



COTEMINAS S.A.

Coteminas S.A.

USD 220 Million Secured Export Prepayment Facility

March 2006

Joint Lead Arrangers and Bookrunners



Senior Arranger



Arrangers





Coteminas - Confidentiality

Confidentiality

- The information regarding the fiscal year of 2005 is preliminary and has not yet been submitted to the company's board.
- Statements included in this presentation may contain information which is forward-looking and reflects management's perception and expectations about Company's business outlook as of the end of 2005, based on the then macroeconomic environment, production levels, industry conditions, company performance, and financial results, as well as in respect to the business integration between Coteminas and Springs, projected synergies from the association and other plans and objectives of the management for future transactions. Any change in such assumptions or factors could cause actual results to differ materially from current expectations and involve several risks and uncertainties. It is not possible to assure yet that the future results, activity levels, performance or results will attend the expectations reflected in the declarations and estimates of future events here included.
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The Merger

Companhia de Tecidos Norte de Minas (CTNM) - History

- 1967: Founded in Brazil by the Gomes da Silva Family
- Main business lines and products include home accessories and apparel:
 - T-shirts, socks and underwear
 - Yarns, finished and unfinished textiles for bed, table and linens
- Leader in the Brazilian textile sector
- One of the largest vertically integrated Latin American producers of textiles,
- Highly recognized brands names:



- 2001: Strategic agreement between CTNM and Springs Industries Inc.
- 2004: Acquired a relevant participation (approximately 54% of the total capital) of Companhia de Tecidos Santanense, a Brazilian manufacturer of denim and twill, with a monthly production of 4.1 million meters



The Merger – CTNM Facts

- Operated 16 plants, (15 in Brazil and one in Argentina) among the largest and most modern worldwide in the industry
 - Average life of equipment and machinery of 6.5 years
 - Total annual capacity of 150,000 tons (including the denim and twill)
- Low labor costs
- Low energy costs due to participation in Porto Estrela power station, and long standing contracts with other power plants in Brazil
- 2005's net revenues: BRL 1.4 billion (approximately USD 560 million)
- 2005's EBITDA: BRL 298 million (approximately USD 122 million)
- Export oriented company: 2005's external sales reached USD 241 million in 2005 (over 2001's USD 107 million)

The Merger – Springs Inc. History

Springs Industries Inc. - History

- 1887 : Founded in the U.S. by the Close Family
 - Leading supplier in the US and Canada of high quality coordinated home furnishing in the bath, bed and linen segments
 - Market leader in the retail market, under highly recognized brand names

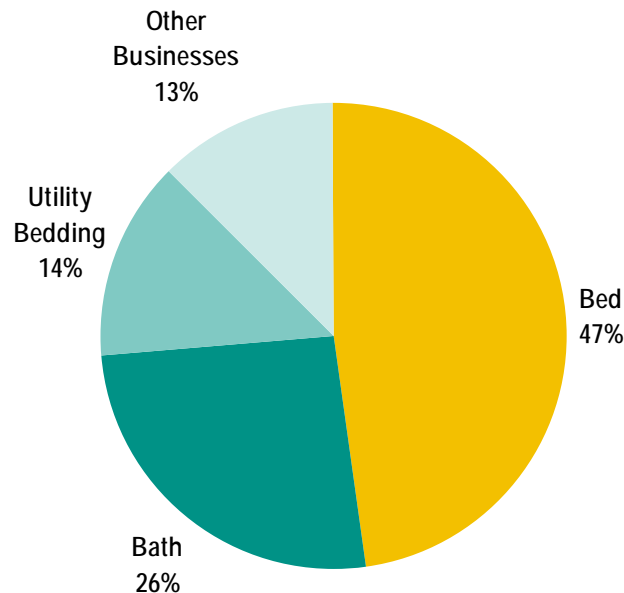


- 1966: Became a publicly traded company
- 2001: Private again through the partnership with Heartland Industrial Partners
- 2001: Strategic agreement between Springs and CTNM

The Merger – Springs Inc. Facts

- 2005's consolidated gross revenues: approximately USD 2.2 billion
- 2005's total work force of 9,500 employees
- Springs has 18 manufacturing sites located in 10 U.S. states, 2 foreign facilities in Mexico and sourcing offices in China and India

Springs's Revenues Breakdown (BRL MM) - 2004





The Merger – Phases

1) Objective:

- CTNM and Springs to merge their bath, bed and linen businesses.
- The merger's main goals are to efficiently combine:
 - CTNM's low production costs and highly-technological developed industrial facilities, with
 - Springs Industries' wide and recognized distribution channels

2) Preparation for the Merger:

- CTNM and Springs transferred their relevant operating assets to new companies:
 - In Brazil, CTNM's assets (except for denim and twill) were transferred to Coteminas S.A. and,
 - In the U.S., the assets (except for decorative rugs and hard windows) were transferred to Springs Global U.S. Inc.



