Cielo S.A.

Individual and consolidated interim financial information for the three- and nine-month periods ended September 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 September 30, 2015, which comprise the balance sheet as of September 30, 2015 and related statements of income and comprehensive income for the three and nine month periods then ended and the changes in shareholders' equity and cash flows for the nine 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 nine month period ended September 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, November 5, 2015

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

Original report in Portuguese signed by
André Dala Pola
Accountant CRC 1SP214007/O-2

Cielo S.A.

Statements of Financial Position at September 30, 2015 and December 31,2014

(In thousands of Brazilian Reais - R$)

Assets	Notes	Parent Company 09/30/2015	Parent Company 12/31/2014	Consolidated 09/30/2015	Consolidated 12/31/2014
Current Assets					
Cash and cash equivalents	4	101,760	3,758,037	1,273,521	3,998,721
Trade receivables	5	9,001,006	9,179,595	10,196,604	9,641,389
Receivables from related parties	29	2,353	115	75	384
Prepaid and recoverable taxes		-	-	1,529	1,514
Prepaid expenses		27,749	5,907	37,948	10,212
Other receivables		18,413	21,058	39,438	29,513
Total current assets		9,151,281	12,964,712	11,549,115	13,681,733
Noncurrent Assets					
Deferred income tax and social contribution	6	632,406	742,909	718,630	756,734
Escrow deposits	16.b)	1,247,519	1,103,037	1,253,483	1,108,475
Derivative financial instruments	28	187,122	-	187,122	-
Other receivables		181	181	30,530	20,192
Investments	7	9,979,977	1,025,856	111,219	69,010
Property and equipment	8	771,519	701,274	801,700	723,915
Intangible assets	9 and 10	140,088	126,672	14,469,725	2,319,615
Total noncurrent assets		12,958,812	3,699,929	17,572,409	4,997,941
Total Assets		22,110,093	16,664,641	29,121,524	18,679,674

Liabilities and Equity	Notes	Parent Company 09/30/2015	Parent Company 12/31/2014	Consolidated 09/30/2015	Consolidated 12/31/2014
Current Liabilities					
Payables to merchants	12	789,117	930,070	1,679,753	1,330,176
Prepayment of receivables from card-issuing banks	11	1,213,375	2,250,035	1,213,375	2,250,035
Borrowings	13	2,127,478	4,829,609	2,143,425	4,833,602
Trade payables		554,910	613,661	662,404	700,319
Taxes payable	14	66,064	436,441	163,682	442,548
Payables to related parties	29	15,366	12,210	-	-
Dividends payable	17.g)	66,600	475,801	66,600	475,801
Other payables	15	127,920	157,601	448,259	235,063
Total current liabilities		4,960,830	9,705,428	6,377,498	10,267,544
Noncurrent liabilities					
Borrowings	13	9,654,739	1,438,909	11,252,097	2,506,140
Provision for risks	16.a)	1,350,975	1,205,427	1,370,132	1,223,633
Deferred income tax and social contribuition	6	-	-	324,250	344,665
Other payables	15	8,547	5,767	14,467	13,292
Total noncurrent liabilities		11,014,261	2,650,103	12,960,946	4,087,730
Equity					
Share capital	17.a)	2,500,000	2,000,000	2,500,000	2,000,000
Capital reserve	17.b)	60,279	75,854	60,279	75,854
Treasury shares	17.c)	(144,554)	(194,478)	(144,554)	(194,478)
Comprehensive income	17.d)	14,003	5,969	14,003	5,969
Earnings reserves	17.e) and f)	3,705,274	2,421,765	3,705,274	2,421,765
Attributable to:					
Owners of the Company		6,135,002	4,309,110	6,135,002	4,309,110
Non-controlling interests		-	-	3,648,078	15,290
Total equity		6,135,002	4,309,110	9,783,080	4,324,400
Total Liabilities and Equity		22,110,093	16,664,641	29,121,524	18,679,674

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

Cielo S.A.

Interim statements of profit or loss

For the three- and nine-month periods ended September 30, 2015 and 2014

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

		Parent Company				Consolidated			
		Three-month period		Nine-month period		Three-month period		Nine-month period	
	Notes	**09/30/2015**	**09/30/2014**	**09/30/2015**	**09/30/2014**	**09/30/2015**	**09/30/2014**	**09/30/2015**	**09/30/2014**
Net Revenue	20	1,731,088	1,603,015	5,150,279	4,667,910	2,918,057	1,938,462	8,065,602	5,596,878
Cost of Services Provided	21	(557,366)	(519,757)	(1,575,844)	(1,414,003)	(1,444,909)	(781,288)	(3,741,042)	(2,144,796)
Gross Profit		1,173,722	1,083,258	3,574,435	3,253,907	1,473,148	1,157,174	4,324,560	3,452,082
Operating Income (Expenses)									
Personnel	21	(65,767)	(59,800)	(190,045)	(164,500)	(119,467)	(98,757)	(341,519)	(270,083)
General and administrative	21	(96,143)	(84,245)	(282,726)	(233,844)	(128,064)	(86,513)	(364,248)	(250,690)
Sales and marketing	21	(49,141)	(65,207)	(170,779)	(184,434)	(52,373)	(69,235)	(177,760)	(194,713)
Share of profit (loss) of investees	7	99,740	11,448	246,904	20,018	2,126	2,500	9,479	8,026
Other operating expenses, net	21 and 22	(61,655)	(52,792)	(170,638)	(131,957)	(72,006)	(54,615)	(187,224)	(143,599)
Operating Profit		1,000,756	832,662	3,007,151	2,559,190	1,103,364	850,554	3,263,288	2,601,023
Finance Income (Costs)									
Finance income	27	4,891	3,531	59,504	9,486	30,513	4,557	107,484	11,796
Finance costs	27	(330,699)	(22,094)	(799,540)	(64,256)	(345,409)	(31,872)	(835,159)	(92,425)
Revenue from prepayment of receivables	27	572,399	404,665	1,528,933	1,085,443	572,399	404,665	1,528,933	1,085,443
Exchange differences, net	27	750	285	4,318	190	784	282	4,378	186
		247,341	386,387	793,215	1,030,863	258,287	377,632	805,636	1,005,000
Operating Profit Before Income Tax And Social Contribution		1,248,097	1,219,049	3,800,366	3,590,053	1,361,651	1,228,186	4,068,924	3,606,023
Income Tax and Social Contribution									
Current	6	(278,154)	(428,130)	(1,031,109)	(1,276,969)	(373,340)	(438,099)	(1,304,220)	(1,299,432)
Deferred	6	(92,487)	26,452	(110,504)	103,755	(69,769)	30,421	(12,440)	116,737
Profit for the Period		877,456	817,371	2,658,753	2,416,839	918,542	820,508	2,752,264	2,423,328
Attributable to									
Owners of the Company						877,456	817,371	2,658,753	2,416,839
Non-controlling interests						41,086	3,137	93,511	6,489
						918,542	820,508	2,752,264	2,423,328
Earnings per Share (in R$) - Basic	18	*0.46714*	*0.43440*	*1.41347*	*1.28261*	*0.46714*	*0.43440*	*1.41347*	*1.28261*
Earnings per Share (in R$) - Diluted	18	*0.46591*	*0.43301*	*1.40976*	*1.27854*	*0.46591*	*0.43301*	*1.40976*	*1.27854*

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

Cielo S.A.

Interim statements of comprehensive income

For the three- and nine-month periods ended September 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Profit for the period	877,456	817,371	2,658,753	2,416,839	918,542	820,508	2,752,264	2,423,328
Comprehensive income								
Exchange differences on translating foreign operations:								
Exchange differences on foreign investments	276,449	77,229	416,443	33,849	276,449	77,229	416,443	33,849
Gains and losses on hedging instruments of foreign operations, net of taxes	(266,162)	(77,085)	(408,409)	(33,626)	(266,162)	(77,085)	(408,409)	(33,626)
Changes for the period	10,287	144	8,034	223	10,287	144	8,034	223
Total comprehensive income for the period	887,743	817,515	2,666,787	2,417,062	928,829	820,652	2,760,298	2,423,551
Attributable to:								
Owners of the Company					887,743	817,515	2,666,787	2,417,062
Non-controlling interests					41,086	3,137	93,511	6,489

Cielo S.A.

Interim statements of changes in equity

For the nine-month periods ended September 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Attributed to controlling interest										
					Earnings reserves							
		Issued capital	Capital reserve	Treasury shares	Legal reserve	Capital budget	Additional dividends	Earnings retention	Comprehensive income	Total controlling interest	Noncontrolling interest	Total equity
Balance at January 1, 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 through incorporation of reserves		1,000,000	-	-	-	(1,000,000)	-	-	-	-	-	-
Acquisition of treasury shares		-	-	(229,721)	-	-	-	-	-	(229,721)	-	(229,721)
Stock options granted		-	16,766	-	-	-	-	-	-	16,766	-	16,766
Sale of treasury shares under the stock option plan		-	(43,213)	66,669	-	-	-	-	-	23,456	-	23,456
Profit for the period		-	-	-	-	-	-	2,416,839	-	2,416,839	6,489	2,423,328
Allocation of profit for the period:												
Legal reserve		-	-	-	120,842	-	-	(120,842)	-	-	-	-
Interest on capital paid		-	-	-	-	-	-	(66,800)	-	(66,800)	-	(66,800)
Minimum mandatory dividends paid		-	-	-	-	-	-	(996,846)	-	(996,846)	-	(996,846)
Interest on capital proposed		-	-	-	-	-	-	(33,100)	-	(33,100)	-	(33,100)
Effect of non-controlling interests on consolidated entities		-	-	-	-	-	-	-	-	-	(5,851)	(5,851)
Comprehensive income:												
Exchange differences on translating foreign operations:												
Exchange differences on net foreign investments		-	-	-	-	-	-	-	33,849	33,849	-	33,849
Gains and losses on hedging instruments of foreign operations, net of taxes		-	-	-	-	-	-	-	(33,626)	(33,626)	-	(33,626)
Balance at September 30, 2014		2,000,000	73,190	(200,107)	320,842	551,385	-	1,199,251	5,671	3,950,232	12,692	3,962,924
Balance at January 1, 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)	-	-	-	-	-	-
Acquisition of treasury shares	19	-	-	(17,304)	-	-	-	-	-	(17,304)	-	(17,304)
Stock options granted	19	-	17,241	-	-	-	-	-	-	17,241	-	17,241
Sale of treasury shares under the stock option plan	19 and 17.c)	-	(32,816)	67,228	-	-	-	-	-	34,412	-	34,412
Profit for the period		-	-	-	-	-	-	2,658,753	-	2,658,753	93,511	2,752,264
Allocation of profit for the period:												
Legal reserve	17.e)	-	-	-	132,938	-	-	(132,938)	-	-	-	-
Interest on capital paid	17.g)	-	-	-	-	-	-	(114,100)	-	(114,100)	-	(114,100)
Minimum mandatory dividends paid	17.g)	-	-	-	-	-	-	(410,685)	-	(410,685)	-	(410,685)
Interest on capital proposed		-	-	-	-	-	-	(66,600)	-	(66,600)	-	(66,600)
Effect of non-controlling interests on consolidated entities		-	-	-	-	-	-	-	-	-	3,539,277	3,539,277
Comprehensive income:												
Exchange differences on translating foreign operations:												
Exchange differences on net foreign investments	17.d)	-	-	-	-	-	-	-	416,443	416,443	-	416,443
Gains and losses on hedging instruments of foreign operations, net of taxes	17.d)	-	-	-	-	-	-	-	(408,409)	(408,409)	-	(408,409)
Balance at September 30, 2015		2,500,000	60,279	(144,554)	493,930	1,276,914	-	1,934,430	14,003	6,135,002	3,648,078	9,783,080

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

Cielo S.A.

Interim statements of cash flows

For the nine-month period ended September 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Parent Company		Consolidated	
	Notes	**09/30/2015**	**09/30/2014**	**09/30/2015**	**09/30/2014**
Cash flows from operating activities					
Profit before income tax and social contribution		3,800,366	3,590,053	4,068,924	3,606,023
Adjustments to reconcile profit before income tax and social contribution to net cash generated by operating activities:					
Depreciation and amortization	8 and 10	312,182	251,258	640,591	313,234
Recognition of provision for losses on property and equipment and intangible assets		26,416	(367)	26,416	(367)
Residual value of property and equipment and intangible assets disposed of	8 and 10	13,029	18,467	13,937	25,011
Stock option granted	19	17,241	16,766	17,241	16,766
Losses on non-performing loans and chargebacks	22	116,559	97,988	133,644	97,988
Provision for tax, civil and labor risks	16.a)	153,694	140,775	155,405	146,050
Unearned revenue from prepayment of receivables	5	56,785	35,865	56,785	35,865
Non-controlling interests		-	-	93,511	6,489
Exchange differences relating to interest on foreign borrowings		250,181	750	250,181	750
Unrealized gains (losses) on derivatives	28	(187,122)	-	(187,122)	-
Interest on borrowings	13	754,276	45,410	787,158	72,139
Share of profit (loss) of investees	7	(246,904)	(20,018)	(9,479)	(8,026)
(Increase) decrease in operating assets:					
Trade receivables		153,696	(12,358)	(612,000)	(179,148)
Receivables from related parties		(2,238)	(2)	309	297
Prepaid and recoverable taxes		-	-	(15)	(159)
Other receivables (current and non-current)		2,645	(6,842)	(20,263)	(15,450)
Escrow deposits	16.b)	(144,482)	(134,753)	(145,008)	(114,072)
Prepaid expenses		(21,842)	11,166	(27,736)	9,416
Increase (decrease) in operating liabilities:					
Payables to merchants		(1,326,064)	(139,798)	(820,727)	102,929
Trade payables		(58,751)	114,915	(37,915)	142,911
Taxes payable		20,188	(14,285)	32,879	(15,453)
Payables to related parties		3,156	2,383	-	-
Other payables (current and non-current)		(26,902)	2,661	120,860	8,068
Payment of tax, civil and labor lawsuits	16.a)	(8,146)	(10,091)	(8,906)	(32,013)
Cash generated from operations		3,657,963	3,989,943	4,528,670	4,219,248
Interest paid	13	(440,673)	(34,441)	(463,457)	(51,241)
Income tax and social contribution paid		(1,184,146)	(1,390,823)	(1,378,437)	(1,421,073)
Net cash generated by operating activities		2,033,144	2,564,679	2,686,776	2,746,934
Cash flows from investing activities					
Capital increase in subsidiaries, joint ventures and associate	7	(8,422,930)	(1,000)	(17,731)	(1,000)
Dividends received from subsidiaries	7	132,156	11,874	-	-
Goodwill on investments in subsidiaries and associate	9	-	-	(14,999)	-
Additions to property and equipment and intangible assets, net of provision (reversal) for losses	8 and 10	(435,288)	(366,884)	(8,449,676)	(392,245)
Net cash used in investing activities		(8,726,062)	(356,010)	(8,482,406)	(393,245)
Cash flows from financing activities					
Acquisition of treasury shares	17.c)	(17,304)	(229,721)	(17,304)	(229,721)
Sale of treasury shares under the stock option plan		34,412	23,456	34,412	23,456
Borrowings	13	9,232,459	115,865	9,232,459	115,865
Payment of principal	13	(4,901,346)	(211,999)	(4,901,346)	(211,999)
IRRF on interest on capital paid	17.g)	(27,135)	(10,020)	(27,135)	(10,020)
Dividends and interest on capital paid	17.g)	(1,284,445)	(2,007,546)	(1,338,637)	(2,007,546)
Net cash generated by (used in) financing activities		3,036,641	(2,319,965)	2,982,449	(2,319,965)
Effect of exchange rate changes on cash and cash equivalents of foreign subsidiary		-	-	87,981	6,040
Increase (decrease) in cash and cash equivalents		(3,656,277)	(111,296)	(2,725,200)	39,764
Cash and cash equivalents					
At the end of the period	4	101,760	145,849	1,273,521	462,826
At the beginning of the period	4	3,758,037	257,145	3,998,721	423,062
Increase (decrease) in cash and cash equivalents		(3,656,277)	(111,296)	(2,725,200)	39,764

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

Cielo S.A.

