Cielo S.A.

Consolidated and Individual Interim Financial Information for the three and six-month periods ended June 30, 2015 and Report on review of Interim Financial Information - ITR

Contents

Report on the review of the Interim Financial Information

To the Shareholders and Management
Cielo S.A.
Barueri-SP

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Cielo S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended June 30, 2015, which comprise the balance sheet as of June 30, 2015 and related statements of income and comprehensive income for the three and six month periods then ended and the changes in shareholders' equity and cash flows for the six month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation and fair presentation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) - *Demonstração Intermediária* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review
We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above has not been prepared in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the preparation of Interim Financial Information and presented in accordance with the standards issued by CVM.

Other matters

Interim statements of value added

We have also reviewed the individual and consolidated interim statements of value added (“DVA”), for the six month period ended June 30, 2015, which were prepared under Company’s Management responsibility, the presentation of which is required by the standards issued by CVM applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects consistently with individual and consolidated interim financial information taken as a whole.

Osasco, July 29, 2015

KPMG Auditores Independentes
CRC 2SP028567/O-1 F-SP

Original report in Portuguese signed by
Cláudio Rogélio Sertório
Accountant CRC 1SP212059/O-0

Cielo S.A.

Balance Sheets as of June 30, 2015 and December 31,2014

(In thousands of Brazilian Reais - R$)

		Company		Consolidated	
Assets	**Note**	**06/30/2015**	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current Assets					
Cash and cash equivalents	4	89,289	3,758,037	1,208,278	3,998,721
Trade accounts receivable	5	8,900,730	9,179,595	9,834,116	9,641,389
Trade receivables from subsidiaries and joint ventures	29	2,340	115	76	384
Advanced and recoverable taxes		-	-	1,246	1,514
Prepaid expenses		8,543	5,907	14,475	10,212
Other receivables		18,102	21,058	34,013	29,513
Total current assets		9,019,004	12,964,712	11,092,204	13,681,733
Noncurrent Assets					
Deferred income tax and social contribution	6	723,242	742,909	801,037	756,734
Escrow deposits	16.b)	1,198,794	1,103,037	1,204,705	1,108,475
Other receivables		1,293	181	24,974	20,192
Investments	7	9,664,013	969,057	84,483	58,867
Property and equipment	8	781,586	701,274	807,506	723,915
Intangible assets	9 and 10	191,597	183,471	13,989,714	2,329,758
Total noncurrent assets		12,560,525	3,699,929	16,912,419	4,997,941
Total Assets		21,579,529	16,664,641	28,004,623	18,679,674

		Company		Consolidated	
Liabilities and Equity	**Note**	**06/30/2015**	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current Liabilities					
Payables to merchants	12	668,205	930,070	1,446,976	1,330,176
Prepayment of receivables with card issuers	11	2,240,680	2,250,035	2,240,680	2,250,035
Borrowings and financing	13	2,043,063	4,829,609	2,043,750	4,833,602
Trade accounts payable		549,515	613,661	650,136	700,319
Taxes payable	14	129,428	436,441	227,120	442,548
Payables to subsidiaries and joint ventures	29	15,973	12,210	-	-
Dividends payable	17.g)	524,785	475,801	524,785	475,801
Others payable	15	86,723	157,601	356,061	235,063
Total current liabilities		6,258,372	9,705,428	7,489,508	10,267,544
Noncurrent liabilities					
Borrowings and financing	13	8,720,892	1,438,909	9,967,976	2,506,140
Provision for risks	16.a)	1,296,744	1,205,427	1,315,674	1,223,633
Deffered income tax and social contribuition	6	-	-	263,726	344,665
Other payables	15	5,290	5,767	11,105	13,292
Total noncurrent liabilities		10,022,926	2,650,103	11,558,481	4,087,730
Equity					
Capital	17.a)	2,500,000	2,000,000	2,500,000	2,000,000
Capital reserve	17.b)	73,239	75,854	73,239	75,854
Treasury shares	17.c)	(173,142)	(194,478)	(173,142)	(194,478)
Comprehensive income	17.d)	3,716	5,969	3,716	5,969
Earnings reserves	17.e) and f)	2,894,418	2,421,765	2,894,418	2,421,765
Attributed to:					
Company - Cielo S.A.		5,298,231	4,309,110	5,298,231	4,309,110
Shareholders other than Cielo S.A.'s		-	-	3,658,403	15,290
Total equity		5,298,231	4,309,110	8,956,634	4,324,400
Total Liabilities and Equity		21,579,529	16,664,641	28,004,623	18,679,674

The accompanying notes are an integral part of these interim financial statements.

Cielo S.A.

Interim statements of income

For periods of three and six months ended June 30, 2015 and 2014

(In thousand of Brazilian Reais - R$, except earnings per share)

		Company				Consolidated			
		Three month period		Six month period		Three month period		Six month period	
	Note	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net Revenue	20	1,716,806	1,540,273	3,419,191	3,064,895	2,795,781	1,840,727	5,147,545	3,658,416
Cost of Services	21	(512,088)	(462,302)	(1,018,478)	(894,246)	(1,302,763)	(703,776)	(2,296,133)	(1,363,508)
Gross Profit		1,204,718	1,077,971	2,400,713	2,170,649	1,493,018	1,136,951	2,851,412	2,294,908
Operating Income (Expenses)									
Personnel	21	(61,579)	(51,234)	(124,278)	(104,700)	(115,563)	(87,646)	(222,052)	(171,326)
General and administrative	21	(95,886)	(88,698)	(186,583)	(149,599)	(121,320)	(91,161)	(236,184)	(164,177)
Sales and marketing	21	(67,512)	(55,898)	(121,638)	(119,227)	(70,346)	(58,094)	(125,387)	(125,478)
Equity in subsidiaries	7	104,466	4,632	147,164	8,570	3,642	2,777	7,353	5,526
Other operating expenses, net	21 and 22	(54,835)	(46,517)	(108,983)	(79,165)	(59,630)	(51,093)	(115,218)	(88,984)
Operating Income		1,029,372	840,256	2,006,395	1,726,528	1,129,801	851,734	2,159,924	1,750,469
Finance Income (Expenses)									
Finance income	27	3,280	3,022	54,613	5,955	23,880	3,608	76,971	7,239
Financial expenses	27	(292,702)	(20,635)	(468,841)	(42,192)	(301,500)	(29,481)	(489,750)	(60,583)
Revenues from advanced receivables	27	493,620	351,616	956,534	680,808	493,620	351,616	956,534	680,808
Exchange rate changes, net	27	1,344	(75)	3,568	(95)	1,354	(84)	3,594	(96)
		205,542	333,928	545,874	644,476	217,354	325,659	547,349	627,368
Operating Income Before Income Tax And Social Contribution		1,234,914	1,174,184	2,552,269	2,371,004	1,347,155	1,177,393	2,707,273	2,377,837
Income Tax and Social Contribution									
Current	6	(348,017)	(442,814)	(752,955)	(848,839)	(453,759)	(450,430)	(930,880)	(861,333)
Deferred	6	(17,449)	65,420	(18,017)	77,303	14,160	69,979	57,329	86,316
Net profit for the period		869,448	796,790	1,781,297	1,599,468	907,556	796,942	1,833,722	1,602,820
Attributed to									
Company - Cielo S.A.						869,448	796,790	1,781,297	1,599,468
Shareholders other than Cielo S.A.						38,108	152	52,425	3,352
						907,556	796,942	1,833,722	1,602,820
Basic Earnings per Share (in R$) - Basic	18	0.46232	0.42689	0.94708	0.84963	0.46232	0.42689	0.94708	0.84963
Basic Earnings per Share (in R$) - Diluted	18	0.46083	0.42550	0.94403	0.84689	0.46083	0.42550	0.94403	0.84689

The accompanying notes are an integral part of these interim financial statements.

Cielo S.A.

Interim statements of comprehensive income

For period of three and six months ended June 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net profit for the period	869,448	796,790	1,781,297	1,599,468	907,556	796,942	1,833,722	1,602,820
Comprehensive income								
Exchange differences in the conversion of foreign transactions:								
Exchange differences of foreign transactions	(33,089)	(18,750)	139,994	(43,381)	(33,089)	(18,750)	139,994	(43,381)
Gains and losses from hedge instruments on foreign transactions, net of taxes	28,921	18,767	(142,247)	43,459	28,921	18,767	(142,247)	43,459
Changes in the period	(4,168)	17	(2,253)	78	(4,168)	17	(2,253)	78
Total comprehensive income for the period	865,280	796,807	1,779,044	1,599,546	903,388	796,959	1,831,469	1,602,898
Attributed to:								
Company - Cielo S.A.					865,280	796,807	1,779,044	1,599,546
Shareholders other than Cielo S.A.					38,108	152	52,425	3,352

The accompanying notes are an integral part of these interim financial statements.

Cielo S.A.

Interim statements of changes in equity

For the semesters ended June 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Attributed to controlling interest										
					Earnings reserves							
		Capital	Capital reserves	Treasury shares	Legal reserve	Capital budget	Additional dividends	Earnings retention	Comprehensive income	Total controlling interest	Noncontrolling interest	Total Equity
Balance as of January 01, 2014		1,000,000	99,637	(37,055)	200,000	1,551,385	500,410	-	5,448	3,319,825	12,054	3,331,879
Dividends paid in addition to the minimum mandatory dividends in 2013		-	-	-	-	-	(500,410)	-	-	(500,410)	-	(500,410)
Capital increase by incorporation of reserves		1,000,000	-	-	-	(1,000,000)	-	-	-	-	-	-
Acquisition of treasury shares		-	-	(173,262)	-	-	-	-	-	(173,262)	-	(173,262)
Stock options granted		-	10,496	-	-	-	-	-	-	10,496	-	10,496
Sale of treasury shares under the stock option plan		-	(11,029)	12,161	-	-	-	-	-	1,132	-	1,132
Net profit for the semester		-	-	-	-	-	-	1,599,468	-	1,599,468	3,352	1,602,820
Allocation of net income for the semester:												
Legal reserve		-	-	-	79,973	-	-	(79,973)	-	-	-	-
Interest on capital		-	-	-	-	-	-	(66,800)	-	(66,800)	-	(66,800)
Mandatory minimum dividends		-	-	-	-	-	-	(702,967)	-	(702,967)	-	(702,967)
Effect from other shareholders other than Cielo S.A. on consolidated entities		-	-	-	-	-	-	-	-	-	(5,851)	(5,851)
Comprehensive income:												
Exchange differences in the conversion of foreign transactions:												
Exchange rate changes on net foreign investments		-	-	-	-	-	-	-	(43,381)	(43,381)	-	(43,381)
Gains and losses from hedge instruments on foreign transactions, net of taxes		-	-	-	-	-	-	-	43,459	43,459	-	43,459
Balances as of June 30, 2014		2,000,000	99,104	(198,156)	279,973	551,385	-	749,728	5,526	3,487,560	9,555	3,497,115
Balance as of January 01, 2015		2,000,000	75,854	(194,478)	360,992	1,776,914	283,859	-	5,969	4,309,110	15,290	4,324,400
Dividends paid in addition to the minimum mandatory dividends in 2014	17.g)	-	-	-	-	-	(283,859)	-	-	(283,859)	-	(283,859)
Capital increase	17.a)	500,000	-	-	-	(500,000)	-	-	-	-	-	-
Stock options granted	19	-	11,530	-	-	-	-	-	-	11,530	-	11,530
Sale of treasury shares under the stock option plan	19 and 17.c)	-	(14,145)	21,336	-	-	-	-	-	7,191	-	7,191
Net profit for the semester		-	-	-	-	-	-	1,781,297	-	1,781,297	52,425	1,833,722
Allocation of net income for the semester:												
Legal reserve	17.e)	-	-	-	89,065	-	-	(89,065)	-	-	-	-
Interest on capital	17.g)	-	-	-	-	-	-	(114,100)	-	(114,100)	-	(114,100)
Mandatory minimum dividends	17.g)	-	-	-	-	-	-	(410,685)	-	(410,685)	-	(410,685)
Effect from other shareholders other than Cielo S.A. on consolidated entities		-	-	-	-	-	-	-	-	-	3,590,688	3,590,688
Comprehensive income:												
Exchange differences in the conversion of foreign transactions:												
Exchange rate changes on net foreign investments	17.d)	-	-	-	-	-	-	-	139,994	139,994	-	139,994
Gains and losses from hedge instruments on foreign transactions, net of taxes	17.d)	-	-	-	-	-	-	-	(142,247)	(142,247)	-	(142,247)
Balances as of June 30, 2015		2,500,000	73,239	(173,142)	450,057	1,276,914	-	1,167,447	3,716	5,298,231	3,658,403	8,956,634

The accompanying notes are an integral part of these interim financial statements.

Cielo S.A.

Interim statements of cash flows

For the six months period ended June 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Company		Consolidated	
	Note	**06/30/2015**	**06/30/2014**	**06/30/2015**	**06/30/2014**
Cash flow from operating activities					
Income before income tax and social contribution		2,552,269	2,371,004	2,707,273	2,377,837
Adjustments to reconcile income before income tax and social contribution					
To net cash provided by operating activities:					
Depreciation and amortization	8 and 10	199,007	165,323	382,412	206,467
Recognition of provision for losses on property and equipment and intangible assets		11,128	568	11,128	568
Residual cost of property and equipment and intangible assets written off	8 and 10	8,285	14,454	8,824	19,191
Stock option granted	19	11,530	10,496	11,530	10,496
Losses on non-performing loans and chargebacks	22	82,974	57,376	91,059	57,376
Provision for risks tax, civil, labor	16.a)	95,827	90,681	97,298	94,000
Adjustment to present value of trade accounts receivable	5	44,391	29,795	44,391	29,795
Interest of noncontrolling		-	-	52,425	3,352
Exchange change on interest deriving from borrowings and financing raised abroad		5,781	(377)	5,781	(377)
Interest on borrowings and financing	13	325,178	29,770	344,264	47,634
Equity in subsidiaries	7	(147,164)	(8,570)	(7,353)	(5,526)
(Increase) decrease in operating assets:					
Trade accounts receivable		234,475	(24,769)	(237,117)	(118,124)
Trade receivables from subsidiaries		(2,225)	(2,696)	308	175
Advanced and recoverable taxes		-	-	268	15
Other receivables (current and noncurrent)		(309)	(9,802)	(11,435)	(15,644)
Escrow deposits	16.b)	(95,757)	(92,588)	(96,230)	(92,802)
Prepaid expenses		(2,636)	10,074	(4,263)	8,711
Increase (decrease) in operating liabilities:					
Payables to merchants		(354,194)	(345,191)	16,386	(151,639)
Trade accounts payable		(64,146)	54,658	(50,183)	64,372
Taxes payable		(5,802)	(19,703)	6,663	(21,471)
Payables to subsidiaries		3,763	(1,249)	-	-
Other payables (current and noncurrent)		(71,358)	(21,435)	65,997	(34,721)
Payment of tax, civil and labor lawsuits	16.a)	(4,510)	(5,773)	(5,257)	(5,804)
Cash from operations		2,826,507	2,302,046	3,434,169	2,473,881
Interest paid	13	(38,486)	(29,438)	(61,270)	(46,238)
Income tax and social contribution paid		(972,827)	(1,034,365)	(1,071,632)	(1,054,291)
Net cash provided by operating activities		1,815,194	1,238,243	2,301,267	1,373,352
Cash Flow From Investing Activities					
Capital increase in subsidiaries, joint ventures and associated company	7	(8,422,930)	(1,000)	(18,263)	(1,000)
Dividends from subsidiaries	7	15,132	3,192	-	-
Goodwill on investments in subsidiaries and associated company	9	-	-	(14,467)	-
Additions to property and equipment and intangible assets, net of provision (reversal) for losses	8 and 10	(306,858)	(195,350)	(8,314,607)	(209,178)
Net cash applied in investing activities		(8,714,656)	(193,158)	(8,347,337)	(210,178)
Cash Flow From Financing Activities					
Acquisition of treasury shares	17.c)	-	(173,262)	-	(173,262)
Sale of treasury shares under the stock option plan		7,191	1,132	7,191	1,132
Borrowings	13	8,839,422	115,865	8,839,422	115,865
Payment of principal	13	(4,846,219)	(138,063)	(4,846,219)	(138,063)
IRRF on interest on capital paid	17.g)	(10,020)	(6,900)	(10,020)	(6,900)
Dividends and interest on capital paid	17.g)	(759,660)	(947,020)	(759,660)	(947,020)
Net cash provided by (applied to) financing activities		3,230,714	(1,148,248)	3,230,714	(1,148,248)
Effect from exchange rate changes on cash and cash equivalents of foreign subsidiary		-	-	24,913	(6,549)
Increase (decrease) in Cash and Cash Equivalents		(3,668,748)	(103,163)	(2,790,443)	8,377
Cash and cash equivalents					
Closing balance	4	89,289	153,982	1,208,278	431,439
Opening balance	4	3,758,037	257,145	3,998,721	423,062
Increase (decrease) in Cash and Cash Equivalents		(3,668,748)	(103,163)	(2,790,443)	8,377

The accompanying notes are an integral part of these interim financial statements.

Cielo S.A.

Interim statements of value added

For the six months period ended June 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Company		Consolidated	
	Note	**06/30/2015**	**06/30/2014**	**06/30/2015**	**06/30/2014**
Revenues					
Sales of services	20	3,802,578	3,401,098	5,665,173	4,016,463
Losses on non-performing loans and chargebacks	22	(82,974)	(57,376)	(91,059)	(57,376)
		3,719,604	3,343,722	5,574,114	3,959,087
Inputs from third parties					
Cost of services		(751,500)	(675,042)	(1,903,276)	(1,136,763)
Materials, electric energy, outside services and others		(290,872)	(260,807)	(252,592)	(219,697)
Other payables, net		(7,142)	(21,225)	(8,243)	(35,279)
Loss on realization of assets		(18,867)	(567)	(18,966)	(5,049)
		(1,068,381)	(957,641)	(2,183,077)	(1,396,788)
Gross value added		2,651,223	2,386,081	3,391,037	2,562,299
Retentions					
Depreciation and amortization	8 and 10	(199,007)	(165,323)	(382,412)	(206,467)
Wealth created, net		2,452,216	2,220,758	3,008,625	2,355,832
Wealth received in transfer					
Equity in subsidiaries	7	147,164	8,570	7,353	5,526
Interest of shareholders other than Cielo S.A.		-	-	(52,425)	(3,352)
Finance income, including exchange rate changes and advanced receivables, net	27	1,014,715	686,668	1,037,099	687,951
		1,161,879	695,238	992,027	690,125
Total wealth for distribution		3,614,095	2,915,996	4,000,652	3,045,957
Distribution of wealth					
Personnel and related taxes		(145,524)	(115,321)	(247,641)	(180,735)
Profit-sharing	25	(32,977)	(29,706)	(42,956)	(38,315)
Taxes and contributions		(1,182,872)	(1,129,616)	(1,430,548)	(1,161,432)
Accrued interest and leasing		(471,425)	(41,885)	(498,210)	(66,007)
Earnings retention		(1,781,297)	(1,599,468)	(1,781,297)	(1,599,468)
Wealth distributed		(3,614,095)	(2,915,996)	(4,000,652)	(3,045,957)

The accompanying notes are an integral part of these interim financial statements.

Notes to the individual and consolidated interim financial information

(Amounts in thousands of Brazilian Reais - R$, unless otherwise stated)

1 Operations

Cielo S.A. (the “Company” or “Cielo”) was established on November 23, 1995 in Brazil, and is primarily engaged in providing services related to credit and debit cards and other payment methods, including signing up of merchants and service providers, rental, installation and maintenance of Point of Sales - POS equipment, and data capture and processing of electronic and manual transactions.

Cielo is a corporation headquartered in Barueri, State of São Paulo, whose shares are traded on BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros, under ticker symbol “CIEL3”, and its subsidiaries comprise Banco do Brasil and Bradesco conglomerates.

The operations of the Company’s direct subsidiaries, indirect subsidiaries, joint ventures and associated company, also referred to as "Group" throughout this report, are as follows:

Direct subsidiaries

- **Servinet Serviços Ltda. (“Servinet”) -** engaged in the provision of maintenance and contacts with merchants and service providers for acceptance of credit and debit cards and other payment methods.

- **Cielo USA, Inc. (“Cielo USA”) -** Its main activity is participation in other companies as partners or shareholder.

- **Multidisplay Comércio e Serviços Tecnológicos S.A. (“Multidisplay”) -** Engaged in data transmission services to load fixed or mobile phone credits; in retail and wholesale trade cards and recharges for mobile phones and devices, prepaid and related services.

- **Braspag Tecnologia em Pagamento Ltda. (“Braspag”) -** engaged in software development; automated transaction processing; IT services for collection and management of trade accounts payable and receivable using the Internet.

- **Cateno Gestão de Contas de Pagamentos S.A. (“Cateno”), *formerly Token Gestão de Contas de Pagamentos S.A. (“Token”)* -** is mainly engaged in the provision of services in processing means of payments that involve private and prepaid credit, debit and multiple cards, and the development of other related activities of interest to the Company and holding ownership interests in other companies.