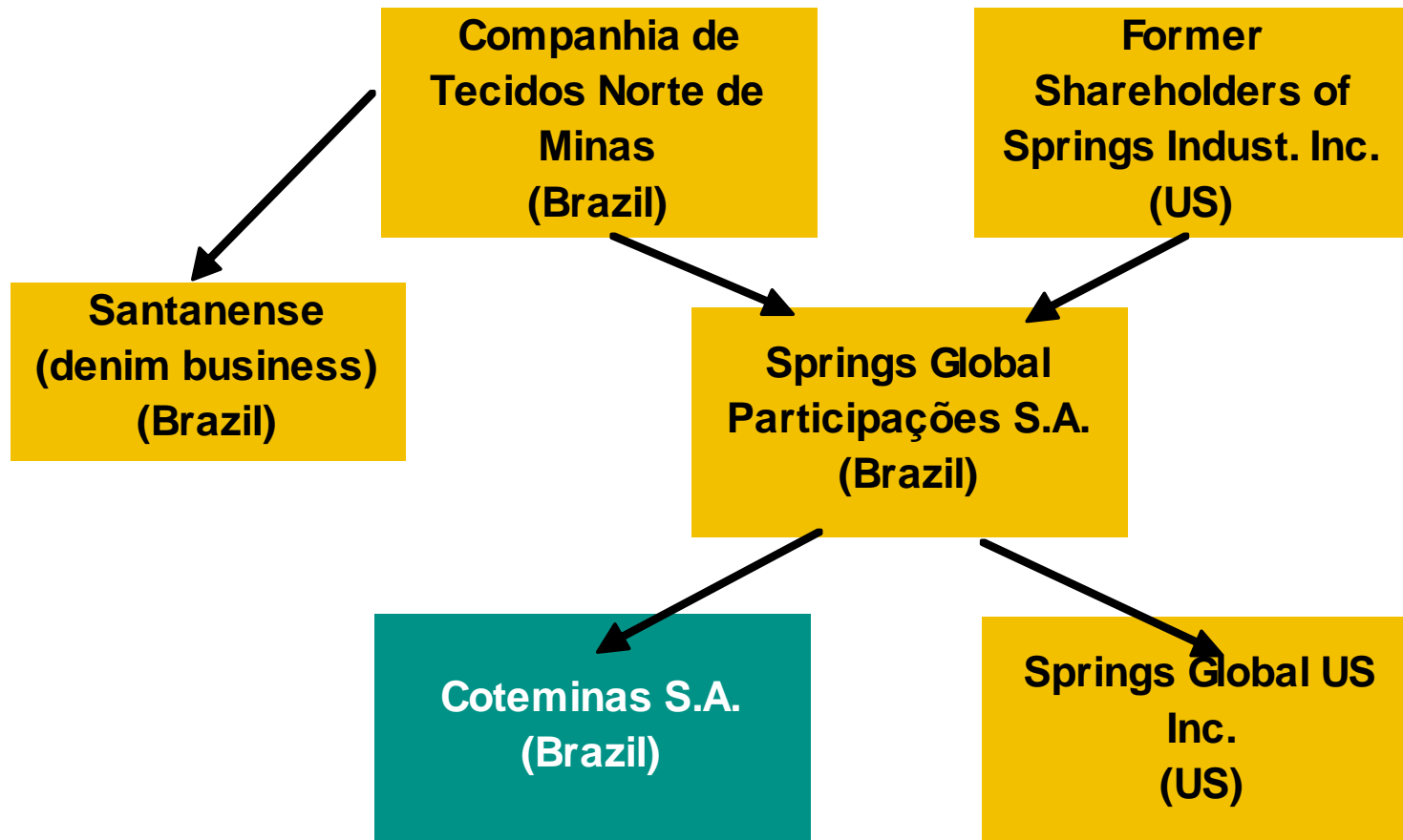
The Merger – Phases (cont.)

3) New Corporate Structure:

- 24 January 2006: the merger was accomplished with the incorporation of a holding company named Springs Global Participações S.A., controlled by CTNM and the former shareholders of Springs Industries Inc.
- Springs Global Participações controls 100% of the total capital of Coteminas S.A. and Springs Global U.S. Inc.
- All towel weaving and the majority of the sheet weaving production will be shifted to Coteminas S.A., due to the Brazilian low cost production.
- Coteminas S.A. will start operations with 13 plants and with an annual production capacity of 144,000 tons