Interim statements of value added

For the nine-month periods ended September 30, 2015 and 2014

(In thousands of Brazilian Reais - R$)

		Parent Company		Consolidated	
	Notes	**09/30/2015**	**09/30/2014**	**09/30/2015**	**09/30/2014**
Revenues					
Sales of services	20	5,728,240	5,185,750	8,874,244	6,151,184
Losses on non-performing loans and chargebacks	22	(116,559)	(97,988)	(133,644)	(97,988)
		5,611,681	5,087,762	8,740,600	6,053,196
Inputs purchased from third parties					
Cost of services		(1,162,786)	(1,075,158)	(3,089,863)	(1,797,839)
Materials, electric energy, outside services and others		(426,108)	(405,873)	(370,613)	(338,128)
Other expenses, net		(15,243)	(34,337)	(19,110)	(53,022)
Impairment of assets		(38,837)	368	(39,179)	(4,129)
		(1,642,974)	(1,515,000)	(3,518,765)	(2,193,118)
Gross value added		3,968,707	3,572,762	5,221,835	3,860,078
Retentions					
Depreciation and amortization	8 and 10	(312,182)	(251,258)	(640,591)	(313,234)
Wealth created, net		3,656,525	3,321,504	4,581,244	3,546,844
Wealth received in transfer					
Share of profit (loss) of investees	7	246,904	20,018	9,479	8,026
Interest of shareholders other than Cielo S.A.		-	-	(93,511)	(6,489)
Finance income, including exchange differences and prepayment of receivables, net	27	1,609,965	1,095,119	1,659,252	1,097,425
		1,856,869	1,115,137	1,575,220	1,098,962
Total wealth for distribution		5,513,394	4,436,641	6,156,464	4,645,806
Distribution of wealth					
Personnel and related taxes		(220,291)	(179,648)	(379,444)	(281,072)
Profit sharing	25	(51,086)	(50,632)	(66,361)	(65,247)
Taxes and contributions		(1,780,950)	(1,725,760)	(2,204,995)	(1,782,308)
Interest and rental expenses		(802,314)	(63,762)	(846,911)	(100,340)
Earnings retention		(2,658,753)	(2,416,839)	(2,658,753)	(2,416,839)
Wealth distributed		(5,513,394)	(4,436,641)	(6,156,464)	(4,645,806)

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 means of payment, including signing up of merchants and service providers, rental, installation and maintenance of POS (point-of-sale) terminals, 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 and indirect subsidiaries, joint ventures and associate, also referred to as "Group" throughout this report, are as follows:

Direct subsidiaries

- **Servinet Serviços Ltda. ("Servinet") -** Engaged in the provision of maintenance services and contacts with merchants and service providers for acceptance of credit and debit cards and other means of payment.

- **Cielo USA, Inc. ("Cielo USA") –** Primarily engaged in holding ownership interests in other companies as partner or shareholder.

- **Multidisplay Comércio e Serviços Tecnológicos S.A. ("Multidisplay") -** Engaged in data transmission services to load fixed or mobile phone credits; retail and wholesale trade of 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 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")*** – Primarily engaged in the provision of services in processing means of payments that involve credit, debit and multiple cards, development of other related activities of interest to the Company and holding of ownership interests in other companies.

- **Aliança Pagamentos e Participações Ltda. ("Aliança")** – Primarily engaged in holding ownership interests in other companies as partner or shareholder.

- **Cielo Cayman Island ("Cielo Cayman") -** Company based in Cayman Island primarily engaged in holding ownership interests in other companies as partner or shareholder. Cielo Cayman did not carry out any operational, non-operational, equity or financial activity up to the period ended September 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 services; 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 electronic payments with credit or debit cards, comprising transaction authorization, financial settlement, and the notification of transactions to merchants.

Joint ventures

- **Companhia Brasileira de Gestão de Serviços ("Orizon") -** Engaged in the provision of 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, when it was sold to another group.

- **Guilher Comércio, Importação, Exportação e Distribuição de Medicamentos e Tecnologia para Saúde Ltda. ("Guilher") -** Orizon's subsidiary engaged in the import, export, distribution, and sale of medicines and pharmaceutical raw materials, products and technology equipment for health.

- **Paggo Soluções e Meios de Pagamento S.A. ("Paggo") -** Engaged in the signing up 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 associate

- **Stelo S.A. ("Stelo") –** Aliança's associate primarily engaged in operating as a facilitator for online payments and digital portfolio, both for the physical world and for electronic commerce. Stelo is in initial operating stage.

New corporate business

- Holding of interest in Stelo's capital through subsidiary Aliança Pagamentos e Participações Ltda.:

  On April 16, 2014, Cielo informed the market about the signing 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 the capital of Stelo, wholly-owned subsidiary of CBSS.

  To acquire interest in the capital of Stelo, in June 2015, Cielo contributed the amount of R$32.7 million to Aliança, while Servinet contributed R$300 thousand. In the same period, Aliança acquired 30% of Stelo's capital for R$32.7 million. There was no additional indebtedness for the specific purpose of financing Cielo's interest in the capital of Stelo through its subsidiary Aliança.

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

  On February 27, 2015, 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., for the creation of Cateno – Gestão de Contas de Pagamento S.A ("Cateno") whose purpose is managing transactions arising from credit and debit card operations, managing payment accounts, support to management and control of security of transactions, payment of fees to brands and payment arrangements, and other related services, according to prior authorization granted by the Brazilian Antitrust Agency (CADE) and Central Bank of Brazil under Resolution 4062/12 and Law 12865/13.

  Cateno's capital is held 70% by the Cielo and 30% by BB Elo Cartões and for the formation of the association, BB Elo Cartões contributed intangible assets related to the Ourocard Payment Arrangement, while the Company contributed R$ 8.1 billion to the operation. The amount contributed by the Company comprises (i) R$ 3.5 billion from the first, second and third issuance of single series, simple, unsecured debentures non-convertible into shares, and (ii) R$ 4.6 billion from 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 provision of payment services to the public related to purchase transactions with credit and debit cards issued by Banco do Brasil under 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 asset related to the Ourocard Arrangement contributed by BB Elo Cartões was valued at R$ 11.6 billion, with a 30-year estimated useful life to be amortized under the straight-line method.

- Increase in interest in Multidisplay's capital:

  On August 27, 2015, Cielo informed to the market in general and other stakeholders that it signed documents to increase the interest in its direct subsidiary Multidisplay, which is the parent company of M4Produtos. The transaction estimates that Cielo’s interest will change from 50.10% to 91.44% in total capital, by means of investment of R$82.7 million.

The completion of the transaction is subject to the fulfillment of suspensive conditions, including, but not limited to, the obtainment of applicable authorizations from the Central Bank of Brazil and the Brazilian Antitrust Agency (CADE).

2 Summary of significant accounting policies

2.1 Statement of compliance

The Company’s individual (Parent Company) and consolidated interim financial information has 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 include those established in the Brazilian Corporate Law, as well as the technical pronouncements, guidance 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 – Separate Financial Statements were issued due to amendments made to IAS 27 – Separate Financial Statements by IASB, which included the possibility of adopting the equity method for investments in subsidiaries in the separate financial statements and consequently amendments to Technical Pronouncements CPC 37 – First-time Adoption of International Financial Reporting Standards and CPC 18 – Investments in Associates and Joint Ventures. Therefore, as from December 31, 2014, these separate financial statements have been complying with the IFRS, since they already adopted the equity method to account for investments in subsidiaries, associate and joint ventures.

2.2 Basis of preparation

The interim financial information has been prepared based on the historical cost, unless otherwise stated. Historical cost is generally based on the fair value of the consideration paid in exchange for assets.

2.3 Functional and presentation currency

The individual and consolidated interim financial information is presented in Brazilian reais (R$), which is the Company’s functional and presentation currency.

Management determined that the functional currency of its foreign subsidiaries is the US dollar. For Cielo USA, the main factor to determine the functional currency was the raising of US dollar denominated borrowings for the acquisition of control of Me-S. These borrowings will be settled using the cash generated by foreign operations. In addition, with respect to Me-S, the cash flows and services provided are fully denominated 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 differences resulting from such translations were classified in comprehensive income and accumulated in equity.

The goodwill and fair value adjustments of identifiable assets acquired and liabilities assumed arising from the acquisition of a foreign operation are recognized as assets and liabilities of such operation and translated at the exchange rate prevailing 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 consideration received or receivable, less estimated returns, trading discounts and/or bonuses granted and other similar deductions.

Revenues from the capture of transactions with credit and debit cards are recognized on the date of capture/processing of the transactions. Revenues from credit and debit card transactions and payment accounts management services, as well as other services provided to partners and merchants are recognized when the services are provided.

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

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

The revenue from prepayment of receivables to merchants is recognized on a "*pro rata temporis*" basis considering 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. The bank also 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 fair value. Cash and cash equivalents are classified as financial instruments and their income is recognized in profit or loss for the year.

2.6 Trade receivables and payables to merchants

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

b. Receivables for processed financial transactions – refer mainly to receivables from card association members for financial transactions processed by Me-S that were authorized but not yet received. These receivables are generally settled on the following business 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 to 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 management fees (discount rate); both with maturities of less than one year.

e. Payables to merchants for transactions processed by Me-S – refer to the balances due to customers for processed transactions that have 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 the risk of a customer going bankrupt and being unable to pay for the services provided. The amount withheld from each customer is based on the risk factors associated to the customer, which include, among others, the type of business and the volume of completed transactions.

2.7 Property and equipment

Stated at historical cost, less accumulated 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 on an annual basis, and the effect of any changes in estimates is accounted for on a prospective basis.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its continued use. Any gain or loss from the sale or derecognition of an item of property and equipment is determined by the difference between the sales proceeds and the carrying amount of the asset and is 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. 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 estimates 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 from goodwill are stated at fair value at the acquisition date, which is equivalent to their cost.

Internally generated intangible assets

Expenditure on research is recognized as expense when incurred. When no internally generated intangible asset can 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 of 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 of the asset (or cash-generating unit) is reduced to its recoverable amount, and the impairment loss is immediately recognized in profit or loss.

2.9 Business combinations

In the consolidated interim financial information, business combinations are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition-related costs are recognized in profit or loss when incurred. The identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred, the noncontrolling interest in the acquiree and the fair value of the acquirer’s interest previously held in the acquiree on the net amounts at 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 testing purposes, goodwill is allocated to each of the cash-generating units that will benefit from the synergies of the business combination. The cash-generating units to which goodwill is 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.

The goodwill arising from investments in subsidiaries, associate and joint ventures is included in the carrying amount of the investment in the individual financial information. In the consolidated financial information, the goodwill arising from the acquisition of subsidiaries is recognized in intangible 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 profit for the year. Income tax was calculated at the rate of 15%, plus a 10% surtax on annual taxable profit 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 the 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 of the reporting period 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 profits 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 relate to items recognized 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 considered in the recognition of the 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 that entitle to such payments 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 recognized based on the total taxes under litigation, 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 minimum mandatory 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 minimum mandatory dividends, when applicable, declared by Management after the accounting period to which the interim financial information refers but before the issuance of the interim financial information is authorized is recognized in line item "Additional dividends proposed" 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 plan

The Company offers a stock option and restricted shares plan to its officers and some of its employees, and to the officers and employees of its subsidiary Servinet. Options or shares are priced at fair value at the grant date of the plans and are recognized on a straight-line basis in profit or loss as an offsetting entry to 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 profit or loss, as an offsetting entry to equity.

2.16 Financial assets and financial liabilities

a. Financial assets

Financial assets are classified into 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, upon initial recognition, are designated as at fair value through profit or loss. 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 method, less the allowance for impairment losses. Interest income is recognized using the effective interest 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 fair value measurement 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 Derivative financial instruments and Hedging

The Company enters into derivative financial instruments mainly to manage its exposure to fluctuations in interest rates and exchange rates. The Company measures its derivative financial instruments based on quotations obtained from market participants, at fair value at the end of the reporting period.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge or a net investment hedge are recorded in the statement of comprehensive income and when a derivative is qualified as fair value hedge, both the hedged item and the hedging instrument are recorded in the statement of profit or loss at their fair values.

The Company assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. When a hedging instrument is sold, terminated, expires or is exercised, the cumulative unrealized gain or loss, which had been recognized in the statement of comprehensive income, is reclassified immediately to the statement of profit or loss. Additionally, changes in the fair value of financial instruments not designated for hedge accounting are recognized in line item (Losses) gains on financial instruments, net, in the statement of profit or loss.

2.18 Use of estimates

The preparation of individual and consolidated interim financial information requires the Company's and its subsidiaries' Management to make estimates that affect certain assets and liabilities, the 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 debts (on receivables from rental of POS equipment), deferred income tax and social contribution, 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.

2.19 New and revised standards and interpretations issued and 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 derecognition 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 revenue from sales of goods and services (effective for annual periods beginning on or after January 1, 2018).

The Company's Management evaluated these new IFRSs and does not expect significant effects on the reported amounts.

