Contents

Company information / capital breakdown

Number of shares (in thousands)	Current quarter 06/30/2015
Paid-in capital	
Common shares	88,682
Preferred shares	0
Total	88,682
Treasury shares	
Common shares	0
Preferred shares	0
Total	0

Company information / cash proceeds

Event	Approval	Proceeds	Beginning of payment	Share type	Earnings per share (Reais / Share)
Board of Directors' Meeting	06/15/2015	Interest on equity	06/29/2015	Common shares	0.10994
Board of Directors' Meeting	06/15/2015	Interest on equity	06/29/2015	Common shares	0.06543
General Shareholders' Meeting	04/24/2015	Dividend	05/14/2015	Common shares	0.39859

Individual financial statements / balance sheet – assets

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2015	Prior year 12/31/2014
1	Total assets	782,979	746,704
1.01	Current assets	509,466	501,203
1.01.01	Cash and cash equivalents	1,122	6,110
1.01.02	Short-term investments	169,625	189,554
1.01.02.01	Short-term investments measured at fair value	169,625	189,554
1.01.02.01.03	Short-term investments measured at fair value	169,625	189,554
1.01.03	Trade accounts receivable	259,380	239,147
1.01.03.01	Trade accounts receivable	259,380	239,147
1.01.04	Inventories	49,462	37,006
1.01.06	Taxes recoverable	11,607	20,773
1.01.06.01	Current taxes recoverable	11,607	20,773
1.01.08	Other current assets	18,270	8,613
1.01.08.03	Other	18,270	8,613
1.02	Noncurrent assets	273,513	245,501
1.02.01	Long-term receivables	41,954	36,477
1.02.01.06	Deferred taxes	4,456	2,429
1.02.01.06.01	Deferred income and social contribution taxes	4,456	2,429
1.02.01.08	Related-party receivables	30,123	28,486
1.02.01.08.02	Receivables from subsidiaries	30,123	28,486
1.02.01.09	Other noncurrent assets	7,375	5,562
1.02.01.09.04	Judicial deposits	5,638	5,242
1.02.01.09.05	Other receivables	1,737	320
1.02.02	Investments	152,815	133,617
1.02.02.01	Equity interests	152,815	133,617
1.02.02.01.02	Interest in subsidiaries	152,815	133,617
1.02.03	Property, plant and equipment	24,221	24,386
1.02.03.01	Property, plant and equipment in use	24,221	24,386
1.02.04	Intangible assets	54,523	51,021
1.02.04.01	Intangible assets	54,523	51,021
1.02.04.01.02	Trademarks and patents	3,320	2,812
1.02.04.01.03	Store use rights	1,078	1,078
1.02.04.01.04	Software use rights	50,125	47,131

Individual financial statements / balance sheet – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2015	Prior year 12/31/2014
2	Total liabilities	782,979	746,704
2.01	Current liabilities	153,940	122,517
2.01.01	Social and labor liabilities	13,019	13,447
2.01.01.01	Social liabilities	1,724	1,931
2.01.01.02	Labor liabilities	11,295	11,516
2.01.02	Trade accounts payable	85,628	64,368
2.01.02.01	Domestic trade accounts payable	84,977	64,324
2.01.02.02	Foreign trade accounts payable	651	44
2.01.03	Tax liabilities	5,820	3,504
2.01.03.01	Federal tax liabilities	5,652	3,497
2.01.03.01.02	Other federal liabilities	5,652	3,497
2.01.03.02	State tax liabilities	158	1
2.01.03.03	Local tax liabilities	10	6
2.01.04	Loans and financing	45,681	37,266
2.01.04.01	Loans and financing	45,681	37,266
2.01.04.01.01	In local currency	7,766	7,773
2.01.04.01.02	In foreign currency	37,915	29,493
2.01.05	Other liabilities	3,792	3,932
2.01.05.02	Other	3,792	3,932
2.01.05.02.04	Other	3,792	3,932
2.02	Noncurrent liabilities	52,672	47,894
2.02.01	Loans and financing	29,556	33,444
2.02.01.01	Loans and financing	29,556	33,444
2.02.01.01.01	In local currency	29,556	33,444
2.02.04	Provisions	22,475	13,634
2.02.04.01	Provision for tax, social security, labor and civil contingencies	4,422	4,505
2.02.04.01.02	Provisions for social security and labor contingencies	2,484	2,346
2.02.04.01.04	Provisions for civil contingencies	263	484
2.02.04.01.05	Provisions for tax contingencies	1,675	1,675
2.02.04.02	Other provisions	18,053	9,129
2.02.04.02.04	Provision for investment losses	18,053	9,129
2.02.06	Unallocated income and revenues	641	816
2.02.06.02	Unallocated revenues	641	816
2.03	Equity	576,367	576,293
2.03.01	Paid-in capital	260,197	220,086
2.03.02	Capital reserves	33,154	70,739
2.03.02.02	Special goodwill reserve on merger	21,470	21,470
2.03.02.04	Stock options granted	0	9,159
2.03.02.07	Shares issued	11,684	40,110
2.03.04	Income reserves	250,120	285,468
2.03.04.01	Legal reserve	24,193	24,193
2.03.04.05	Retained profit reserve	223,244	223,244
2.03.04.07	Tax incentive reserve	2,683	2,683
2.03.04.08	Additional dividend proposed	0	35,348
2.03.05	Retained earnings/accumulated losses	34,528	0
2.03.06	Equity adjustments	-1,632	0

Individual financial statements / income statement

(In thousands of reais)

Account Code	Account description	Current quarter 04/01/2015 to 06/30/2015	YTD – current year 01/01/2015 to 06/30/2015	Same quarter of Prior year 04/01/2014 to 06/30/2014	YTD – prior year 01/01/2014 to 06/30/2014
3.01	Revenue from sales of goods and/or services	249,307	459,238	227,454	419,723
3.02	Cost of sales and/or services	-165,187	-303,717	-146,628	-269,542
3.03	Gross profit (loss)	84,120	155,521	80,826	150,181
3.04	Operating income/expenses	-49,661	-99,529	-44,587	-89,421
3.04.01	Selling expenses	-28,145	-52,473	-26,550	-47,106
3.04.02	General and administrative expenses	-20,741	-36,846	-17,340	-35,487
3.04.05	Other operating expenses	-770	-2,116	-373	-1,136
3.04.06	Equity pickup	-5	-8,094	-324	-5,692
3.05	Income before financial income/expenses and taxes	34,459	55,992	36,239	60,760
3.06	Financial income (expenses)	3,375	12,749	5,284	9,455
3.06.01	Financial income	6,962	21,340	7,073	12,655
3.06.01.01	Financial income	6,962	14,184	6,598	12,052
3.06.01.02	Exchange gains	0	7,156	475	603
3.06.02	Financial expenses	-3,587	-8,591	-1,789	-3,200
3.06.02.01	Financial expenses	-3,119	-4,183	-1,253	-2,471
3.06.02.02	Exchange losses	-468	-4,408	-536	-729
3.07	Income before income taxes	37,834	68,741	41,523	70,215
3.08	Income and social contribution taxes	-5,896	-18,660	-9,889	-21,149
3.08.01	Current	-6,450	-20,687	-9,670	-22,013
3.08.02	Deferred	554	2,027	-219	864
3.09	Net income from continued operations	31,938	50,081	31,634	49,066
3.11	Income/loss for the period	31,938	50,081	31,634	49,066
3.99	Earnings per share - (reais / share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares (ON)	0.36014	0.56473	0.35689	0.55356
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares (ON)	0.56345	0.56345	0.55330	0.55330

Individual financial statements / statement of comprehensive income

(In thousands of reais)

Account Code	Account description	Current quarter 04/01/2015 to 06/30/2015	YTD – current year 01/01/2015 to 06/30/2015	Same quarter of Prior year 04/01/2014 to 06/30/2014	YTD – prior year 01/01/2014 to 06/30/2014
4.01	Net income for the period	31,938	50,081	31,634	49,066
4.02	Other comprehensive income (loss)	488	-1,632	0	0
4.03	Comprehensive income for the period	32,426	48,449	31,634	49,066

Individual financial statements / cash flow statement – indirect method

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 06/30/2015	YTD – prior year 01/01/2014 to 06/30/2014
6.01	Net cash from operating activities	46,913	42,515
6.01.01	Cash from operations	79,998	75,798
6.01.01.01	Income before income and social contribution taxes	68,741	70,215
6.01.01.02	Depreciation and amortization	8,242	2,981
6.01.01.03	Income from disposal of permanent assets	-21	-210
6.01.01.04	Equity pickup	8,094	5,692
6.01.01.05	Provision for tax, civil and labor contingencies	-83	1,142
6.01.01.06	Interest and exchange variation on loans and financing	1,128	-2,296
6.01.01.07	Short-term investment yield	-8,867	-4,879
6.01.01.09	Supplement of provision for inventory losses	238	585
6.01.01.10	Stock option plan	2,526	2,568
6.01.02	Changes in assets and liabilities	-20,233	-12,741
6.01.02.01	Trade accounts receivable	-20,233	-10,831
6.01.02.02	Inventories	-12,694	-25,342
6.01.02.03	Changes in other current assets an noncurrent assets	-11,074	-17
6.01.02.04	Taxes recoverable	9,166	-338
6.01.02.05	Judicial deposits	-396	-61
6.01.02.07	Trade accounts payable	21,260	27,468
6.01.02.08	Labor liabilities	-221	1,092
6.01.02.09	Tax and social liabilities	-5,726	-3,405
6.01.02.10	Changes in other current liabilities	-315	-1,307
6.01.03	Other	-12,852	-20,542
6.01.03.01	Income and social contribution taxes paid	-12,852	-20,542
6.02	Net cash - investing activities	-2,762	3,790
6.02.01	Additions to property, plant and equipment and intangible assets	-11,579	-16,114
6.02.02	Income from property, plant and equipment and intangible assets	21	1,637
6.02.03	Short-term investments	-295,105	-177,718
6.02.04	Redeemed short-term investments	323,901	195,985
6.02.05	Capital payment in subsidiaries	-20,000	0
6.03	Net cash from financing activities	-49,139	-45,369
6.03.01	Loans raised	34,357	15,689
6.03.02	Repayment of loans	-30,033	-22,127
6.03.03	Interest paid on loans	-925	-644
6.03.04	Receivables from (payable to) related parties, except shareholders	-1,637	645
6.03.05	Interest on equity (IOE)	-15,553	-18,038
6.03.06	Distribution of profits	-35,348	-20,894
6.05	Increase (decrease) in cash and cash equivalents	-4,988	936
6.05.01	Cash and cash equivalents at beginning of period	6,110	8,761
6.05.02	Cash and cash equivalents at end of period	1,122	9,697

Individual financial statements / statement of changes in equity / SCE - 01/01/2015 to 06/30/2015

(In thousands of reais)

Account Code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive Income	Equity
5.01	Opening balances	220,086	70,739	285,468	0	0	576,293
5.03	Adjusted opening balances	220,086	70,739	285,468	0	0	576,293
5.04	Capital transactions with shareholders	40,111	-37,585	-35,348	-15,553	0	-48,375
5.04.01	Capital increase	40,111	-40,111	0	0	0	0
5.04.03	Stock options granted and recognized	0	2,526	0	0	0	2,526
5.04.07	Interest on equity	0	0	0	-15,553	0	-15,553
5.04.10	Dividends	0	0	-35,348	0	0	-35,348
5.05	Total comprehensive income	0	0	0	50,081	-1,632	48,449
5.05.01	Net income for the period	0	0	0	50,081	0	50,081
5.05.02	Other comprehensive income (loss)	0	0	0	0	-1,632	-1,632
5.05.02.04	Translation adjustments for the period	0	0	0	0	-1,632	-1,632
5.07	Closing balances	260,197	33,154	250,120	34,528	-1,632	576,367

Individual financial statements / statement of changes in equity / SCE - 01/01/2014 to 06/30/2014

(In thousands of reais)

Account Code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive Income	Equity
5.01	Opening balances	157,186	128,288	229,068	0	0	514,542
5.03	Adjusted opening balances	157,186	128,288	229,068	0	0	514,542
5.04	Capital transactions with shareholders	62,000	-59,432	-20,894	-12,235	0	-30,561
5.04.01	Capital increase	62,000	-62,000	0	0	0	0
5.04.03	Stock options granted and recognized	0	2,568	0	0	0	2,568
5.04.06	Dividends	0	0	-20,894	0	0	-20,894
5.04.07	Interest on equity	0	0	0	-12,235	0	-12,235
5.05	Total comprehensive income	0	0	0	49,066	0	49,066
5.05.01	Net income for the period	0	0	0	49,066	0	49,066
5.07	Closing balances	219,186	68,856	208,174	36,831	0	533,047

Individual financial statements / statement of value added

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 06/30/2015	YTD – prior year 01/01/2014 to 06/30/2014
7.01	Revenues	554,231	507,287
7.01.01	Sales of goods, products and services	554,231	507,287
7.02	Inputs acquired from third parties	-420,737	-380,911
7.02.01	Costs of goods, products and services sold	-385,673	-341,987
7.02.02	Materials, energy, third-party services and other expenses	-34,396	-37,294
7.02.04	Other	-668	-1,630
7.03	Gross value added	133,494	126,376
7.04	Retentions	-8,242	-2,981
7.04.01	Depreciation, amortization and depletion	-8,242	-2,981
7.05	Net value added generated	125,252	123,395
7.06	Value added received in transfer	13,656	5,224
7.06.01	Equity pickup	-8,094	-5,692
7.06.02	Financial income	21,340	12,052
7.06.03	Other	410	-1,136
7.07	Total value added to be distributed	138,908	128,619
7.08	Distribution of value added	138,908	128,619
7.08.01	Personnel	38,361	30,627
7.08.01.01	Direct compensation	26,881	22,566
7.08.01.02	Benefits	2,420	2,227
7.08.01.03	Unemployment compensation fund (FGTS)	3,269	2,165
7.08.01.04	Other	5,791	3,669
7.08.01.04.01	Employees' profit sharing	1,881	861
7.08.01.04.02	Other	1,384	240
7.08.01.04.03	Stock option plan	2,526	2,568
7.08.02	Taxes, charges and contributions	39,963	44,289
7.08.02.01	Federal	39,626	43,600
7.08.02.02	State	286	-640
7.08.02.03	Local	51	1,329
7.08.03	Debt remuneration	10,503	4,637
7.08.03.01	Interest	740	907
7.08.03.02	Leases	1,912	2,040
7.08.03.03	Other	7,851	1,690
7.08.04	Equity remuneration	50,081	49,066
7.08.04.01	Interest on equity	15,553	12,235
7.08.04.03	Retained earnings/accumulated losses for the period	34,528	36,831