The Merger – Shareholding Structure

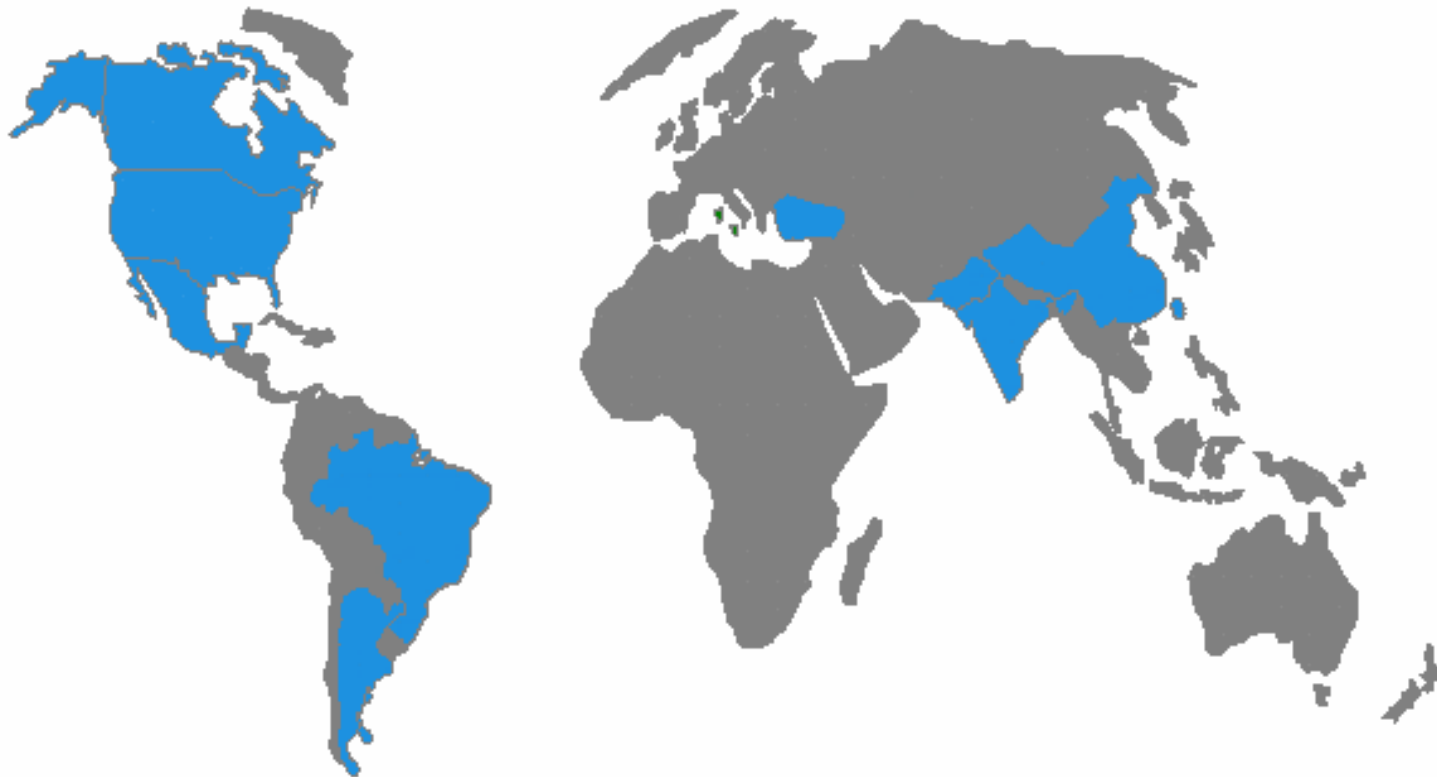
New Ownership Structure





The Merger – Global Market Presence

Springs Global Participações S.A. - Worldwide Presence





The Merger – Phases

4) Challenges:

Sales Increase

Profitability

Improvement



- Increase Market Share
- Leverage on high production capacity and low operating costs
- Vertical Integration with concentration in higher value-added products
- Diversification of products and markets
- Certain administrative synergies transferred to Brazil



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Company Overview – Facts on CTNM

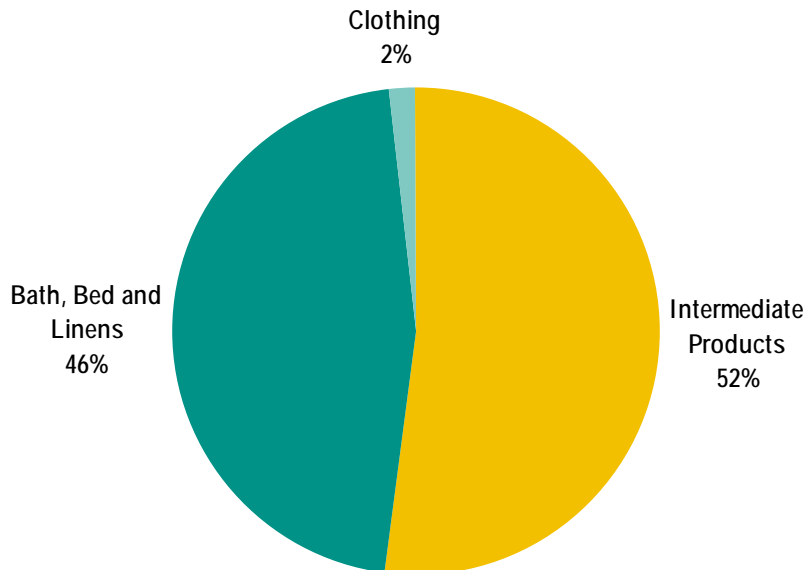
- Competitive labor cost
- Low energy and natural gas costs
- State-of-the-art technology
- High degree of productivity
- Proximity to raw materials suppliers and most competitive ports in Brazil
- Scale
- Key Customers
- Brands
- Growing international presence
- Greater export-market orientation