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

Due to Law 12865, published on October 9, 2013, the Company is subject to regulations 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 equity levels and compliance with 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 individual and consolidated financial information prepared in accordance with IFRSs and the accounting practices adopted in Brazil, the Company will be subject to disclose, as from the authorization by the regulatory agency, the financial information prepared in accordance with the set of criteria, procedures and accounting rules embodied in the Chart of Accounts for Institutions of the Brazilian Financial System (COSIF), which differs from some practices currently adopted (described from notes 2.1 to 2.18) and whose effects may be different.

The Company has already filled the authorization request protocol and awaits 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 and its subsidiaries. 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, joint ventures and associate is accounted for under the equity method.

The profit or loss of the subsidiaries acquired during the year is included in the consolidated interim financial information of the statement of profit or loss from the 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 is adjusted to conform their accounting policies to those established by the Group. All intragroup transactions, balances, income and expenses are fully eliminated in the 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.

The consolidated interim financial information comprises the account balances of the Company (Parent 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 ownership interests held in the consolidated subsidiaries are as follows:

	Ownership interest - %			
	Total capital		Voting capital	
	09/30/2015	12/31/2014	09/30/2015	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 at September 30, 2015 and December 31, 2014, and the main line items of the statement of profit or loss for the periods ended September 30, 2015 and 2014 are as follows:

	09/30/2015							
	Servinet	Multidisplay	M4 Produtos	Braspag	Me-S	Cielo USA	Cateno	Aliança
Assets:								
Current	37,627	39,683	71,142	18,724	1,235,506	10,345	1,018,347	-
Non-current	25,546	33,991	25,780	15,602	355,127	3,175,432	11,420,524	29,931
Total assets	63,173	73,674	96,922	34,326	1,590,633	3,185,777	12,438,871	29,931
Total assets at December 31, 2014	64,622	63,013	107,999	31,474	808,511	2,237,535		
Liabilities and equity:								
Current	28,568	31,511	80,881	4,626	967,272	15,946	321,401	-
Noncurrent	17,345	-	162	105	15,469	1,906,139	-	-
Equity	17,260	42,163	15,879	29,595	607,892	1,263,692	12,117,470	29,931
Total liabilities and equity	63,173	73,674	96,922	34,326	1,590,633	3,185,777	12,438,871	29,931
Total liabilities and equity at December 31, 2014	64,622	63,013	107,999	31,474	808,511	2,237,535		

	09/30/2015							
	Servinet	Multidisplay	M4 Produtos	Braspag	Me-S	Cielo USA	Cateno	Aliança
Profit or loss:								
Net revenue	99,061	316,521	66,917	27,052	1,155,276	-	1,384,592	-
Gross profit (loss)	97,205	14,679	34,778	12,188	335,739	(67,685)	448,660	-
Operating profit (loss) before finance income (costs)	5,508	10,297	16,759	4,272	130,167	13,251	403,401	(2,799)
Profit (loss) before income tax and social contribution	7,124	8,906	17,043	4,906	129,603	(19,631)	448,127	(2,799)
Profit (loss) for the period	4,733	9,755	10,033	2,770	80,060	18,201	295,479	(2,799)
Profit (loss) for the period ended September 30, 2014	4,430	13,004	11,188	3,068	40,123	(2,021)		

3.2 Joint ventures and associate

Ownership interests in joint ventures and associate include:

	Ownership interest - %			
	Total capital		Voting capital	
	09/30/2015	12/31/2014	09/30/2015	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
Associate:				
Stelo	30.00	-	30.00	-

The assets and liabilities of the joint ventures and associate as at September 30, 2015 and December 31, 2014 and the main line items of the statement of profit or loss for the periods ended September 30, 2015 and 2014 are as follows:

	09/30/2015				
	Orizon	Prevsaúde	Paggo	Guilher	Stelo
Assets:					
Current	135,810	19,785	1	14,341	26,774
Noncurrent	67,503	493	349	15	41,747
Total assets	203,313	20,278	350	14,356	68,521
Total assets at December 31, 2014	174,762	15,052	390	3,334	
Liabilities and equity:					
Current	14,091	1,274	209	13,824	18,747
Noncurrent	1,300	88	-	-	-
Equity	187,922	18,916	141	532	49,774
Total liabilities and equity	203,313	20,278	350	14,356	68,521
Total liabilities and equity at December 31, 2014	174,762	15,052	390	3,334	

	09/30/2015					
	Orizon	Prevsaúde	Paggo	Guilher	Stelo	Precisa
Profit or loss:						
Net revenue	103,108	8,974	-	3,436	-	-
Gross profit (loss)	44,116	6,183	-	313	(3,365)	-
Operating profit (loss) before finance income (costs)	28,916	6,044	(40)	279	(14,540)	-
Profit (loss) before income tax and social contribution	37,934	7,368	(41)	680	(14,135)	-
Profit (loss) for the period	30,033	5,875	(41)	562	(9,329)	-
Profit (loss) for the period ended September 30, 2014	20,077	4,992	(391)	(451)		2,747

4 Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Cash and banks:				
Local currency	28,200	25,082	29,975	26,208
Foreign currency	774	20,037	379,062	206,941
Short-term investments:				
Debentures subject to repurchase agreements (a)	6,344	3,705,009	779,323	3,737,513
Bank certificates of deposit - CDB (a)	63,473	5,901	82,192	26,051
Money Market Deposit Account - MMDA (b)	2,969	2,008	2,969	2,008
Total	101,760	3,758,037	1,273,521	3,998,721

Short-term investments have the following characteristics:

(a) As at September 30, 2015, the average yield of debentures subject to repurchase agreements and CDBs was 100.93% (100.55% as at 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 in 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 card association members, in the case of Me-S, and such amounts are used to settle transactions with merchants.

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

5 Trade receivables

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Prepayment of receivables (a)	8,946,417	9,112,285	8,946,417	9,112,285
Receivables for processed financial transactions (b)	-	-	677,938	275,193
Receivables for interchange fees to merchants (c)	-	-	171,350	103,457
Receivables for merchant commissions (d)	-	-	251,936	-
Bank account lock (e)	5,470	11,952	5,470	11,952
Meal and transportation voucher capture and processing (f)	15,590	7,294	15,590	7,294
Receivables for mobile payment services (g)	-	-	84,733	78,162
Challenges of credit card holders - chargeback (h)	28,741	43,512	28,741	43,512
Other receivables	4,788	4,552	14,429	9,534
Total	9,001,006	9,179,595	10,196,604	9,641,389

(a) The balance refers to prepayment of receivables to merchants relating to card transactions that will be received from the card-issuing banks within 360 days after the date receivables are prepaid to merchants. As at September 30, 2015, this amount is net of the revenue from prepayment of receivables received in advance on the date of release of cash in the amount of R$349,381 (R$292,596 as at December 31, 2014), to be recognized according to the maturity dates of the transactions, as it is related to the prepayment of receivables for cash and installment sales with original maturity after the date of the reporting periods.

(b) Refers to the receivables recognized by the subsidiary Me-S. These correspond to amounts due from card association members for processed 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 associations send to Me-S the amounts due to merchants for processing, net of the interchange fee withheld by the card-issuing banks.

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

(d) The balance refers to commissions earned by the subsidiary Cateno resulting from payment accounts 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.

(e) The Company offers to card-issuing banks 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 meal and transportation and meal voucher capture and processing services.

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

(h) Refer substantially to receivables for challenges by credit card holders (chargeback).

The aging of trade receivables is as follows:

	Parent Company		**Consolidated**	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
Current	8,972,265	9,136,083	10,167,863	9,597,877
Up to 45 days past-due	28,741	43,512	28,741	43,512
Total	9,001,006	9,179,595	10,196,604	9,641,389

6 Income tax and social contribution

Deferred income tax and social contribution

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

Deferred income tax and social contribution reflect future 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

	Parent Company		Consolidated	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
Temporary differences:				
Provision for risks	453,065	403,111	458,962	408,715
Accrual for sundry expenses	163,389	335,667	243,717	343,888
Allowance for losses on POS equipment and doubtful debts	15,952	4,131	15,951	4,131
Total	632,406	742,909	718,630	756,734

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

	Consolidated	
	09/30/2015	**12/31/2014**
Temporary differences:		
Fair value of Me-S's intangibles, acquired in 2012	308,781	337,263
Other temporary differences	15,469	7,402
Total	324,250	344,665

Deferred income and social contribution tax assets as at September 30, 2015, as shown 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 debts, in the amount of R$179,341 (R$259,668 - consolidated) will be realized mainly during 2015. The portion of tax credits on the provision for risks, in the amount of R$453,065 (R$458,962 - consolidated), will be realized upon the final outcome of each lawsuit, partially estimated at 5 years, except for 37.7% of the provision for labor risks which are estimated to be realized in up´to 10 years, according to the development of the lawsuit described in note 16.

Current income tax and social contribution

The effective rate of income tax and social contribution for the three- and nine-month periods ended September 30, 2015 and 2014 is as follows:

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Profit before income tax and social contribution	1,248,097	1,219,049	3,800,366	3,590,053	1,361,651	1,228,186	4,068,924	3,606,023
Statutory rates - %	34	34	34	34	34	34	34	34
Income tax and social contribution at statutory rates	(424,353)	(414,477)	(1,292,124)	(1,220,618)	(462,961)	(417,583)	(1,383,434)	(1,226,048)
Tax benefit of interest on capital	22,644	11,254	61,438	33,966	22,644	11,254	61,438	33,966
R&D tax benefit	-	-	14,331	10,037	-	-	14,331	10,037
Share of profit (loss) of investees	33,912	3,892	83,947	6,806	723	850	3,223	2,729
Effect on permanent differences, net	(2,844)	(2,347)	(9,205)	(3,405)	(3,515)	(2,199)	(12,218)	(3,379)
Income tax and social contribution	(370,641)	(401,678)	(1,141,613)	(1,173,214)	(443,109)	(407,678)	(1,316,660)	(1,182,695)
Current	(278,154)	(428,130)	(1,031,109)	(1,276,969)	(373,340)	(438,099)	(1,304,220)	(1,299,432)
Deferred	(92,487)	26,452	(110,504)	103,755	(69,769)	30,421	(12,440)	116,737

Incentives to Cultural and Artistic Activities (“Rouanet Law”), Sports activities, Pronas and to the Children’s and Adolescent’s Rights Fund are recognized in line item “Income tax expense - current”. Tax incentives recorded as income tax expense – current, parent Company and Consolidated, totaled R$11,011 in the nine- month period ended September 30, 2015 (R$4,830 in the nine-month period ended September 30, 2014). In the three-month period ended September 30, 2015, tax incentives recorded as income tax expense – current, parent Company and Consolidated, totaled R$3,791 (R$2,743 in the three-month period ended September 30, 2014).

7 Investments

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Subsidiaries	9,852,033	910,190	-	-
Joint ventures	71,145	58,867	71,145	58,867
Associate	-	-	14,932	-
Goodwill on acquisition of investments (a)	56,799	56,799	25,142	10,143
Total	9,979,977	1,025,856	111,219	69,010

(a) The goodwill arising from investments in subsidiaries, associate and joint ventures are included in the carrying amount of the investment in the individual financial information. In the consolidated financial information, the goodwill arising from the acquisition of subsidiaries are recognized in intangible assets.

The main information on direct and indirect subsidiaries, joint ventures and associate relating to the investment amounts and the share of profit (loss) of investees recorded in the individual and consolidated interim financial information is shown in the table below:

	Adjusted equity		Profit (loss) for the nine-month period		Ownership interest - %		Share of profit (loss) of investees		Investments	
	09/30/2015	**12/31/2014**	**09/30/2015**	**09/30/2014**	**09/30/2015**	**12/31/2014**	**09/30/2015**	**09/30/2014**	**09/30/2015**	**12/31/2014**
Subsidiaries:										
Servinet	17,260	22,527	4,733	4,430	99.99	99.99	4,733	4,430	17,260	22,527
Multidisplay	58,536	63,452	9,755	13,004	50.10	50.10	4,886	6,515	29,326	31,790
Braspag	29,595	26,825	2,770	3,068	99.99	99.99	2,770	3,068	29,595	26,825
Cielo USA	1,263,692	829,048	18,201	(2,021)	100.00	100.00	18,201	(2,021)	1,263,692	829,048
Cateno (b)	12,117,470	-	295,479	-	70.00	-	206,835	-	8,428,229	-
Aliança (c)	29,931	-	(2,799)	-	99.99	99.99	(2,799)	-	29,931	-
Total subsidiaries	13,516,484	941,852	328,139	18,481			234,626	11,992	9,852,033	910,190
Joint ventures:										
Orizon (d)	187,922	157,891	30,033	20,077	40.95	40.95	12,299	8,222	71,075	58,776
Paggo	141	181	(41)	(391)	50.00	50.00	(21)	(196)	70	91
Total joint ventures	188,063	158,072	29,992	19,686			12,278	8,026	71,145	58,867
Associate:										
Stelo	49,774		(9,329)		30.00	-	(2,799)		14,932	

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

(c) From June 12, 2015 Aliança's financial information became part of the interim financial information (see note 01 – Operations).

(d) 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 its then subsidiary Orizon.

As at September 30, 2015, the goodwill arising on the acquisition of investments in the individual statement of financial position and the goodwill arising on the acquisition of investments in joint ventures and associate in the consolidated statement of financial position are recognized in line item "Investments", as shown in the breakdown below:

	Parent Company		Consolidated	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
Multidisplay	20,690	20,690	-	-
Braspag	25,966	25,966	-	-
Orizon	10,143	10,143	10,143	10,143
Stelo	-	-	14,999	-
Total	56,799	56,799	25,142	10,143

The detail of the nature of the goodwill arising on the acquisition of investments recognized in line item "Investments" is included in note 09 – Goodwill on acquisition of investments.

Main financial information relating to indirect subsidiaries, indirect joint ventures and associate is shown below:

	Equity (Equity deficit)		Profit (loss) for the period		Ownership interest - %	
	09/30/2015	**12/31/2014**	**09/30/2015**	**09/30/2014**	**09/30/2015**	**12/31/2014**
Prevsaúde	18,916	13,041	5,875	4,992	40.95	40.95
Guilher	532	(30)	562	(451)	40.95	40.95
M4Produtos	15,879	25,444	10,033	11,188	50.10	50.10
Me-S	607,892	349,587	80,060	40,123	100.00	100.00
Stelo	49,774	-	(9,329)	-	30.00	-
Precisa (e)	-	-	-	2,747	-	-

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

The consolidation of the interim financial information, for direct subsidiaries Multidisplay, Braspag and Cielo USA, and for indirect subsidiaries M4Produtos and Me-S, was based on the financial information as at August 31, 2015 to calculate the investments as at September 30, 2015. Accordingly, the profit or loss of investees refers to the nine-month period ended August 31, 2015.