Consolidated financial statements / balance sheet – assets

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2015	Prior year 12/31/2014
1	Total assets	812,393	796,509
1.01	Current assets	628,169	618,653
1.01.01	Cash and cash equivalents	5,025	10,831
1.01.02	Short-term investments	171,286	189,554
1.01.02.01	Short-term investments measured at fair value	171,286	189,554
1.01.02.01.03	Short-term investments measured at fair value	171,286	189,554
1.01.03	Trade accounts receivable	291,327	277,913
1.01.03.01	Trade accounts receivable	291,327	277,913
1.01.04	Inventories	117,496	98,131
1.01.06	Taxes recoverable	19,725	27,742
1.01.06.01	Current taxes recoverable	19,725	27,742
1.01.08	Other current assets	23,310	14,482
1.01.08.03	Other	23,310	14,482
1.02	Noncurrent assets	184,224	177,856
1.02.01	Long-term receivables	16,967	12,013
1.02.01.01	Short-term investments measured at fair value	71	29
1.02.01.01.03	Securities for trading	71	29
1.02.01.06	Deferred taxes	7,370	4,124
1.02.01.06.01	Deferred income and social contribution taxes	7,370	4,124
1.02.01.09	Other noncurrent assets	9,526	7,860
1.02.01.09.04	Judicial deposits	7,549	6,939
1.02.01.09.05	Other receivables	1,977	921
1.02.03	Property, plant and equipment	74,982	75,767
1.02.03.01	Property, plant and equipment in use	74,982	75,767
1.02.04	Intangible assets	92,275	90,076
1.02.04.01	Intangible assets	92,275	90,076
1.02.04.01.02	Trademarks and patents	3,441	2,928
1.02.04.01.03	Store use rights	38,229	39,598
1.02.04.01.04	Software use rights	50,605	47,550

Consolidated financial statements / balance sheet – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2015	Prior year 12/31/2014
2	Total liabilities	812,393	796,509
2.01	Current liabilities	198,527	178,803
2.01.01	Social and labor liabilities	21,164	20,130
2.01.01.01	Social liabilities	2,850	3,025
2.01.01.02	Labor liabilities	18,314	17,105
2.01.02	Trade accounts payable	85,886	70,315
2.01.02.01	Domestic trade accounts payable	85,235	70,271
2.01.02.02	Foreign trade accounts payable	651	44
2.01.03	Tax liabilities	12,109	11,866
2.01.03.01	Federal tax liabilities	8,638	6,476
2.01.03.01.01	Income and social contribution taxes payable	462	296
2.01.03.01.02	Other federal liabilities	8,176	6,180
2.01.03.02	State tax liabilities	3,449	5,358
2.01.03.03	Local tax liabilities	22	32
2.01.04	Loans and financing	67,946	65,081
2.01.04.01	Loans and financing	67,946	65,081
2.01.04.01.01	In local currency	14,454	22,252
2.01.04.01.02	In foreign currency	53,492	42,829
2.01.05	Other liabilities	11,422	11,411
2.01.05.02	Other	11,422	11,411
2.01.05.02.04	Other	11,422	11,411
2.02	Noncurrent liabilities	37,499	41,413
2.02.01	Loans and financing	30,441	34,329
2.02.01.01	Loans and financing	30,441	34,329
2.02.01.01.01	In local currency	30,441	34,329
2.02.02	Other liabilities	1,749	1,767
2.02.02.01	Related-party payables	1,107	950
2.02.02.01.03	Payables to controlling shareholders	1,107	950
2.02.02.02	Other	642	817
2.02.02.02.04	Advances from third parties	642	817
2.02.04	Provisions	5,309	5,317
2.02.04.01	Provision for tax, social security, labor and civil contingencies	5,309	5,317
2.02.04.01.02	Provisions for social security and labor contingencies	2,952	2,766
2.02.04.01.04	Provisions for civil contingencies	313	507
2.02.04.01.05	Provisions for tax contingencies	2,044	2,044
2.03	Equity (consolidated)	576,367	576,293
2.03.01	Paid-in capital	260,197	220,086
2.03.02	Capital reserves	33,154	70,739
2.03.02.02	Special goodwill reserve on merger	21,470	21,470
2.03.02.04	Stock options granted	0	9,159
2.03.02.07	Issue of shares	11,684	40,110
2.03.04	Income reserves	250,120	285,468
2.03.04.01	Legal reserve	24,193	24,193
2.03.04.05	Retained profit reserve	223,244	223,244
2.03.04.07	Tax incentive reserve	2,683	2,683
2.03.04.08	Additional dividend proposed	0	35,348

Consolidated financial statements / balance sheet – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2015	Prior year 12/31/2014
2.03.05	Retained earnings/accumulated losses	34,528	0
2.03.06	Equity adjustments	-1,632	0

Consolidated financial statements / income statement

(In thousands of reais)

Account Code	Account description	Current quarter 04/01/2015 to 06/30/2015	YTD – current year 01/01/2015 to 06/30/2015	Same quarter of Prior year 04/01/2014 to 06/30/2014	YTD – prior year 01/01/2014 to 06/30/2014
3.01	Revenue from sale of goods and/or services	285,450	521,692	253,748	467,173
3.02	Cost of sales and/or services	-164,895	-305,237	-140,840	-262,204
3.03	Gross profit	120,555	216,455	112,908	204,969
3.04	Operating income/expenses	-83,697	-157,270	-73,724	-141,705
3.04.01	Selling expenses	-59,927	-114,893	-53,510	-101,231
3.04.02	General and administrative expenses	-22,550	-40,344	-18,555	-37,879
3.04.05	Other operating expenses	-1,220	-2,033	-1,659	-2,595
3.05	Income before financial income/expenses and taxes	36,858	59,185	39,184	63,264
3.06	Financial income (expenses)	2,053	10,076	3,849	6,766
3.06.01	Financial income	6,951	21,286	7,489	13,448
3.06.01.01	Financial income	6,951	14,130	6,926	12,845
3.06.01.02	Exchange gains	0	7,156	563	603
3.06.02	Financial expenses	-4,898	-11,210	-3,640	-6,682
3.06.02.01	Financial expenses	-4,426	-6,791	-3,089	-6,178
3.06.02.02	Exchange losses	-472	-4,419	-551	-504
3.07	Income before income taxes	38,911	69,261	43,033	70,030
3.08	Income and social contribution taxes	-6,973	-19,180	-11,400	-20,964
3.08.01	Current	-8,189	-22,426	-9,802	-22,144
3.08.02	Deferred	1,216	3,246	-1,598	1,180
3.09	Net income from continued operations	31,938	50,081	31,633	49,066
3.11	Consolidated retained earnings/accumulated losses for the period	31,938	50,081	31,633	49,066
3.11.01	Attributable to shareholders of parent company	31,938	50,081	31,633	49,066
3.99	Earnings per share - (reais / share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares (ON)	0.36014	0.56472	0.35688	0.55356
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares (ON)	0.56345	0.56345	0.55330	0.55330

Consolidated financial statements / statement of comprehensive income

(In thousands of reais)

Account Code	Account description	Current quarter 04/01/2015 to 06/30/2015	YTD – current year 01/01/2015 to 06/30/2015	Same quarter of Prior year 04/01/2014 to 06/30/2014	YTD – prior year 01/01/2014 to 06/30/2014
4.01	Consolidated net income for the period	31,938	50,081	31,634	49,066
4.02	Other comprehensive income (loss)	488	-1,632	0	0
4.03	Consolidated comprehensive income for the period	32,426	48,449	31,634	49,066
4.03.01	Attributable to shareholders of parent company	32,426	48,449	31,634	49,066

Consolidated financial statements / cash flow statement – indirect method

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 06/30/2015	YTD – prior year 01/01/2014 to 06/30/2014
6.01	Net cash from operating activities	37,389	42,711
6.01.01	Cash generated by operations	79,980	74,906
6.01.01.01	Income before income and social contribution taxes	69,261	70,030
6.01.01.02	Depreciation and amortization	11,905	6,306
6.01.01.03	Income from disposal of permanent assets	893	1,404
6.01.01.05	Provision for tax, civil and labor contingencies	-8	969
6.01.01.06	Interest and exchange variation on loans and financing	4,044	-1,753
6.01.01.07	Short-term investment yield	-8,879	-5,195
6.01.01.08	Other	0	-8
6.01.01.09	Supplement of provision for inventory losses	238	585
6.01.01.10	Stock option plan	2,526	2,568
6.01.02	Changes in assets and liabilities	-28,463	-11,653
6.01.02.01	Trade accounts receivable	-13,414	11,692
6.01.02.02	Inventories	-19,603	-35,935
6.01.02.03	Changes in other current assets an noncurrent assets	-11,239	152
6.01.02.04	Taxes recoverable	8,017	-982
6.01.02.05	Judicial deposits	-610	264
6.01.02.07	Trade accounts payable	15,571	22,270
6.01.02.08	Labor liabilities	1,209	1,635
6.01.02.09	Tax and social liabilities	-8,229	-6,969
6.01.02.10	Changes in other current liabilities	-165	-3,780
6.01.03	Other	-14,128	-20,542
6.01.03.01	Income and social contribution taxes paid	-14,128	-20,542
6.02	Net cash from investing activities	12,893	10,952
6.02.01	Acquisition of property, plant and equipment and intangible assets	-16,083	-24,172
6.02.02	Income from disposal of property, plant and equipment and intangible assets	1,871	4,667
6.02.03	Short-term investments	-344,254	-177,722
6.02.04	Redeemed short-term investments	371,359	208,179
6.03	Net cash from financing activities	-55,811	-54,892
6.03.01	Loans taken out	34,451	15,860
6.03.02	Repayment of loans	-38,108	-30,919
6.03.03	Provision for interest on loans	-1,410	-753
6.03.05	Interest on equity (IOE)	-15,553	-18,038
6.03.06	Distribution of profits	-35,348	-20,894
6.03.07	Receivables from (payables to) shareholders	157	-148
6.04	Exchange variation on cash and cash equivalents	-277	0
6.05	Increase (decrease) in cash and cash equivalents	-5,806	-1,229
6.05.01	Cash and cash equivalents at beginning of period	10,831	13,786
6.05.02	Cash and cash equivalents at end of period	5,025	12,557

Consolidated financial statements / statement of changes in equity / SCE - 01/01/2015 to 06/30/2015

(In thousands of reais)

Account Code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive Income	Equity	Non-controlling interest	Consolidated Equity
5.01	Opening balances	220,086	70,739	285,468	0	0	576,293	0	576,293
5.03	Adjusted opening balances	220,086	70,739	285,468	0	0	576,293	0	576,293
5.04	Capital transactions with shareholders	40,111	-37,585	-35,348	-15,553	0	-48,375	0	-48,375
5.04.01	Capital increase	40,111	-40,111	0	0	0	0	0	0
5.04.03	Recognized options granted	0	2,526	0	0	0	2,526	0	2,526
5.04.07	Interest on equity	0	0	0	-15,553	0	-15,553	0	-15,553
5.04.10	Dividends	0	0	-35,348	0	0	-35,348	0	-35,348
5.05	Total comprehensive income	0	0	0	50,081	-1,632	48,449	0	48,449
5.05.01	Net income for the period	0	0	0	50,081	0	50,081	0	50,081
5.05.02	Other comprehensive income (loss)	0	0	0	0	-1,632	-1,632	0	-1,632
5.05.02.04	Translation adjustments for the period	0	0	0	0	-1,632	-1,632	0	-1,632
5.07	Closing balances	260,197	33,154	250,120	34,528	-1,632	576,367	0	576,367

Consolidated financial statements / statement of changes in equity / SCE - 01/01/2014 to 06/30/2014

(In thousands of reais)

Account Code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive Income	Equity	Non-controlling interest	Consolidated Equity
5.01	Opening balances	157,186	128,288	229,068	0	0	514,542	0	514,542
5.03	Adjusted opening balances	157,186	128,288	229,068	0	0	514,542	0	514,542
5.04	Capital transactions with shareholders	62,000	-59,432	-20,894	-12,235	0	-30,561	0	-30,561
5.04.01	Capital increase	62,000	-62,000	0	0	0	0	0	0
5.04.03	Recognized options granted	0	2,568	0	0	0	2,568	0	2,568
5.04.06	Dividends	0	0	-20,894	0	0	-20,894	0	-20,894
5.04.07	Interest on equity	0	0	0	-12,235	0	-12,235	0	-12,235
5.05	Total comprehensive income	0	0	0	49,066	0	49,066	0	49,066
5.05.01	Net income for the period	0	0	0	49,066	0	49,066	0	49,066
5.07	Closing balances	219,186	68,856	208,174	36,831	0	533,047	0	533,047

Consolidated financial statements / Statement of value added

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 06/30/2015	YTD – prior year 01/01/2014 to 06/30/2014
7.01	Revenues	643,335	578,283
7.01.01	Sales of goods, products and services	643,335	578,275
7.01.04	Allowance for/reversal of doubtful accounts	0	8
7.02	Inputs acquired from third parties	-432,702	-376,914
7.02.01	Cost of goods, products and services sold	-358,561	-305,842
7.02.02	Materials, electricity, third-party services and other expenses	-72,465	-68,053
7.02.04	Other	-1,676	-3,019
7.03	Gross value added	210,633	201,369
7.04	Retentions	-11,905	-6,306
7.04.01	Depreciation, amortization and depletion	-11,905	-6,306
7.05	Net value added generated	198,728	195,063
7.06	Value added received in transfer	21,768	10,475
7.06.02	Financial income	21,276	13,070
7.06.03	Other	492	-2,595
7.07	Total value added to be distributed	220,496	205,538
7.08	Value added distributed	220,496	205,538
7.08.01	Personnel	67,372	55,662
7.08.01.01	Direct compensation	48,436	41,209
7.08.01.02	Benefits	6,027	5,479
7.08.01.03	Unemployment compensation fund (FGTS)	5,355	3,968
7.08.01.04	Other	7,554	5,006
7.08.01.04.01	Employees' profit sharing	1,852	881
7.08.01.04.02	Other	3,176	1,557
7.08.01.04.03	Stock option plan	2,526	2,568
7.08.02	Taxes, charges and contributions	75,511	76,466
7.08.02.01	Federal	51,994	54,180
7.08.02.02	State	23,383	20,564
7.08.02.03	Local	134	1,722
7.08.03	Debt remuneration	27,531	24,344
7.08.03.01	Interest	1,346	2,042
7.08.03.02	Rental	16,331	18,041
7.08.03.03	Other	9,854	4,261
7.08.03.03.01	Financial expenses	9,854	4,261
7.08.04	Equity remuneration	50,082	49,066
7.08.04.01	Interest on equity	15,553	12,235
7.08.04.03	Retained earnings/accumulated losses for the period	34,529	36,831

2. Company Overview

About Arezzo&Co

Arezzo&Co is Brazil's leading manufacturer of ladies' footwear, handbags and accessories. With a history of 43 years, it currently sells over 10 million pairs of shoes a year, in addition to handbags and accessories. It has four relevant brands - Arezzo, Schutz, Anacapri and Alexandre Birman.

Its product lines are distinguished by their innovation, design, comfort and excellent value for money.

The multichannel strategy enhances the group's capillarity through owned stores, franchises, multibrand stores and Web Commerce, with a presence in every Brazilian state. Internationally, the brand products are also sold in franchises, owned stores, multibrand stores and department stores. The company ended the 2nd quarter of 2015 with a presence through 465 franchises, 52 owned stores and 2,228 multibrand stores.

AREZZO

Founded in 1972 by the brothers Anderson and Jefferson Birman, in addition to occupying top of mind of consumers of Brazilian ladies' shoes, the brand is one of the most preferred in this segment and most consumed in Brazil. The brand has a trendy positioning, combining concept, high quality, contemporary design and consumer satisfaction. It is the benchmark in launching trends in Brazil and is always to be found in the editorials of the most prestigious magazines, newspapers and sites in Brazil as a reference for fast fashion in ladies' footwear, handbags and accessories.