Company Overview – Main Activities

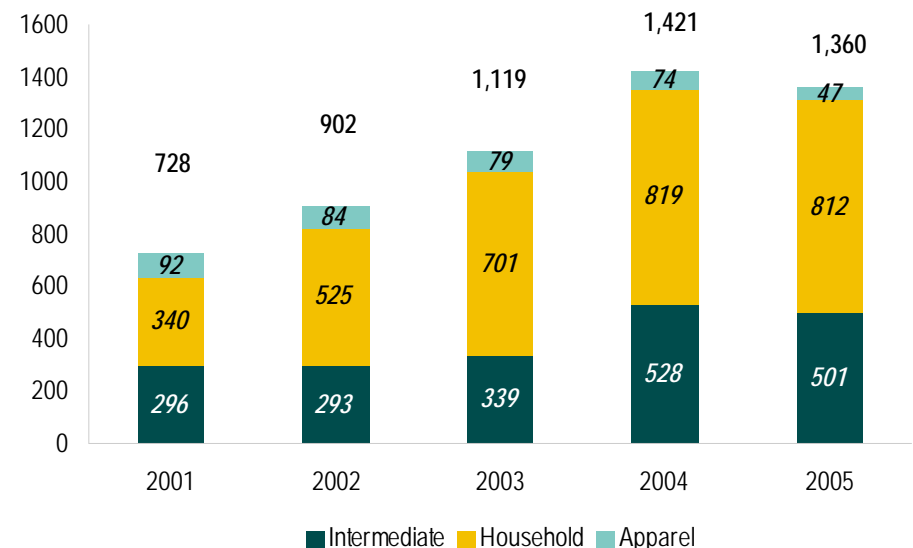
CTNM total revenues have been composed by three business lines:

- **Intermediate Products:** sales of yarns, unfinished and finished fabrics (37% of 2005's net revenues);
- **Household Products:** finished products, including bath, bed, linens, sold under CTNM's brands and under other tailor-made exclusive labels (60% of 2005's net revenues);
- **Clothing (Apparel):** sales of T-shirts, underwear and socks (3% of 2005's net revenues)

CTNM's Revenues Breakdown (in tons) 2005

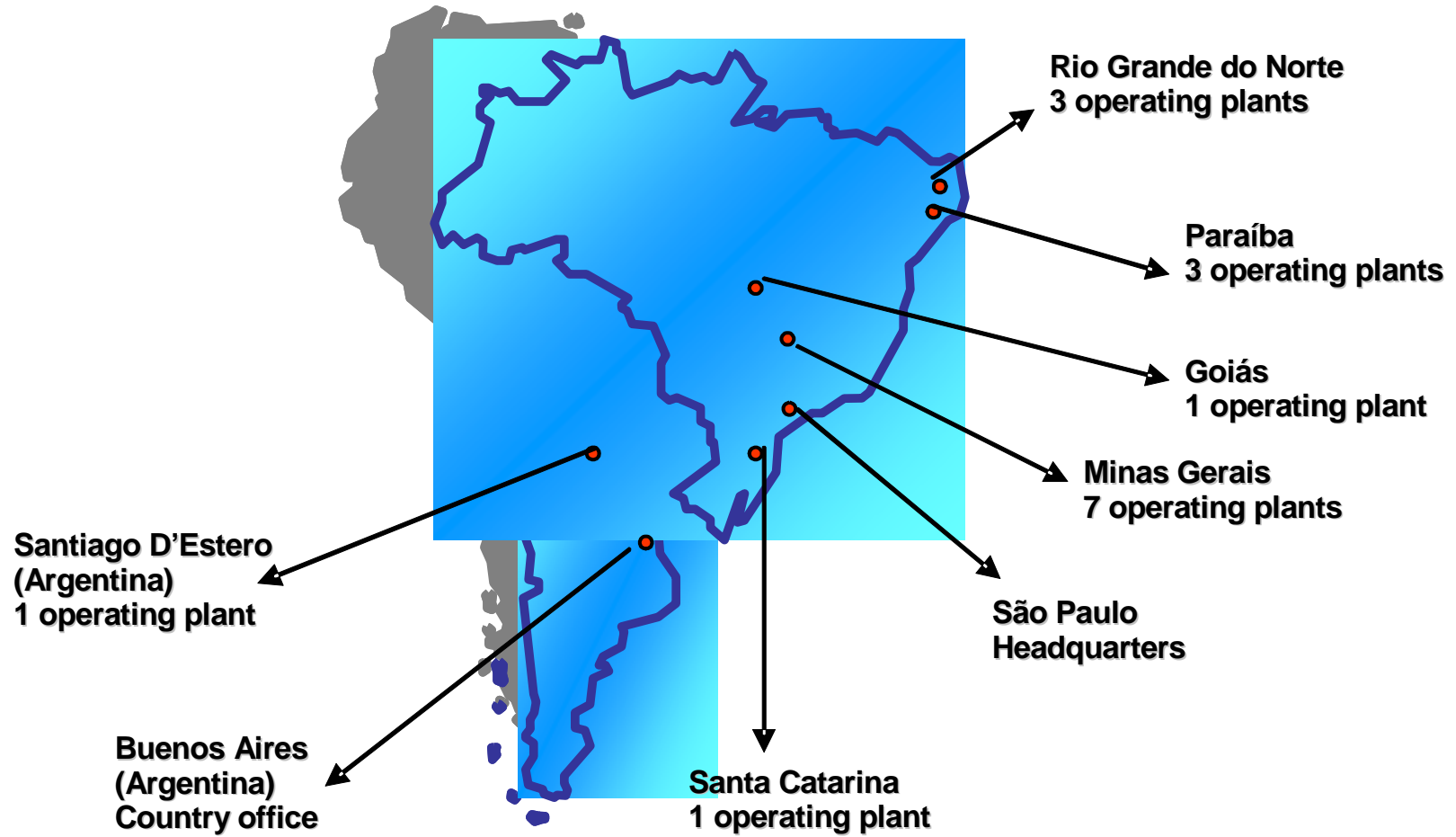


CTNM Historical Revenue Breakdown (BRL mln)