- **Aliança Pagamentos e Participações Ltda. (“Aliança”)** – is mainly engaged in participation in other companies as partner or shareholder.

- **Cielo Cayman Island (“Cielo Cayman”)** - company based in Cayman Island engaged, primarly, in participation in other companies as partner or shareholder.

Cielo Cayman did not carry out any operational, non-operational, equity or financial activity up to the semester ended June 30, 2015.

Indirect subsidiaries

- **M4Produtos e Serviços S.A. (“M4Produtos”) -** Multidisplay’s subsidiary engaged in data transmission services to load fixed or mobile phone, prepaid transportation and similar credits; mobile payment and technology consulting services; and software development and licensing.

- **Merchant e-Solutions, Inc. (“Me-S”) -** Cielo USA’s subsidiary engaged in the provision of services related to the facilitation of electronic payments with either credit or debit cards, comprising transaction authorization, financial clearing, and the notification of transactions to merchants.

Joint ventures

- **Companhia Brasileira de Gestão de Serviços (“Orizon”) -** Engaged in the provision of consulting and data processing services to medical companies in general; management of back office services for health operators in general; electronic network interconnection services between health operators and medical and hospital service providers (e.g.: hospitals, clinics and laboratories), and other health system agents and drugstores.

- **Prevsaúde Comercial de Produtos e de Benefícios de Farmácia Ltda. (“Prevsaúde”) -** Orizon’s subsidiary engaged in medicine benefit services to corporate customers, healthcare plans, public customers, and large laboratories.

- **Precisa Comercialização de Medicamentos Ltda. (“Precisa”) -** Orizon’s subsidiary until march 2014, engaged in the sale of medicines in general, with focus on health prevention and maintenance, with a scheduled delivery system. In March 20, 2014, Precisa was fully sold to other economic group, in the amount of R$1,500.

- **Guilher Comércio, Importação, Exportação e Distribuição de Medicamentos e Tecnologia para Saúde Ltda. (“Guilher”) -** Orizon’s subsidiary engages in the import, export, distribution, and sale of medicine pharmaceuticals and pharmaceutical raw materials, products and equipment technology for health.

- **Paggo Soluções e Meios de Pagamento S.A. (“Paggo”) -** engaged in the accreditation of merchants for acceptance of credit and debit cards through the capture, transmission, data processing and settlement of electronic transactions with credit and debit cards for mobile payments.

Indirect associated company

- **Stelo S.A. (“Stelo”) –** is mainly engaged in operating as a facilitator for online payments and digital portfolio, both for the physical world and for electronic commerce.

New corporate business

- Holding interest in Stelo's capital through contribution to subsidiary Aliança:

  On April 16, 2014, Cielo informed the market on execution of a memorandum of understanding with Cia Brasileira de Soluções e Serviços ("CBSS"), controlled by Banco Bradesco S.A. and Banco do Brasil S.A., to hold interest in capital of Stelo, wholly-owned subsidiary of CBSS.

  To acquire interest in capital of Stelo, in June 2015, Cielo contributed the amount of R$32.7 million to Aliança, while Servinet contributed R$0.03 million. In the same period, Aliança, which is engaged in managing and issuing own or third parties' payment accounts and holding interest in other companies as partner or shareholder, acquired 30% of Stelo's capital for the amount of R$32.7 million. There was no additional indebtedness for the specific purpose of financing Cielo's interest in capital of Stelo through its subsidiary Aliança.

  Accordingly, in June 30, 2015, capital of Stelo is held as follows: 30% by Aliança and 70% by Cia Brasileira de Soluções e Serviços ("CBSS").

- Creation of the company Cateno – Gestão de Contas de Pagamento S.A. in association with Banco do Brasil´s subsidiary:

  On February 27, 2015 the documents were signed completing the formation of the association between Cielo and BB Elo Cartões Participações S.A. ("BB Elo Cartões"), a wholly-owned subsidiary of Banco do Brasil S.A., to the creation of the Cateno – Gestão de Contas de Pagamento S.A ("Cateno") whose purpose is managing transactions arising from credit and debit card operations, among which card issues, managing accounts payable, support to management and control of security in transactions, payments of fees to brands and payment arrangements, among other related services, whose authorizations the Administrative Council for Economic Defense (CADE) and Central Bank of Brazil under Resolution 4062/12 and Law 12865/13.

  Cateno's equity capital is held 70% by the Company and 30% by BB Elo Cartões, and on its organization BB Elo contributed with intangible assets related to the Ourocard Payment Arrangement, while the Company contributed with R$ 8.1 billion to the operation. The amount contributed by the Company originated from (i) R$ 3.5 billion resulting from the first, second and third issuance of single series, simple, unsecured debentures non-convertible into shares, and (ii) R$ 4.6 billion for the payment, by BB Elo Cartões, of taxes on the operation.

  The Ourocard Payment Arrangement is the set of rules and procedures related to the service provision of payment services to the public related to purchase transactions of credit and debit cards issued by the Banco do Brasil in the brands Visa, Mastercard, American Express and Elo, excluding cards related to prepaid business, means of payment solutions provided to government entities and private label cards issued under current partnerships entered into with retailers.

  By means of an Economic and Financial Appraisal Report prepared by an independent audit firm, the intangible assets related to the Ourocard Arrangement contributed by BB Elo Cartões totaled R$ 11.6 billion, with a 30-year estimated useful life to be amortized under the straight-line method.

2 Summary of significant accounting policies

2.1 Statement of compliance

The interim financial information individual (Company) and Consolidated of the Company, which have been prepared in accordance with the International Financial Reporting Standards – IFRSs issued by the International Accounting Standards Board – IASB and accounting practices adopted in Brazil which includes those established in the Brazilian Corporate Law, as well as the technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM").

On December 23, 2014, amendments to Technical Pronouncement CPC 35 - Demonstrações Separadas were issued due to changes made to IAS 27 – Separate Financial Information by IASB, which included the equity method as an accounting option for investments in the separate financial statements and consequently amendments to Technical Pronouncements CPC 37 – Adoção Inicial das Normas Internacionais de Contabilidade and CPC 18 – Investimento em Coligada, em Controlada e em Empreendimento Controlado em Conjunto. Therefore, as from December 31, 2014, the separate financial statements have been complying with the IFRS, since they already adopted the equity method to account for investments in subsidiaries, associated company and joint ventures.

2.2 Basis of preparation

The consolidated and individual interim financial information have been prepared based on the historical cost, except if otherwise stated. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

2.3 Functional and presentation currency

The consolidated and individual interim financial information are presented in Brazilian reais (R$), which is the functional and reporting currency of the Company.

Management determined that the functional currency of its foreign subsidiaries is the US dollar. In Cielo USA, the main factor to determine the functional currency was the raising of US dollar denominated loans for the acquisition of control of Me-S. These loans will be fully settled using the cash from foreign transactions. In addition, with respect to Me-S, the services provided and cash flows are fully stated in US dollars.

For purposes of presentation of the consolidated interim financial information, the assets and liabilities of subsidiaries Cielo USA and Me-S (based in the USA), originally denominated in US dollars, were translated into Brazilian reais at the exchange rates prevailing at each period end. Profits or losses were translated at the average monthly exchange rates for the period. Exchange rate changes resulting from such translations were classified in comprehensive income and accumulated in equity.

The goodwill and adjustments to the fair value of identifiable assets acquired and liabilities assumed arising from the acquisition of a foreign subsidiary are recognized as assets and liabilities and translated based on the exchange rate at the end of the reporting period. Exchange differences are recognized in equity.

2.4 Revenue recognition

Revenue is measured at the fair value of the amount received or receivable, less estimated returns, commercial discounts and/or bonuses granted and other similar deductions.

The income from the capture of the transactions with credit and debit cards are appropriated to the income (loss) on the date of capture/processing of the transactions. Income arising from credit and debit card transactions and accounts payable management services, as well as other services provided to partners and merchants are appropriated to the income by the effective service delivery.

The income from the dividends of investments is recognized when the shareholder's right to receive these dividends is established (provided that it is probable that the future economic benefits will flow to the Group and the amount may be measured reliably).

Interest income is recognized when it is probable that the future economic benefits will flow to the Group and the amount may be measured reliably.

Revenues from the prepayment of receivables to merchants are recognized on a "*pro rata temporis*" basis through their maturities.

In the case of Me-S, in the context of its agreements with the banks, it assumes liabilities of the acquirer bank and is, therefore, accountable for the interchange rates. In addition, the bank receives market rates for its services and, therefore, is not exposed to the agreement's risks and rewards. Additionally, there are factors such as the portability of the contracts with merchants and the fact that Me-S has a direct interaction with its clients, on a daily basis, and it holds the transaction's credit risk. As a result, Me-S is the main debtor and recognizes revenue based on its gross amount and the interchange is recognized as cost of services.

2.5 Cash and cash equivalents

Include cash, bank accounts and highly-liquid, short-term investments with insignificant risk of change in fair value, stated at cost plus interest earned. Cash and cash equivalents are classified as financial instruments and their income is recorded in profit or loss for the year.

2.6 Trade accounts receivable and payable to merchants

a. Prepayment of receivables - Accounts receivable from issuing banks related to the prepayment of receivables, stated at present value, determined on an individual basis, less cash flows of each one of the receivables recorded using the interest rates applied to such transactions.

b. Settlement receivables - Accounts receivable from card - using banks related to prepayment of receivables, is correspond mainly to the receivables from card association members for processed financial transactions by the Me-S that were authorized but not yet received. These receivables are generally settled on the following day.

c. Receivables from merchants - represent interchange and service fees for transaction processing receivable from merchants, as a result of Me-S's practice to settle transactions at full amounts from merchants and collect these fees at the beginning of the next month.

d. Transactions pending transfer - refer to transactions carried out by the holders of credit and debit cards issued by financial institutions, consisting of receivables from card-issuing banks, less interchange fees and payables to merchants less processing fees (discount rate), both with maturities of less than one year.

e. Settlement payables to merchants from transactions process by Me-S - correspond to the balances due to customers for processed transactions by Me-S that has not yet been paid. Me-S pays merchants the amounts received from card association members on the business day subsequent to the day the transaction is captured.

f. Merchant deposits - Me-S maintains funds as a security deposit to hedge against of the risk of a client going bankrupt and being unable to pay for the services provided. The amount withhold from each client is based on the risk factors associated to the client, which include, among others, the type of business and the volume of completed transactions.

2.7 Property and equipment

Stated at historical cost, less depreciation and accumulated impairment losses. Depreciation is calculated under the straight-line method, based on the estimated useful lives of the assets. The estimated useful lives, residual values, and depreciation methods are reviewed at least on an annual basis, and the effects from any changes in estimates are recorded prospectively.

An item of property and equipment is written off upon disposal or when there is no future economic benefits resulting from its continuous use. Any gain or loss from the sale or write-off of an item of property and equipment is determined by the difference between the sales amount received and the carrying value of the asset sold, recognized in profit or loss.

2.8 Intangible assets

Separately acquired intangible assets

Separately acquired intangible assets with finite useful lives are stated at cost, less accumulated amortization and accumulated impairment losses thereon. Amortization is recognized on a straight-line basis, based on the estimated useful lives of the assets. The estimated useful life and amortization method are reviewed on an annual basis and the effect of any changes in estimate is accounted for on a prospective basis.

Intangible assets acquired in a business combination

In the consolidated interim financial information, intangible assets acquired in a business combination and recognized separately are stated at fair value on the acquisition date, which is equivalent to cost.

Internally generated intangible assets

Expenditure on research is recognized as expense when incurred. When no internally generated intangible asset may be recognized, the development costs are recognized in profit or loss when incurred.

Impairment of tangible and intangible assets excluding goodwill

Annually, and if there is evidence, the Group reviews the carrying amount of its tangible and intangible assets to determine if there is any indication that these assets might be impaired.

Recoverable amount is the higher between the fair value less costs to sell and the value in use. If the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the carrying amount (or cash-generating unit) is reduced to its recoverable amount, and impairment losses are immediately recognized in the income.

2.9 Business combinations

In the consolidated interim financial information, business combinations are stated under the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition-related costs have been recognized in the income, when incurred. The identifiable assets acquired and liabilities assumed are recognized at fair value on the acquisition date. Goodwill is measured based on the exceeding amount arising from the sum up of the amount transferred, the noncontrolling interest in the acquire and the fair value of the acquirer’s interest previously held in the acquire on the net amounts on the date of acquisition of the identifiable assets acquired and liabilities assumed.

2.10 Goodwill

Goodwill arising from a business combination is stated at cost on the date of the business combination, net of accumulated impairment loss, if any. For impairment test purposes, goodwill is allocated to each one of the cash-generating units of the Company that benefit from the business combination synergies. The cash-generating units to which goodwill was allocated are tested for impairment annually or more frequently, when there is any indication of impairment.

If the recoverable amount of a cash-generating unit is lower than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and subsequently to the other assets of the cash-generating unit, proportionally to the carrying amount of each of its assets.

2.11 Income tax and social contribution - Current and deferred

Income tax and social contribution expenses represent the sum of current and deferred taxes.

Current taxes

The provision for the Company’s income tax and social contribution is calculated based on the taxable income for the year. Income tax was calculated at the rate of 15%, plus 10% surtax on annual taxable income exceeding R$240. Social contribution was calculated at the rate of 9% on adjusted profit.

Deferred taxes

Deferred income tax and social contribution are recognized on the differences between assets and liabilities recognized for tax purposes and related amounts recognized in the consolidated interim financial information. Deferred income tax and social contribution are determined based on the tax rates and laws in effect at the end period of interim financial information and applicable when the respective income tax and social contribution are paid. The recovery of deferred tax assets is reviewed at the end of each reporting period and when it is no longer probable that future taxable income will be available to allow the recovery of all or part of the assets, these are adjusted to their expected recoverable amount.

Current and deferred taxes are recognized in profit or loss, except when they correspond to items recorded in “Comprehensive income”, or directly in equity. In these cases, current and deferred taxes are recognized in “Comprehensive income”, in equity.

When current and deferred taxes result from the initial recognition of a business combination, the tax effect is accounted for on the recognition of a business combination.

2.12 Employee benefits

The Company is co-sponsor of a defined contribution pension plan. Contributions are made based on a percentage of the employee's compensation. Payments to defined contribution plans are recognized as expense when the services they entitle to are provided.

2.13 Provision for risks

Recognized when there is a present obligation legal or constructive as a result of a past event, with probable outflow of resources, and the amount of the obligation can be reliably estimated. The amount recognized as a provision is the best estimate of the settlement amount at the end of the reporting period, taking into consideration the risks and uncertainties related to the obligation. Provisions for tax lawsuits are recorded based on the total taxes under legal dispute, plus inflation adjustment and late payment interest incurred through the end of the reporting period.

2.14 Dividends and interest on capital

The proposed distribution of dividends and interest on capital made by the Company's Management that does not exceed the mandatory minimum dividends is recognized in line item "Dividends payable" in current liabilities as it is considered a legal obligation under the Company's bylaws. However, the portion of dividends exceeding mandatory minimum dividends, when applicable declared by Management after the reporting period but before the issuance of the financial is authorized is recognized in line item "Proposed additional dividends" in equity, whose effects are disclosed in note 17(g). For corporate and accounting purposes, interest on capital is stated as allocation of profit or loss directly in equity.

2.15 Stock option and restricted shares plans

The Company offers a stock option and restricted shares plans to its officers and the officers and executives of its subsidiary Servinet. Options or shares are priced at fair value on the grant date of the plans and are recognized on a straight-line basis in profit or loss as an offsetting entry to the equity. At the end of each reporting period, the Company reviews its estimates of the number of vested options/shares based on the plan's terms and conditions and recognizes the impact of the revision of initial estimates, if any, in the statement of income, as an offsetting entry to the equity.

2.16 Financial assets and financial liabilities

a. Financial assets

Financial assets are classified in the following specific categories: (i) at fair value through profit or loss; (ii) held to maturity; (iii) loans and receivables; and (iv) available for sale. Classification is made according to the nature and purpose of the financial assets and is determined upon initial recognition.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss when acquired. A financial asset is classified as held for trading if it is: (i) acquired principally for the purpose of selling it in the near term; (ii) part of a portfolio of identified financial instruments that are jointly managed and for which there is evidence of a recent actual pattern of short-term profit-taking; (iii) a derivative that is not a designated and effective hedging instrument in hedge accounting. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses recognized in profit or loss for the year. Net gains or losses recognized in profit or loss include dividends or interest earned by the financial asset.

Financial assets held to maturity
Financial assets with fixed or determinable payments and fixed maturities, which the Company has the intention and ability to hold to maturity are classified as held to maturity. Held-to-maturity financial assets are measured at amortized cost using the effective interest rate method, less the allowance for impairment losses. Interest income is recognized using the effective interest rate method.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, measured at amortized cost using the effective interest method, less the allowance for impairment losses. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets designated as available for sale and not classified in any of the categories above. Available-for-sale financial assets are measured at fair value. Interest, inflation adjustment and exchange rate changes, if applicable, are recognized in profit or loss when incurred. Changes arising from measurement at fair value are recognized in a specific line item of equity when incurred, and are charged to profit or loss when realized or considered unrecoverable.

b. Financial liabilities
Financial liabilities are classified as follows: (i) at fair value through profit or loss; or (ii) as other financial liabilities.

Financial liabilities at fair value through profit or loss
This category includes financial liabilities held for trading or measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains and losses recognized in profit or loss. Net gains or losses recognized in profit or loss comprise any interest paid on financial liabilities.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on a yield basis.

2.17 Use of estimates
The preparation of consolidated and individual interim financial information requires the Company’s and its subsidiaries’ Management to make estimates that affect certain assets and

liabilities, disclosure of contingent liabilities and the reported amounts of revenues and expenses for the period. Significant assets and liabilities subject to these estimates include the residual value of property and equipment and intangible assets, allowance for doubtful accounts (on trade accounts receivable from lease of POS equipment), deferred income tax and social contribution assets, impairment of goodwill and provision for risks. Since Management's judgment involves making estimates concerning the probability of occurrence of future events, actual results could differ from those estimates. The Company and its subsidiaries review estimates and assumptions at least annually.

2.18 New and revised standards and interpretations issued ad not yet adopted

The new IFRSs issued by the IASB and not yet in force are:

- **IFRS 9 -** Financial Instruments **-** introduces new requirements for classification, measurement and write-off of financial assets and liabilities (effective for annual periods beginning on or after January 1, 2018).

- **IFRS 15 -** Revenue from Contracts with Customers - introduces new requirements to recognize income from sales of goods and services (effective for annual periods beginning on or after January 1, 2017).

The Company's Management evaluated this new IFRS and does not expect significant effects on reported amounts.

2.19 Regulations issued by the Central Bank of Brazil (BACEN)

Due to Law 12865, published on October 9, 2013, the Company is subject to regulation issued by the Central Bank of Brazil (BACEN), according to guidelines established by the National Monetary Council (CMN) and regulations issued by the Central Bank itself. Therefore, the Company is subject to authorization of the Central Bank to operate, and must comply with the rules covering, among others, risk management, minimum Shareholders' Equity levels and enforcement requirements similar to those of a Financial Institution. Management is taking the necessary steps and making adjustments to be in full compliance with the latest regulations as of the beginning from the granting of authorization by the Central Bank.

In addition to the consolidated and individual financial information prepared in accordance with IFRS and the accounting practices adopted in Brazil, the Company will be subject to disclose, as from the authorization to be expresses by the regulatory agency, the financial information prepared in accordance with the set of criteria, procedures and accounting rules embodied in the Plano Contábil das Instituições do Sistema Financeiro Nacional – COSIF, which differs from some adopted practices currently (described from notes 2.1 to 2.17) and whose effects may be significantly different.

Cielo has already filled the authorization request protocol and waits the decision of the Central Bank of Brazil.

3 Consolidated interim financial information

The consolidated interim financial information includes the interim financial information of the Company, its subsidiaries and jointly-controlled entities. Control is obtained when the Company has the power to control an entity’s financial and operating policies to benefit from its activities. In the Company’s individual interim financial information, the interim financial information on subsidiaries, jointly-controlled entities and associated company are recognized under the equity method.

The profit or loss on the subsidiaries acquired during the year is included in the consolidated interim financial information of income from the effective date of acquisition. The balance of profit or loss is attributable to the Company’s shareholders and noncontrolling interests, despite of losses. When necessary, the subsidiaries’ interim financial information are adjusted their accounting policies to those set by the Group. All intercompany transactions, balances, income and expenses are fully eliminated in consolidated interim financial information.

For subsidiaries, the full consolidation concept was applied, intended for investments in subsidiaries and entailing the recognition of all assets, liabilities, income and expenses in the parent, thus requiring the recognition of noncontrolling interests.

Consolidated interim financial information contemplates account balances of the Company (Company), direct subsidiaries Multidisplay, Servinet, Braspag, Cielo USA, Cateno and Aliança, and indirect subsidiaries Me-S and M4Produtos.