The Company has investments in foreign subsidiaries whose interim financial information was originally prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). No adjustments are made to the interim financial information of foreign subsidiaries since there are no significant differences in relation to accounting practices adopted in Brazil.

Changes in investments for the periods ended September 30, 2015 and 2014 are as follows:

	Parent Company	**Consolidated**
Balance at December 31, 2013	906,980	56,531
Capital increase:		
Paggo	1,000	1,000
Exchange differences on foreign investment	33,849	-
Dividends and interest on capital:		
Multidisplay	(5,874)	-
Servinet	(6,000)	-
Share of profit (loss) of investees	20,018	8,026
Balance at September 30, 2014	949,973	65,557
Balance at December 31, 2014	1,025,856	69,010
Capital increase:		
Cateno	8,390,200	-
Aliança	32,730	-
Stelo	-	17,731
Goodwill on acquisition of Stelo	-	14,999
Exchange differences on foreign investment	416,443	-
Dividends received:		
Multidisplay	(7,350)	-
Servinet	(10,000)	-
Cateno	(114,806)	-
Share of profit (loss) of investees	246,904	9,479
Balance at September 30, 2015	9,979,977	111,219

8 Property and equipment

		Parent Company			
		09/30/2015			12/31/2014
	Annual depreciation rate - %	**Cost**	**Accumulated depreciation**	**Net**	**Net**
POS equipment (*)	33	1,672,296	(1,031,163)	641,133	613,765
Data processing equipment	20	138,837	(64,357)	74,480	74,754
Machinery and equipment	10	45,138	(39,889)	5,249	1,098
Facilities	10	53,579	(11,054)	42,525	7,677
Furniture and fixtures	10	12,458	(4,836)	7,622	3,221
Vehicles	20	1,543	(1,033)	510	759
Total		1,923,851	(1,152,332)	771,519	701,274

		Consolidated			
		09/30/2015			12/31/2014
	Annual depreciation rate - %	**Cost**	**Accumulated depreciation**	**Net**	**Net**
POS equipment (*)	33	1,673,803	(1,032,139)	641,664	613,989
Data processing equipment	20	171,581	(82,914)	88,667	85,298
Machinery and equipment	10	57,220	(49,195)	8,025	3,741
Facilities	10	72,507	(18,910)	53,597	15,564
Furniture and fixtures	10	16,009	(6,849)	9,160	4,473
Vehicles	20	1,641	(1,054)	587	850
Total		1,992,761	(1,191,061)	801,700	723,915

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

	Parent Company				
	12/31/2014	**Additions**	**Disposals**	**Depreciation**	**09/30/2015**
POS equipment (*)	613,765	305,494	(12,960)	(265,166)	641,133
Data processing equipment	74,754	15,885	-	(16,159)	74,480
Machinery and equipment	1,098	4,617	-	(466)	5,249
Facilities	7,677	36,347	-	(1,499)	42,525
Furniture and fixtures	3,221	4,860	-	(459)	7,622
Vehicles	759	-	(69)	(180)	510
Total	701,274	367,203	(13,029)	(283,929)	771,519
	12/31/2013	**Additions**	**Disposals**	**Depreciation**	**09/30/2014**
Total	497,049	323,555	(18,467)	(232,570)	569,567

	Consolidated					
	12/31/2014	**Additions**	**Disposals**	**Depreciation**	**Exchange differences**	**09/30/2015**
POS equipment (*)	613,989	305,848	(13,048)	(265,267)	142	641,664
Data processing equipment	85,298	18,940	(19)	(19,512)	3,960	88,667
Machinery and equipment	3,741	4,682	(1)	(1,245)	848	8,025
Facilities	15,564	40,413	-	(2,380)	-	53,597
Furniture and fixtures	4,473	5,308	(4)	(631)	14	9,160
Vehicles	850	-	(69)	(194)	-	587
Total	723,915	375,191	(13,141)	(289,229)	4,964	801,700
	12/31/2013	**Additions**	**Disposals**	**Depreciation**	**Exchange differences**	**09/30/2014**
Total	515,328	329,090	(18,536)	(235,314)	(146)	590,422

(*) As at September 30, 2015 and December 31, 2014, an allowance for losses on POS equipment of R$30,131 and R$3,715, respectively, was recognized as a reduction of the balance of the related line item.

As at September 30, 2015 and December 31, 2014, the Company had borrowing agreements with the National Bank for Economic and Social Development ("BNDES" - Finame) to acquire new POS equipment, as described in note 13(a). In addition, as at those dates, the Company did not have finance leases payable.

9 Goodwill on acquisition of investments

As at September 30, 2015, the goodwill on acquisition of investments in subsidiaries is recognized in line item "Intangible assets" in the consolidated statement of financial position in the amount of R $ 1,916,293 (as at December 31, 2014, the amount totaled R $ 1,112,623), according to the breakdown below:

	Consolidated	
	09/30/2015	**12/31/2014**
Multidisplay:		
Goodwill on acquisition of subsidiary	20,690	20,690
Reclassification of tax benefit of goodwill merged into Multidisplay	10,658	10,658
Braspag:		
Goodwill on acquisition of subsidiary	25,966	25,966
Reclassification of tax benefit of goodwill merged into Braspag	13,377	13,377
Me-S	1,845,602	1,041,932
Total	1,916,293	1,122,623

Changes in goodwill in the nine-month periods ended September 30, 2015 and 2014 are as follows:

	Consolidated
Balance at December 31, 2013	989,582
Exchange differences	42,532
Balance at September 30, 2014	1,032,114
Balance at December 31, 2014	1,112,623
Exchange differences	611,733
Reclassification of goodwill of Me-S	191,937
Balance at September 30, 2015	1,916,293

Health project ("Orizon")

The CBGS group's corporate reorganization took place in 2008 with the subsequent purchase of a 40.95% share of its capital by Cielo through Orizon, whereby goodwill was generated and initially recognized in the Company in the amount of R$26,269, which was subsequently reduced due to the recognition of a provision for impairment totaling R$16,126 due to the absence of 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 are referred as M4U, for R$50,650, generating initial goodwill of R$31,348.

In the corporate reorganization process carried out in 2012, Servrede was merged into its then subsidiary Multidisplay, the tax benefit on the goodwill value of R$10,658 was merged into Multidisplay and the 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 then direct subsidiary CieloPar, 100% of the shares of Braspag, for R$40,000. The amount of the investment recorded until then by CieloPar included goodwill on acquisition of shares in the amount of R$39,343.

In the restructuring process carried out in 2012, CieloPar was merged into its then subsidiary Braspag. The tax benefit on the goodwill value of R$13,377 was merged into Braspag and the remaining goodwill value of R$25,966 was re-established in the Company as provided for 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 ("PPA") study prepared by a specialized and independent firm; accordingly, the net assets acquired recorded in the books for R$180,098 on August 31, 2012 were appraised at R$627,581 at fair value.

The amount of the investment recorded by Cielo USA includes the initial goodwill on the acquisition of shares in the amount of R$818,875, generated by the difference between total fair value, in the amount of R$ 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 the dollar appreciation and reclassification of intangible asset balances, net of taxes, allocated on the acquisition of Me-S to line item "Goodwill" in Cielo USA.

Acquisition of ownership interests - Stelo

As disclosed on June 15, 2015, the Company, through its subsidiary Aliança and 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, as mentioned in note 1 – Operations.

The amount of the investment recorded by Aliança in accounting books includes initial goodwill on acquisition of shares of R$14,999 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

The breakdown of other intangible assets is as shown below:

		Parent Company			
		09/30/2015			**12/31/2014**
	Annual amortization rate - %	**Cost**	**Accumulated amortization**	**Net**	**Net**
Software (a)	20	273,854	(146,077)	127,777	112,173
Project development (b)	20	25,054	(16,144)	8,910	10,022
Relationship with customers (c)	10	953	(672)	281	317
Non-compete agreement (d)	7.5	10,284	(7,164)	3,120	4,160
Service agreements (e)	20	11,994	(11,994)	-	-
Total		322,139	(182,051)	140,088	126,672

		Consolidated			
		09/30/2015			**12/31/2014**
	Annual amortization rate - %	**Cost**	**Accumulated amortization**	**Net**	**Net**
Software (a)	6.66 - 20	814,808	(297,487)	517,321	402,147
Project development (b)	20	346,187	(228,764)	117,423	78,836
Relationship with customers (c)	4 - 20	625,948	(157,423)	468,525	606,321
Non-compete agreement (d)	7.5 - 50	167,266	(86,428)	80,838	94,756
Service agreements (e)	8 - 20	39,840	(17,506)	22,334	19,027
Trademarks (f)	10	3,974	(3,972)	2	5,905
Exploitation Rights-Ourocard Arrangement (g)	3.33	11,572,000	(225,011)	11,346,989	-
Total		13,570,023	(1,016,591)	12,553,432	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 fair value adjustment 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 Relief-from-

Royalty (at a 16% royalty fee) and Cost Approach - Third-party Cost Estimates methodologies. The useful life defined for this software platform is 12 years.

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

There are other intangibles 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, and 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 using the "Income Approach" methodology, considering the balance of active customers and the 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 the "Excess Earnings" methodology, considering 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 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 ("with and without") value 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 an agreement 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" methodology, 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" methodology, 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" methodology, 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" methodology, 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

payment accounts 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 are amortized under the straight-line method at a rate of 3.33% per year. The useful life and amortization method are reviewed annually.

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

	Parent Company			
	12/31/2014	**Additions**	**Amortizations**	**09/30/2015**
Software	112,173	41,669	(26,065)	127,777
Project development	10,022	-	(1,112)	8,910
Relationship with customers	317	-	(36)	281
Non-compete agreement	4,160	-	(1,040)	3,120
Total	126,672	41,669	(28,253)	140,088
	12/31/2013	**Additions**	**Amortizations**	**09/30/2014**
Total	74,065	43,696	(18.688)	99,073

	Consolidated							
	12/31/2014	**Additions**	**Granting of rights**	**Disposals**	**Transfers (a)**	**Amortizations**	**Exchange differences**	**09/30/2015**
Software	402,147	48,041	-	(521)	(2,260)	(61,251)	131,165	517,321
Project development	78,836	23,054	-	(275)	-	(15,382)	31,190	117,423
Relationship with customers	606,321	-	-	-	(265,297)	(33,977)	161,478	468,525
Non-compete agreement	94,756	575	-	-	(29,065)	(14,132)	28,704	80,838
Service agreements	19,027	199	-	-	-	(976)	4,084	22,334
Trademarks	5,905	-	-	-	(5,376)	(633)	106	2
Exploitation Right - Ourocard Arrangement	-	-	11,572,000	-	-	(225,011)	-	11,346,989
Total	1,206,992	71,869	11,572,000	(796)	(301,998)	(351,362)	356,727	12,553,432
	12/31/2013	**Additions**	**Granting of rights**	**Disposals**	**Transfers (a)**	**Amortizations**	**Exchange differences**	**09/30/2014**
Total	1,081,683	63,522	-	(6,475)	-	(77,920)	42,887	1,103,697

(a) In 2015, intangible assets balance was transferred to goodwill, related to the acquisition of Me-S and recorded in subsidiary Cielo USA.

Expenses on depreciation and amortization of property and equipment and intangible assets were recognized in “General and administrative expenses” and “Cost of sales” in the statement of profit or loss.

11 Prepayment of receivables from card-issuing banks

The Company receives in advance receivables from card-issuing banks for transactions made by cardholders, which will be transferred to merchants at the agreed settlement date. These prepayments have an average collection period of 4 business days and the weighted average rate of financial charges as at September 30, 2015 is 101.92% of the CDI – Interbank Deposit Certificate rate (102.17% of the CDI as at December 31, 2014).

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

In the Parent Company and Consolidated, the balances of prepayment of receivables from card-issuing banks are R$1,213,375 as at September 30, 2015 and R$2,250,035 as at December 31, 2014.

As at September 30, 2015 and December 31, 2014, the corresponding balances of transfers are:

	Parent Company	
	09/30/2015	**12/31/2014**
Payables to merchants	50,400,532	59,169,854
Receivables from card-issuing banks	(49,611,415)	(58,239,784)
Total	789,117	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, under contractual conditions, accredited merchants that they will 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 against the risk of default by such financial institutions. Based on the immaterial historical amount of Company's losses due to default by card-issuing banks and the current credit risks of these 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

	Parent Company		**Consolidated**	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
Transactions pending transfer (a)	789,117	930,070	789,117	930,070
Payables to merchants (b)	-	-	692,698	271,685
Merchant deposits (c)	-	-	197,938	128,421
Total	789,117	930,070	1,679,753	1,330,176

(a) Transactions pending transfer - Transactions pending transfer refer 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 at September 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 the subsidiary Me-S relating to transactions captured and processed until the end of the reporting period. Such amounts are settled on the business day following the date on which transactions are captured.

(c) Merchant deposits – The subsidiary Me-S requires deposits from customers in order to hedge against the potential risk of complaints from credit card holders due to fraud in the transaction or bankruptcy of the merchant.

13 Borrowings

	Parent Company		Consolidated	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
FINAME (a)	386,027	430,450	386,027	430,450
Long-term financing - “Ten-year bonds” (b)	1,884,066	1,244,021	3,497,371	2,315,245
Promissory notes (c)	-	4,594,047	-	4,594,047
Private debentures (d)	3,381,570	-	3,381,570	-
Public debentures (e)	4,884,855	-	4,884,855	-
R&D financing (f)	58,656	-	58,656	-
Borrowing from BTMU (g)	1,187,043	-	1,187,043	-
Total	11,782,217	6,268,518	13,395,522	7,339,742
Current	2,127,478	4,829,609	2,143,425	4,833,602
Noncurrent	9,654,739	1,438,909	11,252,097	2,506,140
Total	11,782,217	6,268,518	13,395,522	7,339,742

(a) FINAME

The weighted average rate of the financial charges is 5.67% per year as at September 30, 2015 (4.98% per year as at December 31, 2014).

The Company is the beneficiary of a credit facility with BNDES relating to FINAME onlending transactions to finance the purchase of new machinery and equipment manufactured in Brazil. Such onlending occurs through the extension of credit to the Company, generating rights to receipt by the accredited financial institution as a financial agent that contracts such financing transactions with the Company.

The contracts are guaranteed by the transfer of fiduciary ownership of property purchased 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, 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. Interest is paid on a semiannual basis and principal will be paid in November 2022.