Company Overview – Plant Description and Location



Company Overview – Annual Production Capacity

CTNM Annual Capacity – '000 tons

	Spinning	Weaving	Knitting	Fabrication	Cut and Sew
Rio Grande do Norte	18	20 [P]	4	20	20 [L,K]
Paraíba	75	22 [W]	1	30	30 [T]
Goiás	12				
Minas Gerais	40	60 [P]		60	24 [L]
Santa Catarina	15	18 [W,P]		15	25 [T]
Santiago D' Estero (Arg)	8	8 [W]			
Total	168	128	5	125	99

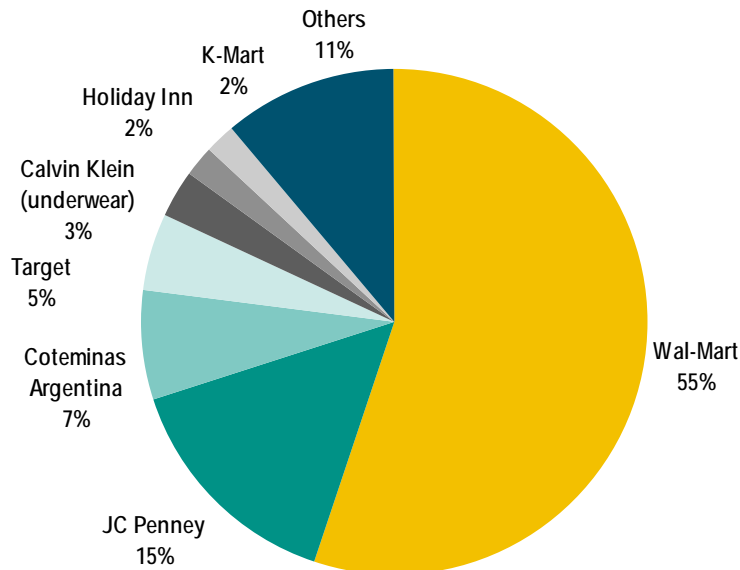
W (Towel Weaving), P (Plain), K (Knitwear), L (Linens) and T (Towels)

- Except for the plants in Goiás, Santa Catarina and Argentina, all other states provide income tax incentives.
- CTNM has, in the state of Paraíba, the world's largest open-end spinning textile facility

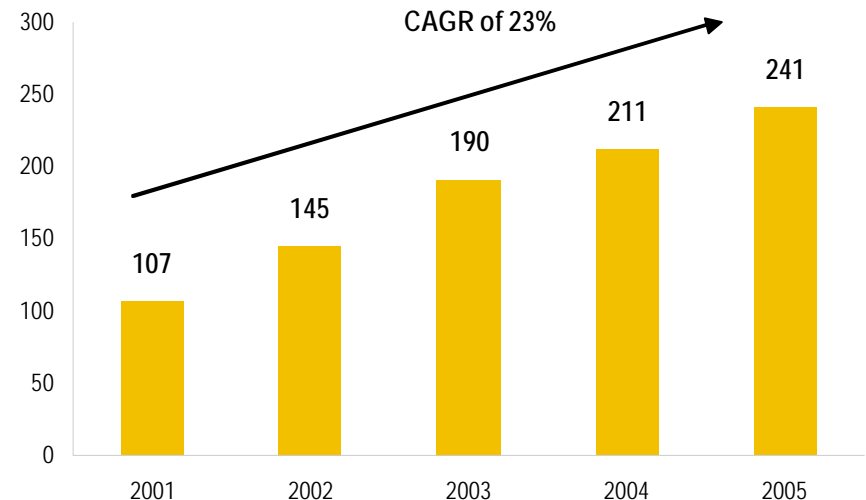
Company Overview – Exports

- Exports have been playing an important role on CTNM's results, especially since 2001, at the establishment of the long-term alliance with Springs.
- 95% of external sales have been directed to the U.S. CTNM also sells to South and Central America, Europe and Middle East.
- Sales “modus operandi”: strategic agreement with Springs / “shelf program - auctions”

CTNM's main external clients



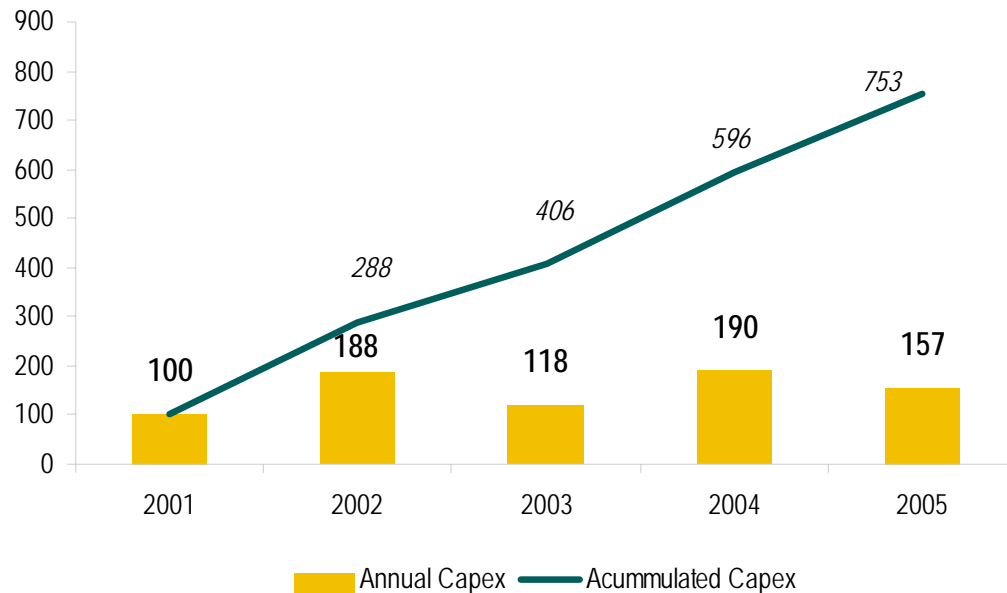
CTNM's Exports (in USD mln)