3.1 Direct (individual control) and indirect subsidiaries

The equity interests held in the consolidated subsidiaries are as follows:

	Interest - %			
	Total capital		**Voting capital**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Direct subsidiaries:				
Servinet	99.99	99.99	99.99	99.99
Cielo USA	100.00	100.00	100.00	100.00
Multidisplay	50.10	50.10	50.10	50.10
Braspag	99.99	99.99	99.99	99.99
Aliança	99.99	99.99	99.99	99.99
Cateno	70.00		70.00	
Indirect subsidiaries:				
M4Produtos	50.10	50.10	50.10	50.10
Me-S	100.00	100.00	100.00	100.00

The balances of assets and liabilities of direct and indirect subsidiaries as of June 30, 2015 and December 31, 2014, and the main statement of income line items for the semesters ended June 30, 2015 and 2014 are as follows:

	06/30/2015							
	Servinet	**Multidisplay**	**M4 Produtos**	**Braspag**	**Me-S**	**Cielo USA**	**Cateno**	**Aliança**
Assets:								
Current	26,514	30,820	79,359	17,155	1,012,132	3,477	928,946	-
Noncurrent	24,303	40,335	25,311	15,811	280,160	2,483,115	11,508,935	32,730
Total assets	50,817	71,155	104,670	32,966	1,292,292	2,486,592	12,437,881	32,730
Total assets for the year ended December 31, 2014	64,622	63,013	107,999	31,474	808,511	2,237,535		
Liabilities and equity:								
Current	18,174	27,860	82,096	3,671	835,973	687	287,875	-
Noncurrent	17,104	-	58	118	10,355	1,500,457	-	-
Equity	15,539	43,295	22,516	29,177	445,964	985,448	12,150,006	32,730
Total liabilities and equity	50,817	71,155	104,670	32,966	1,292,292	2,486,592	12,437,881	32,730
Total liabilities and equity for the year ended December 31, 2014	64,622	63,013	107,999	31,474	808,511	2,237,535		

	06/30/2015						
	Servinet	**Multidisplay**	**M4 Produtos**	**Braspag**	**Me-S**	**Cielo USA**	**Cateno**
Profit or loss:							
Net revenue	63,328	201,175	42,590	18,582	709,805	-	778,991
Gross profit (loss)	61,980	9,424	21,782	9,036	208,465	(30,741)	251,467
Operating profit before finance income	3,522	6,711	10,195	3,708	76,924	17,048	228,320
Profit (loss) before income tax and social contribution	4,564	5,835	10,302	4,177	76,580	(2,037)	248,483
Net profit for the semester	3,011	6,460	6,174	2,352	46,914	16,406	164,007
Net profit (loss) for the semester ended June 30, 2014	2,797	6,715	5,302	1,547	23,464	(4,664)	-

3.2 Joint ventures and associated company

Interests in joint ventures and associated company include:

	Interest - %			
	Total capital		**Voting capital**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Joint ventures:				
Orizon	40.95	40.95	40.95	40.95
Prevsaúde	40.95	40.95	40.95	40.95
Guilher	40.95	40.95	40.95	40.95
Paggo	50.00	50.00	50.00	50.00
Associated company:				
Stelo	30.00		30.00	

The joint ventures and associated company assets and liabilities as of June 30, 2015 and December 31, 2014 and main statement of income line items for semesters ended June 30, 2015 and 2014 are as follow:

	06/30/2015				
	Orizon	**Prevsaúde**	**Paggo**	**Guilher**	**Stelo**
Assets:					
Current	125,489	18,166	1	15,765	42,825
Noncurrent	62,780	458	363	15	34,735
Total assets	188,269	18,624	364	15,780	77,560
Total assets for the year ended December 31, 2014	174,762	15,052	390	3,334	
Liabilities and equity:					
Current	11,267	1,797	210	15,519	16,683
Noncurrent	1,122	86	-	-	-
Equity	175,880	16,741	154	261	60,877
Total liabilities and equity	188,269	18,624	364	15,780	77,560
Total liabilities and equity for the year ended December 31, 2014	174,762	15,052	390	3,334	

	06/30/2015				
	Orizon	**Prevsaúde**	**Paggo**	**Guilher**	**Precisa**
Profit or loss:					
Net revenue	66,564	5,918	-	1,961	-
Gross profit	27,724	3,991	-	196	-
Operating profit (loss) before finance income	17,007	3,864	(26)	173	-
Profit (loss) before income tax and social contribution	22,758	4,665	(27)	347	-
Net profit (loss) for the semester	17,990	3,700	(27)	291	-
Net profit (loss) for the semester ended June 30, 2014	13,952	3,593	(374)	(309)	2,747

4 Cash and cash equivalents

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Cash and banks:				
Local currency	17,952	25,082	21,039	26,208
Foreign currency	886	20,037	378,238	206,941
Short-term investments:				
Debentures subject to repurchase agreements (a)	6,251	3,705,009	732,672	3,737,513
Bank certificates of deposit CDB (a)	61,852	5,901	73,981	26,051
"Money Market Deposit Account" - MMDA (b)	2,348	2,008	2,348	2,008
Total	89,289	3,758,037	1,208,278	3,998,721

Short-term investments have the following characteristics:

(a) As of June 30, 2015, the average yield of debentures subject to repurchase agreements and CDBs was 100.70% (100.55% as of December 31, 2014) of the Interbank Deposit (DI) rate.

(b) The funds invested abroad (New York – USA) in MMDA earn yield at a fixed rate of 0.25% per year.

The balances under line item “Cash and banks” consist of cash on hand and cash available in bank accounts in Brazil and abroad, derived primarily from deposits made by credit and debit card-issuing banks, in the case of the Company, and by the card association members, in the case of Me-S that such amounts are used to settle transactions with merchants.

These short-term investments are highly liquid and their fair values do not differ materially from their carrying amounts.

5 Trade accounts receivable

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Prepayment of receivables (a)	8,847,874	9,112,285	8,847,874	9,112,285
Settlement receivables (b)	-	-	499,132	275,193
Receivables from commission (c)	-	-	216,842	-
Receivables from merchants (d)	-	-	130,520	103,457
Bank account lock (e)	12,316	11,952	12,316	11,952
Meal ticket and transport card capture and processing (f)	12,646	7,294	12,646	7,294
Receivables from mobile payment services (g)	-	-	78,463	78,162
Disputes of credit card charges - chargeback (h)	20,985	43,512	20,985	43,512
Other receivables	6,909	4,552	15,338	9,534
Total	8,900,730	9,179,595	9,834,116	9,641,389

(a) The balance corresponds to prepayment of receivables to merchants relating to card transactions that will be received from the issuing banks within up to 360 days after the date receivables are prepaid to merchants. Additionally, as of June 30, 2015, this amount is net of the adjustiments to present value relating to the finance income received in advance on the date of release of cash in the amount of R$336,987 (R$292,596 as of December 31, 2014), to be recognized as the maturity dates of the transactions, as it is related to the prepayment of receivables in cash and installment sales with original maturity after the date of the reporting periods.

(b) Corresponds to the receivables recognized by subsidiary Me-S. These correspond to the receivables from the card association members for processed financial transactions that were authorized but not yet received by Me-S by the end of the reporting periods. These amounts receivable are usually received on the business day following the transaction capture date. The card association sends to Me-S the amounts due to merchants for processing, net of the interchange fee withheld by the card-issuing banks.

(c) The balance regarding fees earned by the subsidiary Cateno due from Merchants, by means of the issuing bank, resulting from accounts payable management services under the Ourocard Arrangement. In general, fees resulting from credit card transactions are settled in 28 days and those arising from debit card transactions are settled one business day following the transaction.

(d) Correspond to the interchange fees prepaid by subsidiary Me-S to the merchants during the month. These interchange fees, as well as the commission on the services provided by Me-S, are received at the beginning of the month subsequent to the transaction month.

(e) The Company offers for issuing bank account lock services upon prior approval from merchants to block any transfer of receivables from such merchants to another bank. For these services, the Company receives a commission, which is paid in the month subsequent to the request of the bank account lock by the issuing banks.

(f) Receivables from Companhia Brasileira de Soluções e Serviços - CBSS arising from the provision of transportation and meal tickets card capture and processing services.

(g) Receivables from electronic payment services provided by subsidiaries M4Produtos and Multidisplay through cell phones and sale of phone credits with credit and debit cards.

(h) Refer substantially to receivables from disputes from credit card holders. (chargeback).

The aging of trade accounts receivable is as follows:

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current	8,879,745	9,136,083	9,813,131	9,597,877
Up to 45 days past-due	20,985	43,512	20,985	43,512
Total	8,900,730	9,179,595	9,834,116	9,641,389

6 Income tax and social contribution

The deferred income tax and social contribution

Deferred income tax and social contribution values arise from temporary differences caused mainly by temporarily non-deductible provisions, and are classified in non-current assets and non-current liabilities.

Deferred income tax and social contribution reflect the tax effects attributable to temporary differences between the tax base of assets and liabilities and the related carrying amount. Reported amounts are monthly reviewed.

a. Breakdown of deferred income tax and social contribution – assets

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Temporary differences:				
Provision for risks	434,471	403,111	440,286	408,715
Accrual for sundry expenses	277,662	335,667	349,642	343,888
Allowance for losses on POS equipment and irrecoverable debts	11,109	4,131	11,109	4,131
Total	723,242	742,909	801,037	756,734

b. Breakdown of deferred income tax - liabilities recognized in foreign companies

	Consolidated	
	06/30/2015	**12/31/2014**
Temporary differences:		
Fair value of Me-S’s intangibles, acquired in 2012	253,372	337,263
Other temporary differences	10,354	7,402
Total	263,726	344,665

Deferred income and social contribution tax assets as of June 30, 2015, see in note 6(a), were recognized on temporary differences. According to Management's best estimate, tax credits recognized on the accrual for sundry expenses allowance for losses on POS equipment and doubtful accounts, in the amount of R$288,771 (R$360,751 - Consolidated) will be realized mainly during the year 2015. The portion of tax credits on the allowance for risks, in the amount of R$434,471 (R$440,286 - Consolidated), will be realized upon the settlement of each lawsuit, according to proceedings described in note 16.

Current income tax and social contribution

Below is shown the effective rate of income and social contribution taxes for the semesters ended June 30, 2015 and 2014:

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Profit before income tax and social contribution social	1,234,914	1,174,184	2,552,269	2,371,004	1,347,155	1,177,393	2,707,273	2,377,837
Current rates - %	34%	34%	34%	34%	34%	34%	34%	34%
Income tax and social contribution at statutory rates	(419,871)	(399,223)	(867,771)	(806,141)	(458,033)	(400,314)	(920,473)	(808,465)
Tax benefit of interest on capital	20,264	22,712	38,794	22,712	20,264	22,712	38,794	22,712
R&D tax benefit	-	-	14,331	10,037	-	-	14,331	10,037
Equity adjustment	35,518	1,575	50,036	2,914	1,238	944	2,500	1,879
Effect on permanent differences, net	(1,377)	(2,458)	(6,362)	(1,058)	(3,068)	(3,793)	(8,703)	(1,180)
Income tax and social contribution	(365,466)	(377,394)	(770,972)	(771,536)	(439,599)	(380,451)	(873,551)	(775,017)
Current	(348,017)	(442,814)	(752,955)	(848,839)	(453,759)	(450,430)	(930,880)	(861,333)
Deferred	(17,449)	65,420	(18,017)	77,303	14,160	69,979	57,329	86,316

Incentives to Cultural and Artistic Activities ("Lei Rouanet"), Sports activities, Pronas and for Children's and Adolescent's Rights Fund are recorded under "tax expense income - current". Tax incentives recorded as income tax expense – current, Company and Consolidated, totaled R$7,220 in the semester ended June 30, 2015 (R$2,087 in the semester ended June 30, 2014). In the three month period ended June 30, 2015, tax incentives recorded as tax expense income – current, Company and Consolidated, totaled R$5,350 (R$1,500 in the three month period ended June 30, 2014).

7 Investments

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Subsidiaries	9,597,793	910,190	-	-
Joint Ventures	66,220	58,867	66,220	58,867
Associated company	-	-	18,263	-
Total	9,664,013	969,057	84,483	58,867

The primary information about investment amounts and equity income recorded in the interim financial information of the Company and Consolidated for subsidiaries, indirect subsidiaries, joint ventures and associated company are shown in the table below.

	Adjusted equity		**Profit (loss) for the semester**		**Equity interest - %**		**Equity in investees**		**Investments**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**06/30/2014**	**06/30/2015**	**12/31/2014**	**06/30/2015**	**06/30/2014**	**06/30/2015**	**12/31/2014**
Subsidiaries:										
Servinet	15,539	22,527	3,012	2,797	99.99	99.99	3,012	2,797	15,539	22,527
Multidisplay	59,668	63,452	6,460	6,715	50.10	50.10	3,236	3,364	29,894	31,790
Braspag	29,177	26,825	2,352	1,547	99.99	99.99	2,352	1,547	29,177	26,825
Cielo USA	985,448	829,048	16,406	(4,664)	100.00	100.00	16,406	(4,664)	985,448	829,048
Cateno (a)	12,150,006	-	164,007	-	70.00	-	114,805	-	8,505,005	-
Aliança (b)	32,730	-	-	-	99.99	99.99	-	-	32,730	-
Total subsidiaries	13,272,568	941,852	192,237	6,395			139,811	3,044	9,597,793	910,190
Joint ventures:										
Orizon (c)	175,880	157,891	17,990	13,952	40.95	40.95	7,367	5,713	66,143	58,776
Paggo (d)	154	181	(27)	(374)	50.00	50.00	(14)	(187)	77	91
Total Joint ventures	176,034	158,072	17,963	13,578			7,353	5,526	66,220	58,867
Associated company:										
Stelo	60,877				30.00				18,263	
Total							147,164	8,570		

(a) From February 27, 2015 onwards Cateno's financial information became part of these the interim financial information (see note 01 – Operations).

(b) From June 12, 2015 Aliança's financial information started to be part of interim financial information (see note 01 – Operations).

(c) The amount of R$5,880 is not reflected in the investment because it refers to the unrealized gain on capital contribution with goodwill, initially reflected in CBGS Ltda. and transferred to the indirect subsidiary CBGS as a result of the merger. In November 2009, CBGS was merged into subsidiary Orizon.

(d) The investment recognized by Cielo considers the adjustments to the opening balance sheet of subsidiary Paggo arising from the adoption of the purchase price allocation procedures, as prescribed by CPC 15 – Combinação de Negócios, mainly represented by the provision for losses on software platforms.

Main financial information referring to indirect subsidiaries, indirect joint ventures and associated company.

	Equity (shareholders's déficit)		**Profit (loss) for the semester**		**Equity interest - %**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**06/30/2014**	**06/30/2015**	**12/31/2014**
Prevsaúde	16,741	13,041	3,700	3,593	40.95	40.95
Guilher	261	(30)	291	(309)	40.95	40.95
M4Produtos	22,516	25,444	6,174	5,302	50.10	50.10
Me-S	445,964	349,587	46,914	23,464	100.00	100.00
Stelo	60,877		-		30.00	
Precisa (e)				2,747		

(e) On March 20, 2014, Precisa was entirely sold to another economic group.

The consolidation of the interim financial information, for direct subsidiaries Multidisplay, Braspag, Cielo USA and Aliança, as well as for indirect subsidiaries M4Produtos and Me-S, was based on the financial information as of May 31, 2015 to calculate the investments as of June 30, 2015. Accordingly, the equity in investees refers to the six month period ended May 31, 2015.

The Company has investments in foreign controlled companies whose interim financial information were originally prepared in accordance with the accounting practices accepted in the United States ("U.S. GAAP"). No adjustments are made in the interim financial information of foreign controlled companies, given that there are no significant differences in relation to Brazilian accounting practices and IFRSs.

Changes in investments for the semester ended June 30, 2015 and 2014 are as follows:

	Company	Consolidated
Balance as of December 31, 2013	850,181	46,388
Capital increase:		
Paggo	1,000	1,000
Exchange rate changes on foreign investment	(43,381)	-
Dividends and interest on capital received:		
Multidisplay	(5,873)	-
Equity in investees	8,570	5,526
Balance as of June 30, 2014	810,497	52,914
Balance as of December 31, 2014	969,057	58,867
Capital increase:		
Cateno	8,390,200	-
Aliança	32,730	-
Stelo	-	18,263
Exchange rate changes on foreign investment	139,994	-
Dividends received:		
Multidisplay	(5,132)	-
Servinet	(10,000)	-
Equity in investees	147,164	7,353
Balance as of June 30, 2015	9,664,013	84,483

8 Property and equipment

		Company			
		06/30/2015			12/31/2014
	Annual depreciation rate - %	Cost	Accumulated depreciation	Net	Net
POS equipment (*)	33	1,652,357	(967,823)	684,534	613,765
Data processing equipment	20	130,382	(58,792)	71,590	74,754
Machinery and equipment	10	41,058	(39,701)	1,357	1,098
Facilities	10	30,450	(10,217)	20,233	7,677
Furniture and fixtures	10	7,966	(4,657)	3,309	3,221
Vehicles	20	1,543	(980)	563	759
Total		1,863,756	(1,082,170)	781,586	701,274

		Consolidated			
		06/30/2015			12/31/2014
	Annual depreciation rate - %	**Cost**	**Accumulated depreciation**	**Net**	**Net**
POS equipment (*)	33	1,653,477	(968,548)	684,929	613,989
Data processing equipment	20	156,934	(73,981)	82,953	85,298
Machinery and equipment	10	51,351	(47,588)	3,763	3,741
Facilities	10	48,159	(17,744)	30,415	15,564
Furniture and fixtures	10	11,403	(6,602)	4,801	4,473
Vehicles	20	1,641	(996)	645	850
Total		1,922,965	(1,115,459)	807,506	723,915

Changes in property and equipment for the semesters ended June 30, 2015 and 2014 are as follows:

	Company				
	12/31/2014	**Additions**	**Write-offs**	**Depreciation**	**06/30/2015**
POS equipment (*)	613,765	248,382	(8,216)	(169,397)	684,534
Data processing equipment	74,754	7,430	-	(10,594)	71,590
Machinery and equipment	1,098	537	-	(278)	1,357
Facilities	7,677	13,217	-	(661)	20,233
Furniture and fixtures	3,221	368	-	(280)	3,309
Vehicles	759	-	(69)	(127)	563
Total	701,274	269,934	(8,285)	(181,337)	781,586
	12/31/2013	**Additions**	**Write-offs**	**Depreciation**	**06/30/2014**
Total	497,049	182,675	(14,454)	(153,144)	512,126

	Consolidated					
	12/31/2014	**Additions**	**Write-offs**	**Depreciation**	**Foreign exchange changes**	**06/30/2015**
POS equipment (*)	613,989	248,591	(8,238)	(169,450)	37	684,929
Data processing equipment	85,298	11,470	(4)	(12,895)	(916)	82,953
Machinery and equipment	3,741	1,401	(1)	(837)	(541)	3,763
Facilities	15,564	16,065	-	(1,213)	(1)	30,415
Furniture and fixtures	4,473	724	(3)	(390)	(3)	4,801
Vehicles	850	-	(68)	(137)	-	645
Total	723,915	278,251	(8,314)	(184,922)	(1,424)	807,506
	12/31/2013	**Additions**	**Write-offs**	**Depreciation**	**Foreign exchange changes**	**06/30/2014**
Total	515,328	185,664	(14,456)	(154,951)	(896)	530,689

(*) As of June 30, 2015 and December 31, 2014, provisions for losses on POS equipment were recorded in the amounts of R$14,843 and R$3,715, respectively, as a reduction of the related under line item.

As of June 30, 2015 and December 31, 2014, the Company entered into loan agreements with the National Bank for Economic and Social Development (“BNDES” - Finame) to acquire new POS equipment, as described in the note 13(a). In addition, on those dates, the Company does not have finance leasing payable.

9 Goodwill on acquisition of investments

As of June 30, 2015, goodwill on acquisition of investments are recorded in Intangible assets, in amount of R$56,799 and R$1,536,535, Company and Consolidated (R$56,799 and R$1,122,766 as of December 31, 2014), respectively, as follow:

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Multidisplay:				
Goodwill on acquisition of subsidiary	20,690	20,690	20,690	20,690
Reclassification of the tax benefit from the goodwill merged into Multidisplay	-	-	10,658	10,658
Braspag:				
Goodwill on acquisition of subsidiary	25,966	25,966	25,966	25,966
Reclassification of the tax benefit from the goodwill merged into Braspag	-	-	13,377	13,377
Health project (“Orizon”)	10,143	10,143	10,143	10,143
Me-S	-	-	1,441,234	1,041,932
Stelo	-	-	14,467	-
Total	56,799	56,799	1,536,535	1,122,766

Changes in goodwill during the six month periods ended June 30, 2015 and 2014 are as follows:

	Company	**Consolidated**
Balance as of December 31, 2013	56,799	999,725
Foreign exchange variation	-	(54,968)
Balance as of June 30, 2014	56,799	944,757
Balance as of December 31, 2014	56,799	1,122,766
Foreign exchange variation	-	207,364
Reclassification of the goodwill Me-S	-	191,938
Acquisition of associated company Stelo	-	14,467
Balance as of June 30, 2015	56,799	1,536,535

Health project (“Orizon”)

The CBGS group’s corporate reorganization took place in 2008 with the subsequent purchase of a 40.95% share of its equity capital by Cielo through Orizon, whereby goodwill was created and initially stated in the Company at R$26,269, this amount being subsequently reduced owing to the recognition of a provision for impairment totaling R$16,126 due to the absence of the goodwill’s future profitability prospects.

