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Company information / capital breakdown

Number of shares (thousand)	Current quarter 03/31/2015
Paid-in capital	
Common shares	88,637
Preferred shares	0
Total	88,637
Treasury shares	
Common shares	0
Preferred shares	0
Total	0

Individual financial statements / balance sheet – assets

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
1	Total assets	816,807	746,704
1.01	Current assets	561,503	501,203
1.01.01	Cash and cash equivalents	2,252	6,110
1.01.02	Short-term investments	202,613	189,554
1.01.02.01	Short-term investments measured at fair value	202,613	189,554
1.01.02.01.03	Short-term investments measured at fair value	202,613	189,554
1.01.03	Trade accounts receivable	270,497	239,147
1.01.03.01	Trade accounts receivable	270,497	239,147
1.01.04	Inventories	56,550	37,006
1.01.06	Taxes recoverable	15,983	20,773
1.01.06.01	Current taxes recoverable	15,983	20,773
1.01.08	Other current assets	13,608	8,613
1.01.08.03	Other	13,608	8,613
1.02	Noncurrent assets	255,304	245,501
1.02.01	Long-term receivables	45,159	36,477
1.02.01.06	Deferred taxes	3,902	2,429
1.02.01.06.01	Deferred income and social contribution taxes	3,902	2,429
1.02.01.08	Related-party receivables	33,789	28,486
1.02.01.08.02	Receivables from subsidiaries	33,789	28,486
1.02.01.09	Other noncurrent assets	7,468	5,562
1.02.01.09.04	Judicial deposits	5,405	5,242
1.02.01.09.05	Other receivables	2,063	320
1.02.02	Investments	131,279	133,617
1.02.02.01	Equity Interests	131,279	133,617
1.02.02.01.02	Interest in subsidiaries	131,279	133,617
1.02.03	Property, plant and equipment	24,277	24,386
1.02.03.01	Property, plant and equipment in use	24,277	24,386
1.02.04	Intangible assets	54,589	51,021
1.02.04.01	Intangible assets	54,589	51,021
1.02.04.01.02	Trademarks and patents	3,112	2,812
1.02.04.01.03	Store use rights	1,078	1,078
1.02.04.01.04	Software use rights	50,399	47,131

Individual financial statements / balance sheet – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2	Total liabilities	816.807	746,704
2.01	Current liabilities	169.674	122,517
2.01.01	Social and labor liabilities	10.452	13,447
2.01.01.01	Social liabilities	2.042	1,931
2.01.01.02	Labor liabilities	8.410	11,516
2.01.02	Trade accounts payable	97.221	64,368
2.01.02.01	Domestic trade accounts payable	97.221	64,324
2.01.02.02	Foreign trade accounts payable	0	44
2.01.03	Tax liabilities	17.477	3,504
2.01.03.01	Federal tax liabilities	17.441	3,497
2.01.03.01.01	Income and social contribution taxes payable	11,017	0
2.01.03.01.02	Other federal liabilities	6,424	3,497
2.01.03.02	State tax liabilities	21	1
2.01.03.03	Local tax liabilities	15	6
2.01.04	Loans and financing	39,034	37,266
2.01.04.01	Loans and financing	39,034	37,266
2.01.04.01.01	In local currency	7,770	7,773
2.01.04.01.02	In foreign currency	31,264	29,493
2.01.05	Other liabilities	5,490	3,932
2.01.05.02	Other	5,490	3,932
2.01.05.02.04	Other	5,490	3,932
2.02	Noncurrent liabilities	53,502	47,894
2.02.01	Loans and financing	31,501	33,444
2.02.01.01	Loans and financing	31,501	33,444
2.02.01.01.01	In local currency	31,501	33,444
2.02.04	Provisions	21,273	13,634
2.02.04.01	Provision for tax, social security, labor and civil contingencies	4,273	4,505
2.02.04.01.02	Provisions for social security and labor contingencies	2,333	2,346
2.02.04.01.04	Provisions for civil contingencies	265	484
2.02.04.01.05	Provisions for tax contingencies	1,675	1,675
2.02.04.02	Other provisions	17,000	9,129
2.02.04.02.04	Provision for investment losses	17,000	9,129
2.02.06	Unallocated income and revenues	728	816
2.02.06.02	Unallocated revenues	728	816
2.03	Equity	593,631	576,293
2.03.01	Paid-in capital	260,197	220,086
2.03.02	Capital reserves	31,943	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	10,473	40,110
2.03.04	Income reserves	285,468	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	35,348	35,348
2.03.05	Retained earnings/accumulated losses	18,143	0