Company Overview – Capex

- During 2005, CTNM invested BRL 157.1 million (approximately USD 65 million) in new facilities, enhancements and in general improvements.
- Such investments have placed CTNM's industrial units among the most technologically advanced and productive in the world.

CTNM's Capex (in BRL mln)





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Industry Overview – Brazilian Textile Sector

- According to Brazil's Textile Industry Association (ABIT) the country is:
 - World's sixth-largest textile market, with USD 25.6bln in revenues in 2005
 - Over 30,000 textile companies and 1.3 million employees
 - 6.4 billion textile pieces were produced in 2004
 - Sixth-largest apparel manufacturer
- Low production costs by global standards give Brazil a competitive advantage in the production of cotton-based textiles:
 - Low energy costs; approx. 88% of Brazil's power matrix is hydroelectric
 - Low-cost of industrial water
 - Competitive labor costs
 - North / Northeastern industrial facilities benefit from fiscal incentives by local Governments

Industry Overview – Brazilian Textile Sector

- Brazil is self-sufficient in cotton
- Annual production of about 1.3 million tons, compared to internal demand of 910,000 tons





Industry Overview – Global Sector Trends

– Successful Players' Features:

- Vertical integration
- More capital intensive technology
- Diversified product base and
- Access to overseas markets

– Global Trend:

- Retail consolidation
- Growth of private and exclusive brands
- Increase of direct sourcing by retailers
- Growth of imports from western markets
- Development of long-term relationships with main customers
- Inventory management jointly established by supplier and customer



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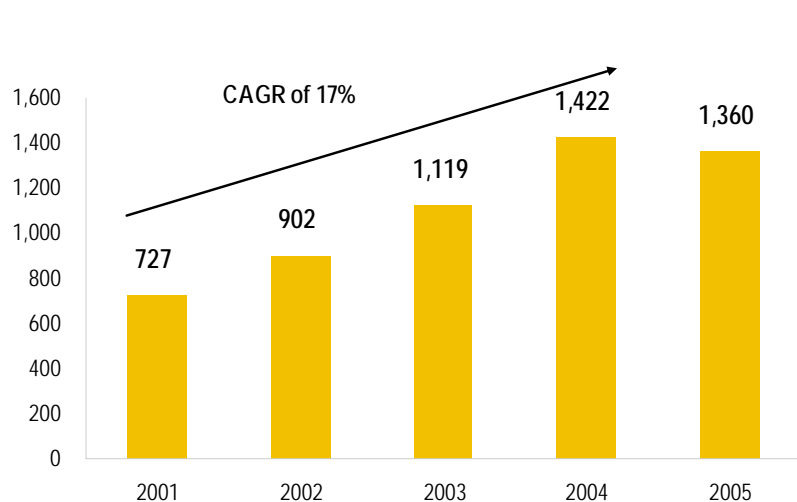
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Financial Highlights – Revenues and EBITDA

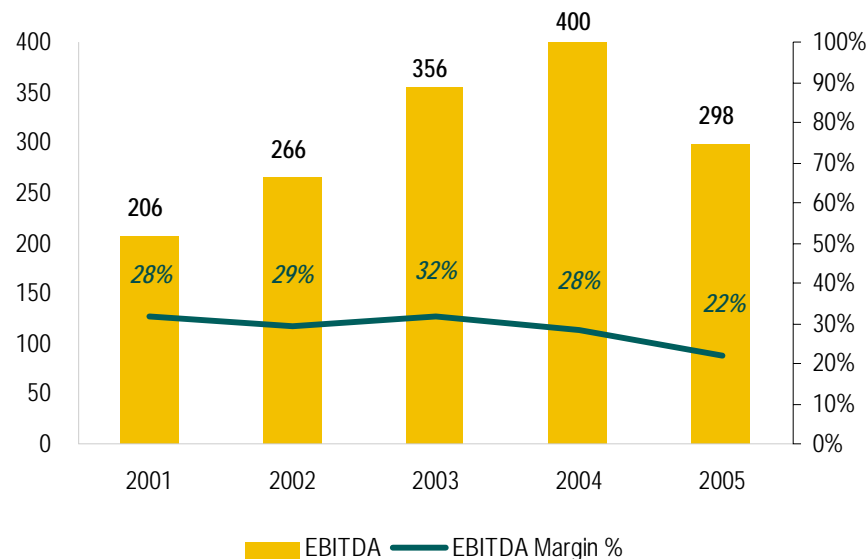
Revenues and EBITDA in 2005 were impacted by:

- 8.6% volume of sales growth in comparison to 2004
- Average exchange rate (BRL) appreciation of 16.7% against the USD