SCHUTZ

The Schutz brand invests heavily in researching trends and developing materials and technology in order to create its portfolio. Its mission is to offer the public a concept of products where design, quality, fashion and freedom of expression all come together. The result is collections developed to reflect the spirit of the young, contemporary woman who makes an impact, is irreverent and has her own style. It is an invitation to be daring, to look for something different and to challenge the norm.

ANACAPRI

The Anacapri brand, specializing in flats of the Arezzo&Co Group, was founded in 2008 with the purpose of simplifying the lives of its consumers with versatile fashion full of personality, but without relinquishing comfort. It produces different models and colors every year, which are presented in three large collections and in limited editions.

ALEXANDRE BIRMAN

The Alexandre Birman brand is a reference among Brazilian brands of ladies' shoes, vying for room with the top fashion names in well-know retail chains around the world, such as in North America, Europe and Asia.
The brand's hallmark is the concept of exclusiveness and sophistication, which is widely recognized abroad, and for which the Alexandre Birman brand was awarded the Vivian Infantino Emerging Talent Award as the 2009 talent in footwear creation (an award acknowledged as the Oscar of the international footwear industry).

Summary of Results	2Q14	2Q15	Growth or spread%	1H14	1H15	Growth or spread%
Net Revenues	253,748	285,450	12.5%	467,173	521,692	11.7%
Gross Profit	112,908	120,555	6.8%	204,969	216,455	5.6%
Grosss Margin	44.5%	42.2%	-2.3 p.p.	43.9%	41.5%	-2.4 p.p.
EBITDA[1]	42,281	42,979	1.7%	69,570	71,090	2.2%
Ebitda Margin	16.7%	15.1%	-1.6 p.p.	14.9%	13.6%	-1.3 p.p.
Net Income	31,633	31,938	1.0%	49,066	50,081	2.1%
Net Margin	12.5%	11.2%	-1.3 p.p.	10.5%	9.6%	-0.9 p.p.

Operating Indicators	2Q14	2Q15	Growth or spread%	1H14	1H15	Growth or spread%
# of pairs sold ('000)	2,519	2,380	-5.5%	4,577	4,607	0.6%
# of handbags sold ('000)	161	227	41.0%	323	413	27.9%
# of employees	2,062	2,193	6.4%	2,062	2,193	6.4%
# of stores*	468	517	49	468	517	49
Owned Stores	51	52	1	51	52	1
Franchises	417	465	48	417	465	48
Outsourcing (as % of total production)	89.8%	91.3%	1.5 p.p	90.0%	91.2%	1.2 p.p
SSS[2] Sell-in (franchises)	1.1%	-6.0%	-7.1 p.p	4.7%	-5.0%	-9.7 p.p
SSS[2] Sell-out (owned stores + franchises)	6.7%	0.6%	-6.1 p.p	5.1%	0.6%	-4.5 p.p
SSS[2] Sell-out (owned stores + web + franchises)	7.7%	1.4%	-6.3 p.p	5.9%	1.8%	-4.1 p.p

*Does not include legally required job

**Includes stores outside Brazil

1- EBITDA = Earnings before interest, income tax and social contribution on net income, depreciation and amortization. EBITDA is not a measure used in accounting practices adopted in Brazil (BR GAAP), does not represent cash flow for the periods presented and should not be considered as an alternative to net income, as an indicator of operating performance, or as an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and Arezzo&Co's EBITDA definition may not be comparable to adjusted EBITDA of other companies. While EBITDA does not provide, in accordance with the accounting practices adopted in Brazil, a measure of operating cash flows, management uses it to measure operating performance. Additionally, The company believes that certain investors and financial analysts use EBITDA as an indicator of operating performance for a company and/ or its cash flow.

2- SSS (Same-store sales): Stores are included in comparable stores' sales as of the 13th month of operation. Variations in comparable stores' sales in the two periods are based on sales, net of returns, for owned stores, and on gross sales for franchises in operation during both periods under comparison. If a store is included in the calculation of comparable stores' sales for only a portion of one of the periods under comparison, this store will be included in the calculation of the corresponding portion of the other period. When square meters are added to or deducted from a store included in comparable stores' sales, with an impact of over 15% on the sales area, the store is excluded from comparable stores' sales. When a store operation is discontinued, this store's sales are excluded from the calculation of comparable stores' sales for the periods under comparison. As from this period, if a franchisee opens a warehouse, its sales will be included in comparable stores' sales if its franchises operate during both periods under comparison. The so-called "SSS of Franchises – Sell In" refers to comparison of Arezzo&Co's sales with those of each Franchised Store in operation for more than 12 months, serving as a more accurate indicator for monitoring the Group's revenue. On the other hand, "SSS – Sell Out" is based on the point of sales' performance, which, in the case of Arezzo&Co, is a better indicator of Owned Stores' sales behavior and Franchises' sell out sales. The franchise sell-out figures represent the best estimate calculated on the basis of information provided by third parties. Starting in 1Q14, the Company begins to also report SSS sell-out including web commerce.

Gross Revenue	2Q14	Part%	2Q15	Part%	Growth%	1H14	Part%	1H15	Part%	Growth%
Total Gross Revenue	**327,520**		**363,495**		**11.0%**	**603,363**		**663,939**		**10.0%**
Exports market	**16,683**	**5.1%**	**30,546**	**8.4%**	**83.1%**	**26,219**	**4.3%**	**47,306**	**7.1%**	**80.4%**
Domestic market	**310,837**	**94.9%**	**332,949**	**91.6%**	**7.1%**	**577,144**	**95.7%**	**616,633**	**92.9%**	**6.8%**
By brand										
Arezzo	*175,027*	*56.3%*	*179,079*	*53.8%*	*2.3%*	*339,581*	*58.8%*	*345,527*	*56.0%*	*1.8%*
Schutz	*117,188*	*37.7%*	*126,046*	*37.9%*	*7.6%*	*205,436*	*35.6%*	*225,435*	*36.6%*	*9.7%*
Anacapri	*16,525*	*5.3%*	*25,039*	*7.5%*	*51.5%*	*28,320*	*4.9%*	*40,924*	*6.6%*	*44.5%*
Other brands¹	*2,097*	*0.7%*	*2,785*	*0.8%*	*32.8%*	*3,807*	*0.7%*	*4,747*	*0.8%*	*24.7%*
By channel										
Franchises	*151,097*	*48.6%*	*155,292*	*46.6%*	*2.8%*	*297,002*	*51.5%*	*301,309*	*48.9%*	*1.5%*
Multibrand	*83,629*	*26.9%*	*88,614*	*26.6%*	*6.0%*	*139,227*	*24.1%*	*154,671*	*25.1%*	*11.1%*
Owned Stores²	*74,920*	*24.1%*	*87,700*	*26.3%*	*17.1%*	*138,848*	*24.1%*	*158,242*	*25.7%*	*14.0%*
Others³	*1,191*	*0.3%*	*1,343*	*0.5%*	*12.8%*	*2,067*	*0.3%*	*2,411*	*0.3%*	*16.6%*

(1) Includes only domestic markets for Alexandre Birman and other revenues.

(2) Owned Stores: including Web Commerce sales channel.

(3) Includes domestic market revenues that are not specific for distribution channels.

Brands

Arezzo&Co's platform consists of four important brands: Arezzo, Schutz, Anacapri and Alexandre Birman, distributed across a network of owned stores, franchises, multibrand stores and web commerce, with a presence in every Brazilian state. The products are also sold internationally through a variety of channels: owned stores, franchises, multibrand stores and department stores.

In line with the company's calendar of collections, the second quarter sees the concentration of the major portion of sales of the winter collection. This period is noted for two of the key sell-out dates in the first half of the year: Mothers' Day, in May, and Valentines' Day, in June. At the end of the quarter, in parallel with winter sales, the company embarks on preparing the summer collection, with the Cruise Collection for the Arezzo brand, and the Resort Collection for the Schutz brand, introducing early information as to what the trend will be in the stores in the forthcoming season.

The Arezzo brand achieved gross revenue of R$179.1 million in 2Q15, a 2.3% increase against 2Q14, accounting for 53.8% of total domestic sales. For Mothers' Day, the brand put out a creative campaign, engaging consumers with the action "Mom I love you" using kits specially developed for the date, as well as attractive merchandising in the stores, resulting in a healthy increase in network sales during the period, especially in handbags. Moreover, the Arezzo brand attained over 1 million followers on Instagram, consolidating its on-line presence through constant and direct dialog with customers, already in preparation for brand's webcommerce channel, which will be launched in 3Q15. In addition, two stores were refurbished to the new architectural model of the brand during the quarter.

The Schutz brand posted growth of 7.6% in 2Q15 over 2Q14, with gross revenue of R$126.0 million, or 37.9% of domestic sales. Particular reference continues to be given to handbags, which showed a 42.0% growth for the quarter. The Schutz Tag Me collection of handbags and shoes that could be customized with stickers specially developed for the brand, enabled consumers to reflect their own lifestyle in the product. Moreover, the strategy for the web commerce channel, with the new platform completing its first year in 3Q15, continued to show impressive results, achieving growth of 40.4% for the quarter. Also at the end of 2Q15, the Schutz brand launched a mobile application called Schutz Now, allowing customers to interact more with the brand, in addition to promoting the strategy of the Group's Omni Channel.

The Anacapri brand recorded growth of 51.5% in 2Q15 compared to 2Q14, with a total of R$25.0 million in revenue. The brand again entered into successful strategic partnerships during the quarter for Mothers' Day and Valentines' Day, thus strengthening its branding. The brand continues to expand in the franchise channel with positive results that brought the brand healthy growth, ending the quarter with 56 stores. The web commerce channel, launched within the brand in the previous quarter, has developed well and now accounts for approximately 3% of the brand's turnover.

Brands

During the quarter the Alexandre Birman brand reinforced its concept of exclusivity with the iconic sandals Clarita, and to celebrate this internationally recognized best seller in every collection, the brand put on a dinner in New York, the “Clarita Celebratory Dinner”, with the presence of various opinion makers, as well as important members of the press. For Valentine's Day, mettalic pendants were offered to customize shoes with the customers' initials. It is also worth mentioning that the brand’s Resort collection was well received, enabling the brand to penetrate several countries in Europe.

Channels

Mono-brands – Franchises and Owned Stores

According to the Company’s strategy to strengthen mono-brand stores, the sell-out sales of the Arezzo&Co network sell-out (Owned Stores + Web Commerce + Franchises) grew by 8.8% in 2Q15 against 2Q14, particularly due to the expansion of the sales area of 8.8%, while same-store sales (SSS) presented growth of 1.4% in the quarter.

Growth in revenue from mono-brand stores, which comprise franchises sell-in and owned stores sell-out, was 7.5% in 2Q15 over 2Q14, mainly due to the 10.1% increase in sales area in the last 12 months, excluding the outlets area, and also due to the strong growth of 41.0% in volume from handbags, thanks to the development of the category's strategy in the brands. Mono-brand stores accounted for 73.0% of domestic sales in 2Q15.

The franchise channel presented growth of 2.8% in sell-in for the quarter, accounting for 46.6% of domestic sales in 2Q15, boosted by the opening of 49 franchises in the last 12 months, of which 14 are Arezzo, 5 with the Schutz brand and 30 with the Anacapri brand. Moreover, 8 Arezzo brand franchises were expanded in the last 12 months, adding 213.1 m^2 to the sales area in the channel.

Sell-in sales, i.e. those made by Arezzo&Co to its franchisees, recorded a decrease in the same franchises (SSS – franchises) of 6.0% in 2Q15 compared to 2Q14, due mainly to the Company’s strategy to increase the gross margin of the network, with a higher average mark-up and a smaller surplus at the end of the collections, resulting in SSS sell-in lower than SSS sell-out this quarter.

Taking the Owned Stores channel on its own, there was growth of 17.1% in 2Q15 in comparison with 2Q14, driven by the 8.5% increase in sales area, excluding outlets, in addition to the growth in the web commerce channel.

Having opened 3 stores, the Company ended the quarter with 511 mono-brand stores in Brazil and six abroad. In Brazil there were 373 stores under the Arezzo brand, 76 for Schutz, 60 for Anacapri and two for Alexandre Birman.

Channels

History of Stores	2Q14	3Q14	4Q14	1Q15	2Q15
Sales area [1,3] - Total (m²)	**32,381**	**32,859**	**35,641**	**35,735**	**35,235**
Sales area - franchises (m²)	26,056	26,472	28,466	28,337	28,744
Sales area - Owned stores [2] (m²)	6,325	6,387	7,175	7,398	6,491
Total number of domestic stores	**461**	**472**	**508**	**508**	**511**
# of franchises	**411**	**421**	**455**	**455**	**460**
Arezzo	342	344	359	356	356
Schutz	43	43	46	46	48
Anacapri	26	34	50	53	56
# of owned stores	**50**	**51**	**53**	**53**	**51**
Arezzo	17	17	19	19	17
Schutz	25	26	27	28	28
Alexandre Birman	2	2	2	2	2
Anacapri	6	6	5	4	4
Total number of international stores	**7**	**7**	**8**	**6**	**6**
# of franchises	6	6	7	5	5
# of owned stores	1	1	1	1	1

1. Includes areas in square meters of international stores
2. Includes 6 outlet-type stores with a total area of 2,032 m²
3.Includes areas in square meters of stores expansion

Multibrands

In 2Q15, revenue from the Multibrand channel grew 6.0%, continuing the recovery trend of the three previous quarters, due to the consolidation of the company's strategy of unifying the management of all brands in the channel, as well as the continued interest shown by multibrand stores owners in products and brands with a track record of greater appeal at the point of sale. The Company believes in the strategic importance of the channel, and is working to attract new customers, increase the share of wallet from existing customers, including new categories like handbags, and encourage cross-selling among the brands.

With the disqualification of some of the channel's stores in the second half of 2013, the group's four brands are now distributed through 2,228 stores, a decrease of 2.3% over 2Q14, with a presence in 1,216 cities.