Individual financial statements / balance sheet – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2.03.06	Equity adjustments	-2,120	0

Individual financial statements / income statement

(In thousands of reais)

Account Code	Account description	YTD - current year 01/01/2015 to 03/31/2015	YTD – previous year 01/01/2014 to 03/31/2014
3.01	Revenue from sales of goods and/or services	209,931	192,269
3.02	Cost of sales and/or services	-138,530	-122,914
3.03	Gross profit (loss)	71,401	69,355
3.04	Operating income/expenses	-49,868	-44,834
3.04.01	Selling expenses	-24,328	-20,556
3.04.02	General and administrative expenses	-16,105	-18,147
3.04.05	Other operating expenses	-1,346	-763
3.04.06	Equity pickup	-8,089	-5,368
3.05	Income before financial income/expenses and taxes	21,533	24,521
3.06	Financial income (expenses)	9,374	4,171
3.06.01	Financial income	10,438	5,454
3.06.01.01	Financial income	7,223	5,454
3.06.01.02	Exchange gains	3,215	0
3.06.02	Financial expenses	-1,064	-1,283
3.06.02.01	Financial expenses	-1,064	-1,218
3.06.02.02	Exchange losses	0	-65
3.07	Income before income taxes	30,907	28,692
3.08	Income and social contribution taxes	-12,764	-11,259
3.08.01	Current	-14,237	-12,342
3.08.02	Deferred	1,473	1,083
3.09	Net income from continued operations	18,143	17,433
3.11	Income/loss for the period	18,143	17,433
3.99	Earnings per share - (reais / share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares (ON)	0.20469	0.19668
3.99.02	Diluted earnings per share		
3.99.02.01	Common shares (ON)	0.20410	0.19630

Individual financial statements / statement of comprehensive income

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD - previous year 01/01/2014 to 03/31/2014
4.01	Net income for the period	18,143	17,433
4.02	Other comprehensive income (loss)	-2,120	0
4.03	Comprehensive income for the period	16,023	17,433

Individual financial statements / cash flow statement – indirect method

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD - previous year 01/01/2014 to 03/31/2014
6.01	Net cash from operating activities	17,297	39,416
6.01.01	Cash from operations	39,476	32,148
6.01.01.01	Income before income and social contribution taxes	30,907	28,692
6.01.01.02	Depreciation and amortization	4,033	1,439
6.01.01.03	Income from disposal of permanent assets	0	-223
6.01.01.04	Equity pickup	8,089	5,368
6.01.01.05	Provision for tax, civil and labor contingencies	-232	895
6.01.01.06	Interest and exchange variation on loans and financing	509	-1,312
6.01.01.07	Short-term investment yield	-5,383	-4,092
6.01.01.09	Supplement of provision for inventory losses	238	126
6.01.01.10	Stock option plan	1,315	1,255
6.01.02	Changes in assets and liabilities	-19,253	9,609
6.01.02.01	Trade accounts receivable	-31,350	-12,908
6.01.02.02	Inventories	-19,782	-10,313
6.01.02.03	Changes in other current assets an noncurrent assets	-6,738	-1,125
6.01.02.04	Taxes recoverable	4,790	-2,574
6.01.02.05	Judicial deposits	-163	128
6.01.02.07	Trade accounts payable	32,853	41,059
6.01.02.08	Labor liabilities	-3,106	-1,968
6.01.02.09	Tax and social liabilities	2,773	-1,720
6.01.02.10	Changes in other current liabilities	1,470	-970
6.01.03	Other	-2,926	-2,341
6.01.03.01	Income and social contribution taxes paid	-2,926	-2,341
6.02	Net cash - investing activities	-15,168	-32,596
6.02.01	Additions to property, plant and equipment and intangible assets	-7,492	-6,084
6.02.02	Income from property, plant and equipment and intangible assets	0	1,623
6.02.03	Short-term investments	-116,461	-84,580
6.02.04	Redeemed short-term investments	108,785	56,445
6.03	Net cash from financing activities	-5,987	-6,801
6.03.01	Loans raised	18,452	10,121
6.03.02	Repayment of loans	-23,102	-6,286
6.03.03	Interest paid on loans	-468	-354
6.03.04	Receivables from (payable to) related parties, except shareholders	-869	-2,684
6.03.05	Interest on equity (IOE)	0	-7,598
6.05	Increase (decrease) in cash and cash equivalents	-3,858	19
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	2,252	8,780