CTNM's Net Revenues (BRL mln)



CTNM's EBITDA (BRL mln)

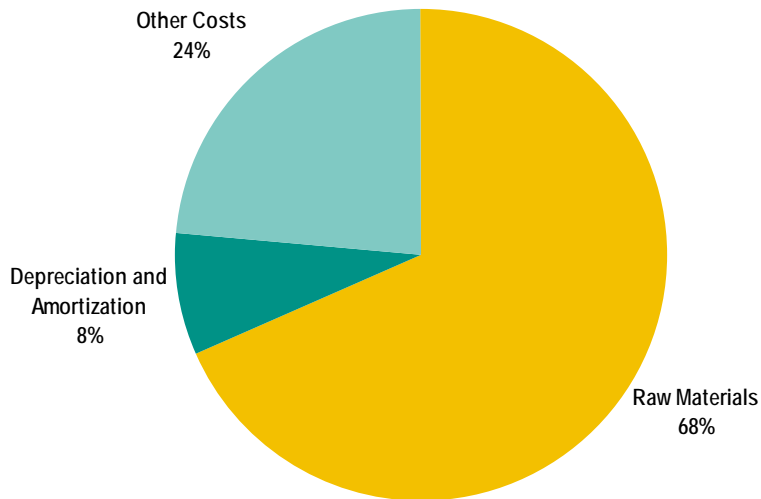


Financial Highlights – Costs

Costs increased due to:

- Currency exchange effects
- High oil costs causing increase in polyester prices

CTNM's Cost Breakdown – as of 2005



Oil Prices Evolution

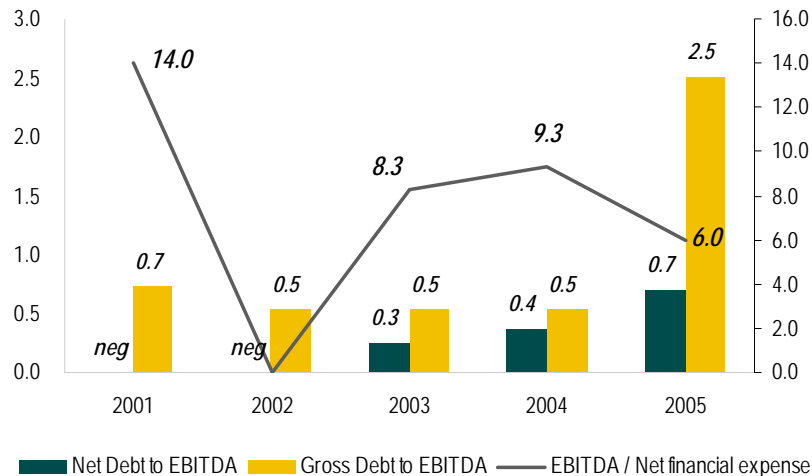


Financial Highlights – Current Debt Profile

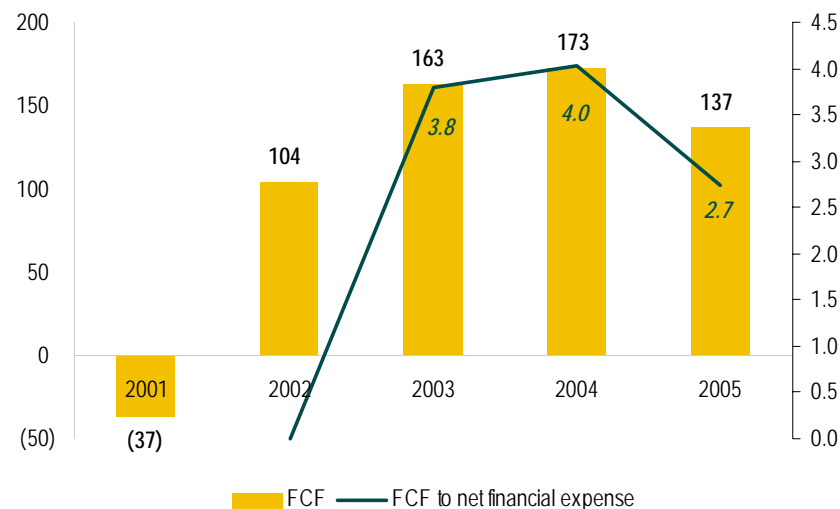
CTNM's Debt and Maturity Breakdown as of December 2005 (BRL mln)

	2006	2007	2008	2009 - 2014	Total
Local currency promissory note	570				570
Hard currency export pre payment	8	36	16	15	75
Local currency bank debt	4	4	4	20	32
Hard currency bank debt	35	12	8	14	69
Total per year / tenor	617	52	28	49	746

CTNM's EBITDA Ratios



CTNM's Cash Flow Ratios





Financial Highlights – Debt (cont.)