Key financial indicators	2Q14	2Q15	Growth or spread%	1H14	1H15	Growth or spread%
Net revenues	253,748	285,450	12.5%	467,173	521,692	11.7%
COGS	(140,840)	(164,895)	17.1%	(262,204)	(305,237)	16.4%
Gross profit	112,908	120,555	6.8%	204,969	216,455	5.6%
Gross margin	*44.5%*	*42.2%*	*-2.3 p.p.*	*43.9%*	*41.5%*	*-2.4 p.p.*
SG&A	(73,724)	(83,697)	13.5%	(141,705)	(157,270)	11.0%
% of net revenues	*29.1%*	*29.3%*	*0.2 p.p*	*30.3%*	*30.1%*	*-0.2 p.p*
Selling expenses	(51,903)	(55,710)	7.3%	(97,824)	(106,774)	9.1%
Owned stores	(22,291)	(25,108)	12.6%	(44,862)	(48,066)	7.1%
Selling, logistics and supply	(29,612)	(30,602)	3.3%	(52,962)	(58,708)	10.8%
General and administrative expense	(17,065)	(20,646)	21.0%	(34,980)	(36,558)	4.5%
Other operating revenues (expenses	(1,659)	(1,220)	-26.5%	(2,595)	(2,033)	-21.7%
Depreciation and amortization	(3,097)	(6,121)	97.6%	(6,306)	(11,905)	88.8%
EBITDA	42,281	42,979	1.7%	69,570	71,090	2.2%
EBITDA margin	*16.7%*	*15.1%*	*-1.6 p.p.*	*14.9%*	*13.6%*	*-1.3 p.p.*
Net income	31,633	31,938	1.0%	49,066	50,081	2.1%
Net margin	*12.5%*	*11.2%*	*-1.3 p.p.*	*10.5%*	*9.6%*	*-0.9 p.p.*
Working capital[1] - as % of revenues	30.2%	29.0%	-1.2 p.p	30.2%	29.0%	-1.2 p.p
Invested capital[2] - as % of revenues	41.9%	43.1%	1.2 p.p.	41.9%	43.1%	1.2 p.p.
Total debt	80,853	98,387	21.7%	80,853	98,387	21.7%
Net debt[3]	(78,343)	(77,924)	-0.5%	(78,343)	(77,924)	-0.5%
Net debt/EBITDA LTM	-0.5x	-0.5x	n/a	-0.5x	-0.5x	n/a

1 - Working Capital: current assets minus cash, cash equivalents and marketable securities less current liabilities minus loans and financing and dividends payable.
2 - Invested capital: working capital plus fixed assets and other long-term assets less income tax and deferred social contribution.
3 - Net debt is equal to total interest-bearing debt position at the end of a period less cash and cash equivalents and short-term financial investments.

Net revenues

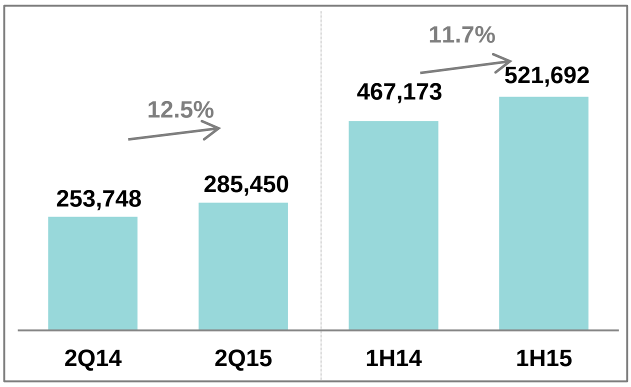
The Company's net revenue reached R$285.5 million in the quarter, a growth of 12.5% over 2Q14. Some of the primary factors leading to this growth are:

i) Expansion of 10.1% in sales area compared to 2Q14, excluding outlets, with particular reference to the growth of 10.3% increase in the Franchises area;

ii) Increase of 1.4% in the same store sales sell-out indicator and decrease of 6.0% of SSS sell-in;

iii) The Multibrand channel grew 6.0% over 2Q14, maintaining the growth trend shown in the last 9 months;

iv) Ending of the tax benefit of a reduction in the ICMS rate, which added R$1.2 million in net revenue in 2Q14.

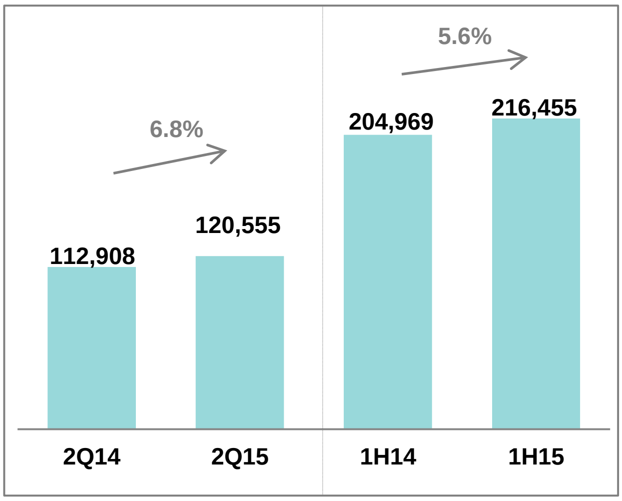


Gross profit

Gross profit totaled R$120.6 million in 2Q15, an increase of 6.8% in comparison with 2Q14, with a gross margin of 42.2%.

This growth in gross profit in 2Q15 particularly reflected the 12.5% growth in net revenue.

The Company pursues a strategy of maintaining channel margins stable, with the owned stores channel subject to more variations. In 2Q15, the change in channel mix affected the consolidated gross margin.



In this quarter, unlike 2Q14, outsoursing agents were included in COGS instead of in selling expenses of selling, logistics and supply, with a negative impact of 130 bps on gross margin comparison between the periods. In addition, the end of the benefit in the ICMS rate also impacted the gross margin in comparison with 2Q14 in 30 bps. Excluding these effects, the gross profit would have been R$125.6 million, with a gross margin of 43.8%.

Operating Expenses

Selling expenses

The Company's selling expenses can be divided into two primary groups:
i) Owned Stores Expenses:
• Include only owned stores (sell-out) expenses.

ii) Sales, Logistics and Supply Expenses:
• Include sell-in and sell-out operating expenses.

In 2Q15 selling expenses increased by 7.3% against 2Q14, reaching R$55.7 million against R$51.9 million in the same quarter of the previous year. Selling, logistics and supply expenses totaled R$30.6 million in the period, up by 3.3%, primarily due to expenses of R$1.4 million in changes in foreign exchange rate with the US operation against the same quarter of the previous year.

Owned stores expenses totaled R$25.1 million in 2Q15, up by 12.6% in comparison with 2Q14, below the growth of 17.1% in revenue in the period.

General and Administrative Expenses

In 2Q15, general and administrative expenses totaled R$20.6 million, against R$17.1 million in the same quarter of the previous year, growth of 21.0%. During the period, severance package expenses amounted to R$1.0 million because of a reduction in headcount, the benefits of which should become apparent during the year. Moreover, new expenses related to the Company ERP such as software license and headcount previously alocated in the implementation project account, amounted R$900 thousand. In adition, expenses with changes in foreing exchange rate in the US operation amounted R$400 thousand. The Company continues to seek a tight control of expenses in order to achieve greater operational leverage, in line with expectations for the year.

Other Revenues (Expenses)

In 2Q15, the Company showed a balance of R$1.2 million for other operating expenses, compared with R$1.7 million in 2Q14.

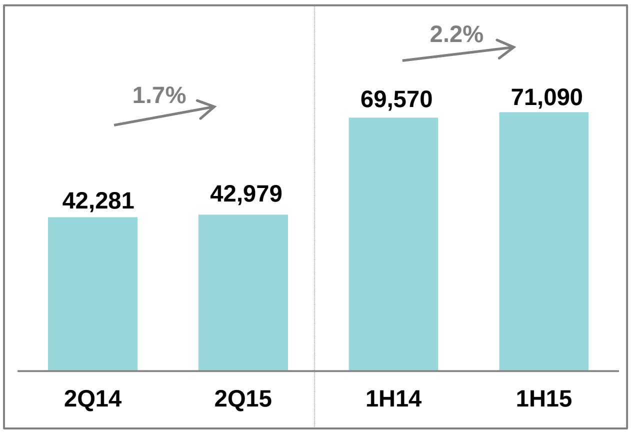
EBITDA and EBITDA margin

The Company's EBITDA presented growth of 1.7% in 2Q15 over 2Q14, totaling R$43.0 million in comparison with R$42.3 million in the same period of the previous year, with an EBITDA margin of 15.1% The primary factors leading to the growth in EBITDA in the quarter were:

i) Increase of 12.5% in net revenue;

ii) Growth of 6.8% in gross profit;

iii) Operating expenses, excluding depreciation, as a percentage of revenues at 27.2%, or a decrease of 60 bps against 2Q14.



Excluding the effects of the ending tax benefit due to the ICMS tax rate reduction and the changes in foreing exchange rate in the US operation, EBITDA would have been R$46.0 million, with a margin of 16.0%.

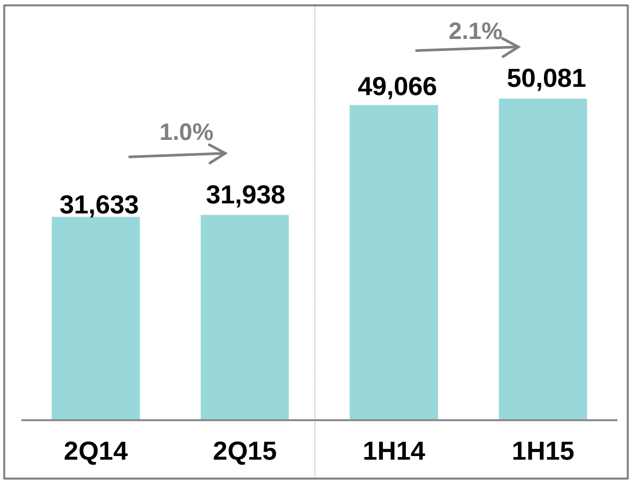
EBITDA Reconciliation	2Q14	2Q15	1H14	1H15
Net income	31,633	31,938	49,066	50,081
(-) Income tax and social contribution	(11,400)	(6,973)	(20,964)	(19,180)
(-) Financial results	3,849	2,053	6,766	10,076
(-) Depreciation and amortization	(3,097)	(6,121)	(6,306)	(11,905)
(=) EBITDA	42,281	42,979	69,570	71,090

Net Income and net margin (%)

The Company showed EBITDA with an 15.1% margin in 2Q15 converted to a net margin of 11.2% for the quarter. This result reflects the higher allocation of capital to fixed assets during the last three years, due to the increase in the number of owned stores and higher investment in IT.

The beginning of the Company's new ERP depreciation due to the conclusion of its implementation project resulted in an increase of 97.6% in depreciation expenses for the quarter.

Net income was R$31.9 million in 2Q15, and net margin was 11.2%.



Operating cash flow

Arezzo&Co generated R$13.2 million in operating cash in 2Q15, due mainly to less need for working capital, especially for inventories, in addition to a lower income tax rate in the quarter.

Operating Cash Flow	2Q14	2Q15	Change in R$	Change in %	1H14	1H15	Change in R$	Change in %
Income before income tax and social contribution	**43,033**	**38,911**	**(4,122)**	**-9.6%**	**70,030**	**69,261**	**(769)**	**-1.1%**
Depreciation and amortization	**3,097**	**6,121**	**3,024**	**97.6%**	**6,306**	**11,905**	**5,599**	**88.8%**
Other	**1,754**	**(5,335)**	**(7,089)**	**n/a**	**(1,430)**	**(1,186)**	**244**	**-17.1%**
Decrease (increase) in current assets / liabilities	**(20,855)**	**(15,386)**	**5,469**	**-26.2%**	**(11,653)**	**(28,463)**	**(16,810)**	**144.3%**
Trade accounts receivables	9,189	5,511	(3,678)	-40.0%	11,692	(13,414)	(25,106)	n/a
Inventories	(18,161)	3,583	21,744	n/a	(35,935)	(19,603)	16,332	-45.4%
Suppliers	(17,130)	(18,559)	(1,429)	8.3%	22,270	15,571	(6,699)	-30.1%
Change in other noncurrent and current assets and liabilities	5,247	(5,921)	(11,168)	n/a	(9,680)	(11,017)	(1,337)	13.8%
Payment of income tax and social contribution	**(18,200)**	**(11,109)**	**7,091**	**-39.0%**	**(20,542)**	**(14,128)**	**6,414**	**-31.2%**
Net cash flow generated by operational activities	**8,829**	**13,202**	**4,373**	**49.5%**	**42,711**	**37,389**	**(5,322)**	**-12.5%**

Investments - Capex

The Company's investments can be broken down into 3 types: 1) investment in expansion or refurbishment of owned points of sale; 2) corporate investments, including IT, facilities, showrooms and offices; and 3) other investments, which are primarily related to modernization of its industrial operations.

Total Capex in 2Q15 was R$5.8 million, primarily due to investments in the strategy for the Company's Omni Channel. Capex in 2Q15 in comparison with the same period of the previous year reflects the conclusion of the new ERP implementation and the Company efforts to reduce investments in 2Q15.

Summary of investments	2Q14	2Q15	Change. (%)	1H14	1H15	Change. (%)
Total capex	**14,312**	**5,791**	**-59.5%**	**24,172**	**16,083**	**-33.5%**
Stores - expansion and refurbishing	2,534	1,572	-38.0%	5,716	2,039	-64.3%
Corporate	10,028	4,083	-59.3%	16,114	11,579	-28.1%
Other	1,750	135	-92.3%	2,342	2,465	5.2%

Cash position and indebtedness

The Company ended 2Q15 with R$77.9 million in net cash. Indebtedness policy remained conservative, with the following primary characteristics:

- Total debt of R$98.4 million in 2Q15 against R$80.9 million in 2Q14;
- Long-term indebtedness was 30.9% of total debt in 2Q15, against 38.5% in 2Q14;
- The weighted average cost of the Company's total debt in 2Q15 remained at lower levels.

Cash position and Indebtedness	2Q14	1Q15	2Q15
Cash	**159,196**	**210,149**	**176,311**
Total debt	80,853	98,138	98,387
Short term	49,753	65,718	67,946
% total debt	61.5%	67.0%	69.1%
Long-term	31,100	32,420	30,441
% total debt	38.5%	33.0%	30.9%
Net debt	**(78,343)**	**(112,011)**	**(77,924)**

ROIC (Return on Invested Capital)

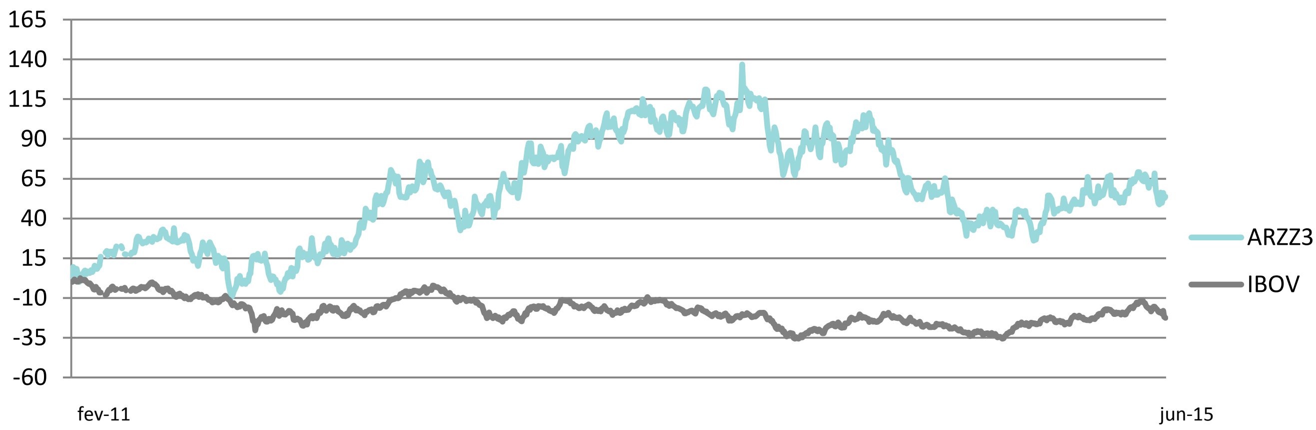
In line with the Company's strategic direction, levels of investment in capital employed are above those of previous years, especially due to the opening of owned stores that has occurred since 2010. Return on Invested capital (ROIC) was 20.4% in 2Q15, affected primarily by the concentration of investments in infrastructure occurred during the past years such as the investments in implementing the Company's new ERP, which will only bear fruit in the medium to long term.