Acquisition of control - Multidisplay

In August 2010, the Company acquired through its direct subsidiary Servrede, 50.1% of the shares representing the capital of Multidisplay and its wholly-owned subsidiary M4Produtos, which collectively form M4U for R$50,650, creating initial goodwill of R$31,348.
In the corporate reorganization process carried out in 2012, Servrede was merged by its subsidiary Multidisplay, the tax benefit on goodwill value of R$10,658 was merged by Multidisplay and remaining goodwill value of R$20,690 was re-established in the Company, as provided for in CVM Instructions 319/99 and 349/01.

Acquisition of control - Braspag

In May, 2011, the Company acquired, through its direct subsidiary CieloPar, 100% of the shares of Braspag, all the shares of Braspag were acquired for R$40,000. The amount of the investment recorded by CieloPar included goodwill on acquisition of shares in the amount of R$39,343.

In the restructuring process occurred in 2012, CieloPar merged with its former subsidiary Braspag. The tax benefit on the goodwill of R$13,377 was incorporated by Braspag and the remaining amount of goodwill at R$25,966, was reconstituted in the Company as provided in CVM Instructions 319/99 and 349/01.

Acquisition of control - Me-S

In August 2012, the Company completed the acquisition, through its direct subsidiary Cielo USA, of 100% of the shares of Me-S.

Cielo USA allocated the fair value of Me-S's assets acquired and liabilities assumed based on a purchase price allocation study ("PPA"), prepared by a specialized and independent firm; accordingly, the balance sheet in Brazilian reais as of August 31, 2012 which had net assets (book value) assessed at R$180,098 and had its total fair value assessed at R$627,581.

The amount of investment recorded by Cielo USA includes the initial goodwill in the acquisition of shares in the amount of R$818,875, created by the difference between total fair value, in the amount of R$ 627,581, and the purchase price in the amount of R$1,365,256, added to the R$81,200 balance of cash and cash equivalents acquired. Consolidated goodwill balance variation in the period derives from appreciation of dollar and reclassification of intangible asset balances, net of taxes, allocated to the acquisition of Me-S for goodwill recorded in the heading Cielo USA.

Acquisition of equity interests - Stelo

As disclosed in June 15, 2015, the Company, through its subsidiary Aliança together with Cia Brasileira de Soluções e Serviços ("CBSS") - company controlled by Banco Bradesco S.A. and Banco do Brasil S.A. - signed the final documents after fulfillment of precedent conditions, for subscription of ownership interest in Stelo, according to note 1 – Operations.

The value of the investment recorded by Aliança in accounting books includes initial goodwill of R$14,467 on acquisition of shares that was generated by the difference between the percentage of interest in Stelo's total equity and purchase price in the amount of R$32,730.

10 Other intangible assets

		Company			
		06/30/2015			12/31/2014
	Annual amortization rate - %	**Cost**	**Accumulated amortization**	**Net**	**Net**
Software (a)	20	258,030	(136,737)	121,293	112,173
Project development (b)	20	25,054	(15,310)	9,744	10,022
Relationship with customers (c)	10	953	(659)	294	317
Non-compete agreement (d)	7.5	10,284	(6,817)	3,467	4,160
Service agreements (e)	20	11,994	(11,994)	-	-
Total		306,315	(171,517)	134,798	126,672

		Consolidated			
		06/30/2015			12/31/2014
	Annual amortization rate - %	**Cost**	**Accumulated amortization**	**Net**	**Net**
Software (a)	6.66 - 20	686,099	(246,952)	439,147	402,147
Project development (b)	20	272,768	(171,526)	101,242	78,836
Relationship with customers (c)	4 - 20	489,105	(106,635)	382,470	606,321
Non-compete agreement (d)	7.5 - 50	131,578	(65,420)	66,158	94,756
Service agreements (e)	8 - 20	36,419	(15,939)	20,480	19,027
Trademarks (f)	10	3,103	(2,843)	260	5,905
Exploitation Rights-Ourocard Arrangement (g)	3.33	11,572,000	(128,578)	11,443,422	-
Total		13,191,072	(737,893)	12,453,179	1,206,992

(a) Software - refers to software licenses acquired from third parties and used to provide services relating to information processing and business transactions with customers. Additionally, in 2012, when 100% of Me-S's capital stock was acquired, the adjustment to fair value of the software platform was recognized in Cielo USA in the amount of R$223,300 (equivalent to US$110,000). The independent appraisal firm engaged to issue the appraisal report measured the software platform's fair value using the average of the values obtained from applying the approaches Relief-from-Royalty (at a 16% royalty fee) and Cost Approach - Third-party Cost Estimates. The useful life defined for this software platform is 12 years.

(b) Project development - refers to expenses on the development of new products or services designed to increase the Company's and its subsidiaries' invoicing and revenues.

There are other intangible generated from the allocation of the price paid for the acquisition of control of M4U, Braspag and Me-S, in August 2010, May 2011 and August 2012, respectively. These intangibles were recorded based on appraisal reports prepared as of those dates by independent appraisers. The criteria used to measure the value of these intangible assets are described as follows:

(c) Relationship with customers:

- **Braspag** - The main component of intangible assets is the customers' portfolio, which was evaluated through methodology "Income Approach", considering balance of active customers and respective "churn rate", using estimated useful life of 120 months.

- **Me-S** - Me-S customers' portfolio was classified in three main groups: "e-commerce", "bank customer**"** and "B2B/Other". Each portfolio was evaluated separately using methodology "Excess Earnings", in compliance with their specific and individual characteristics. As discount rate, 10% per year was used for "e-commerce" and "bank customer" portfolios, and 11% for "B2B/Other". The estimated useful life of 144 months was based on the years in which each portfolio reaches approximately 80% to 90% of the accumulated amount of the discounted cash flow. An interval between the lowest and the highest value obtained was adopted.

(d) Non-compete agreement:

- **Multidisplay and M4Produtos**- Non-compete agreement value ("with and without") was calculated using the "Income Approach" methodology, with discount rate of 17.5% per year, perpetuity of 4% per year and estimated useful life of 89 months.

- **Me-S** - Me-S entered into a contract with Synovus Financial Corporation, under which no competition shall exist in relation to the portfolio acquired from Columbus Bank and Trust Company ("CB&T") and any new customers acquired through CB&T as a result of the Recommendation Agreement. The fair value of this agreement was estimated using the "With and Without" approach, while its useful life was defined to be the expiration date of the agreement.

  Additionally, Cielo USA entered into a non-compete agreement with approximately ten employees, maturing 18 months after the end of the transaction. The fair value of this agreement was estimated based on the "With and Without" approach, and its useful life was defined to be the expiration date of the agreement.

(e) Service agreements:

- **Multidisplay and M4Produtos** - the four service agreements with telecommunication operators were measured based on the discounted cash flow of each agreement, by using a discount rate of 16.5% per year, during the residual life of each agreement, of approximately 53 months.

- **Me-S** - when Me-S acquired CB&T's customer portfolio, it entered into an agreement under which it would have preference in referring new customers. The fair value of this agreement was estimated based on the "Excess Earnings" approach, and its useful life was defined to be the expiration date of the agreement, that is, 2020.

(f) Trademarks - valued under the "Relief-from-Royalty" approach, assuming a 0.3% royalty fee, based on parameters obtained from the "Royalty Source Intellectual Property Database", and a discount rate of 10%.

(g) Exploitation Right - Ourocard Arrangement:

- **Cateno** – Under the scope of the association agreement between the Company and BB Elo Cartões, a wholly-owned subsidiary of Banco do Brasil (see note 01 – Operations), Cateno was granted exploitation rights over post-paid accounts payable management activities in the Ourocard Payment Arrangement, exploitation of management activities over debit payment functionalities in the Ourocard Payment Arrangement, and participation in the Ourocard Payment Arrangement as a Payment Institution.

  By means of an Economic and Financial Appraisal Report issued by an independent audit firm and prepared based on a Future Profitability method using a discounted cash flow, the exploitation rights under the above-described Ourocard Payment Arrangement were valued at R$11,572 million, with a 30-year defined useful life. The intangible assets' amortization is appropriated under the straight line method at a rate of 3.33% per year.

  The useful life and amortization method are annually reviewed.

Changes in intangible assets for the semesters ended June 30, 2015 and 2014 are as follows:

	Company			
	12/31/2014	**Additions**	**Amortizations**	**06/30/2015**
Software	112,173	25,796	(16,676)	121,293
Project development	10,022	-	(278)	9,744
Relationship with customers	317	-	(23)	294
Non-compete agreement	4,160	-	(693)	3,467
Service agreements	-	-	-	-
Total	126,672	25,796	(17,670)	134,798
	12/31/2013	**Additions**	**Amortizations**	**06/30/2014**
Total	74,065	12,107	(12,179)	73,993

	Consolidated							
	12/31/2014	**Additions**	**Right in granting**	**Write-offs**	**Transfers (a)**	**Amortizations**	**Foreign exchange variation**	**06/30/2015**
Software	402,147	28,724	-	(235)	(2,260)	(33,222)	43,993	439,147
Project development	78,836	19,729	-	(275)	-	(9,769)	12,721	101,242
Relationship with customers	606,321	-	-	-	(265,296)	(15,000)	56,445	382,470
Non-compete agreement	94,756	575	-	-	(29,064)	(10,017)	9,908	66,158
Service agreements	19,027	-	-	-	-	(566)	2,019	20,480
Trademarks	5,905	-	-	-	(5,378)	(338)	71	260
Exploitation Right - Ourocard Arrangement	-	-	11,572,000	-	-	(128,578)	-	11,443,422
Total	1,206,992	49,028	11,572,000	(510)	(301,998)	(197,490)	125,157	12,453,179
	12/31/2013	**Additions**	**Right in granting**	**Write-offs**	**Transfers (a)**	**Amortizations**	**Foreign exchange variation**	**06/30/2014**
Total	1,081,683	22,946	-	(4,735)	-	(51,516)	(56,553)	991,825

(a) On June 30, 2015, intangible assets' balance was transferred to goodwill, in relation to acquisition of Me-S and recorded in subsidiary Cielo USA.

Expenses on the depreciation and amortization of intangible and property, plan and equipment assets were recorded in "General and administrative expenses" and "Cost of sales" in the statement of income.

11 Prepayment of receivables with card issuers

The Company receives in advance trade receivables amounts from the card issuers for transactions made by cardholders which will be transferred to merchants according to the agreed settlement. These prepayments have a collection average maturity of 8.0 work days and the weighted average rate of financial costs on June 30, 2015 is 101.47% of DI - Interbank Deposit rate (102.17% of the DI on December 31, 2014).

The amounts due by credit cardholders through the card-issuing banks and the amounts to be transferred to merchants are recorded in memorandum accounts.

In the Company and Consolidated, the balances of prepayment of receivables with card issuers are R$2,240,680 on June 30, 2015 and R$2,250,035 on December 31, 2014.

As of June 30, 2015 and December 31, 2014, balances corresponding transfers are:

	Company	
	06/30/2015	**12/31/2014**
Payables to merchants	51,733,064	59,169,854
Receivables from issuing banks	(51,064,859)	(58,239,784)
Total	668,205	930,070

In addition to the provision of services consisting of the transfer of credit and debit card transaction amounts between the card-issuing banks and the merchants, the Company also guarantees accredited merchants that they will unconditionally receive the amounts of transactions paid using credit cards. As described in note 28(c), the Company adopts a strategy to mitigate card-issuing banks' credit risk itself against the risk of default by such financial institutions. Based on the insignificant historical amount of Company's losses due to default from card-issuing banks and the current credit risks of these financial institutions, the Company estimates that the fair value of the guarantees provided to merchants is immaterial and, therefore, is not recognized as a liability.

12 Payables to merchants

	Company		**Consolidated**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Transactions pending transfer (a)	668,205	930,070	668,205	930,070
Payables to merchants (b)	-	-	610,605	271,685
Merchant deposits (c)	-	-	168,166	128,421
Total	668,205	930,070	1,446,976	1,330,176

(a) Transactions pending transfer - Transactions pending transfer correspond to the difference between the amounts received from cardholders relating to transactions made by cardholders and the amounts to be transferred to merchants. In general, the settlement term for credit card issuers with the Company is 28 days, while the Company's average settlement term with merchants is 30 days. Therefore, the balance payable as of June 30, 2015 and December 31, 2014 refers to a float of approximately two days.

(b) Payables to merchants - Represented by amounts due to merchants by Me-S related to transactions captured and processed until the balance sheet dates. Such amounts are settled on the business day following the date on which transactions are captured.

(c) Merchant deposits - Me-S maintains escrow deposits from clients in order to hedge against the potential risk of complaints from credit card holders due to fraud in the transaction or bankruptcy of merchant.

13 Borrowings and financing

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
FINAME (a)	418,120	430,450	418,120	430,450
Long-term financing - "Ten-year bonds" (b)	1,455,313	1,244,021	2,703,084	2,315,245
Promissory notes (c)	-	4,594,047	-	4,594,047
Private debentures (d)	3,486,285	-	3,486,285	-
Public debentures (e)	4,710,755	-	4,710,755	-
R&D Financing (f)	58,642	-	58,642	-
Loan BTMU (g)	634,840	-	634,840	-
Total	10,763,955	6,268,518	12,011,726	7,339,742
Current	2,043,063	4,829,609	2,043,750	4,833,602
Noncurrent	8,720,892	1,438,909	9,967,976	2,506,140
Total	10,763,955	6,268,518	12,011,726	7,339,742

(a) **FINAME**

The weighted average rate of the financial charges is 5.31% per year as of June 30, 2015 (4.98% per year as of December 31, 2014).

The Company is the beneficiary of a credit facility with BNDES relating to FINAME on lending transactions to finance the acquisition of new machinery and equipment manufactured in Brazil. Such transfer occurs through the extension of credit to the Company, generating rights received by the accredited financial institution as a financial agent which contract with the Company such financing transactions.

The contracts are guaranteed the transfer of fiduciary ownership of property acquired through FINAME.

(b) **Long-term financing - Ten-year bonds**

In November 2012, the Company and its subsidiary Cielo USA completed a financial transaction whereby bonds were issued in the total amount of US$875 million, out of which US$470 million were issued by the Company and US$405 million were issued by Cielo USA. The amount raised by Cielo USA was used to pay the acquisition of control of Me-S. The proceeds raised by the Company were used to increase its working capital.

The financing obtained is subject to an interest rate of 3.75% per year. Interests are paid on a semiannual basis and principal in November 2022.

Costs directly associated with the issuance of these bonds (banks, auditors and legal fees) were recorded in liabilities and are being allocated to profit and loss over the term of the agreement, based on the amortized cost method.

There are no financial covenants imposing financial restrictions related to the financial transactions of issuance "bonds".

(c) **Promissory notes**

On December 29, 2014, the company issued Promissory Notes with an effective period of up to 180 days from the issuance date. The total amount of the issuance was R$ 4,600,000, comprising 460 Promissory Notes each with a par value of R$ 10,000. The Promissory Notes included compensatory interest based on the cumulative percentage variation of 106.50% of the DI interest - Interbank Deposits - average daily rate for one day, over extra group, expressed as a percentage per year, based on 252 business days, calculated and published by CETIP.

As a result of this transaction, the Company incurred costs directly related to the issuance process, totaling R$10,374, which were recognized in the income statement over the contract period, based on the amortized cost method.

There were no financial covenants imposing financial restrictions related to the financial transactions of issuance of promissory notes.

On April 13, 2015, there were early redemption of total balance of promissory notes with funds raised from issuance of public debentures.

(d) **Private debentures**
On February 27, 2015, the Company proceeded with the first, second and third sole series, simple, unsecured, non-convertible debenture private placement issues. The three issuances totaled the amount of R$3,459,449 and had their maturity date in December 30, 2023. The private debentures' yield includes interest based on the accrued percentage change between 100.00% and 111.00% of the average daily DI – Interbank Deposit rate, as applicable, showed in the table below:

	Principal	**Remuneration**
1st issuance	2,359,449	111% of DI
2nd issuance	700,000	100% of DI until 03/31/2015 and 111% of DI after 03/31/2015
3rd issuance	400,000	100% of the DI since the Payment Date to the day of the "Transition Committee's" destitution, or until the end of 9 (nine) years period as of the base date to be defined in the amendment to the Contractual Deed. In case of any of the events, interest will be based on 111% of the accrued DI rate.

Interest will be paid semi-annually as of the issue date, save for the last accrual period which will be shorter as it will start on August 27, 2023, and will end with payment on the Maturity Date jointly with the principal amount.

There are no financial covenants imposing financial restrictions related to the Private Debenture issuance financial transaction.

(e) **Public Debentures**
On April 13, 2015, the Company performed the 4^{th} issuance of simple, unsecured debentures in a single series, not convertible into shares and for public distribution pursuant to the terms of CVM Instruction 400/03. The issuance was performed in the amount of R$4,600,000 with maturity date on April 13, 2018. The public debentures' remuneration includes interest based on the accrued percentage change of 105.8% of the average daily DI – Interbank Deposit. The principal amount will be amortized in 3 equal and annual installments, in April of each year and the compensatory interest rate will be paid semi-annually basis, in April and October of each year.

The amount of R$4,600,000 was fully allocated for early redemption of Promissory Notes issued on December 29, 2014.

Public Debentures have "covenants" that force the Company to maintain the Net Debt/Adjusted Consolidated EBITDA indebtedness index equal or lower than 3, measured on an annual basis.

(f) **R&D Financing**
On December 9, 2014, Cielo has entered into a financing agreement with Funds for Studies and Projects – FINEP, a government-owned Brazilian company of fostering science, technology and innovation in companies, totaling R$159,769, the first part of the resources in the amount of R$59,115, being R$58,553 net of inspection and supervision expenses, was released on June 16, 2015. The financing was raised with interest of 4.00% per year, and principal balance will start to be paid after 36 months in 85 successive monthly installments after mentioned grace period. Interest is paid beginning as of receipt of first release.

There are no covenants imposing any financial restrictions in relation to the financing obtained with FINEP.

(g) **BTMU Loan**
On June 19, 2015, the Company contracted with Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") a loan in US dollars of US$204,625, equivalent to R$630,000, for the period of 18 months, which will contemplate interest based on cumulative percentage variation of 100.00% of Libor plus spread of 0.73% per year. In addition, the Company contracted derivative financial instrument (Swap) for the specific purpose of protecting said loan from fluctuations

arising from foreign exchange and interest rate variations, and final monthly remuneration, considering all the costs of the operation, equivalent to 99.4% of daily average DI (Interbank Deposits) interest rate. Loan interest are paid on a monthly basis since the beginning of contracting jointly with partial settlement of Financial Instrument.

The loan obtained from Bank of Tokyo-Mitsubishi UFJ, Ltd has “covenants” that force the Company to maintain Net Debt/ Adjusted Consolidated EBITDA indebtedness index equal to or lower than 3, measured on an annual basis.

Changes in borrowings and financing for the semesters ended June 30, 2015 and 2014 are as follows:

	Company	**Consolidated**
Balance as of December 31, 2013	1,544,641	2,488,485
New borrowings	115,865	115,865
Payment of principal	(138,063)	(138,063)
Exchange variation (principal and interest)	(66,224)	(123,335)
Accrued interest and charges recognize	29,770	47,634
Interest paid	(29,438)	(46,238)
Balance as of June 30, 2014	1,456,551	2,344,348
Balance as of December 31, 2014	6,268,518	7,339,742
New borrowings	8,839,422	8,839,422
Payment of principal	(4,846,219)	(4,846,219)
Exchange variation (principal and interest)	215,542	395,787
Accrued interest and charges recognize	325,178	344,264
Interest paid	(38,486)	(61,270)
Balance as of June 30, 2015	10,763,955	12,011,726

Hedge Accounting

Hedge of net investment

The Group assigned the raising of funds from third parties through bond issuance as financial instruments to hedge against risks related to foreign currency, under “hedging of net investments in foreign transactions”.

On the date financial funds related to bond issuance were raised, the Company documented the relation between hedging instrument and hedged item demonstrating its objectives and risk management strategies. Additionally, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument that is used in a hedge relationship is highly effective in offsetting changes in the fair value.

In order to hedge net investments in foreign transactions, gains or losses related to the effective portion of hedging instrument are recognized in “Comprehensive income” and accumulated under caption “Foreign exchange variation of loan raised abroad”. Gains or losses related to non-effective portion, if any, are immediately recognized in income for the period.

Gains and losses from hedging instrument related to effective portion accumulated in foreign currency conversion reserve will be reclassified to income for the period upon disposal of investment abroad.

The Company provides for the need for renewal or contracting of a new operation in the case in which the financial instrument matures prior to the item to be hedged.