- 29 December 2005: CTNM issued local BRL 570 million Promissory Notes due June 2006
- 31 December 2005: The BRL 570 million Promissory Notes were transferred to Coteminas S.A.
- In January 2006: Coteminas S.A issued a BRL 50 million local Private Debenture, which was fully purchased by CTNM

Financial Highlights – Historical Performance of CTNM

in BRL mln	2005 [1]	9M05	9M04	2004	2003	2002
Gross Revenues	1,719	1,267	1,188	1,699	1,277	1,056
Net Revenues	1,360	1,014	1,005	1,422	1,119	902
Gross Profit	365	288	315	456	377	309
EBIT	208	172	217	317	285	194
EBITDA	298	237	276	400	356	266
Net Interest Expense	(42)	(43)	(25)	(43)	(43)	27
Net Profit	100	73	127	176	167	154
Short Term Debt	616	107	164	114	55	89
Long Term Debt	129	102	66	99	135	53
Gross Debt	746	209	230	213	190	142
Cash	528	60	78	74	102	157
Net Debt	219	149	152	139	88	(15)
Shareholders' Equity	1,767	1,752	1,613	1,637	1,383	1,203
Total Assets	2,894	2,306	2,200	2,246	1,895	1,673
Gross Margin	27%	28%	31%	32%	34%	34%
EBIT Margin	15%	17%	22%	22%	25%	22%
EBITDA Margin	22%	23%	27%	28%	32%	29%
Net Margin	7%	7%	13%	12%	15%	17%
Net Debt to EBITDA	0.73	0.47	0.55	0.35	0.25	-
Net Debt to Equity	12%	9%	9%	9%	6%	-
EBITDA /Net Interest	7.10	5.51	11.04	9.30	8.28	n/a

[1] Prior to the transfer of assets from CTNM to Coteminas S.A.

Financial Highlights – Pro-forma figures of Coteminas S.A.

in BRL mln	2005	2004	2003	2002
Gross Revenues	1,470	1,551	1,277	1,056
Net Revenues	1,159	1,303	1,119	902
Gross Profit	283	411	377	309
EBIT	157	287	289	194
EBITDA	240	365	356	266
Net Interest Expense	(43)	(40)	(43)	27
Net Profit	73	176	167	154
Short Term Debt	620	135	55	89
Long Term Debt	0	50	135	53
Gross Debt	620	185	190	142
Cash	0	72	102	157
Net Debt	620	113	88	(15)
Shareholders' Equity	1,059	1,591	1,383	1,203
Total Assets	1,854	2,143	1,895	1,673
Gross Margin	24%	32%	34%	34%
EBIT Margin	14%	22%	26%	22%
EBITDA Margin	21%	28%	32%	29%
Net Margin	6%	14%	15%	17%
Net Debt to EBITDA	2.58	0.31	0.25	-
Net Debt to Equity	58%	7%	6%	-
EBITDA /Net Interest	5.58	9.13	8.28	n/a

Pro-forma figures as if the assets and liabilities of CTNM, had been transferred to Coteminas, excluding the assets and liabilities of Companhia de Tecidos Santanense



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Summary of Terms & Conditions

- *Facility:* *Secured Export Prepayment (“Pagamento Antecipado de Exportação”)*
- *Borrower:* *Coteminas S.A. .*
- *Amount:* *US\$ 220,000,000.00*
- *Maturity Date:* *7 years from the Closing Date*
- *Principal Repayment:* *17 equal quarterly principal installments starting on the 36th month after the Closing Date.*
- *Interest Rate* *Libor + 1.50% p.a.*
- *Purpose of the Facility:* *To finance exports from the Borrower to the Eligible Buyers.*
- *Joint Lead Arrangers & Bookrunners:* *ABN AMRO and ITAU*
- *Senior Arranger:* *Citibank*
- *Arrangers:* *Banco do Brasil and Bradesco*



Summary of Terms & Conditions (cont.)

- **Disbursement:** *One single drawdown on the Closing Date or within 3 business days thereafter.*
- **Collateral:** *The Borrower will grant a perfected first priority security in favor of the collateral agent for benefit of the lenders in:*
 - (1) Receivables generated from the Committed Sale Agreement between Coteminas and Springs.*
 - (2) The Collection account and all proceeds thereof,*
- **Collateral Coverage:** *(1) from the 60th day after the Closing Date until the Final Maturity Date, the amount equal to 1.5 times the principal amount due in one Payment Date, shall be held in receivables and/or cash, in addition,*
(2) 30 days prior to the next Payment Date, the amount equal to 1.5 times in cash of the amount due in the next Debt Service Amount, shall be held in cash in collateral coverage.
- **Financial Covenants:** *Total Debt to EBITDA*
Net Debt to Equity
EBITDA to Interest Expense (Interest Coverage Ratio)



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Syndication Strategy - Participation Levels

<i>Title</i>	<i>Commitment Amount</i>	<i>Up-Front Participation Fee (*)</i>
Lead Manager	US\$ 15,000,000	15.0 bps
Manager	US\$ 10,000,000	10.0 bps

(*) Up-front Participation Fee will be based on the initial commitment amount, but calculated and payable on the final allocated amount

Syndication Strategy – Timetable

Mar-06						
Su	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Apr-06						
Su	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

14 and 16 April - Easter Friday and Easter respectively

- March 16th - Bank Meeting in New York
- March 20th - Bank Meeting in São Paulo
- April 7th - Commitment Letters Due
- April 10th - Final Allocation and Distribution of Documents
- April 13th - Comments on Documentation Due
- April 18th - Execution of Documentation
- April 24th Week - Funding



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Investment Considerations

- Leading Market Position in Brazil and in the U.S.
- Low Cost Producer
- High Quality and State-of-the-Art Technology
- Solid and Experienced Management Team
- Sound Structure and Collateral
- Growing Export Base



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