Income from operations	2Q13	2Q14	2Q15	Growth (%)
EBIT (LTM)	146,213	147,610	143,991	-2.5%
+ IR and CS (LTM)	(42,341)	(48,099)	(46,951)	-2.4%
NOPAT	**103,872**	**99,511**	**97,040**	**-2.5%**
Working Capital[1]	244,670	299,906	321,277	7.1%
Permanent assets	121,773	147,452	167,257	13.4%
Other long-term assets[2]	8,632	8,182	9,597	17.3%
Invested capital	**375,075**	**455,540**	**498,131**	**9.3%**
Average invested capital[3]		**415,308**	**476,836**	**14.8%**
ROIC[4]		**24.0%**	**20.4%**	

1 - Working Capital: current assets minus cash, cash equivalents and financial investments less current liabilities minus loans and financing and dividends payable.
2 - Less deferred income tax and social contribution.
3 - Average invested capital in the period and same period previous year.
4 - ROIC: NOPAT for the last 12 months divided by average invested capital.

4. Capital Market and Corporate Governance

As of June 30, 2015 the Company's Market capitalization amounted to R$2.1 bn (stock price R$24.01), a reduction of 24% against the same period of 2014.



Arezzo&Co	
Listing	88,682,735
Ticker	ARZZ3
Listing	2/2/2011
Share Price (06/30/2014)	24.01
Market Cap	2,129,272,467
Performance	
2011[1]	20%
2012[2]	71%
2013 [3]	-24%
2014 4	-9%
2015 [5]	-11%

(1) From 02/02/2011 to 12/29/2011
(2) From 12/29/2011 to 12/28/2012
(3) From 12/28/2012 to 12/30/2013
(4) From 12/30/2013 to 12/30/2014
(5) From 12/30/2014 to 06/30/2015

To ensure greater predictability and transparency to shareholders, the Company has seminnanual distribution of dividends for its shareholders.

Projected payments [1]:

Reference date	Payment date	Remuneration	(R$)	Gross amount by ordinary share (R$)
4/24/2015	5/15/2015	Dividend	35,348,263.63	0.3986
6/15/2015	6/30/2015	Interest on equity	9,750,073.74	0.1099
6/15/2015	6/30/2015	Interest on equity	5,802,596.75	0.0654

(1) Subject to tax withholding at a source rate of 15%, except for proven immune or exempt shareholders, or shareholders domiciled in countries or jurisdictions to which the rules establish different aliquot.

It also provides that the Company shall distribute the dividends, including interest on capital, dividends from other, equivalent to at least 25% of Net income to shareholders. For more information about Arezzo&Co' s remuneration policy, please see: www.arezzoco.com.br.

5. Independent Auditors

The auditing of the financial statements of Arezzo&Co for the period ended June 30, 2015 was carried out by Ernst & Young Auditores Independentes S.S. (“EY”). The Company’s policy of hiring non external auditing-related services from its independent auditors aims to ensure there is no conflict of interest or loss of independence or objectivity. In the period ended June 30, 2015, in addition to the recurring services involving audit and review, other services were provided by EY, not associated with those activities and can be summarized as follows:

Services involving the technical revision of tax studies carried out by third parties regarding the impacts of indirect taxes on transactions involving the purchase and sale of goods, with fees of R$46,700.

6. Investor Relations

Shareholders, analysts and market participants have at their disposal information available on the Company’s IR webpage, www.arezzoco.com.br, CVM webpage, www.cvm.gov.br, and at BM&FBovespa webpage, www.bmfbovespa.com.br.

For further information, direct contact can be made with IR department by the e-mail ri@arezzoco.com.br, or telephone +55 (11) 2132-4300

7. Officer’s Statement with regard to the Financial Statements

The Officers of Arezzo Indústria e Comércio S.A. state to have reviewed, discussed and agreed upon the Independent auditors’ report and financial statements for the quarter ended on June 30th, 2015, according and pursuant to CVM Normative Instruction No. 480/09

Disclaimer

The information contained here may include forward-looking information and reflects the executive office’s current perception and prospects for the macroeconomic environment, the industry situation, the Company's performance and financial results. Any statements, expectations, capacities, plans and projections contained here which do not describe historical facts, such as information about the dividend payment statement, the future course of operations, the introduction of relevant financial strategies, the investment program and the factors or trends affecting the financial condition, liquidity or the operating results are considered forward-looking information as defined by the “U.S. Securities Litigation Reform Act” of 1995 and involve a number of risks and uncertainties. These results are not guaranteed to materialize. These statements are based on several factors and expectations, including the economic and market conditions, level of competition in the industry and operating factors. Any changes in these expectations and factors may lead to real results materially different from the current expectations.

The consolidated financial information of Arezzo Indústria e Comércio S/A – Arezzo&Co presented here complies with the International Financial Reporting Standards – IFRS, issued by the International Accounting Standards Board – IASB, based on audited financial information. The non-financial information, as well as other operating information, was not audited by the independent auditors.

1. Company information

Arezzo Indústria e Comércio S.A. (the “Company”) is a publicly held corporation headquartered at Fernandes Tourinho Street, 147 - Rooms 1301 and 1303, in the city of Belo Horizonte - Minas Gerais State, with shares traded in the “Novo Mercado” segment of the Securities, Commodities and Futures Exchange (BM&FBOVESPA), (“ARZZ3”), since February 2, 2011.

The Company, together with its subsidiaries, is engaged in the manufacture, development, molding and sale of footwear, bags, women’s clothing and accessories.

At June 30, 2015, the Company held 460 franchises in Brazil and 5 abroad; 51 own brand stores across Brazil and 1 own brand store abroad, in addition to a web commerce channel to sell Schutz and Anacapri-branded products.

The franchise system is controlled by Arezzo, and its own brand stores form part of its subsidiaries.

The footwear industry, due to its characteristics, can present variations in sales volume throughout the year, given that a higher volume is expected in the second half of every year. Owing to this seasonality, the balances of Accounts Receivable, Inventories and Accounts Payable may vary significantly between the periods according to order intake and schedule of deliveries as a function of the calendars of collections and special sales. These information are provided to allow for a better understanding of the results since, based on management’s judgment, the Company’s businesses are not impacted by these effects to the extent of being regarded as "highly seasonal", as defined by CPC 21 (IAS 34), which would require additional disclosures or information in the explanatory notes.

2. Summary of significant accounting practices

2.1. Basis of preparation and presentation of financial statements

The individual and consolidated interim financial statements were prepared and are being presented for the six-month period ended June 30, 2015 in accordance with CPC 21 (R1) – Interim Financial Reporting, issued by the Brazilian Financial Accounting Standards Board (“CPC”), and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), in line with the rules issued by the Brazilian Securities and Exchange Commission (“CVM”), applicable to the preparation of Quarterly Information (“ITR”).

2. Summary of significant accounting practices (Continued)

2.1. Basis of preparation and presentation of financial statements (Continued)

In preparing these interim financial statements, the Company adopted the same accounting principles, estimates, practices and calculation methods and standards consistently to these used in the financial statements as at December 31, 2014, unless otherwise disclosed.

These interim financial statements were prepared under the historical cost convention, except for certain assets and liabilities, classified as financial instruments, which are measured at fair value.

These interim financial statements were prepared by the Company to keep users current on material information presented for the period and must be read in conjunction with the financial statements for the year ended December 31, 2014.

The individual and consolidated interim financial statements of the Company for the six-month period ended June 30, 2015 were approved in the Board of Directors' Meeting held on August 3, 2015.

2.2. Basis of consolidation

The consolidated interim financial statements include the Company's operations and that of the following subsidiaries, whose ownership interest percentage, at the balance date, is summarized as follows:

	Total ownership interest %			
Subsidiaries	**2015**		**2014**	
	Direct	**Indirect**	**Direct**	**Indirect**
ZZAB Comércio de Calçados Ltda.	**99.99**	**-**	99.99	-
ZZSAP Indústria e Comércio de Calçados Ltda.	**99.99**	**-**	99.99	-
ARZZ International INC.	**100.00**	**-**	100.00	-
ARZZ LLC	**-**	**100.00**	-	100.00
Schutz 655 LLC	**-**	**100.00**	-	100.00

The subsidiaries are fully consolidated as from their acquisition date, which is the date on which the Company obtains their control, and continue being consolidated through the date on which such control ceases to exist. The financial statements of the subsidiaries are prepared for the same reporting period of the Company, using accounting practices that are consistent with those adopted by the consolidated subsidiaries. All intragroup balances, revenues and expenses as well as unrealized gains and losses on intercompany transactions are eliminated in full.

Changes in ownership interest in a subsidiary that do not result in a loss of control are accounted for as transactions between shareholders, in equity.

Net income for the period is fully attributed to the controlling shareholders given that ownership interest held by noncontrolling shareholders corresponds to 0.0001% of the consolidated.

3. Significant accounting judgments, estimates and assumptions

Significant accounting judgments, estimates and assumptions are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2014.

4. New or revised pronouncements

a) New or revised pronouncements – first-time adoption in 2015

The Company understands that standards amended and revised by the IASB effective on or after January 1, 2015 will have no material impacts on its financial statements.

b) New pronouncements – first-time adoption in 2015 – early adoption

The IASB issued amendment to IAS 27 Equity Pickup in Separate Financial Statements, effective as of January 1, 2016. This amendment enables the adoption of the equity method, in separate financial statements, in investments held in subsidiaries. The Company already adopts the equity method in separate financial statements.

c) New or revised pronouncements not yet effective as of June 30, 2015

Standards and interpretations issued but not yet adopted through the date the Company's interim financial statements were issued are set out below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments, which reflects all financial instruments project phases and replaces IAS 39 – Financial Instruments: Recognition and Measurement, and all versions preceding IFRS 9. The standard introduces new requirements on classification and measurement, impairment losses, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; early adoption is not permitted. Retroactive application is required, but the presentation of comparative information is not mandatory. Early adoption of versions preceding IFRS 9 (2009, 2010 and 2013) is allowed if first-time adoption date is before February 1, 2015. IFRS 9 adoption will have an effect on the classification and measurement of the Company's financial assets, with no impacts, however, on the classification and measurement of the Company's financial liabilities.

There are no other standards or interpretations issued and not yet adopted that may, based on management's opinion, have a significant impact on P&L or equity reported by the Company.

5. Cash and cash equivalents

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Cash	**44**	15	**315**	544
Banks	**1,078**	6,095	**4,710**	10,287
	1,122	6,110	**5,025**	10,831

6. Short-term investments

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Current				
Fixed income (a)	**-**	26,781	**1,661**	26,781
Exclusive investment fund				
Bank Deposit Certificates (CDBs)	**38,734**	15,441	**38,734**	15,441
Repurchase agreements	**34,648**	51,911	**34,648**	51,911
Financial bills (CEF)	**40,098**	-	**40,098**	-
Financial Treasury Bills (LFTs)	**56,145**	95,421	**56,145**	95,421
	169,625	189,554	**171,286**	189,554
Noncurrent				
Certificate accounts with lottery prizes	**-**	-	**71**	29
Total short-term investments	**169,625**	189,554	**171,357**	189,583

(a) These include Bank Deposit Certificates (CDBs) and investments in marketable securities.

Exclusive investment fund

Under CVM Ruling No. 408/04, the investment fund in which the Company holds exclusive participation has been consolidated.

Investment fund ZZ Referenciado DI Crédito Privado is a private credit fixed-income investment fund managed and under custody of Banco Santander S.A. There is no grace period for the redemption of shares, which are readily redeemable without significant loss.

At June 30, 2015, average remuneration for the investment fund is 100.51% of the Interbank Deposit Certificate (CDI), 33% of assets comprise Financial Treasury Bills (LFTs) and 70% of assets have daily liquidity.

The Company has financial investment policies determining that investments will be concentrated on low-risk securities and short-term investments in top-tier financial institutions (understood as Brazil's 10 top-tier financial institutions), substantially corresponding to investments remunerated at the CDI rate.

At June 30, 2015, the Company has no investments pledged as collateral to financial institutions.

7. Trade accounts receivable

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Trade notes – domestic customers	**200,613**	190,616	**202,494**	192,231
Trade notes – foreign customers	**32,672**	24,663	**40,981**	34,258
Trade notes – related parties (Note 12.a)	**26,460**	24,233	**-**	-
Checks	**-**	-	**255**	119
Credit cards	**-**	-	**48,008**	51,716
	259,745	239,512	**291,738**	278,324
(-) Allowance for doubtful accounts	**(365)**	(365)	**(411)**	(411)
	259,380	239,147	**291,327**	277,913

Changes in the allowance for doubtful accounts are as follows

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Balance at beginning of period	**(365)**	(252)	**(411)**	(288)
Additions	**-**	(365)	**-**	(515)
Realization	**-**	252	**-**	392
Balance at end of period	**(365)**	(365)	**(411)**	(411)

Out of total trade accounts receivable, R$97 (R$97 as at December 31, 2014) were given in guarantee for surety bond transactions contracted with financial institutions.

8. Inventories

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Raw material	**5,855**	6,407	**14,064**	13,161
Work in process	**-**	-	**9,255**	9,739
Finished products	**41,466**	27,865	**91,351**	70,867
Advances to suppliers	**3,725**	4,273	**4,410**	5,903
(-) Provision for losses	**(1,584)**	(1,539)	**(1,584)**	(1,539)
	49,462	37,006	**117,496**	98,131

Changes in the provision for losses are as follows:

	Company and Consolidated	
	06/30/2015	12/31/2014
Balance at beginning of period	**(1,539)**	(799)
Additions	**(529)**	(1,054)
Recoveries/realization	**484**	314
Balance at end of period	**(1,584)**	(1,539)

9. Taxes recoverable

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
State VAT (ICMS) recoverable	**8,375**	11,165	**9,306**	11,985
Prepaid Corporate Income Tax (IRPJ)	**1,523**	6,061	**2,329**	6,867
Prepaid Social Contribution Tax on Net Profit (CSLL)	**406**	1,986	**777**	2,357
Other	**1,303**	1,561	**7,313**	6,533
	11,607	20,773	**19,725**	27,742

10. Other receivables

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Advance for advertising fund	**11,354**	4,268	**11,354**	4,268
Receivables from franchisees	**1,911**	2,457	**1,911**	3,903
Advances to suppliers	**2,163**	975	**4,745**	2,525
Advances to employees	**706**	332	**989**	850
Advances on business travel	**739**	846	**757**	848
Prepaid expenses	**2,830**	55	**2,959**	201
Other receivables	**304**	-	**2,572**	2,808
	20,007	8,933	**25,287**	15,403
Current	**18,270**	8,613	**23,310**	14,482
Noncurrent	**1,737**	320	**1,977**	921

11. Income and social contribution taxes

a) Deferred taxes

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Deferred income and social contribution taxes:				
On temporary differences	**4,456**	2,429	**4,435**	2,382
On income and social contribution tax losses	**-**	-	**2,935**	1,742
Total deferred income and social contribution taxes	**4,456**	2,429	**7,370**	4,124

Deferred income tax asset reconciliation is as follows:

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Opening balance	**2,429**	4,800	**4,124**	5,514
Deferred tax recognized in Income Statement	**2,027**	(2,371)	**3,246**	(1,390)
Closing balance	**4,456**	2,429	**7,370**	4,124

The studies and projections made by Company management indicate the generation of future taxable profits at an amount that allows for the offset of future tax credits over the next years.