Fair value hedge

The Company contracted swap Financial Instrument (hedge instrument) and assigned it as hedge instrument against fluctuations deriving from exchange and Libor (London Interbank Offered Rate) rate variation related to loan agreement with Bank of Tokyo-Mitsubishi UFJ, Ltd (hedged items) in the amount of US$204,625, equivalent to R$630,000 over the 18-month period.

Terms of loan and swap contract were entered into so that comparison between swap's long position (the Company's accounts receivable) and loan balance (the Company's accounts payable), both adjusted at fair value, does not present losses or gains deriving from contracted foreign exchange and interest rate variation. Accordingly, the Company remains exposed only to Swap's short position, which has notional value in Brazilian reais remunerated at 99.4% of daily average DI (Interbank Deposits) interest rate.

The Company adopted the Critical Terms Match Method to document effectiveness relation between hedge object and hedge instrument. Accordingly, gains and losses from hedge instrument and hedged items are recognized at fair value in income for the period in which they occur.

Breakdown of loans and financing recorded in noncurrent liabilities

The borrowings and financing classified as noncurrent as of June 30, 2015 by maturity date is broken down as follows:

Year of maturity	Company	Consolidated
2016	721,869	721,869
2017	1,622,169	1,622,169
2018	1,540,525	1,540,525
2019	8,266	8,266
2020	8,266	8,266
2021	8,266	8,266
2022	1,457,873	2,704,957
2023	3,345,392	3,345,392
2024	8,266	8,266
Total	8,720,892	9,967,976

14 Taxes payable

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Income tax and social contribution, net of prepayments	80,225	371,416	160,092	372,163
Tax on revenue (Cofins)	18,785	21,296	28,387	22,517
Withholding income tax (IRRF)	8,928	20,503	7,830	20,821
Service tax (ISS)	6,060	7,297	11,701	9,255
Tax on revenue (PIS)	7,447	8,071	9,664	8,463
Other taxes payable	7,983	7,858	9,446	9,329
Total	129,428	436,441	227,120	442,548

15 Other payables

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current liabilities:				
Accrual for sundry expenses	23,720	67,613	140,683	67,669
Accrued vacation and related charges	30,028	21,814	46,418	31,881
Profit-sharing	32,975	68,174	45,782	91,900
Other payables	-	-	123,178	43,613
Total	86,723	157,601	356,061	235,063
Noncurrent liabilities:				
Other payables	5,290	5,767	11,105	13,292
Total	92,013	163,368	367,166	248,355

16 Provision for risks and escrow deposits

a. Provision for risks

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before courts and governmental bodies, arising in the normal course of business and involving tax, labor, civil and other matters.

Management, based on information and assessments made by its legal counsel, through the review of pending civil and labor lawsuits and past experience on the amounts claimed in labor, civil and tax lawsuits, has recognized a provision in an amount considered sufficient to cover probable losses on pending proceedings in the semesters ended June 30, 2015 and 2014, as follows:

	Company					
	12/31/2014	**Additions (i)**	**Write-offs/ reversals (ii)**	**Inflation adjustment**	**Payments (iii)**	**06/30/2015**
Tax	1,105,016	94,001	(4,394)	531	-	1,195,154
Civil	18,194	4,632	(917)	1,395	(3,664)	19,640
Labor	82,217	11,126	(10,789)	242	(846)	81,950
Total	1,205,427	109,759	(16,100)	2.168	(4,510)	1,296,744
	12/31/2013	**Additions (i)**	**Write-offs/ reversals (ii)**	**Inflation adjustment**	**Payments (iii)**	**06/30/2014**
Total	1,028,903	106,651	(17,692)	1.722	(5,773)	1,113,811

	Consolidated					
	12/31/2014	**Additions (i)**	**Write-offs/ reversals (ii)**	**Inflation adjustment**	**Payments (iii)**	**06/30/2015**
Tax	1,105,016	94,001	(4,394)	531	-	1,195,154
Civil	19,902	4,632	(917)	1,395	(3,664)	21,348
Labor	98,715	13,728	(11,932)	254	(1,593)	99,172
Total	1,223,633	112,361	(17,243)	2,180	(5,257)	1,315,674
	12/31/2013	**Additions (i)**	**Write-offs/ reversals (ii)**	**Inflation adjustment**	**Payments (iii)**	**06/30/2014**
Total	1,064,024	115,004	(22,742)	1,738	(5,804)	1,152,220

(i) Correspond mainly to the increase in the provision for tax risks for the semesters ended June 30, 2015 and 2014, relating to taxes with suspended payment, recorded as an offsetting entry item to “Taxes on services” and ”Other operating expenses, net”, and other additions to the provision for civil and labor risks, represented by new lawsuits and changes in the assessment of the likelihood of losses made by the legal counsel, which were recorded as a balancing item to “Other operating expenses, net”, in the income.

(ii) Basically represented by the reversal of the provision for civil and labor risks due to prescription of the allowed time to start legal proceedings, settlement of lawsuits or change in the risk of loss as assessed by the Company’s and its subsidiaries’ legal counsel.

(iii) In the six month period ended June 30, 2015, the Company and its subsidiaries, through legal agreements or unfavorable decisions, settled 1,032 civil and labor lawsuits in the total amount of R$4,510 and R$5,257 in the Company and Consolidated, respectively.

Civil lawsuits

Refer basically to collection of transactions made through the Company’s system that were not transferred to merchants in view of noncompliance with clauses of the affiliation contract, and compensation for losses caused by transactions not transferred at that time. As of June 30, 2015, the provision for probable losses on civil lawsuits totals R$19,640 (Company), and R$21,348 (Consolidated), and the escrow deposit balance is R$5,246 (Company) and R$5,298 (Consolidated).

Based on the opinion of its legal advisors, the management of the Company and its subsidiaries estimates that actual disbursement of the mentioned provisions will occur within 5 years, it being understood that processing will depend on external factors not under the Company’s control.

Additionally, as of June 30, 2015, the Company is a party to public civil lawsuits, most of them filed by the Public Prosecution Office or professional organizations, whose intention is to defend collective interests, (such as consumers’ rights and labor rights). Judicial decisions may grant rights to groups of people (even without their consent). In many situations, the group in availing a favorable outcome will only be defined after the final decision.

Labor lawsuits

Refers to labor lawsuits that, as of June 30, 2015, include 275 claims against Cielo and 67 against the subsidiaries, totaling 342 claims. Out of which 130 had been filed by former employees, and the other remaining 212 claims were filed by subcontractors, some of whom claiming the recognition of an employment relationship.

The risk of loss on labor claims, when these are started, is assessed as possible. Only after the court decision is issued, the lawsuits are reclassified to probable or remote loss, depending on the decision and based on the history of losses on similar lawsuits. In general, labor lawsuits are related to salary equalization, overtime and effects of annual bonus, rights guaranteed by agreements between the employer and the labor union, recognition of employment relationship, stability deriving from occupational disease and moral damage.

As of June 30, 2015, the provision for probable losses on labor claims amounts to R$81,950 (Company) and R$99,172 (Consolidated), and the escrow deposit balance is R$21,884 (Company) and R$24,620 (Consolidated).

Based on the opinion of its legal advisors, the Management of the Company and its subsidiaries estimates that actual disbursement of 62.1% of mentioned provisions for labor risks will occur within 5 years, and 37.9% within 10 years, certain that processing will depends on external factors not under the Company's control.

Tax lawsuits

Refer to differences in interpretation by tax authorities, especially regarding:

- **Noncumulative Cofins -** in February 2004, the Company filed an injunction to avoid payment of Cofins according to Law 10833/03, which requires the noncumulative calculation at the rate of 7.6%, and began to make escrow deposits for amounts determined monthly. As a result, the difference between the Cofins due calculated based on the rate established by the cumulative and noncumulative calculation method is being recorded as provision for risks since then. Escrow deposits have been made for unpaid Cofins amounts. Cielo's lawsuit is halted in the Federal Regional Court of the 3rd Region/SP due to the recognition of the matter by the Federal Supreme Court in the court records of the Extraordinary Appeal, which is pending judgment. As of June 30, 2015, the provision for risks totals R$1,160,833 (Company and Consolidated), and the escrow deposit balance is R$1,145,342 (Company and Consolidated).

- **Amazon Investment Fund (FINAM) -** in 2007, the Company received a tax assessment notice for calendar year 2002, fiscal year 2003. The Federal Revenue Service alleges that the Request for Review of Tax Incentive Issue Order ("PERC") was not filed within the statutory deadline and, therefore, they do not recognize the portion of corporate income tax (IRPJ) related to FINAM. The administrative proceedings are pending inclusion in the trial docket for judgment of the voluntary appeal filed by the Company by the Administrative Board of Tax Appeals ("CARF"). As of June 30, 2015, the balance of the provision recognized is R$15,367 (Company and Consolidated).

- **Social contribution (CSLL) 2002 -** in 2007, a tax assessment notice was filed against the Company to require the payment of CSLL (adjustment portion) for calendar year 2002, plus tax assessment fine (75%) and late payment interest, as well as separate fine (50%) on the estimated CSLL amounts not paid. Due to the maintenance of the tax assessment notice at the administrative level, in July 2011, the Company decided to challenge the amounts in the court. The tax credits were fully deposited in escrow accounts and is being challenged in the court through an annulment action filed in August 2011. Currently, the Company is awaiting the sentence aiming to cancel the tax assessment notice. As of June 30, 2015, the balance of the provision recognized is R$10,895, and the escrow deposit amount is R$10,895 (Company and Consolidated).

- **Negative Balance of IRPJ of the year 2008 -** In 2009, the Company offset the negative balance of income (IRPJ) for calendar year 2008 for tax debts owed in 2009 upon presentation of Settlement Statement (PER/DCOMP). In assessing the Settlement Statement in 2012, the Internal Revenue Service of Brazil did not approve the tax credit and, therefore, issued Order 022405395. In January 2013, the Company filed a Lawsuit for Annulment of Tax Debt in the Civil Court of the Judiciary Subsection of Osasco / SP, in order to demonstrate and prove the negative credit balance of the 2008 calendar year. The full amount of the tax credit is deposited in escrow. As of June 30, 2015, the accrued balance for risks is R$7,045 and the value of the escrow deposit is R$7,045 (Company and Consolidated).

  The Company and its subsidiaries are challenging other interpretations of the law by tax authorities and, therefore, as of June 30, 2015, recognized provisions for risks in the amounts of R$1,014 (Company and Consolidated).

  To cover other lawsuits assessed by the legal counsel as possible loss, the Company and its subsidiaries maintains escrow deposits in the amount of R$8,382 (Company) and R$11,505 (Consolidated).

  Based on the opinion of its legal advisors, the management of the Company and its subsidiaries estimates that actual disbursement of provisions for tax risks will occur within five years, it being understood that processing will depend on external factors not under the Company's control.

  Additionally, as of June 30, 2015, the Company and its subsidiaries are parties to tax, civil and labor lawsuits assessed by their legal counsel as possible likelihood of losses, for which no provision was recorded, as follows:

	Company		**Consolidated**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Tax	91,895	99,341	96,320	106,537
Civil	70,368	88,209	70,368	88,209
Labor	68,993	60,396	85,872	76,861
Total	231,256	247,946	252,560	271,607

b. Escrow deposits

In the six month periods ended June 30, 2015 and 2014, the Company and its subsidiaries have escrow deposits related to the provision for tax, labor and civil risks, broken down as follows:

	Company			
	12/31/2014	**Addition**	**Write-off**	**06/30/2015**
Tax	1,077,372	94,292	-	1,171,664
Civil and labor	25,665	2,351	(886)	27,130
Total	1,103,037	96,643	(886)	1,198,794
	12/31/2013	**Addition**	**Write-off**	**06/30/2014**
Total	925,305	92,588	-	1,017,893

	Consolidated			
	12/31/2014	**Addition**	**Write-off**	**06/30/2015**
Tax	1,080,390	94,397	-	1,174,787
Civil and labor	28,085	2,824	(991)	29,918
Total	1,108,475	97,221	(991)	1,204,705
	12/31/2013	**Addition**	**Write-off**	**06/30/2014**
Total	951,409	92,802	-	1,044,211

17 Equity

a. Social Capital

Capital as of June 30, 2015 is represented by 1,886,677,126 shares (1,572,230,938 shares as of December 31,2014), fully subscribed and paid in.

According to the Annual and Extraordinary General Meeting held on April 10, 2015 approved the Company's capital increase in the amount of R$500,000. For realization of the capital increase was partially used the balance from the capital budget reserve.

As commented in note 18, the number of shares outstanding as of June 30, 2015 is 1,880,483,926 (1,566,433,971 shares as of December 31, 2014).

Share capital can be increased by up to 2,400,000,000 additional common shares, regardless of any amendments to bylaws, at the discretion of the Board of Directors, which has the power to establish the share issue price, the terms and conditions for subscription and payment of shares up to the authorized capital limit. Except in the cases described below, shareholders will have the preemptive right to subscribe for shares issued in a capital increase, which shall be exercised until 30 days as from the publication of the minutes of the Board of Directors' meeting that approved the capital increase. The Board of Directors may exclude the preemptive right or reduce the term for exercising such right in the issuance of shares, debentures convertible into shares or subscription bonus whose placement shall be made upon trade in stock exchanges, public subscription or upon exchange for shares, within the authorized capital limit. The Board of Directors may also resolve on any shares that remained unsubscribed in the capital increase during the term for exercising the preemptive right and establish, prior to their sale on stock exchanges to the benefit of the Company, the apportionment, proportional to the amounts subscribed, among the shareholders that have indicated, in the subscription bulletin or list, interest in subscribing possible remaining shares.

b. Capital reserve

Represents share-based payment costs and goodwill on the subscription of shares related to capital contributions by shareholders exceeding the amount allocated to capital formation.

The capital reserve on June 30, 2015 is R$73,239 (R$75,854 as of December 31, 2014).

c. Treasury shares

On January 28, 2015, the Company's Board of Directors, pursuant to article 19 of its bylaws, article 30 of Law 6404/76, CVM Instruction 10/80, as amended, and CVM Instruction 358/02 and its subsequent amendments, approved the acquisition of up to 2,000,000 common shares, without par value, issued by the Company itself, for cancellation, disposal of or maintenance in Treasury and particularly to allow the exercise of the option granted under the Company's Share Option Plan, with no reduction in share capital, within 365 days from the disclosure of the significant event of the offering. Moreover, these acquisitions of shares issued by the Company itself are limited to the balance available under the "Capital reserve" caption calculated during the fiscal year, in compliance with articles 1º and 12 of Instruction 10/80.

The Company's Management is responsible for deciding when and what number of shares to buy, within authorized limits.

Changes in treasury shares are stated as follows:

	Company and Consolidated		
	Shares	**Amount**	**Average cost - R$ per share**
Balance on December 31, 2014	(5,796,967)	(194,478)	33.55
Sale in January 2015	185,833	6,234	33.55
Sale in February 2015	46,278	1,553	33.55
Sale in March 2015	98,170	3,294	33.55
Sale in April 2015	33,025	1,108	33.55
Balance on treasury shares before the bonus	(5,433,661)	(182,289)	33.55
Increase of treasury shares due to the bonus (*)	(1,086,731)	-	
Sale in April 2015	157,864	4,413	27.96
Sale in May 2015	51,019	1,426	27.96
Sale in June 2015	118,309	3,308	27.96
Balance as of June 30, 2015	(6,193,200)	(173,142)	27.96

(*) **Bonus**: New common shares were issued and one new common share was freely assigned to each shareholders' common share, as bonus, generating total effect of 1,086,731 new shares.

Acquired shares will be held in treasury for later disposal, cancellation or to be used in exercise of stock options granted to the Company's officers and employees.

d. Comprehensive income

Represent cumulative translation adjustments for translation into the foreign currency of the foreign investments and gains or losses on instruments designed to hedge foreign investments, net of taxes. The balances below have accumulated adjustments up to the balance sheet dates, as follows:

	Company and Consolidated	
	06/30/2015	**12/31/2014**
Exchange rate on investments abroad	337,889	197,895
Result on hedging instruments ("bonds") on foreign operations, net of tax	(323,528)	(181,281)
Result on hedging instruments ("NDF") on foreign operations, net of tax	(10,645)	(10,645)
Total	3,716	5,969

e. Earnings reserve - legal

Recognized with amounts corresponding to 5% of net profit for the year, pursuant to article 193 of Law 6404/76, up to the limit of 20% of capital. The legal reserve balance is R$450,057 as of June 30, 2015 (R$360,992 as of December 31, 2014).

f. Earnings reserve - capital budget

During the Board of Directors' meeting held on January 28, 2015, the financial statements were submitted together with the capital budget proposed in connection with the year ended December 31, 2014, and it was approved by the Annual and Extraordinary General Meeting to be held on April 10, 2015, the creation of a capital budget composed by 40.1% of total profit for 2014, net of the legal reserve and the balance held in the capital budget for the financial year 2013.

According to minutes of Annual and Extraordinary General Meeting held on April 10, 2015, the Organization's capital increase was approved in the amount of R$500,000, using balance deriving from capital budget reserve. The proposed capital budget is justified by the need to invest in working capital to boost transactions with receivables ("ARV"), as well as, to provide resources for possible shares buyback to comply with the stock option program.

The capital budget reserve balance as of June 30, 2015 is R$1,276,914 (R$1,776,914 as of December 31, 2014).

g. Dividends and interest on capital

Under Company's bylaws, shareholders are entitled to a minimum dividend of 50% of profit after the recognition of the legal reserve of 5% of net profit for the year until the reserve equals 20% of the capital. During the Annual and Extraordinary General Meeting held on April 10, 2015, a proposal was submitted and approved to reduce the annual minimum mandatory dividends to 30% of profits, adjusted as provided for in the Corporate Law's article 202.

The allocation of the remaining balance of profit for the year is decided at the Annual and Extraordinary General Meeting. At year-end, the Company accrues the minimum dividends not paid during the year up to the limit of the previously mentioned minimum mandatory dividend.

Under by laws, the Company may prepare semiannual or shorter balance sheets and, based on them, in accordance with the limits provided for applicable law, the Board of Directors may approve the distribution of dividends against profit. The Board of Directors may also declare intermediary dividends against existing profit based on the last balance sheet approved by the shareholders.

On January 28, 2015, the Board of Directors approved *"ad referendum"*, subject to agreement by the Annual and Extraordinary General Meeting on April 10, 2015, the proposal for payment of dividends and interest on capital, totaling R$702,880 (represented by the amounts of R$419,021 stated as dividends payable on December 31, 2014 and R$283,859, amount that exceeds the minimum mandatory stated in shareholders' equity as "Dividends additional to the proposed" December 31, 2014) and R$66,800 (R$56,780 net of corporate income tax), respectively. The proceeds were paid on March 31, 2015.

On June 30, 2015, provisions for minimum mandatory dividends and interest on capital referring to the 1st semester of 2015, were recorded in the amount of R$410,685 and R$114,100 (R$96,985, net of corporate income tax), respectively, under caption "Dividends payable" in individual and consolidated interim accounting information, whose approval for payment on September 30, 2015 was conducted by the Company's Board of Directors at the Annual and Extraordinary General Meeting held on July 29, 2015.

Minimum compulsory dividends were calculated as follows:

Net income for the semester	1,781,297
Profit reserve - legal reserve	(89,065)
Calculation base for the minimum dividends	1,692,232
Dividends provisioned	410,685
Interest on own capital provisioned	114,100
IRRF on interest on own capital	(17,115)
Minimum compulsory dividend - 30%	507,670

18 Earnings per share

Change in the number of common shares

Shares issued	**Common**
Shares as of December 31, 2014	1,566,433,971
Exercise of stock options:	
January 2015	185,833
February 2015	46,278
March 2015	98,170
April 2015	33,025
Effect of bonus shares	313,359,457
April 2015	157,864
May 2015	51,019
June 2015	118,309
Total	1,880,483,926

Earnings per share

In compliance with CPC 41 – Resultado por ação, the following tables reconcile the profit and weighted average of outstanding shares with the amounts used to calculate the basic and diluted earnings per share.

The Annual and Extraordinary Shareholders' Meeting approved the Company's capital increase in the amount of R$500,000 through capitalization of capital budget reserve, giving to the shareholders as a free bonus, one ordinary share for each five ordinary shares held by them, at the end of April 10, 2015. Those events were considered retrospectively in the basic and diluted earnings per share calculation, as if they were occurred at the beginning of the oldest financial year stated, as follows:

Basic earnings per share

	Company and Consolidated	
	06/30/2015	**06/30/2014**
Net profit at the semester available to common shares	1,781,297	1,599,468
Weighted average number of outstanding common shares (in thousands)	1,880,825	1,882,537
Earnings per share (in R$) - basic	0.94708	0.84963

Diluted earnings per share

	Company and Consolidated	
	06/30/2015	**06/30/2014**
Net profit at the semester available to common shares	1,781,297	1,599,468
Diluted denominator:		
Weighted average number of outstanding common shares (in thousands)	1,880,825	1,882,537
Potential increase in common shares as a result of the stock option plan	6,076	6,110
Total (in thousands)	1,886,901	1,888,647
Earnings per share (in R$) - diluted	0.94403	0.84689

19 Stock option plan and restricted shares

The Extraordinary Shareholders' Meeting held on June 1, 2009 approved the Company's stock option plan, which is effective for ten years counted from the date of first grant to beneficiaries.