Individual financial statements / statement of changes in equity / SCE - 01/01/2015 to 03/31/2015

(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	-38,796	0	0	0	1,315
5.04.01	Capital increase	40,111	-40,111	0	0	0	0
5.04.03	Stock options granted and recognized	0	1,315	0	0	0	1,315
5.05	Total comprehensive income	0	0	0	18,143	-2,120	16,023
5.05.01	Net income for the period	0	0	0	18,143	0	18,143
5.05.02	Other comprehensive income (loss)	0	0	0	0	-2,120	-2,120
5.05.02.06	Translation adjustments for the period	0	0	0	0	-2,120	-2,120
5.07	Closing balances	260,197	31,943	285,468	18,143	-2,120	593,631

Individual financial statements / statement of changes in equity / SCE - 01/01/2014 to 03/31/2014

(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	-60,745	0	0	0	1,255
5.04.01	Capital increase	62,000	-62,000	0	0	0	0
5.04.03	Stock options granted and recognized	0	1,255	0	0	0	1,255
5.05	Total comprehensive income	0	0	0	17,433	0	17,433
5.05.01	Net income for the period	0	0	0	17,433	0	17,433
5.07	Closing balances	219,186	67,543	229,068	17,433	0	533,230

Individual financial statements / statement of value added

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD – prior period 01/01/2014 to 03/31/2014
7.01	Turnover	255,164	232,448
7.01.01	Sales of goods, products and services	255,164	232,448
7.02	Inputs acquired from third parties	-190,680	-173,422
7.02.01	Costs of goods, products and services sold	-175,911	-155,793
7.02.02	Materials, energy, third-party services and other expenses	-14,620	-16,823
7.02.04	Other	-149	-806
7.03	Gross value added	64,484	59,026
7.04	Retentions	-4,033	-1,439
7.04.01	Depreciation, amortization and depletion	-4,033	-1,439
7.05	Net value added generated	60,451	57,587
7.06	Value added received in transfer	8,998	-1,884
7.06.01	Equity pickup	-8,089	-5,368
7.06.02	Financial income	17,117	4,249
7.06.03	Other	-30	-765
7.07	Total value added to be distributed	69,449	55,703
7.08	Distribution of value added	69,449	55,703
7.08.01	Personnel	17,645	14,108
7.08.01.01	Direct compensation	12,846	11,031
7.08.01.02	Benefits	1,287	993
7.08.01.03	Unemployment compensation fund (FGTS)	1,576	1,037
7.08.01.04	Other	1,936	1,047
7.08.01.04.01	Employees’ profit sharing	111	-284
7.08.01.04.02	Other	510	76
7.08.01.04.03	Stock option plan	1,315	1,255
7.08.02	Taxes, charges and contributions	24,900	23,060
7.08.02.01	Federal	23,602	22,883
7.08.02.02	State	1,298	-1,075
7.08.02.03	Local	0	1,252
7.08.03	Debt remuneration	8,761	1,102
7.08.03.01	Interest	156	447
7.08.03.02	Leases	1,018	1,024
7.08.03.03	Other	7,587	-369
7.08.03.03.01	Financial expenses	7,587	-369
7.08.04	Equity remuneration	18,143	17,433
7.08.04.03	Retained earnings/accumulated losses for the period	18,143	17,433