11. Income and social contributions taxes (Continued)

a) Deferred taxes (Continued)

Based on future taxable profit projections, the estimate for recoverability of deferred income and social contribution taxes (Company and consolidated) is stated as follows:

	Company	Consolidated
	06/30/2015	06/30/2015
2015	**3,677**	**4,162**
2016	**311**	**1,283**
2017	**311**	**1,283**
2018	**157**	**642**
Total	**4,456**	**7,370**

b) Reconciliation between income and social contribution tax expenses at the statutory and effective rates

Reconciliation of the expense calculated by applying income and social contribution tax rates is as follows:

	Company		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Income before income and social contribution taxes	**68,741**	70,215	**69,261**	70,030
Statutory rate (%)	**34%**	34%	**34%**	34%
Expected IRPJ and CSLL expenses at statutory rate	**(23,372)**	(23,873)	**(23,549)**	(23,810)
Deferred income and social contribution taxes on losses other than those from subsidiaries	**-**	-	**(1,814)**	(1,230)
Income and social contribution tax effects on permanent differences:				
Benefit on expenses with research and technological innovation - Law No. 11196/05	**1,626**	1,735	**1,626**	1,735
Equity pickup	**(2,752)**	(1,935)	**-**	-
Interest on equity	**5,288**	4,159	**5,288**	4,159
Expenses with stock option plan	**(859)**	(924)	**(859)**	(924)
Tax incentives (Worker's meal program – PAT, Rouanet Act, among others)	**325**	58	**325**	58
Other permanent differences	**1,084**	(369)	**(197)**	(952)
Income and social contribution taxes per income statement	**(18,660)**	(21,149)	**(19,180)**	(20,964)
Current	**(20,687)**	(22,013)	**(22,426)**	(22,144)
Deferred	**2,027**	864	**3,246**	1,180
Total	**(18,660)**	(21,149)	**(19,180)**	(20,964)
Effective rate - %	**27.15%**	30.12%	**27.69%**	29.93%

12. Related-party transactions and balances

a) Balances and transactions with subsidiaries and controlling shareholders

	06/30/2015						
	Current assets	Noncurrent assets		Current liabilities	Noncurrent liabilities	Transactions	
	Trade accounts receivable	Receivables	Intercompany loans	Trade accounts payable	Intercompany loans	Revenues	Purchases
Company							
Subsidiaries							
ARZZ Co LLC	**-**	**10,281**	**-**	**-**	**-**	**-**	**-**
ARZZ International INC	**-**	**19,842**	**-**	**-**	**-**	**9,047**	**-**
ZZAB Comércio de Calçados Ltda.	**26,356**	**-**	**-**	**118**	**-**	**66,763**	**1**
ZZSAP Indústria e Comércio de Calçados Ltda.	**104**	**-**	**-**	**5,138**	**-**	**1,259**	**52,672**
Total Company	**26,460**	**30,123**	**-**	**5,256**	**-**	**77,069**	**52,673**
Consolidated							
Controlling shareholders	**-**	**-**	**-**	**-**	**1,107**	**-**	**-**
Total Consolidated	**-**	**-**	**-**	**-**	**1,107**	**-**	**-**

	12/31/2014					06/30/2014	
	Current assets	Noncurrent assets		Current liabilities	Noncurrent liabilities	Transactions	
	Trade accounts receivable	Receivables	Intercompany loans	Trade accounts payable	Intercompany loans	Revenues	Purchases
Company							
Subsidiaries							
ARZZ Co LLC	-	8,800	-	-	-	-	-
ARZZ International INC	-	13,770	-	-	-	7,111	-
ZZAB Comércio de Calçados Ltda.	23,418	-	-	433	-	64,203	2
ZZSAP Indústria e Comércio de Calçados Ltda.	815	-	5,916	-	-	325	47,813
Total Company	24,233	22,570	5,916	433	-	71,639	47,815
Consolidated							
Controlling shareholders	-	-	-	-	950	-	-
Total Consolidated	-	-	-	-	950	-	-

12. Related-party transactions and balances (Continued)

b) Nature, terms and conditions of transactions – subsidiaries

The Company's transactions with related parties are carried out under commercial and financial conditions mutually agreed between the parties concerned. The most common transaction is the sale of Arezzo (Company) footwear and accessories to ZZAB and ARZZ International Inc. (subsidiaries), and the acquisition of footwear and accessories from manufacturer ZZSAP (subsidiary).

The sales transactions performed by these related parties are in accordance with specific pricing policies and terms established between the parties. Days sales outstanding (DSO) for related parties is 70 days, while days purchases outstanding (DPO) by related parties is 18 days.

c) Key management personnel compensation

Management compensation is through management fees and profit sharing. At June 30, 2015, Company management compensation related to short-term benefits (management fees and profit sharing) totaled R$ 3,049 (R$ 1,777 at June 30, 2014), as follows:

	06/30/2015	06/30/2014
Annual fixed compensation – salary/management fees	**2,333**	2,019
Variable compensation – bonus	**716**	65
Total compensation	**3,049**	2,084

The Company grants a share-based payment plan (Note 30). For the six-month period ended June 30, 2015, expenses on officers' stock option plan totaled R$ 497 (R$ 432 at June 30, 2014), stated as operating expenses before financial income.

The Company and its subsidiaries do not grant post-employment benefits, severance pay packages or other long-term benefits to its management and employees.

d) Transactions or relations with shareholders

Certain Company officers and directors hold directly a total 52.9% interest in the Company's shares at June 30, 2015.

12. Related-party transactions and balances (Continued)

e) Transactions with other related parties

The Company has a legal advisory service agreement in the civil, labor and tax areas with law firm Procópio de Carvalho, owned by Mr. José Murilo Procópio de Carvalho, a director of the Company's Board of Directors, as well as with Ethos Desenvolvimento S/C Ltda., owned by Mr. José Ernesto Beni Bolonha, a provider of human resources management consulting services and also a member of the Company's Board of Directors. For the six-month period ended June 30, 2015, these entities received R$ 234 and R$ 329 (R$ 348 and R$ 296 at June 30, 2014), respectively.

The Company hired business advisory services from Instituto de Desenvolvimento Gerencial S.A., entity in which Mr. Wellerson Cavalieiri, member of the Company's Board of Directors, holds interest. For the six-month period ended June 30, 2015, this entity received R$ 491 (R$ 2,130 at June 30, 2014).

13. Investments

For purposes of consolidated interim financial statements presentation, net income and financial position of the subsidiary included in the consolidated and investment valued under the equity method in the individual and consolidated interim financial statements with functional currency other than the reporting currency, was translated into the reporting currency. The same procedure is adopted for presentation purposes in the individual and consolidated financial statements, of investment balance, equity pickup and exchange variation arising from the translation process, in which: i) assets and liabilities are translated at the exchange rate in force at the consolidated financial statements closing date; ii) net income accounts are translated at the monthly average exchange quote; iii) all differences arising from the translation of exchange rates are posted to equity, in the consolidated statement of comprehensive income, as “Other comprehensive income (loss)”; and iv) amounts presented in the cash flow statements are extracted from changes in translation of assets, liabilities and net income..

13. Investments (Continued)

Description	Assets	Liabilities	Equity	Capital	Net revenue	Income (loss) for the period	% Interest held	Investment/provision for investment losses 06/30/2015	Investment/provision for investment losses 12/31/2014	Equity pickup 06/30/2015	Equity pickup 06/30/2014
ZZAB Com. de Calçados Ltda.	**169,232**	**41,312**	**127,920**	**93,614**	**103,743**	**1,241**	99.99	**127,920**	126,678	**1,241**	(67)
ZZSAP Ind. e Com. de Calçados Ltda.	**45,455**	**20,560**	**24,895**	**20,592**	**41,307**	**(2,043)**	99.99	**24,895**	6,939	**(2,043)**	(1,399)
Investments								**152,815**	133,617	**(802)**	(1,466)
ARZZ International INC.	**29,382**	**47,435**	**(18,053)**	**24,270**	**20,592**	**(7,292)**	100.00	**(18,053)**	(9,129)	**(7,292)**	(4,226)
Provision for investment losses								**(18,053)**	(9,129)	**(7,292)**	(4,226)
								134,762	124,488	**(8,094)**	(5,692)

	Company 06/30/2015	Company 12/31/2014
Balance at beginning of period, net of provision for losses	**124,488**	125,184
Capital payment	**20,000**	5,721
Other comprehensive income (loss)	**(1,632)**	-
Equity pickup	**(8,094)**	(6,417)
Balance at end of period, net of provision for losses	**134,762**	124,488

13. **Investments** (Continued)

Capital increase

In 2014, subsidiary ARZZ International Inc. increased its capital from US$ 6,589 thousand to US$ 9,139 thousand, totaling US$ 2,550 thousand, equivalent to R$ 5,721 paid in currency in the year.

For the six-month period ended June 30, 2015, subsidiary ZZSAP Ind. e Com. de Calçados Ltda. increased its capital by R$ 20,000 paid in currency in the period.

14. Property, plant and equipment

	06/30/2015			12/31/2014		
Company	**Cost**	**Depreciation**	**Net**	**Cost**	**Depreciation**	**Net**
Computers and peripherals	**10,165**	**(5,422)**	**4,743**	9,619	(4,662)	4,957
Furniture and fixtures	**7,389**	**(2,868)**	**4,521**	7,019	(2,554)	4,465
Machinery and equipment	**6,361**	**(2,309)**	**4,052**	5,963	(2,000)	3,963
Facilities and showroom	**14,940**	**(4,293)**	**10,647**	14,320	(3,589)	10,731
Vehicles	**242**	**(85)**	**157**	236	(67)	169
Land	**101**	**-**	**101**	101	-	101
Total	**39,198**	**(14,977)**	**24,221**	37,258	(12,872)	24,386

	06/30/2015			12/31/2014		
Consolidated	**Cost**	**Depreciation**	**Net**	**Cost**	**Depreciation**	**Net**
Computers and peripherals	**12,344**	**(6,656)**	**5,688**	11,552	(5,690)	5,862
Furniture and fixtures	**20,586**	**(6,495)**	**14,091**	19,045	(5,479)	13,566
Machinery and equipment	**15,742**	**(6,114)**	**9,628**	14,459	(5,381)	9,078
Facilities and showroom	**62,122**	**(16,805)**	**45,317**	61,371	(14,380)	46,991
Vehicles	**254**	**(97)**	**157**	249	(80)	169
Land	**101**	**-**	**101**	101	-	101
Total	**111,149**	**(36,167)**	**74,982**	106,777	(31,010)	75,767

14. **Property, plant and equipment** (Continued)

Details of the Company property, plant and equipment are set out as follows:

Company	**Computers and peripherals**	**Furniture and fixtures**	**Machinery and equipment**	**Facilities and showroom**	**Vehicles**	**Land**	**Total**
Balances at 12/31/2013	2,375	4,401	3,586	9,752	133	1,501	21,748
Acquisitions	2,730	354	291	1,142	-	-	4,517
Depreciation	(407)	(274)	(191)	(567)	(8)	-	(1,447)
Write-offs	-	-	(13)	-	-	(1,400)	(1,413)
Balances at 06/30/2014	4,698	4,481	3,673	10,327	125	101	23,405
Balances at 12/31/2014	4,957	4,465	3,963	10,731	169	101	24,386
Acquisitions	**546**	**370**	**398**	**620**	**27**	**-**	**1,961**
Depreciation	**(760)**	**(314)**	**(309)**	**(704)**	**(39)**	**-**	**(2,126)**
Balances at 06/30/2015	**4,743**	**4,521**	**4,052**	**10,647**	**157**	**101**	**24,221**
Average depreciation rate	20%	10%	10%	10%	20%	-	

Consolidated	**Computers and peripherals**	**Furniture and fixtures**	**Machinery and equipment**	**Facilities and showroom**	**Vehicles**	**Land**	**Total**
Balances at 12/31/2013	3,360	11,840	7,750	43,959	133	1,501	68,543
Acquisitions	2,832	2,444	1,428	5,504	-	-	12,208
Depreciation	(566)	(791)	(501)	(2,856)	(8)	-	(4,722)
Write-offs	(27)	(507)	(30)	(1,942)	-	(1,400)	(3,906)
Balances at 06/30/2014	5,599	12,986	8,647	44,665	125	101	72,123
Balances at 12/31/2014	5,862	13,566	9,078	46,991	169	101	75,767
Acquisitions	**799**	**1,622**	**1,311**	**2,440**	**26**	**-**	**6,198**
Depreciation	**(969)**	**(1,036)**	**(760)**	**(2,901)**	**(38)**	**-**	**(5,704)**
Write-offs	**(4)**	**(61)**	**(1)**	**(1,213)**	**-**	**-**	**(1,279)**
Balances at 06/30/2015	**5,688**	**14,091**	**9,628**	**45,317**	**157**	**101**	**74,982**
Average depreciation rate	20%	10%	10%	10%	20%	-	

15. Intangible assets

Company	06/30/2015 Cost	06/30/2015 Amortization	06/30/2015 Net	12/31/2014 Cost	12/31/2014 Amortization	12/31/2014 Net
Trademarks and patents	**3,320**	**-**	**3,320**	2,812	-	2,812
Store use rights	**1,078**	**-**	**1,078**	1,078	-	1,078
System use rights	**69,230**	**(19,105)**	**50,125**	60,120	(12,989)	47,131
Total	**73,628**	**(19,105)**	**54,523**	64,010	(12,989)	51,021

Consolidated	06/30/2015 Cost	06/30/2015 Amortization	06/30/2015 Net	12/31/2014 Cost	12/31/2014 Amortization	12/31/2014 Net
Trademarks and patents	**3,441**	**-**	**3,441**	2,928	-	2,928
Store use rights	**38,229**	**-**	**38,229**	39,598	-	39,598
System use rights	**70,273**	**(19,668)**	**50,605**	61,017	(13,467)	47,550
Total	**111,943**	**(19,668)**	**92,275**	103,543	(13,467)	90,076

Changes in Company balances are detailed below:

Company	Trademarks and patents	Store use rights	System use rights	Total
Balances at 12/31/2013	2,655	1,078	22,497	26,230
Acquisitions	17	2	11,578	11,597
Amortization	-	-	(1,534)	(1,534)
Write-offs	-	-	(14)	(14)
Balances at 06/30/2014	2,672	1,080	32,527	36,279
Balances at 12/31/2014	2,812	1,078	47,131	51,021
Acquisitions	**508**	**-**	**9,110**	**9,618**
Amortization	**-**	**-**	**(6,116)**	**(6,116)**
Balances at 06/30/2015	**3,320**	**1,078**	**50,125**	**54,523**
Estimated useful life	Indefinite	Indefinite	5 years	

Consolidated	Trademarks and patents	Store use rights	System use rights	Total
Balances at 12/31/2013	2,778	41,495	22,841	67,114
Acquisitions	16	278	11,670	11,964
Amortization	-	-	(1,584)	(1,584)
Write-offs	(12)	(2,130)	(23)	(2,165)
Balances at 06/30/2014	2,782	39,643	32,904	75,329
Balances at 12/31/2014	2,928	39,598	47,550	90,076
Acquisitions	**513**	**116**	**9,256**	**9,885**
Amortization	**-**	**-**	**(6,201)**	**(6,201)**
Write-offs	**-**	**(1,485)**	**-**	**(1,485)**
Balances at 06/30/2015	**3,441**	**38,229**	**50,605**	**92,275**
Estimated useful life	Indefinite	Indefinite	5 years	

15. Intangible assets (Continued)

Major investments made in "system use rights" regard the development and implementation of the new integrated management system which was implemented in the first half of 2015, with additional investment in 2015 of R$ 5,574. The management software selected by the Company was SAP.