The Extraordinary Shareholders' Meeting held in April 2011 approved the changes to the plan, by introducing a possibility of eligible employees choosing a stock option plan, a restricted stock plan or a combination of both; exercise of 50% of the options and/or restricted shares after two years and 50% after three years. In 2010, the beneficiaries under the Stock Option Plan and Vesting Agreement may exercise the first portion of the stock options granted, equivalent to 1/3 of total, after one year.

Within the authorized capital limit, as mentioned in note 17 (a), the Company may grant stock option or subscription to Management members and employees and individuals providing services to the Company, as well as managers and employees of other companies that are directly or indirectly controlled by the Company. Stock options or restricted shares may be granted provided that capital dilution does not exceed, at any time during the effectiveness of the plan, 0.3% per year. The Company's Board of Directors will define the beneficiaries eligible for the stock option plan annually or at the frequency considered appropriate.

At meetings held on July 6, 2010, July 22, 2011, July 23, 2012, July 19, 2013, June 25, 2014 and June 24, 2015 the Board of Directors approved the third, fourth, fifth, sixth, seventh and eighth grants of options for the purchase of common and/or restricted shares, respectively, as shown in the table below, without any option for the settlement of options in cash. The eighth plan grant of options was approved in July 6, 2015, totaled 557.775 restricted shares.
In the Board of Directors' meeting held on February 29, 2012 approved the Company's Management retention plan under the Restricted Shares program, known as Sócio Cielo. The purpose of this program is to minimize the risks for the Company's business arising from the loss of Management members and enhance the commitment of such members to long-term results. The Management retention program is effective for two years and the shares granted will be transferred to the executives who remain in the Company at the end of the program.

In a meeting of the Board of Directors held on January 28, 2014, the Company emphasized the need of strengthening Cielo's capacity to form and retain the best team of executives in the industry, and decided to approve a new stock option plan called Sócio Cielo - Restricted shares in March 2014. In a Board of Directors' meeting held on February 25, 2015 decided the approval of 2015's Sócio Cielo plan – Restricted shares granted in March 2015.

	Number of shares								Exercise price (R$ per share)	Fair Value of Options (R$ per share
Grant date	**Granted**	**Cancelled**	**Exercised**	**Bonus 2012**	**Bonus 2013**	**Bonus 2014**	**Bonus 2015**	**Balance**		
July 2010	1,073,680	(287,198)	(1,068,094)	163,314	71,403	50,948	2,375	6,428	11.57	3.78
July 2011	1,315,854	(276,942)	(2,216,450)	262,413	273,433	836,145	54,395	248,848	9.05	3.61
July 2012	987,487	(166,861)	(858,131)	-	189,146	1,040,526	254,730	1,446,897	15.44	6.35
July 2013	1,049,141	(195,100)	(47,308)	-	-	990,085	370,317	2,167,135	18.03	8.40
July 2014	1,561,552	(63,299)	(25,620)	-	-	-	303,607	1,776,240	27.18	12.53
March 2014	105,000	(356)	-	-	-	105,000	41,930	251,574	-	24,34
March 2015	178,492	-	-	-	-	-	-	178,492	-	28,18
Total	**6,271,206**	**(989,756)**	**(4,215,603)**	**425,727**	**533,982**	**3,022,704**	**1,027,354**	**6,075,614**		

For the fair value of the options, from 2011, was measured using the binomial pricing model. In the previous years, the Company used the Black & Scholes methodology, based on the following economic assumptions:

	Grating date				
	July 2010	**July 2011**	**July 2012**	**July 2013**	**July 2014**
Dividend yield	5.73%	8.87%	5.36%	3.71%	3.31%
Share price volatility	37.51%	38.27%	31.65%	30.06%	23.15%
Vesting period	5 years	6 years	6 years	6 years	6 years

The fair value is being allocated to the profit and loss of the period and the offsetting entry to the capital reserve, using the straight-line method, over the periods up to 24 months (Sócio Cielo plan) and 36 months (stock options and restricted shares plans).

A provision of R$11,530 net of charges was recognized for the semester ended June 30, 2015 (R$10,496 as of June 30, 2014), offsetting entry is the account “Personnel expenses”.

These amounts correspond to the portion of Statutory Directors the amount of R$4,883 net of charges (R$4,297 as of June 30, 2014).

Were exercised 690,498 shares in amount of R$14,145 for the semester ended June 30, 2015 (233,361 shares amounting to R$11,029 for the semester ended June 30, 2014), and the total stock options granted which was recorded, as of June 30, 2015, in the account “Capital Reserve” in equity R$2,615 (R$533 as of June 30, 2014).

20 Net revenue

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Gross operating revenue	1,909,308	1,708,845	3,802,578	3,401,098	3,078,642	2,021,125	5,665,173	4,016,463
Tax on services	(192,502)	(168,572)	(383,387)	(336,203)	(282,861)	(180,398)	(517,628)	(358,047)
Total	1,716,806	1,540,273	3,419,191	3,064,895	2,795,781	1,840,727	5,147,545	3,658,416

Gross operating revenue is comprised of commissions charged to merchants, rental of POS equipment and services rendered for the use of network, as well as other services related to electronic payment means.

21 Expenses by nature

The Company elected to present the consolidated statement of income by function.

The breakdown of costs of services and net operating expenses by nature is as follows:

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Personnel expenses	100,016	81,676	201,842	163,384	167,590	126,034	324,941	246,655
Depreciation and amortization	102,610	83,507	199,007	165,323	225,964	103,776	382,412	206,467
Professional services	87,687	98,782	170,288	160,849	87,832	89,821	174,930	149,571
Acquiring costs (a)	408,171	376,396	807,116	725,567	975,589	551,689	1,706,977	1,069,475
Sales and marketing (b)	67,512	55,897	121,638	119,227	70,345	58,093	125,387	125,478
Costs of mobile phone credits in subsidiaries (c)	-	-	-	-	104,234	38,977	191,654	70,334
Others	25,904	8,391	60,069	12,587	38,068	23,380	88,673	45,493
Total	**791,900**	**704,649**	**1,559,960**	**1,346,937**	**1,669,622**	**991,770**	**2,994,974**	**1,913,473**
Classified as:								
Cost of services provided	512,088	462,302	1,018,478	894,246	1,302,763	703,776	2,296,133	1,363,508
Personnel expenses	61,579	51,234	124,278	104,700	115,563	87,646	222,052	171,326
General and administrative expenses	95,886	88,698	186,583	149,599	121,320	91,161	236,184	164,177
Sales and marketing	67,512	55,898	121,638	119,227	70,346	58,094	125,387	125,478
Other operating expenses, net	54,835	46,517	108,983	79,165	59,630	51,093	115,218	88,984
Total	**791,900**	**704,649**	**1,559,960**	**1,346,937**	**1,669,622**	**991,770**	**2,994,974**	**1,913,473**

(a) Acquiring costs are mainly represented by expenses on logistics and maintenance of POS equipment, supplies to merchants, customer registration and service, telecommunication services, and capture and processing of transactions.

(b) Marketing and sales expenses include campaigns for trademark development, marketing and advertising, internal marketing and sales incentives to partners and issuing banks.

(c) Correspond to the cost of the product sold related to the credit minutes for cell phones sold by the subsidiary Multidisplay.

22 Other operating expenses, net

Represented by:

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Represented by:								
Allowance for doubtful accounts and chargebacks	(41,902)	(29,577)	(82,974)	(57,376)	(49,988)	(29,577)	(91,059)	(57,376)
Provision for risks, net	(152)	(7,018)	(426)	(8,430)	3,133	(10,621)	2,425	(11,716)
Effective write-off of property and equipment and provision for losses on equipment	(13,167)	(10,624)	(18,867)	(14,807)	(13,167)	(10,624)	(18,966)	(14,807)
Provision for strategic projects (*)	(392)	-	(7,839)	-	(392)	-	(7,839)	-
Others	778	702	1,123	1,448	784	(271)	221	(5,085)
Total	(54,835)	(46,517)	(108,983)	(79,165)	(59,630)	(51,093)	(115,218)	(88,984)

(*) Expenses with investment banks and attorney's fees related to the strategic project of creating Cateno in association with BB ELO Cartões, a wholly-owned subsidiary of Banco do Brasil S.A.

23 Commitments

The Company is engaged in the capture, transmission, processing and settlement of transactions with credit and debit cards. In order to conduct said activities, the Group entered into the following agreements:

a. Lease agreements

As of June 30, 2015, future annual payments under lease agreements in effect are estimated as follows:

	Consolidated
Up to 1 year	19,029
1 year to 5 years	51,786
Above 5 years	-
Total	70,815

Most contracts specify a termination fine equivalent to three-month rent, and a partial return can be negotiated for each case.

b. Telecommunications, technology (processing of transactions), logistics services, call center and back office

On June 30, 2015, based on prevailing contracts, minimum commitments assumed with suppliers of technology, telecommunications, logistics services, call center and back office are as follows:

	Consolidated
Up to 1 year	190,147
1 year to 5 years	688,627
Above 5 years	-
Total	878,774

To supplement minimum commitments assumed and demonstrated above, and based on prevailing contracts, the Company estimates future payments to suppliers of technology, telecommunications, logistics services, call center and back office the amounts of R$304,364, R$646,113 and R$684,639 in 2015, 2016 and 2017, respectively.

Contracts for the capture and processing of transactions provide for rescission fines totaling R$ 141. Call center contracts contain rescission fines amounting to R$14,211. Telecommunication contracts do not provide for rescission fines and back office contracts provide for rescission fines of R$324.

24 Employee benefits

Pension plan

The Company and subsidiary Servinet contributes monthly to a defined contribution pension plan (“PGBL”) for its employees, and contributions made during the six month period ended June 30, 2015, amounted to R$5,544 (R$4,141 as of June 30, 2014), recorded under line items “Cost of services” and “Personnel expenses”.

In addition, in the three month period ended June 30, 2015, Company incurred contribution expenses of R$2,775 (R$2,194 in the three month period ended June 30, 2014), accounted for under captions “Cost of services provided” and “Personnel expenses”.

Others benefits

Besides the benefit of pension plan the Company and its subsidiaries offer their employees, health insurance, dental care, life insurance and personal accident and professional training, the amount of these expenses totaled R$23,463 in the six month period ended June 30, 2015 (R$15,931 for the six month ended June 30, 2014)

In addition, in the three month period ended June 30, 2015, the Company and its Subsidiaries incurred expenses of R$13,439 (R$9,390 in the three month period ended June 30, 2014).

The Company has a Corporate Education Program which aims to leverage learning, ensuring the mapping and the dissemination of key knowledge through practical and educational activities that encourage the creation, acquisition, dissemination, use and sharing of knowledge, focusing for business results. In addition, in the Company, there is development of actions for all employees, for example, leadership development, e-learning, contract training, on-demand training, continuing education and languages. The related cost actions described are recognized in income when incurred.

25 Profit-sharing

The Company and its subsidiaries pay profit-sharing to their employees and officers, subject to the achievement of operational goals and specific objectives established and approved at the beginning of each fiscal year.

The values of participation of employees and managers in profit for the six month periods ended June 30, 2015 and 2014 were recorded under "Personnel expenses" in the statement of income and are presented as follows:

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Officers	13,428	11,164	26,294	23,439	18,597	15,371	35,788	31,733
Board of Directors	3,537	2,776	6,683	6,267	3,780	2,902	7,168	6,582
Total	16,965	13,940	32,977	29,706	22,377	18,273	42,956	38,315

26 Management compensation

Key Management personnel include the members of the Board of Directors and the officers. Expenses recorded in income for the three and six month period are as follows:

	Three month period			Six month period		
	06/30/2015			06/30/2015		
	Fixed	Variable (*)	Total	Fixed	Variable (*)	Total
Officers	1,586	2,764	4,350	3,450	5,468	8,918
Board of Directors	487	-	487	897	-	897
Total	2,073	2,764	4,837	4,347	5,468	9,815

	Three month period			Six month period		
	06/30/2014			06/30/2014		
	Fixed	Variable (*)	Total	Fixed	Variable (*)	Total
Officers	1,453	3,001	4,454	3,148	5,913	9,061
Board of Directors	398	-	398	765	-	765
Total	1,851	3,001	4,852	3,913	5,913	9,826

(*) Not including the stock option plan (see note 19).

Management's (Executive Committee and Board of Directors) overall compensation in 2015, set by the Annual and Extraordinary General Meeting held on April 10, 2015, was R$45,542, plus related taxes and contributions thereon, as prescribed by the prevailing laws.

For the Fiscal Council, annual compensation approved for the years 2015 and 2014 was R$ 547 and R$460, respectively.

27 Financial income (Expenses)

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Finance revenue:								
Interest on short-term investments	2,641	2,907	53,365	5,831	23,165	3,474	75,628	7,091
Other finance revenue	639	115	1,248	124	715	134	1,343	148
Total	3,280	3,022	54,613	5,955	23,880	3,608	76,971	7,239
Financial expenses:								
Late payment interest and fines	(24)	(12)	(116)	(58)	(53)	(15)	(171)	(83)
Late payment interest and risk fines	(363)	(784)	(1,482)	(1,685)	(369)	(792)	(1,494)	(1,701)
IRRF on interest abroad	(2,735)	(1,498)	(5,002)	(3,358)	(2,735)	(1,498)	(5,002)	(3,358)
Interest on borrowings	(283,902)	(14,393)	(452,462)	(29,770)	(291,825)	(23,051)	(471,547)	(47,634)
Others financial expenses	(5,678)	(3,948)	(9,779)	(7,321)	(6,518)	(4,125)	(11,536)	(7,807)
Total	(292,702)	(20,635)	(468,841)	(42,192)	(301,500)	(29,481)	(489,750)	(60,583)
Income from prepayment of receivables:								
Revenue from prepayment of receivables (a)	561,697	422,987	1,085,811	819,525	561,697	422,987	1,085,811	819,525
Cost of funding (b)	(68,077)	(71,371)	(129,277)	(138,717)	(68,077)	(71,371)	(129,277)	(138,717)
Total	493,620	351,616	956,534	680,808	493,620	351,616	956,534	680,808
Exchange rate changes, net (c)	1,344	(75)	3,568	(95)	1,354	(84)	3,594	(96)
Total	205,542	333,928	545,874	644,476	217,354	325,659	547,349	627,368

(a) Revenue from prepayment of receivables for the three and six month periods ended June 30, 2015 and 2014 comprises income from the prepayment volume of transactions with credit in cash and installment sales, to be recognized as the maturity dates of the transactions.

(b) Financial expenses arising from funding with third parties to undertake transactions to advanced receivables. In the three month periods ended June 30, 2015 and three and six month periods ended June 30, 2014, third-party capital funding took place by means of advances on the flow of receivables with issuers (see note 11). Funding for the six month period ended June 30, 2015 was partially in the form of Promissory Notes issued on December 29, 2014 and fully redeemed on April 13, 2015 (see note 13) and transactions related to advances on the flow of receivables with issuers (see note 11). Costs of funding third-party capital were stated under "Income from Prepayment of Receivables" in order to reflect better the net result of advances on receivables in the interim individual and consolidated financial information.

(c) It follows basically the amount received in U.S. dollars from Visa International Service Association and MasterCard Worldwide relating to transactions with foreign cards, credit and debit cards, and gains and losses originally denominated in foreign currency, represented by:

	Company				Consolidated			
	Three month period		Six month period		Three month period		Six month period	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Exchange rate changes, net:								
Revenue	1,344	285	3,568	910	1,362	281	3,607	916
Expenses	-	(360)	-	(1,005)	(8)	(365)	(13)	(1,012)
Total	1,344	(75)	3,568	(95)	1,354	(84)	3,594	(96)

28 Financial instruments

The estimated fair values of the Group's financial assets and financial liabilities were determined using available market inputs and appropriate valuation methodologies. However, considerable judgment was required to interpret market input and then develop the most appropriate fair value estimates. Accordingly, estimates presented herein are not necessarily indicative of the amounts that could be realized in the market. The use of different market methodologies may have a significant effect on the estimated realizable values.

These financial instruments are managed through operating strategies which aim at obtaining liquidity, profitability and security. The control policy consists of permanent monitoring of the contracted rates compared to market rates. The Group does not make investments for speculative purposes, either in derivatives or either in other risk assets.

a. Capital risk management

The Group manages its capital to ensure that its companies can continue as going concerns, and at the same time maximizes the return to all their stakeholders by optimizing the debt and equity balance.
The Group's equity structure consists of its equity and net debt (borrowings and financing detailed in note 13, less cash and cash equivalents).

The Group is not subject to any external capital requirement.

The indebtedness ratio at the end of the period is as follows:

	Company		**Consolidated**	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Debt (i)	(10,763,955)	(6,268,518)	(12,011,726)	(7,339,742)
Cash and cash equivalents	89,289	3,758,037	1,208,278	3,998,721
Net debt	(10,674,666)	(2,510,481)	(10,803,448)	(3,341,021)
Equity (ii)	5,298,231	4,309,110	8,956,634	4,324,400
Debt ratio, net	201.48%	58.26%	120.62%	77.26%

(i) Debt is defined as short- and long-term borrowings, as detailed in note 13.

(ii) Equity includes the entire share capital and the Group's reserves, managed as capital.

b. Financial assets and financial liabilities

The Group's financial assets and financial liabilities refer to cash and cash equivalents, trade accounts receivable, receivables from subsidiaries and Joint ventures, escrow deposits, trade accounts payable to merchants, subsidiaries and Joint ventures and acquisition of subsidiaries, trade accounts payable and borrowings and financing.

The estimated market values of financial instruments as of June 30, 2015 are as follows:

		06/30/2015			
		Company		Consolidated	
	Type	Book value	Market value	Book value	Market Value
Cash and cash equivalents	Loans and receivables	89,289	89,289	1,208,278	1,208,278
Trade accounts receivable	Loans and receivables	8,900,730	8,900,730	9,834,116	9,834,116
Receivables from subsidiaries and Joint ventures	Loans and receivables	2,340	2,340	76	-
Escrow deposits	Loans and receivables	1,198,794	1,198,794	1,204,705	1,204,705
Other payables (Swap)	Fair value through profit of loss	1,111	1,111	1,111	1,111
Trade accounts payable	Other financial liabilities	549,515	549,515	650,136	650,136
Payables to merchants	Other financial liabilities	668,205	668,205	1,446,976	1,446,976
Payables to subsidiaries and joint ventures	Other financial liabilities	15,973	15,973	-	-
Borrowings and financing	Other financial liabilities	10,763,955	10,763,955	12,011,726	12,011,726

The market value of financial assets and financial liabilities and short and long-term financing was determined, when applicable, by using current interest rates available for transactions conducted under similar conditions and with similar maturity dates.

c. Credit Risk

In Cielo’s operations of merchant acquiring, the primary risk comes down to the possibility of default of card issuers, which are required to transfer to Cielo the amounts charged relating to transactions carried out by holders of the cards issued thereby, so that Cielo can then pass on these amounts to its affiliated establishments. This primary risk is substantially mitigated by the very legal–financial model of transferring amounts adopted by Cielo, since the amounts already paid by the holders to an issuer that may become delinquent will always be treated as third-party funds and, as such, should be passed on to Cielo and, then, passed on from Cielo to the commercial establishment – the end creditor of the operation.

Cielo’s model of transferring amounts substantially mitigates the risk of default of the card issuers, also remaining a residual risk to Cielo on the possible default of cardholders to the issuer in a situation of default. This residual risk may or may not exist for Cielo depending on the risk/guarantee model adopted by the card Brand on its operation with the card issuers and acquirers.

In the case of the Visa brand, the risk/guarantee model adopted thereby does not include the assumption of the risk of default of card issuers. In the event of default of an issuer, Cielo will be responsible for recovering from this issuer (or its intervener) the amounts already paid by holders, and for assuring the transfer of pending transactions to the commercial establishments, as explained above. Thus, with the default of a Visa issuer, Cielo shall have the residual risk of default of the card holders of that issuer.

In order to mitigate this residual risk, Cielo created a permanent committee called "Issuer Risk Committee," whose members are professionals in the field of credit from Cielo’s shareholder Banks (Banco do Brasil and Bradesco), and professionals from Cielo itself.

The Committee’s basic function is to analyze the risk level of each of the Visa brand card issuers captured by Cielo and thus classify them into two groups: 1- card issuers with low level of risk and waived from submitting guarantees and, 2- card issuers with higher level of risk and required to submit guarantees.

It was the responsibility of the Committee, upon its creation, to define the methodology for calculating the amounts of guarantees to be submitted by the card issuers to Cielo. This methodology is based on the financial volume of issuance of credit cards, debit card and prepaid card that are pending settlement between the card issuer and Cielo on a particular base-date. The definition of the value of the guarantees that are requested from the card issuer considers the monthly average for the semester that has the greatest financial volume of emission in the last twelve months. On such pending settlement volumes, the percentages of guarantees are defined, ranging from 15% to 100% of the pending volume of settlement.