Consolidated financial statements / balance sheets – assets

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
1	Total assets	854,853	796,509
1.01	Current assets	668,561	618,653
1.01.01	Cash and cash equivalents	7,536	10,831
1.01.02	Short-term investments	202,613	189,554
1.01.02.01	Short-term investments measured at fair value	202,613	189,554
1.01.02.01.03	Short-term investments measured at fair value	202,613	189,554
1.01.03	Trade accounts receivable	296,838	277,913
1.01.03.01	Trade accounts receivable	296,838	277,913
1.01.04	Inventories	121,079	98,131
1.01.06	Taxes recoverable	25,164	27,742
1.01.06.01	Current taxes recoverable	25,164	27,742
1.01.08	Other current assets	15,331	14,482
1.01.08.03	Other	15,331	14,482
1.02	Noncurrent assets	186,292	177,856
1.02.01	Long-term receivables	15,942	12,013
1.02.01.01	Short-term investments measured at fair value	55	29
1.02.01.01.01	Securities for trading	55	29
1.02.01.06	Deferred taxes	6,154	4,124
1.02.01.06.01	Deferred income and social contribution taxes	6,154	4,124
1.02.01.09	Other noncurrent assets	9,733	7,860
1.02.01.09.04	Judicial deposits	7,250	6,939
1.02.01.09.05	Other receivables	2,483	921
1.02.03	Property, plant and equipment	76,665	75,767
1.02.03.01	Property, plant and equipment in use	76,665	75,767
1.02.04	Intangible assets	93,685	90,076
1.02.04.01	Intangible assets	93,685	90,076
1.02.04.01.02	Trademarks and patents	3,234	2,928
1.02.04.01.03	Store use rights	39,597	39,598
1.02.04.01.04	System use rights	50,854	47,550

Consolidated financial statements / balance sheets – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2	Total liabilities	854,853	796,509
2.01	Current liabilities	221,701	178,803
2.01.01	Social and labor liabilities	17,057	20,130
2.01.01.01	Social liabilities	3,166	3,025
2.01.01.02	Labor liabilities	13,891	17,105
2.01.02	Trade accounts payable	104,445	70,315
2.01.02.01	Domestic trade accounts payable	104,445	70,271
2.01.02.02	Foreign trade accounts payable	0	44
2.01.03	Tax liabilities	22,531	11,866
2.01.03.01	Federal tax liabilities	19,391	6,476
2.01.03.01.01	Income and social contribution taxes payable	11,017	296
2.01.03.01.02	Other federal liabilities	8,374	6,180
2.01.03.02	State tax liabilities	3,074	5,358
2.01.03.03	Local tax liabilities	66	32
2.01.04	Loans and financing	65,718	65,081
2.01.04.01	Loans and financing	65,718	65,081
2.01.04.01.01	In local currency	18,353	22,252
2.01.04.01.02	In foreign currency	47,365	42,829
2.01.05	Other liabilities	11,950	11,411
2.01.05.02	Other	11,950	11,411
2.01.05.02.04	Other	11,950	11,411
2.02	Noncurrent liabilities	39,521	41,413
2.02.01	Loans and financing	32,420	34,329
2.02.01.01	Loans and financing	32,420	34,329
2.02.01.01.01	In local currency	32,420	34,329
2.02.02	Other liabilities	1,881	1,767
2.02.02.01	Related-party payables	1,152	950
2.02.02.01.03	Payables to controlling shareholders	1,152	950
2.02.02.02	Other	729	817
2.02.02.02.04	Advances from third parties	729	817
2.02.04	Provisions	5,220	5,317
2.02.04.01	Provision for tax, social security, labor and civil claims	5,220	5,317
2.02.04.01.02	Provisions for social security and labor claims	2,863	2,766
2.02.04.01.04	Provisions for civil claims	313	507
2.02.04.01.05	Provisions for tax claims	2,044	2,044
2.03	Equity (consolidated)	593,631	576,293
2.03.01	Paid-in capital	260,197	220,086
2.03.02	Capital reserves	31,943	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	10,473	40,110
2.03.04	Income reserves	285,468	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	35,348	35,348