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

There are no covenants imposing financial restrictions related to the financial transaction of issuance of 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 with a par value of R$ 10,000 each. The Promissory Notes included interest based on the cumulative percentage change of 106.50% of the average daily interest rate of the DI - Interbank Deposits 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 statement of profit or loss over the agreement period, based on the amortized cost method.

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

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

(d) Private debentures

On February 27, 2015, the Company conducted the first, second and third single series, simple, unsecured, non-convertible debenture private placement issues. The three issuances totaled R$3,459,449 with maturity date on December 30, 2023. The private debentures' yield includes interest based on the cumulative percentage change between 100.00% and 111.00% of the average daily interest rate of the DI – Interbank Deposits, as applicable, as shown in the table below:

	Principal	**Remuneration**
1st issuance	2,359,449	111% of the DI
2nd issuance	700,000	100% of the DI until 03/31/2015 and 111% of DI after 03/31/2015
3rd issuance	400,000	100% of the DI from the payment date to the day of the removal from office of the "Transition Committee", or until the end of the nine-year period counted from the base date to be defined in the amendment to the Deed. In case of any of the events, interest will be based on 111% of the DI.

Interest will be paid on a semiannual basis as of the issuance date, except for the last accrual period that will be shorter as it will start on August 27, 2023, and will end with payment on the maturity date together with the principal amount.

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

(e) Public Debentures

On April 13, 2015, the Company conducted the fourth 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 totaled R$4,600,000 with maturity date on April 13, 2018. The remuneration of the Public Debentures includes interest based on the cumulative percentage change of 105.8% of the average daily interest rate of the DI – Interbank Deposits. The principal amount will be amortized in three equal and annual installments, in April of each year and the interest will be paid on a semiannual basis, in April and October of each year.

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

Public Debentures have covenants that require the Company to comply with a Net Debt/Adjusted Consolidated EBITDA ratio equal or lower than 3, measured on an annual basis.

(f) R&D Financing

On December 9, 2014, Cielo 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, and the first part of the funds amounting to R$59,115, of which R$58,553 net of inspection and oversight 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 the mentioned grace period. Interest is paid beginning as of receipt of first release.

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

(g) Borrowing from BTMU

On June 19, 2015, the Company contracted borrowingof US$204,625 equivalent to R$630,000 which includes interest based on the cumulative percentage change of 100.00% of Libor plus spread of 0.73% per year. Additionally, on July 31, 2015, the Company contracted borrowing of US$109,016 equivalent to R$370,000 with interest based on the cumulative percentage change of 100.00% of Libor plus spread of 1% per year, both with Bank of Tokio Mitsubishi UFJ, Ltd. ("BTMU") and maturing on December 19, 2016. The Company also contracted derivative financial instruments (Swaps) for the specific purpose of hedging such borrowings against fluctuations in foreign exchange rate and interest rate, and the final monthly remuneration, considering all borrowing costs, equivalent to 99.4% of the daily average interest rate of the DI - Interbank Deposits. Interest on borrowings is paid on a monthly basis from the contracting of the borrowings, jointly with partial settlement of the financial instrument.

The borrowings from Bank of Tokyo-Mitsubishi UFJ, Ltd have covenants that require the Company to comply with a Net Debt/ Adjusted Consolidated EBITDA ratio equal to or lower than 3, measured on an annual basis.

Changes in borrowings for the periods ended September 30, 2015 and 2014 are as follows:

	Parent Company	Consolidated
Balance at December 31, 2013	1,544,641	2,488,485
New borrowings	115,865	115,865
Payment of principal	(211,999)	(211,999)
Exchange differences (principal and interest)	51,698	95,460
Accrued interest and charges	45,410	72,139
Interest paid	(34,441)	(51,241)
Balance at September 30, 2014	1,511,174	2,508,709
Balance at December 31, 2014	6,268,518	7,339,742
New borrowings	9,232,459	9,232,459
Payment of principal	(4,901,346)	(4,901,346)
Exchange differences (principal and interest)	868,983	1,400,966
Mark-to-Market (MTM)	(59,126)	(59,126)
Accrued interest and charges	813,402	846,284
Interest paid	(440,673)	(463,458)
Balance at September 30, 2015	11,782,217	13,395,522

Hedge Accounting

As at September 30, 2015, Cielo had financial instruments designated as hedging instrument to manage its exposure to fluctuations in interest rates and exchange rates, as described in note 28 (f) and (g).

Breakdown of borrowings recorded in noncurrent liabilities

Borrowings classified as noncurrent as at September 30, 2015 by maturity date are broken down as follows:

Year of maturity	Parent Company	Consolidated
2016	1,229,894	1,229,894
2017	1,632,261	1,632,261
2018	1,544,197	1,544,197
2019	6,976	6,976
2020	6,925	6,925
2021	6,975	6,975
2022	1,873,853	3,471,211
2023	3,345,392	3,345,392
2024	8,266	8,266
Total	9,654,739	11,252,097

14 Taxes payable

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Income tax and social contribution, net of prepayments	7,986	371,416	87,553	372,163
Tax on revenue (Cofins)	22,907	21,296	33,140	22,517
Withholding income tax (IRRF)	10,900	20,503	7,889	20,821
Service tax (ISS)	6,290	7,297	12,263	9,255
Tax on revenue (PIS)	7,529	8,071	9,853	8,463
Other taxes payable	10,452	7,858	12,984	9,329
Total	66,064	436,441	163,682	442,548

15 Other payables

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Current liabilities:				
Accrual for sundry expenses	41,678	67,613	113,403	67,669
Accrual for vacation and related charges	35,156	21,814	55,165	31,881
Profit-sharing	51,086	68,174	72,796	91,900
Other payables	-	-	206,895	43,613
Total	127,920	157,601	448,259	235,063
Noncurrent liabilities:				
Other payables	8,547	5,767	14,467	13,292
Total	136,467	163,368	462,726	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 from its legal counsel, in the analysis of pending lawsuits and past experience on the amounts claimed in labor, civil and tax lawsuits, recognized a provision in an amount considered sufficient to cover probable future cash disbursements on pending lawsuits in the periods ended September 30, 2015 and 2014, as follows:

Parent Company

	12/31/2014	Additions (i)	Write-offs/ reversals (ii)	Inflation adjustment	Payments (iii)	09/30/2015
Tax	1,105,016	140,249	(4,394)	778	-	1,241,649
Civil	18,194	7,246	(1,375)	1,934	(5,714)	20,285
Labor	82,217	22,935	(14,047)	368	(2,432)	89,041
Total	1,205,427	170,430	(19,816)	3,080	(8,146)	1,350,975

	12/31/2013	Additions (i)	Write-offs/ reversals (ii)	Inflation adjustment	Payments (iii)	09/30/2014
Total	1,028,903	158,811	(20,528)	2,492	(10,091)	1,159,587

Consolidated

	12/31/2014	Additions (i)	Write-offs/ reversals (ii)	Inflation adjustment	Payments (iii)	09/30/2015
Tax	1,105,016	140,249	(4,394)	778	-	1,241,649
Civil	19,902	7,246	(1,375)	1,934	(5,714)	21,993
Labor	98,715	26,345	(15,765)	387	(3,192)	106,490
Total	1,223,633	173,840	(21,534)	3,099	(8,906)	1,370,132

	12/31/2013	Additions (i)	Write-offs/ reversals (ii)	Inflation adjustment	Payments (iii)	09/30/2014
Total	1,064,024	169,662	(26,126)	2,514	(32,013)	1,178,061

(i) Refer mainly to the increase in the provision for tax risks for the periods ended September 30, 2015 and 2014, relating to taxes with suspended payment, recorded as an offsetting entry 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 an offsetting entry to "Other operating expenses, net", in the statement of profit or loss.

(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 nine-month period ended September 30, 2015, the Company and its subsidiaries, through legal agreements or unfavorable decisions, settled 1,635 civil and labor lawsuits in the total amount of R$8,146 and R$8,906 in the Parent 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 at September 30, 2015, the provision for probable losses on civil lawsuits totals R$20,285 (Parent Company), and R$21,993 (Consolidated), and the escrow deposit balance is R$5,440 (Parent Company) and R$5,492 (Consolidated).

Based on the opinion of its legal counsel, the management of the Company and its subsidiaries estimates that the actual disbursement of the mentioned provision for civil risks will occur within 5 years and understands that the development of the lawsuits will depend on external factors not under the Company's control.

Additionally, as at September 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). Court decisions may grant rights to groups of people (even without their consent). In many situations, the group's decision on availing a favorable outcome will only be made after the final decision.

Labor lawsuits

Refer to labor lawsuits that, as at September 30, 2015, include 294 claims against Cielo and 65 against the subsidiaries, totaling 359 claims. Of these claims, 135 were filed by former employees, and the other remaining 224 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. As a general rule, only after the decisions of the higher or lower courts are 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 pain and suffering.

As at September 30, 2015, the provision for probable losses on labor claims amounts to R$89,041 (Parent Company) and R$106,490 (Consolidated), and the escrow deposit balance is R$21,995 (Parent Company) and R$24,784 (Consolidated).

Based on the opinion of its legal counsel, the Management of the Company and its subsidiaries estimates that the actual disbursement of 62.3% of the mentioned provision for labor risks will occur within 5 years, and 37.7% within 10 years, and understands that the development of the lawsuits will depend 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 at 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 at September 30, 2015, the provision for risks totals R$1,207,007 (Parent Company and Consolidated), and the escrow deposit balance is R$1,191,625 (Parent 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 proceeding is 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 at September 30, 2015, the balance of the provision for risks recognized is R$15,604 (Parent 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 amount of the tax credits was 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 court decision aiming to cancel the tax assessment notice. As at September 30, 2015, the balance of the provision recognized is R$10,895, and the escrow deposit amount is R$10,895 (Parent Company and Consolidated).

- **Negative Balance of IRPJ of the calendar year 2008 -** In 2009, the parent Company offset the negative balance of corporate income tax (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 parent 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 at September 30, 2015, the amount of the provision for risks is R$7,045 and the amount of the escrow deposit is R$7,045 (Parent Company and Consolidated).

The Company and its subsidiaries are challenging other interpretations of the law by tax authorities and, therefore, as at September 30, 2015, recognized a provision for risks in the amount of R$1,098 (Parent 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$10,519 (Parent Company) and R$13,642 (Consolidated).

Based on the opinion of its legal counsel, the management of the Company and its subsidiaries estimates that the actual disbursement of the provision for tax risks will occur within 5 years and understands that the development of the lawsuits will depend on external factors not under the Company's control.

Additionally, as at September 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 recognized, as follows:

	Parent Company		Consolidated	
	09/30/2015	**12/31/2014**	**09/30/2015**	**12/31/2014**
Tax	106,041	99,341	110,486	106,537
Civil	76,712	88,209	76,712	88,209
Labor	88,058	60,396	106,146	76,861
Total	270,811	247,946	293,344	271,607

b. Escrow deposits

In the nine-month periods ended September 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:

	Parent Company			
	12/31/2014	**Addition**	**Write-off**	**09/30/2015**
Tax	1,077,372	142,712	-	1,220,084
Civil and labor	25,665	2,676	(906)	27,435
Total	1,103,037	145,388	(906)	1,247,519
	12/31/2013	**Addition**	**Write-off**	**09/30/2014**
Total	925,305	135,777	(1,024)	1,060,058

	Consolidated			
	12/31/2014	**Addition**	**Write-off**	**09/30/2015**
Tax	1,080,390	142,817	-	1,223,207
Civil and labor	28,085	3,201	(1,010)	30,276
Total	1,108,475	146,018	(1,010)	1,253,483
	12/31/2013	**Addition**	**Write-off**	**09/30/2014**
Total	951,409	136,089	(22,017)	1,065,481

17 Equity

a. Share capital

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

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

As mentioned in note 18, the number of shares outstanding as at September 30, 2015 is 1,881,696,240 (1,566,433,971 shares as at 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 on 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 as at September 30, 2015 is R$60,279 (R$75,854 as at 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 Stock 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 in line item "Capital reserve" calculated during the fiscal year, in compliance with articles 1 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 as follows:

	Parent Company and Consolidated		
	Shares	Amount	Average cost - R$ per share
Balance at 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
Sale in July 2015	1,210,348	33.837	27.96
Sale in August 2015	55,750	1,559	27.96
Repurchase in August 2015	(415,470)	(17,304)	29.02
Sale in August 2015	205,600	5,967	29.02
Sale in September 2015	156,086	4,529	29.02
Balance at September 30, 2015	(4,980,886)	(144,554)	29.02

(*) **Bonus**: New common shares were issued and one new common share for each lot of five common shares was freely assigned to shareholders, as bonus, generating a 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 reflect accumulated adjustments at the end of the reporting period, as follows:

	Parent Company and Consolidated	
	09/30/2015	12/31/2014
Exchange differences on foreign investments	614,339	198.046
Gains (losses) on hedging instruments ("bonds") on foreign operations, net of taxes	(589,691)	(181,432)
Gains (losses) on hedging instruments ("NDF") on foreign operations, net of taxes	(10,645)	(10,645)
Total	14,003	5,969

e. Earnings reserve - legal

Recognized with amounts corresponding to 5% of 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$493,930 as at September 30, 2015 (R$360,992 as at 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 the 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, was approved subject to approval by shareholders at the Annual and Extraordinary General Meeting held on April 10, 2015.

According to the minutes of the Annual and Extraordinary General Meeting held on April 10, 2015, the Company's capital increase was approved in the amount of R$500,000, using the balance deriving from the 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 funds for possible shares buyback to comply with the stock option program.

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

g. Dividends and interest on capital

Under the Company's bylaws, shareholders were entitled to a minimum dividend of 50% of profit after the recognition of the legal reserve of 5% of 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 profit, adjusted as provided for in the Corporate Law's article 202.

The allocation of the remaining balance of profit for the year will be 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 the bylaws, the Company may prepare semiannual or shorter period statements of financial position and, based on them, in accordance with the limits provided for in applicable law, the Board of Directors may approve the distribution of dividends from the profit account. The Board of Directors may also declare interim dividends from the existing profit account based on the latest statement of financial position approved by the shareholders.

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

According to the minutes of the Board of Directors meeting held on August 10, 2015, it was resolved to re-ratify the Dividend Policy to reflect the reduction in annual minimum mandatory dividends to 30% of the profit. On the same date, it was resolved to pay R$524,785 from the profit for the first half of 2015, of which R$ 410,685 refers to dividends and R$114,100 to interest on capital. The proceeds were paid to shareholders on September 30, 2015.