The members of the Issuer Risk Committee meet quarterly in regular meetings, and may call special meetings at any time at the request of Cielo or at the request of any Committee member.

Cielo has no credit risk with the issuers of MasterCard brand, since the risk/guarantees model adopted by this Brand fully cover any possible delinquency by the issuers with Cielo. The MasterCard brand becomes the substitute of issuers in the event of delinquency thereof, becoming a counterparty to the obligation vis-à-vis Cielo and, consequently, with the commercial establishment. This model adopted by the Brand also includes hedging of possible default by cardholders in the case the card issuer becomes permanently delinquent (default situation).

Note that even with this model of hedging provided by Brand, in any situation of default of any card issuer, Cielo will always resort primarily to its financial legal model of transfer of amounts for the prompt recovery of amounts received or that come to be received from cardholders by the card issuer.

d. Fraud risk

The Company uses an antifraud system to monitor transactions with credit and debit cards, which detects and identifies suspected fraud at the time of the authorization and sends an alert message to the card-issuing bank for it to contact the cardholder.

e. Transactions with derivative financial instruments

Policy of use of derivatives

According to the internal policy, the Company’s finance income (expenses) must arise from the generation of cash from its activities rather than from gains in the financial market. Accordingly, it considers that derivatives should only be used to hedge against potential exposures arising from the risks to which it is subject, without speculative purposes. The offsetting entry to a derivative transaction should be a non-hedged asset or liability.

The criteria adopted for definition of the notional value of the derivatives is linked to the amount of the debt and/or assets denominated in foreign currency.

f. Hedges of net investments in foreign operations

The Company, after the funds raised on the issuance of bonds in November 2012 and based on the interpretation 16 of International Financial Reporting Interpretations Committee - IFRIC (technical interpretation ICPC 06 – Hedge de Investimento Líquido em Operações no Exterior), issued in July 2008, and on rule IAS 39 (technical pronouncement CPC 38 – Instrumentos Financeiros: Reconhecimento e Mensuração), elected to designate as hedge for the investment in Cielo USA, in the amount of US$311,981 thousand, the ten-year bonds held by the Company, in the amount of US$470,000 thousand. The designated financial instrument value, i.e., the ten-year bonds, is increased by the income tax and social contribution gross-up (rate of 34% under Brazilian applicable legislation) for purposes of analysis of the hedge accounting effectiveness.

The net investment hedge effects were recorded in accordance with CPC 38 and IAS 39 - Financial Instruments: Recognition and Measurement. Accordingly, the Company formally designated the transactions by documenting: (i) the hedge purpose; (ii) hedge type; (iii) nature of the hedge risk; (iv) identification of the hedge item; (v) identification of the hedging instrument; (vi) relationship between the hedge and hedge item (retrospective effectiveness test); and (vii) prospective effectiveness.

The adoption of the effectiveness tests described in the accounting practices confirmed the effectiveness of the financial instrument; accordingly, for the semester ended June 30, 2015, there was no ineffectiveness recorded in profit or loss from net investment hedges in Cielo USA; consequently, gains or losses from these transactions were fully recorded in the Company’s equity.

g. Fair value hedge

The Company, upon contracting of Swap Financial Instrument in June 2015 based on Technical Pronouncement CPC 38 (Financial Instruments: Recognition and Measurement) corresponding to the International Accounting Standard 39 (Financial Instruments: Recognition and Measurement), assigned it as hedge instrument for loan raised from Bank of Tokyo-Mitsubishi UFJ, Ltd. in the amount of US$204,625, equivalent to R$630,000 for the period of 18 months.

As of June 30, 2015, the individual and consolidated balance of Swap is as follow:

						06/30/2015	12/31/2014
			Valuation			Fair value (market)	Fair value (market)
	Maturity date	Notional R$	Long leg	Short leg	MTM Adjustment	Accounts receivable/ (payable)	Accounts receivable/ (payable)
Swap floating rate in US$ (114.2857% Libor + 0.8343% p.a.) vs. floating rate in R$ (99.4% DI)	12/19/2016	630,000	634,856	(631,592)	(2,153)	1,111	-
Current						-	-
Non current						1,111	-

Terms of swap and loan contract, according to note 13(g), were entered into so that comparison between swap’s long position (the Company’s accounts receivable) and loan balance (the Company’s accounts payable), both adjusted at fair value, does not present losses or gains deriving from contracted foreign exchange and interest rate variation for hedge object. Accordingly, the Company remains exposed only to Swap’s short leg, which has notional value in reais in the amount of R$630,000 remunerated at 99.4% of daily average DI (Interbank Deposits) interest rate.

In order to document the adopted assignment strategy, the Company adopted the *Critical Terms Match Method* to document effectiveness relation between hedge object and hedge instrument. Accordingly, the Company formally designated transactions, documenting: (i) purpose of hedge; (ii) type of hedge; (iii) nature of risk to be covered; (iv) identification of object of coverage (hedged item); (v) Identification of coverage instrument (hedging instrument);

(vi) demonstration of link between hedge and object of coverage (retrospective effectiveness test); and (vii) prospective statement of effectiveness. Accordingly, gains and losses from hedge instrument and hedge items are recognized at fair value in income for the period in which they occur.

The derivative's effectiveness can be shown by the comparison between long leg's fair value and the hedge item variations. On June 30, 2015, hedge relation established by the Company was effective, according to prospective tests.

h. Currency risk

The Group conducts a few transactions in foreign currency, mainly represented by transactions performed by foreign credit card holders in merchants in Brazil. In addition, on August 31, 2012, the Company had the control of Me-S through its holding Cielo USA, both headquartered in the United States of America, whose transactions are conducted in US dollar (functional currency).

The exposures to currency risks are managed in accordance with the criteria set by the policies approved using currency futures contracts.

As of June 30, 2015, the net exposure to foreign exchange rate risk, in thousands of US dollars, is as follows:

	Company	Consolidated
Assets:		
Cash and cash equivalents	1,075	122,727
Trade accounts receivable	-	204,086
Other assets	-	13,000
Investments in foreign currency	311,981	-
Property and equipments	-	3,711
Intangible assets, including goodwill	-	735,717
Total	313,056	1,079,241
Liabilities:		
Payables to merchants	(719)	(251,781)
Other liabilities	-	(18,441)
Repayment of borrowings and financing - principal	(470,000)	(875,000)
Repayment of borrowings and financing - interest	(2,203)	(2,831)
Repayment of borrowings and financing - expenses	-	3,367
Deferred income tax	-	(88,710)
Tax effect on hedge instruments - bonds designated as hedge of the net foreign investment	159,800	159,800
Total	(313,122)	(1,073,596)
Long position (short) - US dollar	(66)	5,645

The Company enters into forward exchange transactions for US dollars to hedge against fluctuations in exchange rates, which reduces significantly potential currency risks.

Sensitivity analysis of foreign currency

The Group is mainly exposed to US dollar fluctuations.

Sensitivity analysis includes only monetary items outstanding and denominated in foreign currency and adjusts translation at the end of each reporting period for a change of 10%, 25% and 50% in exchange rates. The sensitivity analysis includes third-party loans when they are denominated in a currency different from that of the creditor or debtor. As of June 30, 2015, estimating the increase or decrease by 10%, 25% and 50% in exchange rates, there would be an increase or decrease in profit and equity, in thousands of Brazilian real (R$), as follows:

	Company and Consolidated		
	10%	**25%**	**50%**
Profit or loss (i)	573	1,432	2,864
Equity (i)	20	51	102

(i) Refers mainly to the exposure of trade accounts receivable and trade accounts payable in US dollars at the end of each reporting period.

i. Interest risk on short-term investments

The Company's results of operations are subject to significant fluctuations resulting from short term investments with floating interest rates.

Pursuant to its financial policies, the Company invests its funds in prime banks and has not entered into transactions with financial instruments for speculative purposes.

j. Liquidity risk

The Group manages the liquidity risk by maintaining proper reserves, bank and other credit facilities to raise new borrowings that it considers appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

k. Interest rate sensitivity analysis - Short-term investments and borrowings and financing

The funds from the Company's short-term investments are impacted by changes in the DI rate (source: Cetip) and borrowings are impacted by the changes in the long-term interest rate - TJLP (source: Central Bank of Brazil - Bacen). As of June 30, 2015, assuming an increase or reduction of 10%, 25% and 50% in the interest rates, there would be an increase or decrease in finance income or costs in thousands of Brazilian reais, as follows:

	Company			Consolidated		
	10%	**25%**	**50%**	**10%**	**25%**	**50%**
Short-term investments	5,337	13,341	26,683	7,563	18,907	37,814
Borrowings and financing	48,770	121,925	243,850	50,679	126,696	253,393

29 Related-Party Balances and Transactions

In the normal course of activities and under market conditions, the Company, subsidiaries and associated company conducts transactions with related parties, such as receivables (related to receivables in advance of operations) from card-issuing banks, which are the financial groups in which its controlling shareholders, Banco Bradesco S.A. and Banco do Brasil, hold interests, as well as expenses and income from services provided by Servinet, Orizon, Multidisplay, M4Produtos, Cateno, Braspag, Paggo Soluções and Aliança.

In conducting its business and engaging services, the Company and subsidiaries makes market quotations and surveys intended to find the best technical and pricing terms. Also, the type of business conducted by the Company requires it to enter into agreements with several card-issuing entities, some of which are its direct and indirect shareholders. The Company and subsidiaries believes that all the agreements entered into with related parties are carried out on an arm's-length basis.

The tables below include the balances as June 30, 2015 and December 31, 2014, by type of agreement, shareholders and subsidiaries, of transactions with related parties conducted by the Company, subsidiaries and associated company related to the semesters ended June 30, 2015 and 2014:

	Company and Consolidated										
	06/30/2015										12/31/2014
	Shareholders		Subsidiaries and Joint Ventures								
	Banco Bradesco	Banco do Brasil	Servinet	Orizon	Multidisplay	M4 Produtos	Paggo	Braspag	Cateno	Total	Total
Assets (Liabilities):											
Cash and cash equivalents (a)	17,530	767,225	-	-	-	-	-	-	-	784,755	3,708,938
Trade accounts receivable	2,727	1,918	-	-	-	-	-	-	-	4,645	4,727
Borrowings and financing (g)	-	(3,486,285)	-	-	-	-	-	-	-	(3,486,285)	-
Receivables from subsidiaries and joint ventures	-	-	-	67	2,160	-	9	30	74	2,340	115
Payables to subsidiaries and joint ventures	-	-	(14,648)	-	-	(227)	-	(1,098)	-	(15,973)	(12,210)

	Company and Consolidated								
	Three month period ended June 30, 2015								**Three month period ended June 30, 2014**
	Shareholders		**Subsidiaries and Joint Ventures**						
	Banco Bradesco	**Banco do Brasil**	**Servinet**	**Orizon**	**Multidisplay**	**M4 Produtos**	**Braspag**	**Total**	**Total**
Revenues:									
Income from short-term investments (a)	86	19,865	-	-	-	-	-	19,951	1,094
Revenue from other services (b)	8,223	6,071	-	14	1,204	1,813	92	17,417	13,644
Revenue from the rental of POS equipment (c)	-	-	-	29	-	-	-	29	106
Expenses:									
Other operating expenses - membership commission	(869)	(879)	-	-	-	-	-	(1,748)	(2,394)
Other operating expenses (d)	(7,559)	(901)	-	-	-	(1,141)	(2,293)	(11,894)	(6,575)
Service agreement with Servinet (e)	-	-	(41,854)	-	-	-	-	(41,854)	(37,281)
Data processing services (f)	-	-	-	-	-	-	(120)	(120)	(1,176)
Financial expenses (g)	-	(112,085)	-	-	-	-	-	(112,085)	-
Payment management service provision (h)	-	(5,081)	-	-	-	-	-	(5,081)	-
Promissory notes placement service provision (i)	(619)	-	-	-	-	-	-	(619)	-

	Company and Consolidated								
	Six month period ended June 30, 2015								**Six month period ended June 30, 2014**
	Shareholders		**Subsidiaries and Joint Ventures**						
	Banco Bradesco	**Banco do Brasil**	**Servinet**	**Orizon**	**Multidisplay**	**M4 Produtos**	**Braspag**	**Total**	**Total**
Revenues:									
Income from short-term investments (a)	2,393	66,008	-	-	-	-	-	68,401	1,784
Revenue from other services (b)	15,747	11,768	-	31	1,863	3,224	182	32,815	27,248
Revenue from the rental of POS equipment (c)	-	-	-	63	-	-	-	63	239
Expenses:									
Other operating expenses - membership commission	(1,764)	(2,102)	-	-	-	-	-	(3,866)	(5,437)
Other operating expenses (d)	(13,431)	(1,782)	-	-	-	(3,213)	(3,629)	(22,055)	(14,586)
Service agreement with Servinet (e)	-	-	(73,724)	-	-	-	-	(73,724)	(62,492)
Data processing services (f)	-	-	-	-	-	-	(282)	(282)	(2,700)
Financial expenses (g)	-	(150,436)	-	-	-	-	-	(150,436)	-
Payment management service provision (h)	-	(6,975)	-	-	-	-	-	(6,975)	-
Promissory notes placement service provision (i)	(4,360)	-	-	-	-	-	-	(4,360)	-

(a) Balances corresponding to the amounts held in current account and charges and interest rates of short-term investments were agreed under conditions similar to those applicable to unrelated parties.

(b) Correspond to fraud prevention and bank account blocking services provided by the Company to the shareholder banks and commissions for the processing of transactions for M4Produtos, Multidisplay and Orizon and provision of financial, administrative, purchase, legal and HR services to company Braspag. These related-party transactions are carried out at prices and under conditions similar to the transactions carried out with other issuing banks.

(c) See note 5(e).

(d) Services contracted with shareholder banks, relating to: (i) corporate collective life insurance; (ii) health and dental insurance; and (iii) private pension agreement. Development of mobile capture solution services to company M4Produtos and transactions pre-processing services to Braspag. The

Company understands that the financial conditions adopted by the shareholders in respect of prices, terms and other conditions were applied under conditions similar to those adopted with respect to third parties.

(e) Provision of services by contract Servinet to provide POS equipment installation and maintenance service to merchants. The payment for the services provided is determined based on the costs incurred by Servinet when the service is provided, plus taxes and a payment margin.

(f) Refer to data processing services provided by M4Produtos and Braspag.

(g) Refer to the balances of the Private Debenture issuance (see note 13.d) maintained by BB Elo Cartões, a company of the Banco do Brasil conglomerate.

(h) Service provision by Banco do Brasil to Cateno in order to act as Payment Institution in the management of post-paid accounts payable and purchase functions by charging the Ourocard Payment Arrangement while Cateno's Granted Rights are not exercised by it.

(i) Expenses related to the commission for promissory notes placement and distribution services (see note 13.c) paid to Banco Bradesco BBI SA, a company of the Bradesco conglomerate.

Main related-party transactions

Balances of issuing banks

Receivables from issuing banks, whose net amounts are recorded under the caption “payables to merchants”, refer to the amounts payable by the issuers to the Company arising from the transactions carried out with credit and debit cards, which will be subsequently transferred by the Company to the authorized merchants. These related-party transactions are carried out at prices and under conditions similar to the transactions carried out with other issuers of credit or debit cards.

Domicile Bank Incentives

The Company entered into agreements with domicile banks to promote the invoicing of commissions and prepayment of receivables. In these agreements, the Company remunerates the banks based on the performance and metrics established therein.

Advanced payment of receivables with issuing banks

The Company has agreements with issuing banks to transfer in advance the amounts from the transactions carried out by the bank’s customers with credit cards. These advanced payments are performed in order to generate short-term working capital and the amounts deposited in current account are net of rates for advances, on a pro rata basis, calculated at the market rates that do not significantly differ from those adopted by the issuing banks that are not the Company’s shareholders.

Use of Cielo authorized network (Value Added Network - VAN)

The Company entered into service agreements with Companhia Brasileira de Soluções e Serviços - CBSS. These services include the capture, authorization and processing of transactions with ALELO cards, as well as services provided to merchants, operational and financial back office services, protection against fraud, issuance of statements and financial control over the electronic transactions resulting from these transactions. The rates and tariffs charged from these related-party transactions are carried out at prices and under conditions similar to the transactions carried out with other banks.

VAN services and connectivity rate - Amex

The Company entered into a nonexclusive service agreement for the capture of credit card transactions issued under Amex (VAN) card association, with Bankpar S.A. (“Bankpar”), a Bradesco group’s company which holds the rights over the American Express (“Amex”) card association in Brazil. This contract also establishes BankPar remuneration by the Company through payment of connectivity rate for the Company's access to merchants affiliated to Amex brand acquiring systems. Partnership with Amex brand has high potential of generating value to the Company to the extent that supplements its brand portfolio. Execution of these contracts was approved by the Board of Directors, with abstention of legally impeded by conflict of interest. Prices charged for the provision of this service are similar to those practiced with other third party partners.

Bank account lock

Refers to bank account lock service agreements entered into with various banks, whose service consists of ensuring to the banks the blocking of the bank accounts of the authorized merchants that carry out financial transactions with them. These related-party transactions are carried out at prices and under conditions similar to the transactions carried out with other domicile banks.

Recordkeeping of Cielo's shares

A stock book-entry service agreement entered into between Cielo and Banco Bradesco S.A., whereby the latter provides stock book-entry and share certificate issuance services to the Company.

Operating services - Stock option program

Service agreement consisting of rendering operating services for the stock option program and the related grants entered into with Bradesco S.A. Corretora de Títulos e Valores Mobiliários.

Management of payment services

Banco do Brasil entered into an agreement with Cateno in order to act as Payment Institution in managing post-paid accounts payable and purchase functions by charging the Ourocard Payment Arrangement while Cateno's Granted Rights are not exercised by it. The agreement has a clause for compensation of 0.01% on the total financial flow of transactions under the Contracting party's management.

Bookkeeping services of securities

Contract entered into with Banco Bradesco S.A. provides for the provision of debenture and mandatory bank bookkeeping services.

Securities management services

Contract entered into with Banco Bradesco BBI S.A. provides for the provision of promissory notes, debentures coordination and distribution services, being the latter pursuant to the terms of CVM Instruction no. 400.

Public and private securities operating management services

Object of contract entered into with Banco do Brasil S.A. is to regulate provision of movement, custody and financial settlement services for transactions carried out with public securities registered with SELIC and private securities registered with CETIP.

Representation services with CIP

Contract entered into with Banco do Brasil S.A. provides for representation of the bank with CIP (Interbank Payment Chamber) aiming at provision of settlement services for transactions carried out with credit and/or debt cards and provision of STR (Reserve Transference System) issuance services.

Other widespread agreements

In addition to the balances recorded, the Company engages other services from the main shareholders, namely:

- Cash management services.
- Insurance.
- Health insurance and private pension services.
- Corporate credit card.
- Payment to suppliers.

Cateno project

On February 27, 2015, the Company entered into association with BB Elo Cartões Participações S.A., a wholly owned subsidiary of Banco do Brasil S.A., for the creation of the Cateno, whose transaction terms are detailed in note 01 - Operations.

30 Segment information

Information per operating segments is shown consistently with the internal reports provided to the Chief Operating Decision-Maker – CODM.

The financial statements prior to the year ended December 31, 2014 reflected only one of the Group’s business segments, including service provision in relation to the capture and transaction processing with credit and debit cards and processing credit and debit card transactions, other means of payment, accreditation of merchants and related services.

As of the association closing process with BB Elo Cartões, when Cateno was established on February 27, 2015, with operating activities that refer substantially to managing accounts payable within the scope of the Ourocard Payment Arrangement, essentially different from the abovementioned segment, the Group now holds two types of business: (i) service provision related to capturing and processing credit and debit card transactions, other means of payment, accreditation of merchants and related services, and (ii) management of transactions arising from credit and debit card transactions, among which issuing cards, managing accounts payable, support to management and control of security in transactions, payments of fees to the brands and payment arrangements, and other services related to managing accounts payable.

Immediately thereafter, Management started separately monitoring operating income of its business units in order to make decisions on allocation of resources and performance evaluation. Performance of segments is assessed based on several metrics, such as net income, profit before taxes, net income, among others that in many cases are measured differently from operating income or loss in the consolidated interim accounting information.

A business segment is an identifiable component in the Group intended to provide an individual product or service or a group of related products or services and subject to risks and benefits differentiate from all other business segments.

Regarding information on geographical area, the Company carries out transactions in Brazil and the United States of America through its subsidiaries Me-S and Cielo USA.