For the six-month period ended June 30, 2015, the amount of R$ 7,969 (R$ 8,505 at June 30, 2014) was recognized in P&L, Company and consolidated, related to expenses with research and development of new products, recorded as Company general and administrative expenses.

Impairment test of indefinite-lived intangible assets

The impairment test of the intangible assets did not require recognition of loss for the year ended December 31, 2014 since their estimated value in use exceeds the net carrying amount as of the measurement date. In preparing these interim financial statements, the Company evaluated the existence of events that could impact the amount of its assets and found no indications that they may have been impaired.

16. Loans and financing

Loans and financing can be summarized as under:

	Company		Consolidated	
	06/30/2015	**12/31/2014**	**06/30/2015**	**12/31/2014**
Working Capital	**-**	-	**15,577**	13,331
Banco do Brasil (FINAME)	**10**	12	**1,071**	1,055
Advance on exchange contracts (ACC)	**37,915**	29,493	**37,915**	29,493
FINEP	**37,312**	41,205	**37,312**	41,205
BNDES Progeren	**-**	-	**6,512**	14,323
Other	**-**	-	**-**	3
	75,237	70,710	**98,387**	99,410
Current	**45,681**	37,266	**67,946**	65,081
Noncurrent	**29,556**	33,444	**30,441**	34,329

Interest rates and charges incurred on loans are as follows:

(i) Working Capital in the United States of America: denominated in US dollars, plus average Libor rate + 1.35% fixed p.a.

(ii) Leasing and Finame: 1.37% p.m.

(iii) Advance on exchange contracts (ACC): denominated in US dollars, increased by interest rate plus Bank spread, average of 1.43% p.a. at June 30, 2015.

(iv) FINEP: Rate of 4% and 5.25% p.a., or indexed to long-term interest rate (TJLP)

(v) BNDES Progeren – working capital, TJLP rate plus 2.5% p.a.

16. Loans and financing (Continued)

Loan agreement maturities

- Working capital (Bank of America): maturity on September 11, 2015;
- Banco do Brasil: Monthly installments with final maturity in August 2015;
- ACC: various contracts with final maturity to May 2016;
- FINEP: maturing from 2014 to September 2021; and
- BNDES: maturing at November 15, 2015.

Loans and financing recorded as noncurrent liabilities at June 30, 2015 mature as follows:

	Company	Consolidated
2016	**4,731**	**4,761**
2017	**7,972**	**8,193**
2018	**6,345**	**6,500**
After 2018	**10,508**	**10,987**
Total	**29,556**	**30,441**

Loans are guaranteed by collateral signatures of controlling shareholders and also surety bonds, and do not have covenants on financial ratios.

Other guarantees and commitments

The Company has a technical and financial cooperation agreement with Banco do Nordeste do Brasil S/A to maintain credit facilities intended for Arezzo franchisees in business ventures within the bank's area of operations. Funds of the Constitutional Northeast Region Finance Fund (FNE) are used for financing the modernization of its stores (of third parties) in accordance with standards established by the Company, as well as costs associated with these operations, by way of working capital requirements, if necessary.

The Company is the guarantor of these transactions through a surety bond, as engaged by shop owners. At June 30, 2015, the amount is R$ 1,754 (R$ 1,631 at December 31, 2014).

The Company has a technical and financial cooperation agreement with Banco Alfa to maintain credit facilities intended for Arezzo franchisees in business ventures, using BNDES funds for financing the modernization of its stores (of third parties) in accordance with standards established by the Company, as well as costs associated with these operations. The Company is the guarantor of these transactions. At June 30, 2015, balance of these transactions guaranteed by the Company amounted to R$ 2,509 (R$ 3,693 at December 31, 2014).

There not history of Company losses on similar transaction

17. Trade accounts payable

Breakdown of trade accounts payable is as follows:

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Domestic trade accounts payable	**79,721**	63,891	**85,235**	70,271
Transactions with related parties (Note 12.a)	**5,256**	433	**-**	-
Foreign trade accounts payable	**651**	44	**651**	44
	85,628	64,368	**85,886**	70,315

18. Labor liabilities

Breakdown of labor liabilities is as follows:

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Salaries payable	**64**	5,810	**1,531**	7,398
Accrued for vacation pay and payroll Taxes	**11,231**	5,706	**16,783**	9,707
	11,295	11,516	**18,314**	17,105

19. Provisions for labor, tax and civil contingencies

The balances are as follows:

	Company		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Civil	**263**	484	**313**	507
Tax	**1,675**	1,675	**2,044**	2,044
Labor	**2,484**	2,346	**2,952**	2,766
	4,422	4,505	**5,309**	5,317

Based on information provided by its legal advisors and on analysis of ongoing litigation, management set up a provision at an amount deemed sufficient to cover probable losses on existing cases, as follows:

Company	Civil	Tax	Labor	Total
Balances at 12/31/2013	502	1,185	2,162	3,849
Additions/restatements	511	1,217	429	2,157
Reversals/payments	(544)	-	(471)	(1,015)
Balances at 06/30/2014	469	2,402	2,120	4,991
Balances at 12/31/2014	484	1,675	2,346	4,505
Additions/restatements	**2**	**-**	**242**	**244**
Reversals/payments	**(223)**	**-**	**(104)**	**(327)**
Balances at 06/30/2015	**263**	**1,675**	**2,484**	**4,422**

Consolidated	Civil	Tax	Labor	Total
Balances at 12/31/2013	524	1,554	2,765	4,843
Additions/restatements	511	1,217	465	2,193
Reversals/payments	(544)	-	(680)	(1,224)
Balances at 06/30/2014	491	2,771	2,550	5,812
Balances at 12/31/2014	507	2,044	2,766	5,317
Additions/restatements	**29**	**-**	**606**	**635**
Reversals/payments	**(223)**	**-**	**(420)**	**(643)**
Balances at 06/30/2015	**313**	**2,044**	**2,952**	**5,309**

19. **Provisions for labor, tax and civil contingencies** (Continued)

In March 2014, the Company provisioned the amount of R$1,217 relating to a tax deficiency notice served by the Brazilian Internal Revenue Service on May 31, 2013 for nonpayment of Corporate Income Tax (IRPJ), Social Contribution Tax on Net Profit (CSLL) and Tax on Financial Transactions (IOF) on loans in the period from June 2008 to December 2009. On August 1, 2014, the provision totaling R$727 relating to IOF was reversed by virtue of the adoption of the federal tax installment program established by Law No. 12973 of 2014. The Company paid the consolidated installment plan amount of R$423 in cash on August 22, 2014. The proceeding related to IRPJ and CSLL is currently at the administrative level.

The Company and its subsidiaries are involved in other legal and administrative proceedings of a civil, tax and labor nature amounting to approximately R$40,833, Company and Consolidated, whose likelihood of loss was assessed as possible in the opinion of its legal advisors and, as such, no recognition of provision was required.

These other proceedings include the following:

i) Tax deficiency notice served by the Brazilian IRS on June 11, 2013 referring to IRPJ and CSLL against the Company, questioning the deductibility of the amortization of goodwill arising from the acquisition of equity interest in the Company by BRICS Participações S.A. (BRICS) at market value, which was determined by independent experts, and the subsequent downstream merger by the Company, as described in Note 21.2 of the financial statements as of December 31, 2014. The merged goodwill was recognized net of goodwill adjustment provision, as required by CVM Ruling No. 319/99, and constitutes a tax benefit arising from the deductibility of the referred to goodwill. This case is currently at the administrative level and, according to the Company's legal advisors, the likelihood of loss is "possible", amounting to R$7,684.

ii) Tax delinquency notice served by the Rio Grande do Sul State Finance Office (SEFAZ/RS) on April 2, 2013, referring to allegedly undue ICMS credit taken on shipment of goods to acquirers established in Manaus Free-Trade Zone (ZFM) and Free Trade Areas (ALC), in the period from February 2008 to December 2011, resulting in the required payment of ICMS, as restated, amounting to R$5,100. The case is currently at the administrative level and, according to the Company's legal advisors, the likelihood of loss is "possible".

Judicial deposits

At June 30, 2015, judicial deposits amount to R$5,638, in Company (R$5,242 at December 31, 2014), and R$7,549, in consolidated (R$6,939 at December 31, 2014).

20. Capital and reserves

20.1. Capital

At March 31, 2015, the Board of Directors approved capital increase in the amount of R$40,111, through partial capitalization of the capital reserve, with no new issue of shares.

	Number of shares (in thousands)	Capital R$
Balance at December 31, 2013	88,637	157,186
Capital increase through capitalization of capital reserve	-	62,000
Balance at June 30, 2014	88,637	219,186
Balance at December 31, 2014	88,682	220,086
Capital increase through capitalization of capital reserve	**-**	**40,111**
Balance at June 30, 2015	**88,682**	**260,197**

20.2. Treasury shares

At March 31, 2014, the Board of Directors approved the introduction of a share buyback program intended to maintain the Company's own shares in treasury for their subsequent cancellation or disposal ("Buyback Program"). Deals can be conducted within 365 (three hundred sixty-five) days beginning March 31, 2014, i.e., they will be closed by March 31, 2015. The Company had not repurchased any share.

On March 30, 2015, the Board of Directors approved the introduction of a share buyback program intended to maintain the Company's own shares in treasury for their subsequent cancellation or disposal ("Buyback Program"). Deals can be conducted within 365 (three hundred sixty-five) days beginning March 30, 2015, i.e., they will be closed by March 29, 2016. Each deal shall be limited to 4,238,629 (four million, two hundred thirty-eight thousand, six hundred twenty-nine) common registered, book-entry shares, with no par value, issued by the Company, accounting for 10% (ten percent) of total outstanding shares issued by the Company, as defined by CVM Ruling No.10/80, article 5. Until June 30, 2015, the Company had not repurchased any share.

21. Dividend and interest on equity paid and proposed

<u>Dividend</u>

Pursuant to the Company's articles of incorporation, shareholders are entitled to a mandatory minimum dividend equivalent to 25% of net income for the year, adjusted by a legal reserve set up as required by the corporation law. Interest on equity, as calculated, is considered to be distribution of profit for purposes of determination of minimum dividend to be paid.

On March 2, 2015, the Board of Directors approved the proposal to allocate net income for the year ended December 31, 2014, including a proposal to pay additional dividend amounting to R$35,348. On April 24, 2015, dividend payment proposal was approved in the Company's Annual General Shareholders' Meeting, paid on May 14, 2015.

21. Dividends and interest on equity paid and proposed (Continued)

Interest on equity – Law No. 9249/95

In order to meet tax standards, the Company recorded interest on equity paid or credited for the year against “financial expenses”. In order to prepare these financial statements, such interest is reversed from P&L against retained earnings, as required by the accounting practices. On such interest, income tax was withheld at source at the rate of 15%, except for shareholders that proved to be tax exempt or tax immune, or shareholders domiciled in countries or jurisdictions where legislation establishes a different rate.

On March 17, 2014, the Board of Directors approved a policy to pay proceeds for 2014 and 2015. Amounts to be paid for 2015, for IOE purposes, amount to R$9,750 for each six-month period, and paid at June 30, 2015 and payable on December 30, 2015.

At June 30, 2015, the Company recorded interest on equity amounting to R$15,553, with R$9,750 approved on March 17, 2014 and R$5,803 on June 15, 2015.

Interest on equity credited over the year is considered prepayment of mandatory minimum dividend.

22. Earnings (loss) per share

In compliance with CPC 41 (IAS 33), the Company set out below information on earnings per share for the six-month periods ended June 30, 2015 and 2014.

a) Basic earnings per share

	06/30/2015	06/30/2014
Net income for the period (in thousands of reais)	**50,081**	49,066
Weighted average number of shares issued (in thousands)	**88,682**	88,637
Basic earnings per share – in R$	**0.5647**	0.5536

b) Diluted earnings per share

	06/30/2015	06/30/2014
Net income for the period (in thousands of reais)	**50,081**	49,066
Weighted average of shares issued (in thousands)	**88,682**	88,637
Adjustment as per stock options (in thousands)	**200**	37
Weighted average number of common shares for diluted earnings per share (in thousands)	**88,882**	88,674
Diluted earnings per share – R$	**0.5635**	0.5533

23. Net sales revenue

Breakdown of net sales revenue is as follows:

	Company		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Gross sales revenue				
Domestic market	**525,804**	501,588	**616,633**	577,144
Foreign market	**33,824**	21,001	**47,306**	26,219
Sales returns	**(5,341)**	(14,818)	**(20,548)**	(23,633)
Discounts and rebates	**(56)**	(484)	**(56)**	(484)
Sales taxes	**(94,993)**	(87,564)	**(121,643)**	(112,073)
Net operating revenue	**459,238**	419,723	**521,692**	467,173

24. Segment information

The Company has only one operational segment defined as footwear, bags and accessories. The Company is organized, and has its performance evaluated as a single business unit for operating, commercial, managerial and administrative purposes. This view is supported by the following factors:

- there is no segregation in its structure for the management of different product lines, brand names or sale distribution channels;
- its manufacturing unit operates under more than one brand name and through more than one sale distribution channel;
- the strategic decisions of the Company are based on studies that indicate market opportunities and not only on performance by product, brand name or channel.

The Company products are distributed under different brand names (Arezzo, Schutz, Anacapri and Alexandre Birman) and through different channels (franchises, multi-brand and own stores), however, they are controlled and managed by management as a single business segment, and the results therefrom are followed up, monitored and analyzed in an integrated manner.

For management purposes, Company management monitors the consolidated gross revenue by brand name and sale distribution channel, as under:

	Consolidated	
Brand name	**06/30/2015**	**06/30/2014**
Gross revenue	**663,939**	603,363
Arezzo – domestic market	**345,527**	339,581
Schutz – domestic market	**225,435**	205,436
Anacapri – domestic market	**40,924**	28,320
Other	**4,747**	3,807
Foreign market	**47,306**	26,219

	Consolidated	
Channel	**06/30/2015**	**06/30/2014**
Gross revenue	**663,939**	603,363
Franchises	**301,309**	297,002
Multi-brand	**154,671**	139,227
Own stores	**158,242**	138,848
Other	**2,411**	2,067
Foreign market	**47,306**	26,219

Revenue from foreign market is not stated separately by geographic area, as it accounts for 7% of gross revenue as of June 30, 2015 (4% as of June 30, 2014). There are no customers individually accountable for more than 5% of sales on both local and foreign markets.