18 Earnings per share

Change in the number of common shares

Shares issued	**Common**
Shares at December 31, 2014	1,566,433,971
Exercise of stock options:	
January 2015	185,833
February 2015	46,278
March 2015	98,170
Effect of bonus shares	313,359,457
April 2015	190,889
May 2015	51,019
June 2015	118,309
July 2015	1,210,348
Repurchase in August 2015	(415,470)
August 2015	261,350
September 2015	156,086
Total	1,881,696,240

Earnings per share

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

Basic earnings per share

	Parent Company and Consolidated	
	09/30/2015	**09/30/2014**
Profit for the period available for common shares	2,658,753	2,416,839
Weighted average number of outstanding common shares (in thousands)	1,881,009	1,884,306
Earnings per share (in R$) – basic	1.41347	1.28261

Diluted earnings per share

	Parent Company and Consolidated	
	09/30/2015	**09/30/2014**
Profit for the period available for common shares	2,658,753	2,416,839
Diluted denominator:		
Weighted average number of outstanding common shares (in thousands)	1,881,009	1,884,306
Potential increase in common shares as a result of the stock option plan	4,959	5,999
Total (in thousands)	1,885,968	1,890,305
Earnings per share (in R$) – diluted	1.40976	1.27854

19 Stock option plan and restricted shares

The Extraordinary General 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 General 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 shares 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 grant of options was approved on July 6, 2015, totaling 557.354 restricted shares.

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 meetings of the Board of Directors held on January 28, 2014 and February 25, 2015, plans “Sócio Cielo” 2014 and 2015 - "Restricted shares", granted in March of the same year, were approved.

	Number of shares									
Grant date	Granted	Cancelled	Exercised	Bonus 2012	Bonus 2013	Bonus 2014	Bonus 2015	Balance	Exercise price (R$ per share)	Fair value of options (R$ per share)
July 2010	1,073,680	(287,198)	(1,074,522)	163,314	71,403	50,948	2,375	-	11.57	3.78
July 2011	1,315,854	(277,024)	(2,303,441)	262,413	273,433	836,145	54,395	161,775	9.05	3.61
July 2012	987,487	(168,385)	(1,624,178)	-	189,146	1,040,526	254,730	679,326	15.44	6.35
July 2013	1,049,141	(217,772)	(733,464)	-	-	990,085	370,317	1,458,307	18.03	8.40
July 2014	1,561,552	(84,923)	(106,955)	-	-	-	303,607	1,673,281	27.18	12.53
July 2015	557,354	-	(827)	-	-	-	-	556,527	-	41.51
March 2014	105,000	(356)	-	-	-	105,000	41,930	251,574	-	24.34
March 2015	178,492	-	-	-	-	-	-	178,492	-	28.18
Total	**6,828,560**	**(1,035,658)**	**(5,843,387)**	**425,727**	**533,982**	**3,022,704**	**1,027,354**	**4,959,282**		

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

In the meeting of the Board of Directors held on June 24, 2015, the Stock Option Plan and the Grant of Restricted Shares of the Company was approved, the calculation of the 8th grant of July 2015 adopted the following methodology: (a) the dilution estimated at 0.03% of the Company’s capital, considering the annual limit of 0.3%; (b) the total accumulated dilution of 1.15% of the Program between the years 2009 and 2015 (including), considering the total limit of 2%; (c) the fair value for the grant will be R$ 41.51, considering the average of the 30 trading sessions in the period from 5/6/2015 to 6/17/2015.

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

A provision of R$17,241 net of charges was recognized for the nine-month period ended September 30, 2015 (R$16,766 as at September 30, 2014), with an offsetting entry to line item “Personnel expenses”.

These amounts correspond to the portion of Statutory Directors in the amount of R$7,341 net of charges (R$6,902 as at September 30, 2014).

2,318,282 shares in amount of R$32,816 were exercised in the nine-month periods ended September 30, 2015 (1,879,453 shares amounting to R$43,213 in the period ended September 30, 2014), and the total stock options granted were recognized in line item “Capital reserve” in equity, in the amount of R$15,575 as at September 30, 2015 (R$26,447 as at September 30, 2014).

20 Net revenue

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Gross operating revenue	1,925,663	1,784,652	5,728,240	5,185,750	3,209,071	2,134,721	8,874,244	6,151,184
Taxes on services	(194,575)	(181,637)	(577,961)	(517,840)	(291,014)	(196,259)	(808,642)	(554,306)
Total	1,731,088	1,603,015	5,150,279	4,667,910	2,918,057	1,938,462	8,065,602	5,596,878

The gross operating revenue is derived from the capture, transmission, processing and financial settlement of the transactions made with credit and debit cards, management of payment accounts related to Ourocard Arrangement, rental of POS equipment, and provision of services for using the network.

21 Expenses by nature

The Company elected to present the consolidated statement of profit or loss by function.

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

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Personnel expenses	104,647	96,248	306,489	259,631	172,769	143,788	497,710	390,443
Depreciation and amortization	113,176	85,936	312,183	251,258	258,180	106,767	640,592	313,234
Professional services	100,918	96,326	271,206	257,176	111,055	82,623	285,985	232,194
Acquiring costs (a)	436,024	423,163	1,243,140	1,148,730	1,086,169	607,175	2,793,146	1,676,650
Sales and marketing (b)	49,141	65,207	170,779	184,434	52,373	69,235	177,760	194,713
Costs of mobile phone credits in subsidiaries (c)	-	-	-	-	110,030	50,880	301,684	121,214
Others	26,166	14,921	86,235	27,509	26,243	29,940	114,916	75,433
Total	**830,072**	**781,801**	**2,390,032**	**2,128,738**	**1,816,819**	**1,090,408**	**4,811,793**	**3,003,881**
Classified as:								
Cost of services provided	557,366	519,757	1,575,844	1,414,003	1,444,909	781,288	3,741,042	2,144,796
Personnel expenses	65,767	59,800	190,045	164,500	119,467	98,757	341,519	270,083
General and administrative expenses	96,143	84,245	282,726	233,844	128,064	86,513	364,248	250,690
Sales and marketing	49,141	65,207	170,779	184,434	52,373	69,235	177,760	194,713
Other operating expenses, net	61,655	52,792	170,638	131,957	72,006	54,615	187,224	143,599
Total	**830,072**	**781,801**	**2,390,032**	**2,128,738**	**1,816,819**	**1,090,408**	**4,811,793**	**3,003,881**

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

22 Other operating expenses, net

Represented by:

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Represented by:								
Allowance for doubtful debts and chargebacks	(33,585)	(40,612)	(116,559)	(97,988)	(42,584)	(40,612)	(133,644)	(97,988)
Provision for risks, net	(10,707)	(9,853)	(11,133)	(18,284)	(11,003)	(11,141)	(8,578)	(22,857)
Write-offs of property and equipment and provision for losses on equipment	(19,970)	(4,013)	(38,837)	(18,467)	(19,970)	(4,080)	(38,837)	(18,536)
Provision for strategic projects (*)	107	-	(7,732)	-	107	-	(7,732)	-
Others	2,500	1,686	3,623	2,782	1,444	1,218	1,567	(4,218)
Total	(61,655)	(52,792)	(170,638)	(131,957)	(72,006)	(54,615)	(187,224)	(143,599)

(*) Expenses on 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 financial settlement of transactions made using credit and debit cards. In order to conduct said activities, the Company entered into the following agreements:

a. Lease agreements

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

	Consolidated
Up to 1 year	15,186
1 year to 5 years	42,526
Over 5 years	-
Total	57,712

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

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

As at September 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	217,985
1 year to 5 years	744,220
Over 5 years	-
Total	962,205

The call center contracts contain penalties for termination in the amount of R$ 13,421 and the back office contracts provide penalties for termination of R$ 233. The transaction capture and processing contracts, as well as the telecom contracts, do not provide for penalty for termination.

24 Employee benefits

Pension plan

The Company and its subsidiary Servinet contributes monthly to a defined contribution pension plan (“PGBL”) for its employees, and contributions made during the nine-month period ended September 30, 2015 amounted to R$8,245 (R$6,171 during the nine-month period ended September 30, 2014), recognized in line items “Cost of services provided” and “Personnel expenses”.

In addition, in the three month period ended September 30, 2015, Company incurred contribution expenses of R$2,701 (R$2,030 in the three month period ended September 30, 2014), accounted for in line items “Cost of services provided” and “Personnel expenses”.

Other benefits

Besides the benefit of pension plan the Company and its subsidiaries offer their employees, health insurance, dental care, life and personal accident insurance and professional training, the amount of these expenses totaled R$35,351 in the nine-month period ended September 30, 2015 (R$28,264 in the nine-month period ended September 30, 2014).

In addition, in the three-month period ended September 30, 2015, the Company and its subsidiaries incurred expenses of R$11,888 (R$12,333 in the three-month period ended September 30, 2014).

The Company has a Corporate Education Program that 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 on 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 costs related to the actions described are recognized in profit or loss 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 the share of employees and officers in profit for the nine- month periods ended September 30, 2015 and 2014 were recognized in line item "Personnel expenses" in the statement of profit or loss and are presented as follows:

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Officers	14,545	16,279	40,839	39,718	19,600	21,981	55,388	53,714
Board of Directors	3,565	4,647	10,248	10,914	3,805	4,951	10,973	11,533
Total	18,110	20,926	51,087	50,632	23,405	26,932	66,361	65,247

26 Compensation of key management personnel

Key management personnel include the members of the Board of Directors and the officers. Expenses recognized in profit for the three- and nine-month periods are as follows:

	Three-month period			Nine-month period		
	09/30/2015			09/30/2015		
	Fixed	Variable (*)	Total	Fixed	Variable (*)	Total
Officers	1,455	2,784	4,239	4,905	8,252	13,157
Board of Directors	471	-	471	1,368	-	1,368
Total	1,926	2,784	4,710	6,273	8,252	14,525

	Three-month period			Nine- month period		
	09/30/2014			09/30/2014		
	Fixed	Variable (*)	Total	Fixed	Variable (*)	Total
Officers	1,488	3,631	5,119	4,636	9,544	14,180
Board of Directors	394	-	394	1,159	-	1,159
Total	1,882	3,631	5,513	5,795	9,544	15,339

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

Management (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 Supervisory Board, annual compensation approved for the years ended December 31, 2015 and 2014 was R$ 547 and R$460, respectively.

27 Finance income (costs)

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Finance income:								
Interest on short-term investments	4,731	3,295	58,096	9,126	31,404	4,181	107,032	11,271
PIS and COFINS on finance income (b)	(239)	-	(239)	-	(1,486)	-	(1,486)	-
Other finance income	399	236	1,647	360	595	376	1,938	525
Total	4,891	3,531	59,504	9,486	30,513	4,557	107,484	11,796
Finance costs:								
Late payment interest and fines	(297)	(15)	(413)	(73)	(346)	(657)	(517)	(740)
Risk fines and interest	(912)	(749)	(2,394)	(2,434)	(919)	(756)	(2,413)	(2,456)
IRRF on interest abroad	(3,853)	(1,786)	(8,855)	(5,144)	(3,853)	(1,786)	(8,855)	(5,144)
Interest on borrowings	(320,978)	(15,640)	(773,441)	(45,410)	(334,774)	(24,505)	(806,322)	(72,139)
Other finance costs	(4,659)	(3,904)	(14,437)	(11,195)	(5,517)	(4,168)	(17,052)	(11,946)
Total	(330,699)	(22,094)	(799,540)	(64,256)	(345,409)	(31,872)	(835,159)	(92,425)
Income from prepayment of receivables:								
Revenue from prepayment of receivables (a)	634,202	458,236	1,720,012	1,277,761	634,202	458,236	1,720,012	1,277,761
PIS and COFINS on finance income (b)	(16,971)	-	(16,971)	-	(16,971)	-	(16,971)	-
Cost of funding with third parties (c)	(44,832)	(53,571)	(174,108)	(192,318)	(44,832)	(53,571)	(174,108)	(192,318)
Total	572,399	404,665	1,528,933	1,085,443	572,399	404,665	1,528,933	1,085,443
Exchange differences, net (c)	750	285	4,318	190	784	282	4,378	186
Total	247,341	386,387	793,215	1,030,863	258,287	377,632	805,636	1,005,000

(a) Revenue from prepayment of receivables for the three- and nine-month periods ended September 30, 2015 and 2014 comprises revenue from the prepaid volume of transactions with credit in cash and installment sales, recognized according to the maturity dates of the transactions.

(b) Expenses on PIS and COFINS on finance income earned by the Group companies, subject to the non-cumulative taxation regime, at the rates of 0.65% and 4%, respectively, as laid down in Decree 8,426/15, effective as of July 1, 2015. The expenses incurred in the period were recognized as "Finance Income" and "Income from Prepayment of Receivables", in the proportion of their levy, for better presentation of the line items.

(c) Financial charges arising from funding with third parties to undertake transactions related to prepayment of receivables. For three- and nine-month periods ended September 30, 2014, third-party capital funding took place by means of prepayment of receivables with card issuers (see note 11). Funding for the three- and nine-month periods ended September 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). Cost of funding with third parties was recognized in line item "Revenue from Prepayment of Receivables" in order to reflect better the net effect of prepayments of receivables in the individual and consolidated interim financial information.

(d) Derives substantially from the exchange variation related to two borrowings in U.S. dollars in the amounts of US$ 204,625 and US$ 109,016, equivalent to R$ 630,000 and R$ 370,000 at the contracting dates respectively, both maturing on December 19,2016 taken from Bank of Tokyo-Mitsubishi UFJ, Ltd and variation of financial instruments contracted to hedge these transacations, as described in note 13(g), represented by:

	Parent Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Exchange differences, net:								
Revenues	246,215	287	249,783	1,197	246,251	287	249,859	1,203
Expenses	(245,465)	(2)	(245,465)	(1,007)	(245,467)	(5)	(245,481)	(1,017)
Total	750	285	4,318	190	784	282	4.378	186

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 that 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 capital structure consists of its equity and net debt (borrowings 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:

	Parent Company		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Debt (i)	(11,782,217)	(6,268,518)	(13,395,522)	(7,339,742)
Derivative financial instruments	187,122	-	187,122	-
Cash and cash equivalents	101,760	3,758,037	1,273,521	3,998,721
Net debt	(11,493,335)	(2,510,481)	(11,934,879)	(3,341,021)
Equity (ii)	6,135,002	4,309,110	9,783,080	4,324,400
Indebtdness ratio, net	187.34%	58.26%	122.00%	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 receivables, receivables from subsidiaries and joint ventures, escrow deposits, payables to merchants, subsidiaries and joint ventures and for acquisition of subsidiary, trade payables and borrowings.