Consolidated financial statements / balance sheets – liabilities and equity

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2015	Prior year 12/31/2014
2.03.05	Retained earnings/accumulated losses	18,143	0
2.03.06	Equity adjustments	-2,120	0

Consolidated financial statements / income statement

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD – prior period 01/01/2014 to 03/31/2014
3.01	Revenue from sale of goods and/or services	236,242	213,425
3.02	Cost of sales and/or services	-140,342	-121,364
3.03	Gross profit	95,900	92,061
3.04	Operating income/expenses	-73,573	-67,981
3.04.01	Selling expenses	-54,966	-47,721
3.04.02	General and administrative expenses	-17,794	-19,324
3.04.05	Other operating expenses	-813	-936
3.05	Income before financial income/expenses and taxes	22,327	24,080
3.06	Financial income (expenses)	8,023	2,917
3.06.01	Financial income	10,388	6,006
3.06.01.01	Financial income	7,179	5,919
3.06.01.02	Exchange gains	3,209	87
3.06.02	Financial expenses	-2,365	-3,089
3.06.02.01	Financial expenses	-2,365	-3,089
3.07	Income before income taxes	30,350	26,997
3.08	Income and social contribution taxes	-12,207	-9,564
3.08.01	Current	-14,237	-12,342
3.08.02	Deferred	2,030	2,778
3.09	Net income from continued operations	18,143	17,433
3.11	Consolidated retained earnings/accumulated losses for the period	18,143	17,433
3.11.01	Attributable to shareholders of parent company	18,143	17,433
3.99	Earnings per share - (reais / share)		
3.99.01	Basic earnings per share		
3.99.01.01	Registered common shares	0.20469	0.19668
3.99.02	Diluted earnings per share		
3.99.02.01	Registered common shares	0.20410	0.19630

Consolidated financial statements / statement of comprehensive income

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD – prior period 01/01/2014 to 03/31/2014
4.01	Consolidated net income for the period	18,143	17,433
4.02	Other comprehensive income (loss)	-2,120	0
4.03	Consolidated comprehensive income for the period	16,023	17,433
4.03.01	Attributable to shareholders of parent company	16,023	17,433

Consolidated financial statements / cash flow statement – indirect method

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD – prior period 01/01/2014 to 03/31/2014
6.01	Net cash from operating activities	24,187	33,882
6.01.01	Cash generated by operations	40,283	27,022
6.01.01.01	Income before income and social contribution taxes	30,350	26,997
6.01.01.02	Depreciation and amortization	5,784	3,209
6.01.01.03	Write-off of permanent assets	0	-47
6.01.01.05	Provision for tax, civil and labor contingencies	-97	747
6.01.01.06	Interest and exchange variation on loans and financing	8,076	-953
6.01.01.07	Short-term investment yield	-5,383	-4,310
6.01.01.08	Other	0	-2
6.01.01.09	Supplement of provision for inventory losses	238	126
6.01.01.10	Stock option plan	1,315	1,255
6.01.02	Changes in assets and liabilities	-13,077	9,202
6.01.02.01	Trade accounts receivable	-18,925	2,503
6.01.02.02	Inventories	-23,186	-17,774
6.01.02.03	Changes in other current assets an noncurrent assets		-4,189
117			-
6.01.02.04	Taxes recoverable	2,578	-5,588
6.01.02.05	Judicial deposits	-311	562
6.01.02.07	Trade accounts payable	34,130	39,400
6.01.02.08	Labor liabilities	-3,214	-2,500
6.01.02.09	Tax and social liabilities	-411	-6,373
6.01.02.10	Changes in other current liabilities	451	-911
6.01.03	Other	-3,019	-2,342
6.01.03.01	Income and social contribution taxes paid	-3,019	-2,342
6.02	Net cash from investing activities	-17,994	-27,766
6.02.01	Additions to property, plant and equipment and intangible assets	-10,292	-9,860
6.02.02	Income from disposal of property, plant and equipment and intangible assets	0	2,463
6.02.03	Short-term investments	-116,487	-84,585
6.02.04	Redeemed short-term investments	108,785	64,216
6.03	Net cash from financing activities	-9,146	-8,929
6.03.01	Loans taken out	18,547	10,291
6.03.02	Repayment of loans	-27,098	-10,718
6.03.03	Provision for interest on loans	-797	-386
6.03.05	Interest on equity (IOE)	0	-7,598
6.03.07	Receivables from (payables to) shareholders	202	-518
6.04	Exchange variation on cash and cash equivalents	-342	0
6.05	Increase (decrease) in cash and cash equivalents	-3,295	-2,813
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	7,536	10,973