25. Expenses by nature

The Company elected to present the consolidated income statement by function. In accordance with the IFRS, detailed information on expenses by nature is as follows:

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Expenses by function				
Cost of sales	**(303,717)**	(269,542)	**(305,237)**	(262,204)
Selling expenses	**(52,473)**	(47,106)	**(114,893)**	(101,231)
General and administrative expenses	**(36,846)**	(35,487)	**(40,344)**	(37,879)
Other operating income (expenses), net	**(2,116)**	(1,136)	**(2,033)**	(2,595)
	(395,152)	(353,271)	**(462,507)**	(403,909)

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Expenses by nature				
Depreciation and amortization	**(8,242)**	(2,981)	**(11,905)**	(6,306)
Personnel expenses	**(45,986)**	(37,465)	**(75,914)**	(63,877)
Raw material, and consumption and in-use material	**(304,062)**	(270,823)	**(306,276)**	(263,485)
Freight	**(9,895)**	(6,804)	**(12,031)**	(7,697)
Store occupancy	**-**	-	**(13,244)**	(14,616)
Other operating expenses	**(26,967)**	(35,198)	**(43,137)**	(47,928)
	(395,152)	(353,271)	**(462,507)**	(403,909)

26. Financial risk management objectives and policies

a) Fair value

Major financial instrument transactions engaged, as well as their respective fair values calculated by Company management, are as follows:

	Consolidated			
	06/30/2015		12/31/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	**5,025**	**5,025**	10,831	10,831
Short-term investments	**171,357**	**171,357**	189,583	189,583
Trade accounts receivable and other receivables	**316,614**	**316,614**	293,316	293,316
Loans and financing	**98,387**	**98,387**	99,410	99,410
Trade accounts payable and other accounts payable	**97,950**	**97,950**	82,543	82,543

26. Financial risk management objectives and policies (Continued)

a) <u>Fair value</u> (Continued)

At June 30, 2015, the Company's consolidated financial assets and liabilities are classified in the following financial instrument categories:

	Measurement	
	Fair value	**Amortized cost**
Assets		
Loans and receivables		
Cash and cash equivalents	-	**5,025**
Trade and other accounts receivable	-	**316,614**
Financial assets measured at fair value through profit or loss		
Short-term investments	**171,357**	**-**
Liabilities		
Other financial liabilities		
Trade and other accounts payable	-	**97,950**
Loans and financing	-	**98,387**

The following methods and assumptions were used in determining the fair value:

- Short-term investments - the book values stated in the balance sheet are equal to fair value due to fact that their remuneration rates are based on the CDI, CDB and LFT variation (Note 6).

- Cash and cash equivalents, trade and other accounts receivable, trade and other accounts payable - derive directly from the Company's and its subsidiaries' transactions, measured at amortized cost and recorded at their original value, less provision for losses and present value adjustment, when applicable. Book value approximates fair value, given the short-term settlement of these transactions.

- Loans and financing - these are classified as financial liabilities not measured at fair value and are recorded using the amortized cost method under contractual conditions. This definition was adopted as the amounts are not held for trading, which, according to management understanding, reflects the most significant accounting information. The fair values of this financing are equivalent to their book values, as these financial instruments have rates equivalent to market rates and feature specific characteristics.

a.1) *Fair value hierarchy*

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments through valuation:

Level 1: prices quoted (without adjustments) at active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, whether directly or indirectly;

Level 3: techniques using data that have a significant effect on fair value recorded which are not based on observable market data.

26. Financial risk management objectives and policies (Continued)

a) Fair value (Continued)

For fair value measurement of its financial instruments, the Company adopts the valuation technique of prices quoted in active markets (Level 1) and the observable price valuation technique (Level 2).

b) Exposure to currency risks

Income from the Company's and its subsidiaries' operations is subject to US Dollar currency risk due to the fact that part of sales revenues are linked to this currency. To minimize currency risk, nearly all exports have financing pegged to that currency

At June 30, 2015 and December 31, 2014, net exposure to the US dollar is as follows:

	Consolidated	
	06/30/2015	**12/31/2014**
Accounts receivable	**40,981**	34,258
Loans and financing	**(53,492)**	(42,824)
Net exposure	**(12,511)**	(8,566)

In order to check sensitivity of assets and liabilities in foreign currency to which the Company was exposed as of June 30, 2015, three different scenarios were defined, and a sensitivity analysis was prepared considering foreign exchange rate fluctuations.

In the following table, three scenarios were considered, with the probable scenario being adopted by the Company. These scenarios have been defined based on management's expectation for exchange rate variations on maturity dates of the corresponding contracts exposed to these risks.

In addition to this scenario, CVM Ruling No. 475, dated December 17, 2008 ("CVM Ruling No. 475"), requires the presentation of two other scenarios applying depreciation at 25% and 50% of the risk variable under analysis. These scenarios are presented in accordance with CVM rules.

Transaction	**Currency**	**Probable scenario (book value)**	**Scenario A**	**Scenario B**
Currency rate appreciation				
Accounts receivable in foreign currency	R$	40,981	51,226	61,472
Loans and financing in foreign currency	R$	(53,492)	(66,865)	(80,238)
Rate depreciation at			25%	50%
Exchange rate reference				
Dollar		3.10	3.88	4.65
Effect on income before taxes	R$		(15,639)	(18,766)

26. Financial risk management objectives and policies (Continued)

b) Currency risks exposure (Continued)

In October 2012, the Company entered into a derivative hedging instrument in the amount of US$3,025 thousand with a view to reducing currency exposure on its export sales operations, considering the value of portfolio orders, maturing on October 6, 2014. At June 30, 2015, the Company had no new hedging instrument.

Adjustments arising from derivative instruments would have the following effects:

Income statement	06/30/2015	06/30/2014
Gain recognized as financial income (expenses)	-	(110)

The fair value of derivatives was calculated using official quotes for forward US dollar, by reference to the quote for the first forward dollar before and after the maturity of the derivative instrument at year end. The weighted average of forward rates was calculated based on such data, so as to estimate the fair value of the transaction at each year end.

c) Interest rate risks exposure

The Company is exposed to interest rate risks due to contracted loan agreements pegged to the TJLP. The rates incurred are stated in Note 16.

At June 30, 2015, breakdown of loans and financing, in terms of interest rates, is as follows:

	Consolidated	
	06/30/2015	%
Fixed interest	**45,498**	46%
TJLP and Libor-based interest	**52,889**	54%
	98,387	100%

In order to check sensitivity of indexes of loans to which the Company was exposed as of June 30, 2015, three scenarios were defined, and a sensitivity analysis of the effects of changes in the index rates of such instruments was performed.

In the following table, three scenarios were considered, with the probable scenario being adopted by the Company. Based on the long-term interest rate (TJLP) and LIBOR prevailing at June 30, 2015, the probable scenario was defined for 2015 together with the 25% and 50% variations as required by CVM Ruling No. 475.

26. Financial risk management objectives and policies (Continued)

c) Interest rate risks exposure (Continued)

Gross financial expenses were calculated for each scenario, not considering taxes levies and maturity flow of each contract. Financing reporting date was June 30, 2015, with projection of indexes for one year and assessment of sensitivity thereof in each scenario.

Transaction	Currency	Probable	Scenario A	Scenario B
Increase in financial expenses				
Financing – TJLP	R$	2,233	2,791	3,349
Financing – Libor	R$	120	150	180
		2,353	2,941	3,529
Rate appreciation at			25%	50%
Reference for financial liabilities				
Libor		0.77%	0.96%	1.16%
TJLP		6.00%	7.50%	9.00%

d) Financial instruments

There were no changes in the concepts and practices disclosed in the financial statements as of December 31, 2014.

e) Credit risk

There were no changes in the concepts and practices disclosed in the financial statements as of December 31, 2014.

f) Liquidity risk

There were no changes in the concepts and practices disclosed in the financial statements as of December 31, 2014.

The table below presents contractual payments required for the Company's financial liabilities:

	Projection including future interest			
	Whitin 1 Year	From 1 to 5 years	Over 5 years	Total
Loans and financing	68,419	34,998	5,106	108,523
Trade and other accounts payable	104,003	-	-	104,003

g) Capital management

There were no changes in the concepts and practices disclosed in the financial statements as of December 31, 2014.

27. Financial income (expenses)

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Financial income:				
Interest income	**2,606**	3,180	**2,620**	3,186
Short-term investment yield	**10,921**	8,531	**10,986**	9,069
Other revenue	**657**	341	**524**	590
	14,184	12,052	**14,130**	12,845
Financial expenses:				
Banking expenses	**(989)**	(904)	**(1,165)**	(1,132)
Interest on financing	**(740)**	(907)	**(1,172)**	(2,042)
Credit card administration fee	**-**	-	**(1,712)**	(2,233)
Notary public fees	**(1,445)**	(425)	**(1,469)**	(425)
Other expenses	**(1,009)**	(235)	**(1,273)**	(346)
	(4,183)	(2,471)	**(6,791)**	(6,178)
Exchange gains (losses), net	**2,748**	(126)	**2,737**	99
Total	**12,749**	9,455	**10,076**	6,766

28. Other operating income (expenses), net

	Company		Consolidated	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Stock option plan (Note 30)	**(2,526)**	(2,568)	**(2,526)**	(2,568)
Franchise fees	**357**	640	**357**	640
Recovery of expenses	**217**	68	**81**	68
Gain (loss) on disposal of property, plant and equipment and intangible assets	**20**	211	**(893)**	(1,248)
Other operation income	**(184)**	513	**948**	513
	(2,116)	(1,136)	**(2,033)**	(2,595)

29. Operating lease agreements – stores lease

Mandatory minimum operating lease payments are as follows:

	Minimum payments at 06/30/2015 (consolidated)
Within 1 year	**17,728**
Over 1 year up to 5 years	**21,058**

The average monthly lease expenses paid amount to R$2,059 (R$2,378 in 2014). These lease agreements mature between four to five years, subject to financial charges related to the General Price Index – Market (IGPM) variation, as specified in each agreement.

For the six-month period ended June 30, 2015, lease expenses, net of taxes recoverable, totaled R$12,355 (R$14,269 at June 30, 2014). Lease payable balance amounts to R$2,924 (R$3,643 at December 31, 2014).

30. Stock option plan

4th grant - June 2015:

On June 12, 2015, the Company handed in the Stock Option Grant Agreement to participants providing for Plan terms and conditions. This agreement should be signed and returned to the Company within a 30-day term, jointly with the notice of exercise of Lot I and the proof of transfer of funds referring to the exercise of Lot I options, when applicable. Had one of these conditions not been met within the term set up, the participant would have not been eligible for the plan.

The exercise price of the Stock Option Plan is set at R$19.91 per share, equivalent to the average of 90 closing quotations of Company shares at BM&F Bovespa, which occurred before the grant approval, with a 20% discount.

In July 2015, the adhesion to the Stock Option Plan was perfected, with all initial conditions met, express statement from the eligible participants through formalization of the Grant Agreements and, when applicable, notice of the exercise of Lot I and the corresponding transfer of funds.

Breakdown of the stock option plan, considering the grace periods for the exercise of the options, is as follows:

	Maximum number of shares			
Grace period from the grant date	**1st grant**	**2nd grant**	**3rd grant**	**4th grant**
Up to 30 days from the grant date	45,059	22,539	21,744	52,741
From first anniversary	54,731	158,228	195,787	162,992
From second anniversary	54,731	158,228	195,787	162,992
From third anniversary	109,462	316,455	391,572	325,984
Total	263,983	655,450	804,890	704,709

Changes in the stock option plan are as follows:

	1st grant	**2nd grant**	**3rd grant**	**4th grant**
Balance at December 31, 2013	178,875	631,911	-	-
Options granted	-	-	804,890	-
Options exercised	(23,957)	-	(21,744)	-
Options cancelled (*)	(36,089)	(125,207)	(31,376)	-
Balance at December 31, 2014	**118,829**	**506,704**	**751,770**	**-**
Options granted	**-**	**-**	**-**	**704,709**
Options exercised	**-**	**-**	**-**	**(52,741)**
Options cancelled (*)	**(57,118)**	**(68,999)**	**(19,896)**	**-**
Balance at June 30, 2015	**61,711**	**437,705**	**731,874**	**651,968**

(*) Stock options written off due to termination of employees who participated in the stock option plan.

For the six-month period ended June 30, 2015, the Company calculated R$2,526 (R$2,568 at June 30, 2014) referring to the stock option plan expense recognized in the income statement matched against equity in the capital reserve specific account.

30. Stock option plan (Continued)

In determining the stock options fair value, the following assumptions were used:

	1st grant June/2012		2nd grant June/2013		3rd grant June/2014		4th grant June/2015	
Lot	I	II	I	II	I	II	I	II
Number of shares								
1st maturity	68,231	79,543	25,757	165,286	29,395	236,211	73,955	217,031
2nd maturity	N/A	79,543	N/A	165,286	N/A	236,211	N/A	217,031
3rd maturity	N/A	159,087	N/A	330,572	N/A	472,420	N/A	434,062
Strike price - (R$)	20.86	20.86	27.61	27.61	18.42	18.42	19.91	19.91
Fair value per option - (R$)								
1st maturity	6.66	9.05	7.36	13.82	4.95	9.82	1.55	8.52
2nd maturity	N/A	11.33	N/A	16.37	N/A	10.22	N/A	9.23
3rd maturity	N/A	13.32	N/A	16.72	N/A	11.47	N/A	9.84
Expected dividend ("Dividend yield")	-	-	4.85%	4.85%	5.03%	5.03%	1.89%	1.89%
Share price volatility	40.36%	40.36%	36.29%	41.18%	27.95%	40.91%	24.93%	31.69%
Risk-free interest rate								
1st maturity	8.50%	7.81%	7.86%	10.47%	10.81%	11.75%	13.41%	12.48%
2nd maturity	N/A	8.59%	N/A	10.60%	N/A	11.80%	N/A	12.33%
3rd maturity	N/A	9.35%	N/A	10.69%	N/A	11.86%	N/A	12.25%
Period expected to maturity - (calendar days)								
1st maturity	30	365	30	365	30	365	30	365
2nd maturity	N/A	730	N/A	730	N/A	730	N/A	730
3rd maturity	N/A	1,095	N/A	1,095	N/A	1,095	N/A	1,095

31. Government grants

ICMS matching credit

For the six-month period ended June 30, 2015, the Company did not enjoy the tax benefit (R$2,830 at June 30, 2014). This amount was recorded in the income statement for the period, reducing expenses related to sales taxes, as provided for in CPC 07 (IAS 20) - Accounting for Government Grants and Disclosure of Government Assistance.

A free translation from Portuguese into English of independent auditor's review report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and specific Brazilian Securities and Exchange Commission (CVM) rules

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The Shareholders, Board of Directors and Officers of
Arezzo Indústria e Comércio S.A.
Belo Horizonte – MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Arezzo Indústria e Comércio S.A. (Company) for the quarter ended June 30, 2015, comprising the balance sheet as at June 30, 2015 and the related statements of income and comprehensive income for the three- and six-month periods then ended and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) – Interim Financial Reporting, issued by the Brazilian Financial Accounting Standards Board (CPC) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). 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 International Standards on Auditing 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. Accordingly, we do not express an audit opinion on this quarterly information.

Conclusion on the individual and consolidated 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 quarterly financial information referred to above was not fairly prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2015, prepared under the responsibility of Company management, whose presentation in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, which do not require SVA presentation. These statements have been submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the overall accompanying interim financial information.

Porto Alegre, August 3, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6/F/RS

Guilherme Ghidini Neto
Accountant CRC RS-067795/O-5