning of the period	149.9	129.6
At the end of the period	227.4	130.5

This press release may include declarations about Springs Global's expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties.

These risks and uncertainties include factors related to the following: the Company´s business strategy, the international and the Brazilian economies, technology, financial strategy, developments in the textile and retail sectors, market conditions, among others. To obtain further information on factors that may give rise to results different from those forecasted by Springs Global, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM, equivalent to U.S. "SEC").