The estimated fair values of financial instruments as at September 30, 2015 are as follows:

		09/30/2015			
		Parent Company		Consolidated	
	Type	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	Fair value through profit or loss	101,760	101,760	1,273,521	1,273,521
Trade receivables	Loans and receivables	9,001,006	9,001,006	10,196,604	10,196,604
Receivables from associated companies	Loans and receivables	2,353	2,353	75	-
Escrow deposits	Loans and receivables	1,247,519	1,247,519	1,253,483	1,253,483
Derivative financial instruments (Swap)	Fair value through profit or loss	187,122	187,122	187,122	187,122
Trade payables	Other financial liabilities	554,910	554,910	662,404	662,404
Payables to merchants	Other financial liabilities	789,117	789,117	1,679,753	1,679,753
Payables to associated companies	Other financial liabilities	15,366	15,366	-	-
Borrowings	Other financial liabilities / Fair value through profit or loss	11,782,217	11,782,217	13,395,522	13,395,522

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

The Company applies CPC 40 for financial instruments measured at fair value in the statement of financial position, which requires disclosure of fair value measurements at the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on data adopted by the market (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities as at September 30, 2015:

	Parent Company			Consolidated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Cash and cash equivalents	101,760	-	-	1,273,521	-	-
Derivative financial instrument (Swap)	-	187,122	-	-	187,122	-
Others (Loans and receivables)	-	-	10,250,878	-	-	11,450,162
Liabilities:						
Borrowings	-	1,187,043	-	-	1,187,043	-
Others (Other financial liabilities)	-	-	11,954,567	-	-	14,550,636

c. Credit risk

In Cielo's operations of merchant acquiring, the primary risk refers 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 by Cielo, so that Cielo can then transfer 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 in default will always be treated as third-party funds and, as such, should be transferred to Cielo and, then, from Cielo to the commercial establishment – the end creditor of the transaction.

Cielo's model of transferring amounts substantially mitigates the risk of default of the card issuers, also remaining a residual risk to Cielo relating to 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 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 cardholders 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 card, 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 six-month period that has the greatest financial volume of issuance 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/guarantee model adopted by this Brand fully cover any possible default by the issuers with Cielo. The MasterCard brand becomes the substitute of issuers in the event of default, 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 on default (default situation).

Note that even with this model of hedging provided by the Brand, in any situation of default of any card issuer, Cielo will always resort primarily to its legal-financial model of transferring 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 on the use of derivatives

According to the internal policy, the Company's finance income (costs) 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 an unhedged 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 the International Financial Reporting Interpretations Committee - IFRIC (technical interpretation ICPC 06 – Hedge of Net Investments in Foreign Operations), issued in July 2008, and on standard IAS 39 (technical pronouncement CPC 38 – Financial Instruments: Recognition and Measurement), 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 to hedge against the risk of foreign currency fluctuations. The value of the designated financial instrument, 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 accounted for in accordance with CPC 38 and IAS 39 - Financial Instruments: Recognition and Measurement. Accordingly, the Company formally designated the transactions by documenting the: (i) purpose of the hedge; (ii) type of the hedge; (iii) nature of the hedged risk; (iv) identification of the hedged item; (v) identification of the hedging instrument; (vi) demonstration of the relationship between the hedge and the hedged item (retrospective effectiveness test); and (vii) prospective demonstration of effectiveness.

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

g. Fair value hedge

The Company, upon contracting of Swap Financial Instrument in September 2015, based on Technical Pronouncement CPC 38 (Financial Instruments: Recognition and Measurement) corresponding to the International Accounting Standard 39 (Financial Instruments: Recognition and Measurement), designated it as hedging instrument for the borrowing from Bank of Tokyo-Mitsubishi UFJ, Ltd. in the amount of US$313,641, equivalent to R$1,000,000 maturing on 12/19/2016, to hedge against the risk of foreign currency fluctuations and exposure to Libor interest rates .

As at September 30, 2015, the individual and consolidated position of Swaps is as follows:

			09/30/2015				12/31/2014
			Valuation			Fair value (market)	Fair value (market)
	Maturity date	Notional R$	Long position	Short position	MTM Adjustment	Amount receivable/ (payable)	Amount 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	183,032	(2,303)	(37,242)	143,487	-
Swap floating rate in US$ (114.2857% Libor + 1.1429% p.a.) vs. floating rate in R$ (99.4% do DI)	12/19/2016	370,000	63,183	(1,353)	(18,195)	43,635	-
Total		1,000,000	246,215	(3,656)	(55,437)	187,122	-
Current assets						-	-
Noncurrent assets						187,122	-

The terms of the borrowing and swap agreements, as mentioned in note 13(g), were entered into so that the comparison between the swap’s long position (Company’s accounts receivable) and the borrowing balance (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 hedged item. Accordingly, the Company remains exposed only to swap’s short position, which has notional value in reais in the amount of R$1,000,000 remunerated at 99.4% of the daily average interest rate of the DI – Interbank Deposits.

In order to document the adopted designation strategy and the effectiveness of the derivative financial instrument ,the Company used the hypothetical derivative method,which is based on a comparison of change in the fair value of a hypothetical derivative with terms identical to the critical terms of the variable-rate liability, and this change in the fair value is considered a representation of the present value of the cumulative change in the future cash flow expected for the hedged liability. Accordingly, gains and losses on the hedging instrument and the hedged item are recognized at fair value in profit or loss for the period in which they arise.

The method used by the Company to determine the market value consists in calculating the future value based on contracted conditions and determine the present value based on market curves extracted from BM&F BOVESPA.

h. Foreign exchange rate 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 acquired 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 foreign exchange rate risks are managed in accordance with the criteria set by the policies approved using currency futures contracts.

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

	Parent Company	Consolidated
Assets:		
Cash and cash equivalents	1,027	96,261
Trade receivables	-	216,388
Other assets	-	13,412
Investments in foreign currency	318,134	-
Property and equipment	-	3,765
Intangible assets, including goodwill	-	724,375
Total	319,161	1,054,201
Liabilities:		
Payables to merchants	(677)	(224,894)
Other liabilities	-	(19,293)
Repayment of foreign borrowings - principal	(470,000)	(875,000)
Repayment of foreign borrowings - interest	(6,608)	(11,033)
Repayment of foreign borrowings - charges	-	3,276
Deferred income tax	-	(85,381)
Tax effect on hedging instruments - bonds designated as hedge of the net foreign investment	159,800	159,800
Total	(317,485)	(1,052,525)
Long (short) position - US dollar	1,676	1,676

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

Foreign currency sensitivity analysis

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 borrowings from third parties when they are denominated in a currency different from that of the creditor or debtor. As at September 30, 2015, estimating the increase or decrease by 10%, 25% and 50% in exchange rates, there would be an increase or decrease in profit or loss and equity, in thousands of Brazilian reais (R$), as follows:

	Parent Company and Consolidated		
	Problable scenario 10%	**Possible scenario 25%**	**Remote scenario 50%**
Profit or loss (i)	736	1,840	3,680
Equity (i)	29	72	143

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

i. Interest rate 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. The Company operates with financial instruments within the limits of approval established by Management.

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

The yields 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 at September 30, 2015, assuming an increase or decrease of 10%, 25% and 50% in interest rates, there would be an increase or decrease in finance income or costs in thousands of Brazilian reais, as follows:

	Parent Company			Consolidated		
	Probable scenario 10%	**Possible scenario 25%**	**Remote scenario 50%**	**Probable scenario 10%**	**Possible scenario 25%**	**Remote scenario 50%**
Short-term investments	5,810	14,524	29,048	10,703	26,758	53,516
Borrowings	77,344	193,360	386,720	80,632	201,581	403,161

29 Related-party balances and transactions

In the normal course of activities and under market conditions, the Company, its subsidiaries and associate conduct transactions with related parties, such as receivables (related to operations of prepayment of receivables) 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 Aliança and Stelo.

In conducting its business and engaging services, the Company and its subsidiaries make 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 its subsidiaries believe 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 at September 30, 2015 and December 31, 2014, by type of agreement, shareholders and subsidiaries, of transactions with related parties conducted by the Company, its subsidiaries and associate related to the nine-month periods ended September 30, 2015 and 2014:

	Parent Company										
	09/30/2015										12/31/2014
	Shareholders			Subsidiaries, Joint Ventures and Associate							
	Banco Bradesco	Banco do Brasil	Servinet	Orizon	Multidisplay	M4 Produtos	Paggo	Braspag	Cateno	Total	Total
Assets (Liabilities):											
Cash and cash equivalents (a)	1,574	7,591	-	-	-	-	-	-	-	9,165	3,639,965
Trade receivables	3,077	1,908	-	-	-	-	-	-	-	4,985	4,225
Borrowings (g)	-	(3,381,570)	-	-	-	-	-	-	-	(3,381,570)	-
Receivables from related parties	-	-	-	66	2,218	-	9	30	30	2,353	115
Payables to relaed parties	-	-	(13,331)	-	-	(1,506)	-	(529)	-	(15,366)	(12,210)

	Consolidated										
	09/30/2015										12/31/2014
	Shareholders			Subsidiaries, Joint Ventures and Associate							
	Banco Bradesco	Banco do Brasil	Servinet	Orizon	Multidisplay	M4 Produtos	Paggo	Braspag	Cateno	Total	Total
Assets (Liabilities):											
Cash and cash equivalents (a)	6,558	618,869	-	-	-	-	-	-	-	625,427	3,659,793
Trade receivables	3,077	1,908	-	-	-	-	-	-	-	4,985	4,225
Borrowings (g)	-	(3,381,570)	-	-	-	-	-	-	-	(3,381,570)	-
Receivables from related parties	-	-	-	66	-	-	9	-	-	75	384

	Parent Company								
	Nine-month period ended September 30, 2015								Nine-month period ended September 30, 2014
	Shareholders		Subsidiaries, Joint Ventures and Associate						
	Banco Bradesco	**Banco do Brasil**	**Servinet**	**Orizon**	**Multidisplay**	**M4 Produtos**	**Braspag**	**Total**	**Total**
Revenues:									
Income from short-term investments (a)	2,393	49,063	-	-	-	-	-	51,456	3,090
Revenue from other services (b)	24,661	17,461	-	41	3,172	5,186	272	50,793	41,211
Revenue from rental of POS equipment (c)	-	-	-	86	-	-	-	86	324
Expenses:									
Other operating expenses - membership commission	(2,782)	(3,137)	-	-	-	-	-	(5,919)	(8,005)
Other operating expenses (d)	(20,341)	(2,643)	-	-	-	(4,919)	(4,816)	(32,719)	(23,267)
Service agreement with Servinet (e)	-	-	(115,317)	-	-	-	-	(115,317)	(103,440)
Data processing services (f)	-	-	-	-	-	-	(402)	(402)	(5,322)
Finance costs (g)	-	(278,630)	-	-	-	-	-	(278,630)	-
Promissory notes placement service provision (i)	(4,360)	-	-	-	-	-	-	(4,360)	-

	Consolidated								
	Nine-month period ended September 30, 2015								Nine month period ended September 30, 2014
	Shareholders		Subsidiaries, Joint Ventures and Associate						
	Banco Bradesco	**Banco do Brasil**	**Servinet**	**Orizon**	**Multidisplay**	**M4 Produtos**	**Braspag**	**Total**	**Total**
Revenues:									
Income from short-term investments (a)	2,393	95,029	-	-	-	-	-	97,422	3,090
Revenue from other services (b)	24,661	17,461	-	41	-	-	-	42,163	36,679
Revenue from the rental of POS equipment (c)	-	-	-	86	-	-	-	86	324
Expenses:									
Other operating expenses - membership commission	(2,782)	(3,137)	-	-	-	-	-	(5,919)	(8,005)
Other operating expenses (d)	(20,341)	(2,643)	-	-	-	-	-	(22,984)	(17,186)
Finance costs (g)	-	(278,630)	-	-	-	-	-	(278,630)	-
Payment management service provision (h)	-	(12,756)	-	-	-	-	-	(12,756)	-
Promissory notes placement service provision (i)	(4,360)	-	-	-	-	-	-	(4,360)	-

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

(b) Correspond to fraud prevention and bank account lock 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 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 operate as Payment Institution in the management of post-paid accounts 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 card-issuing banks

Receivables from card-issuing banks, whose net amounts are recognized in line item “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. Under these agreements, the Company remunerates the banks based on the performance and metrics established therein.

Prepayment of receivables from card-issuing banks

The Company has agreements with card-issuing banks to transfer in advance the amounts from the transactions carried out by the bank’s customers with credit cards. These prepayment transactions are performed in order to generate short-term working capital and the amounts deposited in current account are net of prepayment fees, on a pro rata basis, calculated at the market rates that do not significantly differ from those adopted by the card-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 fees and tariffs charged for these related-party transactions are carried out at prices and under conditions similar to the transactions carried out with other third party partners.

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.

Payment management services

Banco do Brasil entered into an agreement with Cateno in order to operate as Payment Institution in managing post-paid accounts 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.

Securities bookkeeping services

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

Securities management services

Contract entered into with Banco Bradesco BBI S.A. 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

The object of the contract entered into with Banco do Brasil S.A. is to regulate the 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. for representation of the bank with CIP (Interbank Payment Clearing House) aiming at provision of settlement services for transactions carried out with credit and/or debt cards and provision of STR (Reserve Transfer 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 an association with BB Elo Cartões Participações S.A., a wholly owned subsidiary of Banco do Brasil S.A., for the creation of Cateno, whose transaction terms are detailed in note 01 - Operations.

30 Segment information

Information by operating segments is presented 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, 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 payment accounts 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 of 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 payment accounts, support to management and control of security in transactions, payments of fees to the brands and payment arrangements, and other services related to managing payment accounts.

