

CIELO S.A.

Corporate Taxpayer's ID (CNPJ/MF): 01.027.058/0001-91

Material Fact

CIELO S.A. ("Company") (BOVESPA:CIEL3 / OTCQX: CIOXY), pursuant to paragraph 4 of article 157 of Law 6,404/76, and to CVM Instruction 358/02 and further amendments, hereby informs its shareholders, the market, and all stakeholders that it has revised guidance for 2016, as follows:

Indicators	Previous Estimates	Revised Estimates
Industry* Financial Volume	5.5% to 7.5%	7% to 9%
Cielo Brazil + Cateno: Total Costs + Expenses	4% to 6%	6% to 8%
CAPEX (purchase of terminals)	~R\$450mn	~R\$400 mn

* Considering credit and debit volumes

Given information available to date, along with monitoring and estimates of market growth, industry growth range for the financial volume of credit and debit changed from 5.5%-7.5% to 7%-9%.

The expense variation of Cielo Brasil and Cateno jointly was also revised due to higher financial volume growth, the main metric that affects costs and expenses, in addition to the number of transactions and POS logistics. The previous range of 4% to 6% was increased to 6% to 8%.

Finally the estimate for investments in purchase of terminals was revised to R\$400 million from R\$450 million previously. Such change is related to the higher closure rate of small retailers, as well as the impact of the Multivan project, in which Elo, Amex and Hiper brands now are accepted by acquirers participating in the project.

Barueri, August 1st 2016.

CLOVIS POGGETTI JUNIOR

Executive Vice President of Finance and Investor Relations Officer