Consolidated financial statements / statement of changes in equity / SCE - 01/01/2015 to 03//31/2015

(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	-38,796	0	0	0	1,315	0	1,315
5.04.01	Capital increase	40,111	-40,111	0	0	0	0	0	0
5.04.03	Recognized options granted	0	1,315	0	0	0	0	0	1,315
5.05	Total comprehensive income	0	0	0	18,143	-2,120	16,023	0	16,023
5.05.01	Net income for the period	0	0	0	18,143	0	18,143	0	18,143
5.05.02	Other comprehensive income (loss)	0	0	0	0	-2,120	-2,120	0	-2,120
5.05.02.06	Translation adjustments for the period	0	0	0	0	-2,120	-2,120	0	-2,120
5.07	Closing balances	260,197	31,943	285,468	18,143	-2,120	593,631	0	59,.631

Consolidated financial statements / statement of changes in equity / SCE - 01/01/2014 to 03/31/2014

(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	-60,745	0	0	0	1,255	0	1,255
5.04.01	Capital increase	62,000	-62,000	0	0	0	0	0	0
5.04.03	Recognized options granted	0	1,255	0	0	0	1,255	0	1,255
5.05	Total comprehensive income	0	0	0	17,433	0	17,433	0	17,433
5.05.01	Net income for the period	0	0	0	17,433	0	17,433	0	17,433
5.07	Closing balances	219,186	67,543	229,068	17,433	0	533,230	0	533,230

Consolidated financial statements / Statement of value added

(In thousands of reais)

Account Code	Account description	YTD – current year 01/01/2015 to 03/31/2015	YTD – prior year 01/01/2014 to 03/31/2014
7.01	Revenues	293,020	264,106
7.01.01	Sales of goods, products and services	293,020	264,104
7.01.02	Other revenues	0	2
7.02	Inputs acquired from third parties	-196,438	-174,435
7.02.01	Cost of goods, products and services sold	-162,938	-140,788
7.02.02	Materials, electricity, third-party services and other expenses	-32,785	-32,039
7.02.04	Other	-715	-1,608
7.03	Gross value added	96,582	89,671
7.04	Retentions	-5,784	-3,209
7.04.01	Depreciation, amortization and depletion	-5,784	-3,209
7.05	Net value added generated	90,798	86,462
7.06	Value added received in transfer	17,570	3,930
7.06.02	Financial income	17,068	4,866
7.06.03	Other	502	-936
7.07	Total value added to be distributed	108,368	90,392
7.08	Value added distributed	108,368	90,392
7.08.01	Personnel	31,276	26,067
7.08.01.01	Direct compensation	22,735	19,826
7.08.01.02	Benefits	3,031	2,419
7.08.01.03	Unemployment compensation fund (FGTS)	2,510	1,971
7.08.01.04	Other	3,000	1,851
7.08.01.04.01	Employees’ profit sharing	81	-264
7.08.01.04.02	Other	1,604	860
7.08.01.04.03	Stock option plan	1,315	1,255
7.08.02	Taxes, charges and contributions	40,609	35,690
7.08.02.01	Federal	28,609	25,819
7.08.02.02	State	12,000	8,433
7.08.02.03	Local	0	1,438
7.08.03	Debt remuneration	18,340	11,202
7.08.03.01	Interest	508	1,136
7.08.03.02	Rental	9,295	9,254
7.08.03.03	Other	8,537	812
7.08.03.03.01	Financial expenses	8,537	812
7.08.04	Equity remuneration	18,143	17,433
7.08.04.03	Retained earnings/accumulated losses for the period	18,143	17,433

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 1st quarter of 2015 with a presence through 460 franchises, 54 owned stores and 2,219 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).

