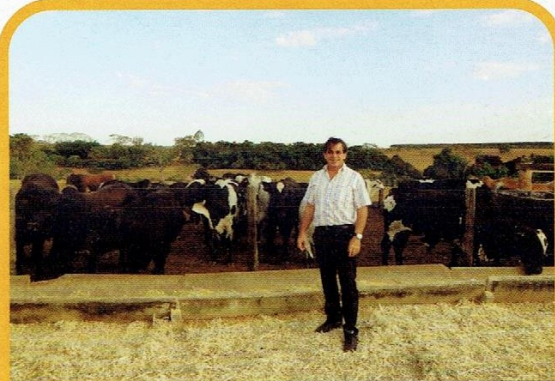


LOOKING BEYOND EXISTING TRENDS

While most of the countries have been trailing behind, due to recession and currency fluctuations, Brazil has woken up in all aspects where quality, Production, Infrastructure, Technology up gradation as concerned; Brazilian leather industry has been able to make its presence felt in overseas markets as it has worked hard to conquer over many years, opening up new areas like China, Hong Kong and the US continue to be the main market. Indian tanners are



facing stiff competition in promoting the cow leather especially in Hong Kong market ,due to their size and substance of the raw material ;many of the Chinese customers have replaced Brazilian Leathers as their usage of Indian cow leather, percentage is very less when compared to Brazilian finished leathers. When we spoke to the Chinese manufactures, their views are totally different, as they pointed out that the substance of the Brazilian finished leather is thicker than Indian raw material, the usage pattern is more, due to the bigger sizes and their upgrading technology also very good using the lower grade raw material with 90 – 95% cutting value for the end users with the price advantage and the achievement of the value for their products.



Mr. Emilio Bittar , CEO COMING.JPG

Brazil shipments to Germany, South Korea, Mexico, Norway and Hungary have been increased substantially in the last year. Brazil has registered a trade surplus of USD 13 billion during the first six months of 2011 with record exports across all sectors of \$118.3 billion and record imports of \$105.3 billion. But on the other side their domestic market got saturated and the tanners in Brazil are being forced to focus on overseas market. Our tanneries in India have to grab this opportunity to import their raw material in the form of Wet blue or in the crust stage. Still our friendly norms of OGL continues, only the fluctuation of currency poses a big threat to the Importers in India. At this stage it is time that we negotiate with our Brazilian friendly tanners and utilize the raw material sources for our manufacturing plants.

Brazil at a Glance Exports Statistics

Raw hides and skins value: \$ 5.8 million; volume: 260,447 pieces Tanned leather value: \$ 1.7 billion

(57% finished leather, 42.7% wet blue or crust); Volume: 27.1 million pieces (40.4% of the total, 58.7%).

Number of Companies in the tanning sector

Estimated at more than 800, mostly small, family – run firms, although some of the biggest tanning groups in the world are also based in Brazil.

Main Export Items

Exporting Raw and semi-finished hides, upholstery and furniture leather and footwear to China, Hong Kong and the US.

Main materials used

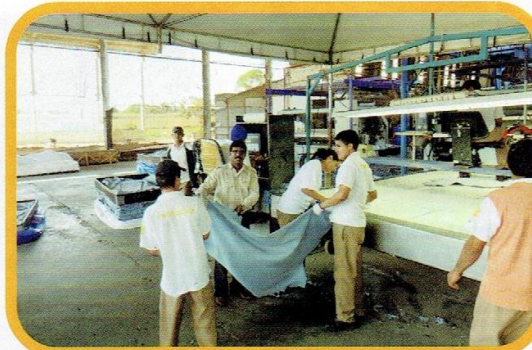
Cow and calf leather. Brazil slaughtered 29.7 million herds of cattle in 2012, lower than in previous years. It had a herd size of 185.1 million head last year according to the US department of Agriculture's research, second only to India's estimate of 316.4 million. According to these figures, Brazil has a larger herd size than the US and the European Union combined. However, slaughter numbers are down and tanneries are complaining of a lack of raw material.

The Trade Related Intellectual Service Organization (TRIS) M/s. Caprittarius on behalf of the Tanner's community, as well as official invitation from M/s.

Coming Industria E Comercio De Curois, Trindade, Goia's ,Brazil . Mr. V.S. Ravindran , CEO of the company has travelled and surveyed the most of the Brazilian tanneries and found the infrastructure and the quality amazing and has concluded its potential sources. This is the proven fact as the same company was awarded the "Best Tannery Award" in the Tannery of the Year Award function held at Shanghai in 2011 during Shanghai International Leather Fair.

Although the industry is facing severe raw material crisis, the Brazilian company is stepping itself with full efforts to deliver the raw material better than the other global origins and especially the company M/s. Coming, Brazil root themselves firmly in India along with M/s. Caprittarius to provide an effective solution for the tanneries in India.

On the 50 hectares site with their own farm , with the Ongole breed cow Mr. Mario, Mr. Emilio and Marcio Bittar are the founders and directors of the company have proudly committed themselves to deliver the best hides from their farms, and their production output is 5000 – 6000 hides per day and the company have even established two education projects; in which adult learning programmes takes place for the Coming employees. This began in 2012 and the



number of worker volunteers to come for three hours before begins their shift at the tannery .Apart from this M/s. Coming also set up an early learning and children's day care centre funding their entire project, which throws light on their philanthropy efforts.

Mr. Emilio Bittar , Managing Director of the company and Mr. Julio Zanotto , Sales director of the company will be in the IILF fair in the stall of M/s. Caprittarius to meet our tanners community on 31st Jan. to 3rd Feb. 2012 at CC—04 – A,B at the Chennai Trade Centre, Nandambakkam, Chennai.