Immediately thereafter, Management started separately monitoring the operating profit or loss 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 revenue, profit before taxes, profit for the year, among others that in many cases are measured differently from operating profit or loss in the consolidated interim financial 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 rewards differentiated 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 September 30, 2015			Nine-month period ended September 30, 2015		
	Capturing and processing of transactions	**Management of payment accounts**	**Consolidated**	**Capturing and processing of transactions**	**Management of payment accounts**	**Consolidated**
Domestic market	1,866,985	605,600	2,472,585	5,525,734	1,384,592	6,910,326
Foreign market	445,472	-	445,472	1,155,276	-	1,155,276
Net operating revenue	2,312,457	605,600	2,918,057	6,681,010	1,384,592	8,065,602
Cost of services provided	(1,036,502)	(408,407)	(1,444,909)	(2,805,110)	(935,932)	(3,741,042)
Gross profit	1,275,955	197,193	1,473,148	3,875,900	448,660	4,324,560
Operating income	(347,673)	(22,111)	(369,784)	(1,016,014)	(45,258)	(1,061,272)
Operating profit	928,282	175,082	1,103,364	2,859,886	403,402	3,263,288
Finance income (costs)	536,018	(277,731)	258,287	1,420,042	(614,406)	805,636
Profit (loss) before taxes	1,464,300	(102,649)	1,361,651	4,279,928	(211,004)	4,068,924
Income tax and social contribution	(477,715)	34,606	(443,109)	(1,388,115)	71,455	(1,316,660)
Profit (loss) for the period	986,585	(68,043)	918,542	2,891,813	(139,549)	2,752,264
Attributable to:						
Owners of the Company	984,940	(107,484)	877,456	2,886,946	(228,193)	2,658,753
Non-controlling interests	1,645	39,441	41,086	4,867	88,644	93,511

In order to start operating in the “Management of Payment Accounts” business segment, the Ourocard’s Payment Arrangement exploitation rights were granted to the subsidiary Cateno, in the amount of R$11,572 million (see note 10), its amortization is being recognized in line item “Depreciation and amortization expenses”, as follows:

	Three-month period ended September 30, 2015			Nine-month period ended September 30, 2015		
	Capturing and processing of transactions	**Management of payment accounts**	**Consolidated**	**Capturing and processing of transactions**	**Management of payment accounts**	**Consolidated**
Depreciation and amortization	(161,747)	(96,433)	(258,180)	(415,581)	(225,011)	(640,592)

The balances by segment as at September 30, 2015, are as follows:

	Statement of financial position as at September 30, 2015		
	Capturing and processing of transactions	**Management of Payment Accounts**	**Consolidated**
Total assets	16,682,652	12,438,872	29,121,524
Acquisition of property and equipment and intangible assets	473,475	11,572,000	12,045,475
Investment in subsidiaries and associate	111,218	-	111,218

31 Noncash transactions

	Parent Company		Consolidated	
	09/30/2015	**09/30/2014**	**09/30/2015**	**09/30/2014**
Exchange differences on net foreign investments	416,443	33,849	416,443	33,849
Exchange differences on borrowings	(618,802)	(50,948)	(1,150,785)	(94,709)
Minimum dividends and interest on capital payable	(66,600)	(33,100)	(66,600)	(33,100)
Minimum dividends and interest on capital receivable from direct subsidiary	2,218	-	-	-
Capital increase by non-controlling shareholders	-	-	3,539,277	-

32 Insurance

As at September 30, 2015, the Company has the following insurance agreements:

Type	**Insured Amount**
Civil liability and Director and Officers	110,000
Named perils (fire, windstorm and smoke, electrical damages, electronic equipment, theft and flood)	33,111
Loss of profits	17,402
Vehicles	727
POS equipment warehousing	193,644
POS equipment transportation	2,423,846
POS equipment FINAME	907,663

33 Approval of interim financial information

The individual and consolidated interim financial information was approved by the Company's Board of Directors and authorized for issue on November 5, 2015.

DEAR SHAREHOLDERS:

We present the performance report and interim financial information of Cielo S.A. ("Cielo"), subsidiaries and associated company ("Group"), presented as part of quarter statement forms – ITR, for the quarter ended September 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 includes the balances of Cielo's accounts (parent company), its direct subsidiaries Multidisplay, Servinet, Braspag, Cielo USA, Cateno and Aliança, as well as indirect subsidiaries Me-S and M4Produtos. The result of joint ventures Orizon and Paggo and associated Stelo is accounted for under the equity method in interim financial information. 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.

HIGHLIGHTS 3Q15

- Transaction financial volume totaled R$137.3 billion, up 6.6% compared to 3Q14 or R$8.5 billion, and up 5.9% quarter-on-quarter or R$7.6 billion;

- Net operating revenue totaled R$2,918.1 million, up 50.5% year-on-year, or R$979.6 million, and increase of 4.4% compared to 2Q15, or R$122.3 million;

- Prepayment of receivables reached 19.4% over the financial volume of credit, up 1.7 p.p compared to 3Q14, and increase of 0.9 p.p. compared to 2Q15;

- Cielo net income totaled R$877.5 million, up 7.4% year-on-year, or R$60.1 million, and increase 0.9% quarter-on-quarter, or R$8.1 million;

- EBITDA of R$1,361.6 million, up 42.2% year-on-year, or R$404.3 million, and increase of 0.4% quarter-on-quarter, or R$5.8 million.

OPERATING PERFORMANCE 3Q15

TRANSACTION FINANCIAL VOLUME

In 3Q15, transaction financial volume totaled R$137.3 billion, presenting an addition of 6.6% comparing to the R$128.8 billion in the same period in 2014, and up 5.9% compared to R$129.7 billion presented in 2Q15.

Specifically with credit cards, transaction financial volume totaled R$79.6 billion in 3Q15, up 1.3% compared to 3Q14 and up 2.8% quarter-on-quarter.

With debit cards, transaction financial volume totaled R$57.7 billion in 3Q15, an increase of 15.0% compared to 3Q14 and up 10.4% quarter-on-quarter.

FINANCIAL PERFORMANCE 3Q15

COMPARISON FOR THE QUARTERS ENDED SEPTEMBER 30, 2015 AND JUNE 30, 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$122.3 million, or 4.4%, to R$2,918.1 million in 3Q15 compared to R$2.795,8 million in 2Q15. The increase in net revenue is mainly related to the ongoing business expansion of Cielo and its subsidiaries, and to the dollar appreciation effect over the revenue in U.S. from subsidiary Me-S.

COST OF SERVICES PROVIDED

The cost of services provided increased R$142.1 million, or 10.9%, to R$1,444.9 million in 3Q15, when compared to R$1,302.8 million in 2Q15. This increase was mainly due to the following:

(i) Increase of R$74.8 million in costs of subsidiaries Merchant e-Solutions, due to average dollar appreciation in the quarter and ongoing business expansion; and to M4U, related to the increase of mobile credit sales;

(ii) Net increase of R$45.1 million in costs related to the acquiring business, mostly represented by:

a. Increase of R$23.4 million in transaction costs, such as capture and processing, call centers, brand's fees and telecom, due to the increase in transactions volume.

b. Increase of R$16.1 million related to equipment costs, including depreciation, installation, POS terminals maintenance and activation, due to the increase in quantity of transactions in 3Q15, as well as the increase in logistics operators cost due, to changes in the labor legislation; and

c. Increase of R$ 5.6 million in costs linked to professional services hired, related to corporate projects.

(iii) Increase of R$20.6 million in costs related to the management of the Ourocard Arrangement, such as brand's fee, call centers, supplies, cards issuance and management, due to the ongoing expansion of subsidiary Cateno.

OPERATING EXPENSES

Operating expenses increased R$6.6 million, or 1.8%, to R$369.8 million in 3Q15, compared to R$363.2 million in 2Q15. The main variations are described as following:

Personnel Expenses – Personnel expenses increased R$3.9 million or 3.4%, to R$119.5 million in 3Q15, compared to R$115.6 million in 2Q15. This increase is chiefly due to the 8.2% average adjustment on wages established in Collective Agreement in 3Q15, which includes retroactive effect on provision for profit sharing, Christmas bonus salary, vacation pay and its related social burdens.

General and Administrative Expenses – General and administrative expenses, excluding depreciation, increased R$6.0 million or 5.6%, to R$113.2 million in 3Q15, compared to R$107.2 million in 2Q15. The increase is mainly related to the dollar appreciation in the period with commercial partners ("partnership fees") in subsidiary Me-S, as well expenses incurred with business development in Cielo.

Sales and Marketing Expenses – Sales and marketing expenses decreased R$17.9 million or 25.5%, to R$52.4 million in 3Q15, compared to R$70.3 million in 2Q15. This decrease is due to lower expenses in 3Q15 with sales campaigns and partnerships, actions related to client loyalty and institutional media acquisition.

Equity Interest – Equity Interest's result decreased R$1.5 million or 41.6%, to R$2.1 million in revenue in 3Q15, compared to R$3.6 million in 2Q15. The reduction is related to the loss in Stelo, as a result of pre-operational expenses, offset by the increase in the result of the joint venture Orizon.

Other Net Operating Expenses – Other net operating expenses increased R$12.4 million or 20.8%, to R$72.0 million in 3Q15, compared to R$59.6 million in 2Q15. This increase is chiefly due to the increase of provisions for labor risks and POS terminals losses, partially offset by reduction in allowance for doubtful accounts and chargeback in 3Q15.

FINANCIAL RESULT

Financial result totaled R$258.3 million in 3Q15, increase 18.8% or R$40.9 million compared to 2Q15, which presented a figure of R$217.4 million. The main variations are the following:

Financial Revenues – Financial revenues increased R$6.6 million or 27.8%, to R$30.5 million in 3Q15, compared to R$23.9 million in 2Q15. This growth is due to the increase in the average balance of financial investments, mainly related to minimum prudential capital held as financial investments by subsidiary Cateno.

Financial expenses - Financial expenses increased R$43.9 million or 14.6%, to R$345.4 million in 3Q15, compared R$301.5 million in 2Q15. The increase is mainly due to the increase in average DI rate and dollar appreciation in the period.

Prepayment of receivables results - Revenue from prepayment of receivables appropriate pró-rata temporis, net of cost of funding with third parties and PIS/COFINS on financial revenues increased R$78.8 million or 16.0%, to R$572.4 million in 3Q15, compared to R$493.6 million in 2Q15. The increase is mainly due the growth in the prepaid volume of transactions (hike in prepayment of Corporate Clients), to the higher spreads due to the increase in DI rate, as well as the reduction in financial expenses related to ARV in 3Q15.

COMPARISON FOR THE QUARTERS ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 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 50.5% or R$979.6 million, to R$2,918.1 million in 3Q15, compared to R$1,938.5 million in 3Q14. The increase in net revenue is chiefly related to the beginning of Cateno activities in February 27, 2015, to the ongoing business expansion of Cielo and its subsidiaries, as well as to the dollar appreciation effect over the revenues in U.S. from subsidiary Me-S.

COST OF SERVICES PROVIDED

The cost of services provided increased R$663.6 million, or 84.9%, to R$1,444.9 million in 3Q15, compared to R$781.3 million in 3Q14. The increase was chiefly due to the following:

(i) Increase of R$408.4 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 since the 1Q15;

(ii) Increase of R$211.9 million related to the subsidiaries Merchant e-Solutions, due to the dollar appreciation in the quarter and ongoing business expansion; and M4U, due to the increase of mobile credit sales;

(iii) Net increase of R$37.1 million in costs related to the acquiring business, mostly represented by:

   a. Increase of R$23.2 million related to equipment costs, depreciation, installation, POS terminals maintenance and activation, chiefly due to the increase of the active equipment base, when compared to the same period of the prior period, and the increase in logistics operators cost, due to changes in the labor legislation; and

   b. Increase of R$ 13.9 million in transaction costs, such as capture and processing, call centers, brand's fees and telecom, due to a hike of transactions volume.

OPERATING EXPENSES

Operating expenses increased R$63.2 million, or 20.6% to R$369.8 million in 3Q15, compared to R$306.6 million in 3Q14. The main variations are described below:

Personnel Expenses – Personnel expenses increased R$20.7 million or 21.0%, to R$119.5 million in 3Q15, compared to R$98.8 million in 3Q14. The growth is due to an increase in headcount allocated to projects and the strengthening of commercial area, the 8.2% adjustment over wages established in Collective Agreement, which impacts on provision for Christmas bonus salary, profit sharing, vacation pay and its related social burdens, as well as the beginning of employees expenses consolidation related to the management of payment accounts services provided by Cateno.

General and Administrative Expenses – General and administrative expenses, excluding depreciation, increased R$35.6 million or 45.9%, to R$113.2 million in 3Q15, compared to R$77.6 million in 3Q14. The increase is mainly related to dollar appreciation in the period with commercial partners ("partnership fees") of subsidiary Me-S, as well expenses incurred with business development in Cielo.

Sales and Marketing Expenses – Sales and marketing expenses decreased R$16.8 million or 24.4%, to R$52.4 million in 3Q15, compared to the R$69.2 million in 3Q14. The decrease is due to lower expenses in 3Q15 with sales campaigns and partnerships, actions related to client loyalty and institutional media acquisition, when compared to the same prior period.

Equity Interest – Equity Interest's result decreased R$0.4 million or 15.0%, to R$2.1 million revenue in 3Q15, compared to R$2.5 million in 3Q14. The reduction is related to the loss in Stelo, as a result of pre-operational expenses, offset by the increase in the result of the joint venture Orizon.

Other Net Operating Expenses – Other net operating expenses increased R$17.4 million or 31.8%, to R$72.0 million in 3Q15, compared to R$54.6 million in 3Q14. The increase is chiefly related to the increase in losses with Chip&Senha capture equipment (designed for mobile solutions).

FINANCIAL RESULT

Financial result totaled R$258.3 million in 3Q15, decrease of 31.6% or R$119.3 million compared to 3Q14, which presented a figure of R$377.6 million. The main variations are described the following:

Financial Revenues – Financial revenues increased R$25.9 million, to R$30.5 million in 3Q15, compared to R$4.6 million in 3Q14. The growth is chiefly due to the increase in average balance of financial investments, mainly related to minimum prudential capital held as financial investments by subsidiary Cateno.

Financial expenses - Financial expenses increased R$313.5 million, to R$345.4 million in 3Q15, compared R$31.9 million in 3Q14. The increase is due to higher average of the average indebtedness with third parties, mainly represented by the issuance of public and private debentures to fund the creation of the subsidiary Cateno, in the scope of the association set with Banco do Brasil.

Prepayment of receivables results - Revenue from prepayment of receivables appropriate pró-rata temporis, net of funding costs with third parties and PIS/COFINS on finanial revenues increased R$167.7 million, to R$572.4 million in 3Q15, compared to R$404.7 million in 3Q14. The increase is chiefly related to the ongoing ARV expansion (hike on prepaid volume) and to the higher spreads due to the successive increase in DI rate.

EBITDA

EBITDA totaled R$1,361.6 million in 3Q15, up 42.2% compared to 3Q14 and up 0.4% over 2Q15.

EBITDA (R$ million)	3Q15	3Q14	2Q15
Cielo Net Income	877.5	817.4	869.4
Other Shareholders that not Cielo S.A.	41.1	3.1	38.1
Financial Income	(258.3)	(377.6)	(217.4)
Tax and Social Contribution	443.1	407.7	439.6
Depreciation and Amortization	258.2	106.7	226.1
EBITDA	**1,361.6**	**957.3**	**1,355.8**
% EBITDA Margin	*46.7%*	*49.4%*	*48.5%*

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

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. In addition, 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.

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 3Q15 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 3° 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 November 05, 2015.