	Three month period ended June 30, 2015			**Six month period ended June 30, 2015**		
	Capturing and processing of transactions	**Management of Accounts Payable**	**Consolidated**	**Capturing and processing of transactions**	**Management of Accounts Payable**	**Consolidated**
Domestic market	1,843,440	571,653	2,415,093	3,658,749	778,991	4,437,740
Foreign market	380,688	-	380,688	709,805	-	709,805
Net operating income	2,224,128	571,653	2,795,781	4,368,554	778,991	5,147,545
Cost of services	(914,976)	(387,787)	(1,302,763)	(1,768,609)	(527,524)	(2,296,133)
Gross income	1,309,152	183,866	1,493,018	2,599,945	251,467	2,851,412
Operating income	(346,484)	(16,733)	(363,217)	(668,341)	(23,147)	(691,488)
Operating income	962,668	167,133	1,129,801	1,931,604	228,320	2,159,924
Financial income (loss)	460,670	(243,316)	217,354	884,024	(336,675)	547,349
Income (loss) before taxes	1,423,338	(76,183)	1,347,155	2,815,628	(108,355)	2,707,273
Income and social contribution taxes	(465,508)	25,909	(439,599)	(910,400)	36,849	(873,551)
Net income (loss)	957,830	(50,274)	907,556	1,905,228	(71,506)	1,833,722
Attributed to:						
Shareholders of Cielo S.A.	956,689	(87,241)	869,448	1,902,006	(120,709)	1,781,297
Shareholders other than Cielo S.A.	1,141	36,967	38,108	3,222	49,203	52,425

At the beggining of "Management of Accounts Payable" segment activities, the Ourocard's Payment Arrangement exploitation rights was granted to the subsidiary Cateno, in the amount of R$11,572 million (see note 10), which amortization is being appropriated in the depreciation and amortization expenses, described as follow:

	Three month period ended June 30, 2015			**Six month period ended June 30, 2015**		
	Capturing and processing of transactions	**Management of Accounts Payable**	**Consolidated**	**Capturing and processing of transactions**	**Management of Accounts Payable**	**Consolidated**
Depreciation and amortization	(129,531)	(96,433)	(225,964)	(253,834)	(128,578)	(382,412)

The balances by segment on June 30, 2015, are as follow:

	Balance sheets as of June 30, 2015		
	Capturing and processing of transactions	**Management of Accounts Payable**	**Consolidated**
Total assets	15,566,742	12,437,881	28,004,623
Acquisition of property, plant and equipment and intangible assets	327,279	11,572,000	11,899,279
Investment in subsidiaries and associated company.	84,483	-	84,483

31 Noncash transactions

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Exchange rate changes on net foreign investments	139,994	43,381	139,994	43,381
Exchange rate on borrowings and financing	(213,566)	(65,847)	(393,811)	(122,958)
Minimum dividends and interest on capital payable	(524,785)	(769,767)	(524,785)	(769,767)
Minimum dividends and interest on capital receivable of direct subsidiary	2,159	2,681	-	-
Capital increase by non-controlling	-	-	3,590,688	-

32 Insurance

As of June 30, 2015, the Company has following insurance agreements:

Type	**Insured Amount**
Civil liability and Director and Officers	110,000
Nominated risks (fire, windstorm and smoke, electrical damages, electronic equipment, theft and flood)	33,111
Loss of profits	17,402
Vehicles	742
POS equipment warehousing	192,544
POS equipment transportation	2,423,846
POS equipment FINAME	907,663

33 Approval of interim financial information

The individual and consolidated interim financial information were approved by the Company’s Board of Directors and authorized for issuance on July 29, 2015.

DEAR SHAREHOLDERS:

We present the performance report and interim financial information of Cielo S.A. ("Cielo"), subsidiaries and associated company, presented as part of quarter statement forms – ITR, for the quarter ended June 30, 2015, and the Independent Auditor's Report on Review of Interim Financial Information.

The Company´s interim financial information are presented in accordance with IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and in accordance with Brazilian accounting practices.

The consolidated financial information include the balances of Cielo's accounts (company), its subsidiaries Multidisplay, Servinet, Braspag, Cielo USA, Cateno *(formerly Token)* and Aliança, as well as indirect subsidiaries Me-S and M4Produtos. The results of subsidiaries acquired during the year are included in the consolidated statement of income from the date of acquisition. When necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies adopted in line with those adopted by the Group. All intercompany transactions, balances, income and expenses are eliminated in the consolidation process.

On April 16, 2014, Cielo informed the market on execution of a memorandum of understanding with Cia Brasileira de Soluções e Serviços ("CBSS"), controlled by Banco Bradesco S.A. and Banco do Brasil S.A., to hold interest in capital of Stelo S.A. ("Stelo"), wholly-owned subsidiary of CBSS.

To acquire interest in capital of Stelo, in June 2015, Cielo contributed the amount of R$32.7 million to Aliança, while Servinet contributed R$0.03 million. In the same period, Aliança, which is engaged holding interest in other companies as partner or shareholder, acquired 30% of Stelo capital for the amount of R$32.7 million. There was no additional indebtedness for the specific purpose of financing Cielo's interest in capital of Stelo through its subsidiary Aliança. Thus, in June 30, 2015, capital of Stelo is held in the proportion of 30% by Aliança and 70% by CBSS.

HIGHLIGHTS 2Q15

- Transaction Financial Volume totaled R$129.7 billion, up 3.5% compared to 2Q14 or R$4.4 billion and up 2.5% quarter-on-quarter or R$3.2 billion; excluding the Agro product, the increase would reach 6.1% year-on-year and 1.7% quarter-on-quarter;

- Net Operating Revenue totaled R$2,795.8 million, up 51.9% in relation to 2Q14 or R$955.1 million and increase of 18.9% compared to 1Q15 or R$444.0 million;

- Prepayment of Receivables reached 18.5% over the financial volume of credit, up 0.6 p.p. compared to 2Q14 and down 1.1 p.p. compared to 1Q15;

- EBITDA of R$1,355.8 million, up 41.9% year-on-year or R$400.3 million and increase of 14.3% quarter-on-quarter or R$169.2 million;

- EBITDA Margin of 48.5%, down 3.4 p.p. compared to 2Q14 and down 2.0 p.p. in relation to 1Q15;

- Cielo's Consolidated Net Income totaled R$869.4 million, up 9.1% year-on-year or R$72.6 million and down 4.6% quarter-on-quarter or R$42.4 million.

OPERATING PERFORMANCE 2Q15

TRANSACTION FINANCIAL VOLUME

In 2Q15, transaction financial volume totaled R$129.7 billion, presenting an addition of 3.5% comparing to the R$125.3 billion in the same period in 2014 and up 2.5% compared to R$126.5 billion presented in 1Q15. Excluding the Agro product, the increase would reach 6.1% year-on-year and 1.7% quarter-on-quarter. Cielo captured 1.495 billion transactions, up 10.0% compared to 2Q14 and up 4.9% over 1Q15.

Specifically with credit cards, transaction financial volume totaled R$77.4 billion in 2Q15, up 1.9% compared to 2Q14 and up 2.6% quarter-on-quarter.

With debit cards, transaction financial volume totaled R$52.3 billion in 2Q15, an increase of 5.9% compared to 2Q14 and up 2.4% quarter-on-quarter.

FINANCIAL PERFORMANCE 2Q15

COMPARISON FOR THE QUARTERS ENDED JUNE 30, 2015 AND MARCH 31, 2015

NET REVENUE

Cielo’s and its controlled companies’ net revenue from capture, transmission, processing and transaction settlement services for credit and debit cards transactions, management of payment accounts related to the Ourocard Arrangement, POS rental and other revenues increased R$444.0 million or 18.9% to R$2,795.8 million in 2Q15, compared to R$2,351.8 million in 1Q15. The increase is chiefly related to the consolidation of an entire quarter of the subsidiary Cateno, considering that the consolidation of 1Q15 was set from February 27, 2015, to the increase on the revenue of thesubsidiaries, the continuous business expansion, as well as the dollar appreciation effect over the revenue generated in the US.

COST OF SERVICES PROVIDED

The cost of services provided increased R$309.4 million or 31.1% to R$1,302.8 million in 2Q15, when compared to R$993.4 million in 1Q15. This increase was chiefly due to the following:

(i) Increase of R$248.1 million in costs related to the management of the Ourocard Arrangement, such as brand’s fee, call centers, supplies and cards management, due to the fact that the impact set by Cateno’s operational activities in 1Q15 occurred as of February, 27th;

(ii) Increase of R$56.8 million in costs related to the subsidiaries Merchant e-Solutions, due to dollar apreciation and the continuous business expansion, and M4U, result of a hike of mobile credit sales;

(iii) Increase of R$4.5 million in costs related to acquiring business, mostly represented for:

a) Increase of R$16.9 million in costs incurred by equipments, including depreceation, supplies, installation, POS terminals activation and maintenance, chiefly due to a higher demand of merchants in 2Q15, explained by Mother’s day celebration;

b) Reduction of R$12.4 million in costs related to transaction, such as capture and processing, call centers, telecom and brand’s fees, chiefly due to a streamlining initiatives and costs renegociation.

OPERATING EXPENSES

Operating expenses increased R$34.9 million or 10.6% to R$363.2 million in 2Q15, compared to R$328.3 million in 1Q15. The main variations are described below:

Personnel Expenses – Personnel expenses increased R$9.1 million or 8.5% to R$115.6 million in 2Q15, compared to R$106.5 million in 1Q15. This increase is chiefly due to the consolidation of employees expenses related to the management of payment accounts for services provided by Cateno, as well as a positive effect from the reversal of part of the allowance of 2014 profit share program, which payment was ascertained in 1Q15.

General and Administrative Expenses – General and administrative expenses, excluding depreciation, increased R$ 5.8 million or 5.7% to R$107.2 million in 2Q15, compared to R$101.4 million in 1Q15. This increase is chiefly related to higher expenses boosted by commercial partners of the subsidiary Me-S due to the continuous business expansion, and the average dollar apreciation in the period.

Sales and Marketing Expenses – Sales and marketing expenses increased R$15.3 million or 27.8% to R$70.3 million in 2Q15, compared to R$55.0 in 1Q15. This increase is due to a higher volume of midia purchasing in 2Q15.

Interest Equity – Interest equity result decreased R$0.1 million or 1.9% revenue to R$3.6 million in 2Q15, compared to R$3.7 million in 1Q15. The decrease is related to a shrinkage on the result of the joint ventures companies Orizon and Paggo in relation to 1Q15.

Other Net Operating Expenses – Other net operating expenses increased R$4.0 million or 7.3% to R$59.6 million in 2Q15, compared to R$55.6 million in 1Q15. This increase is chiefly due to the increase of allowance for doubtful accounts and chargeback, including the beginning of Cateno`s Consolidation, and a hike in allowances for POS terminals losses.

FINANCIAL RESULT

Financial result totaled R$217.4 million in 2Q15, a 34.1% reduction or R$112.6 million compared to 1Q15, which presented R$330.0 million. The main variations are described below:

Financial Revenues – Financial revenues decreased R$29.2 million or 55.0%, to R$23.9 million in 2Q15, compared to R$53.1 million in 1Q15. This decrease is due to a reduction of the average balance of financial investments, after the conclusion of the association with Banco do Brasil to set Cateno, in February 27, 2015, as well as to boost prepayment of receivables operations.

Financial Expenses – Financial expenses increased R$113.3 million or 60.2%, to R$301.5 million in 2Q15, compared to R$188.2 million in 1Q15. This increase is chiefly due to an increase of the average indebtedness with third parties in the quarter, mostly related to the issuance of debentures to set the association with Banco do Brasil to create Cateno.

Prepayment of receivables results. Prepayment of receivables net revenue increased R$30.7 million or 6.6% to R$493.6 million in 2Q15, compared to R$462.9 million in 1Q15. Although 2Q15 prepaid volume was lower than in 1Q15, the increase in prepayment net revenue is due to higher spreads set by the business, in line with a change in clients basis, what is clarified by the increase of retail’s prepaid volume over Corporate clients.

COMPARISON FOR THE QUARTERS ENDED JUNE 30, 2015 AND JUNE 30, 2014

NET REVENUE

Cielo's and its subsidiaries net revenue from capture, transmission, processing and transaction settlement services for credit and debit cards transactions, management of payment accounts related to the Ourocard Arrangement, POS rental and other revenues increased 51.9% or R$955.1 million to R$2,795.8 million in 2Q15, compared to R$1,840.7 million in 2Q14. The increase in net revenue is chiefly related to the start of the operational activities of Cateno, from February 27, 2015, the continuous business expansion of Cielo and its subsidiaries and the dollar appreciation effect over the revenue in the US from the subsidiary Me-S.

COST OF SERVICES PROVIDED

The cost of services provided increased R$599.0 million or 85.1% to R$1,302.8 million on 2Q15, compared to R$703.8 million in 2Q14. The increase was chiefly due to the following:

(i) Increase of R$387.8 million in costs related to the management of the Ourocard Arrangement, such as brand's fee, call centers, supplies and cards management, concerning the beginning of Cateno's operational activities in 1Q15;

(ii) Increase of R$157.9 million related to the subsidiaries Merchant e-Solutions, mainly due to dollar apreciation, and M4U, related to the increase of mobile credit sales;

(iii) Increase of R$42,7 million in costs related to acquiring business, mostly represented for:

   a. Increase of R$29.0 million related to equipment costs, such as supplies, POS terminals installation, depreciation, maintenance and activation, chiefly due to the increase of POS terminal contents, especially for wireless technology equipment, purchase of terminal's inputs and the increase of captured volume, when compared to the same period of the prior year;

   b. Increase of R$ 13.7 million in transaction costs, such as capture and processing, call centers, telecom and brand's fees, due to a hike of transactions volume and to the increase of active POS basis in the quarter compared to the same period of the prior year.

OPERATING EXPENSES

Operating expenses increased R$78.0 million or 27.3% to R$363.2 million in 2Q15, compared to R$285.2 million in 2Q14. The main variations are described below:

Personnel Expenses – Personnel expenses increased R$28.0 million or 31.9% to R$115.6 million in 2Q15, compared to R$87.6 million in 2Q14. This rise is chiefly related to an increase of headcount in the BoB project, structural projects and in the salesforce team, including the impacts on wages, provisions for profit sharing, Christmas bonus and its related social burdens; to the 6.5% adjustment over wages, provisions for profit sharing, Christmas bonus and its related social burdens, established in Collective Agreement in 3Q14; and the beginning of expenses with the consolidation of employees related to the management of payment accounts services provided by Cateno.

General and Administrative Expenses – General and Administrative Expenses, excluding depreciation, increased R$24.4 million or 29.5% to R$107.2 million in 2Q15, compared to R$82.8 million in 2Q14. This increase is due to higher expenses boosted by commercial partners of the subsidiary Me-S, the continuous business expansion and the average dollar apreciation in the period.

Sales and Marketing Expenses – Sales and marketing expenses increased R$12.2 million or 21.1% to R$70.3 million in 2Q15, compared to the R$58.1 million in 2Q14. This increase is chiefly due to a higher volume of midia purchasing and marketing campaigns and initiatives in 2Q15 when compared do the same period of the prior year.

Equity Interest – Equity Interest's result increased R$0.8 million or 31.2% to R$3.6 million revenue in 2Q15, compared to R$2.8 million in 2Q14. The increase is related to a better net income of the joint ventures companies Orizon and Paggo in 2Q15 in comparison to 2Q14.

Other Net Operating Expenses – Other net operating expenses increased R$8.5 million or 16.7% to R$59.6 million in 2Q15, compared to R$51.1 million in 2Q14. The rise is chiefly related to the increase of allowance for doubtful accounts and chargeback, including the beginning of Cateno's Consolidated, partially offset by a lower volume of allowances for contingencies in 2Q15 when compared to the same period of the prior year.

FINANCIAL RESULT

Financial result totaled R$217.4 million in 2Q15, down 33.3% or R$108.3 million in relation to 2Q14, which presented an income of R$325.7 million. The main variations are described below:

Financial Revenues – Financial revenues increased R$20.3 million to R$23.9 million in 2Q15, compared to R$3.6 million in 2Q14. This increase is chiefly due to the financial investments set by the subsidiary Cateno, concerning the prudential capital required to run activities of the payment accounts management.

Financial Expenses. Financial expenses increased R$272.0 million to R$301.5 million in 2Q15, compared to R$29.5 million in 2Q14. This rise is chiefly due to an increase of the average indebtedness with third parties in the quarter, mostly related the issuance of debentures for the creation of Cateno, the association set with Banco do Brasil.

Prepayment of receivables results. Prepayment of receivables net revenue increased R$142.0 million to R$493.6 million in 2Q15, compared to R$351.6 million in 2Q14. The increase is chiefly related to the continuous expansion of the product (hike on the prepaid volume) as well as higher spreads set by the business, in line with a change in clients basis, explained by the increase of retail's prepaid volume over Corporate clients.

EBITDA

EBITDA totaled R$1,355.8 million in 2Q15, up 41.9% in relation to 2Q14 and up 14.3% over 1Q15.

EBITDA (R$ million)	2Q15	2Q14	1Q15
Cielo Net Income	869.4	796.8	911.8
Other Shareholders that not Cielo S.A.	38.1	0.2	14.3
Financial Income (Expenses)	(217.4)	(325.7)	(330.0)
Tax and Social Contribution	439.6	380.5	434.0
Depreciation and Amortization	226.1	103.7	156.5
EBITDA	**1,355.8**	**955.5**	**1,186.6**
% EBITDA Margin	*48.5%*	*51.9%*	*50.5%*

EBITDA consists of net income, plus income tax and social contribution, financial income (expenses) and depreciation and amortization. It should be noted that, for this calculation, the share of minority shareholders is added to the parent company's net income. The EBITDA has limitation that may harm its use as an indicator of the profitability of the Company and its subsidiaries, since costs related to the business are not considered, and could deeply impact the income, e.g., financial expenses, taxes, depreciation, equity expenses and other related charges.

EBITDA is not an accounting measurement used in the accounting practices adopted in Brazil. It does not represent the cash flow for the presented periods and it should not be considered as an alternative to net income, an operating performance measure or as an alternative to operating cash flow or as a measurement of liquidity.

Furthermore, the Management believes that the EBITDA is an important parameter for the investors because it provides relevant information about the operating results and the profitability.

CORPORATE GOVERNANCE

Corporate Governance is valuable for Cielo, so one of its goals is the continuous and long-term improvement, aiming a sustainable performance for the Company. For this purpose, Cielo adopts, voluntarily, the best corporate governance practices beyond those required for companies listed on BM&FBovespa Novo Mercado, demonstrating a massive commitment of the Company and the Board of Directors to the shareholders.

The maximization of the Company efficiency and long-term value creation is explained, for instance, through (a) the adoption of appropriate decision-making systems and its monitoring, by Cielo; (b) setting a Corporate Governance Office, which aims to support management agencies and committees/ advisory committees of the Company and its subsidiaries, as well as ensuring the monitoring of the best practices of corporate governance; (c) about ethics and sustainable practices; (d) the formal and annual performance assessment of the Board of Directors members on an individual and group analysis; (e) set different people to take over Chairman and Vice Chairman of the Board positions; (f) setting the annual calendar of the Board of Directors, envisaging all the subjects to be discussed over the year; (g) restricting the information exchange to the Corporate Governance Electronic Portal,; (h) maintaining the Related Party Transactions Policies as well as situations involving Conflicts of Interest; and (i) the existence of a Code of Ethics which establishes rules of conduct when relating to all the stakeholders.

The Board of Directors of the Company has collegiate performance and is composed of 11 (eleven) members, who do not perform management activities, and out of which 03 (three) are independent, whose independence aims particularly to save the interests of the company and its minority shareholders. The Board of Directors shall determine the general direction of the Company's business, elect the members of the Management and supervise its performance, among others. The Management is composed of 07 (seven) members and performs general management of the company, respecting the guidelines defined by the Board of Directors. Besides, in demonstration of Cielo's adherence to the best Corporate Governance practices, the Board of Directors has 05 (five) support committees, which are: Audit Committee, Finance Committee, Corporate Governance Committee, People Management Committee and Sustainability Committee. The Management has 08 (eight) assistance forums.

The Fiscal Council of Cielo is an independent management body, which currently is installed to supervise the management activities and is composed by 05 (five) members, out of which 02 (two) are independent members.

On the subject of Sustainability, the company keeps structured practices, such as the publication of a Sustainability Report, audited and guided by international standards, conducting and disseminating a Greenhouse Gas Emissions Inventory and the implementation of several policies that address important issues such as the environment and corporate risk, among others, while contributing to a healthy environment and economic and social development of Brazil.

Since 2011, Cielo disposes level one American Depositary Receipts (ADRs), so is listed at OTCQX. From 2014, Cielo joined the index ISE (Corporate Sustainability Index) of BM&FBOVESPA and integrates the Euronext-Vigeo Sustainability Index since 2015.

RELATIONSHIP WITH INDEPENDENT AUDITORS

Under CVM Rule 381/03, we inform that during 2Q15 the Company contracted the independent audit services of KPMG.

The Company's Policy for contracting independent audit services establishes procedures in order to ensure that there are no conflicts of interest, loss of independence or objectivity. These principles, based on internationally accepted principles, consist of: (a) the auditor should not audit his own work, (b) the auditor should not exercise management positions at his client, and (c) the auditor should not foster the interests of the client.

We confirm that we have not been provided by independent auditors and parties related to them services not related to external audit in the 2° quarter of 2015.

Performance reporting information on EBITDA, financial volume and number of transactions, discount rates, industry and sector information, net revenue additions, number of employees, total investments, and managerial revenue was not reviewed by the independent auditors in July 29, 2015.