3. Operating and Financial Highlights

Summary of Results	1Q14	1Q15	Growth or spread%
Net Revenues	213,425	236,242	10.7%
Gross Profit	92,061	95,900	4.2%
Grosss Margin	43.1%	40.6%	-2.5 p.p.
EBITDA[1]	27,289	28,111	3.0%
Ebitda Margin	12.8%	11.9%	-0.9 p.p.
Net Income	17,433	18,143	4.1%
Net Margin	8.2%	7.7%	-0.5 p.p.

Operating Indicators	1Q14	1Q15	Growth or spread%
# of pairs sold ('000)	2,058	2,226	8.2%
# of handbags sold ('000)	162	187	15.1%
# of employees	2,022	2,192	8.4%
# of stores*	461	514	53
Owned Stores	54	54	-
Franchises	407	460	53
Outsorcing (as % os total production)	90.3%	91.1%	0.8 p.p
SSS[2] Sell-in (franchises)	8.7%	-4.0%	-12.7 p.p
SSS[2] Sell-out (owned stores + franchises)	3.3%	0.6%	-2.7 p.p
SSS[2] Sell-out (owned stores + web + franchises)	3.8%	2.2%	-1.6 p.p

*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	1Q14	Part%	1Q15	Part%	Growth %
Total Gross Revenue	**275,843**		**300,444**		**8.9%**
Exports market	**9,536**	**3.5%**	**16,760**	**5.6%**	**75.8%**
Domestic market	**266,307**	**96.5%**	**283,684**	**94.4%**	**6.5%**
By brand					
Arezzo	*164,554*	*61.8%*	*166,448*	*58.7%*	*1.2%*
Schutz	*88,248*	*33.1%*	*99,389*	*35.0%*	*12.6%*
Anacapri	*11,795*	*4.4%*	*15,885*	*5.6%*	*34.7%*
Other brands[1]	*1,710*	*0.6%*	*1,962*	*0.7%*	*14.7%*
By channel					
Franchises	*145,905*	*54.8%*	*146,017*	*51.5%*	*0.1%*
Multibrand	*55,598*	*20.9%*	*66,057*	*23.3%*	*18.8%*
Owned Stores[2]	*63,928*	*24.0%*	*70,542*	*24.9%*	*10.3%*
Others[3]	*876*	*0.4%*	*1,068*	*0.3%*	*21.9%*

(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

According to the Company's retail calendar, the first quarter of the year is distinguished by the transition from the summer to the winter collection. From January till Carnival, sales period performed well, reducing the amount of surpluses compared to previous years, resulting in a higher average mark-up. In February, stores displayed the Pre Fall collection, already presenting a few products for the following Winter collection, whose launch occurred in March and which was well received by customers. The change in collections is an important event in Arezzo&Co's business model. A great deal has to be done to provide a new shopping experience, and changes range from the salesgirls' uniforms to visual merchandising materials, topped by a strong product mix. All the stores are given a new ambience and a big sales convention is held at the time of the launch to train the sales team in key fashion trends. The Company also produces a full communications and marketing plan, including new campaigns using international models and actresses, positioning each brand in its target market. Allied to a structured social media plan and appropriate press releases, as well as a series of in-store events, this gives the new collection a good start in the network.

The Arezzo brand achieved gross revenue of R$166.4 million in 1Q15, a 1.2% increase against 1Q14, accounting for 58.7% of total domestic sales. In line with its strategy to always offer the right product at the right time and at the right price, the brand increased the frequency of supplies of new collections to the stores, with six winter collections instead of four. This allowed the Company to have a better reading of sell-out sales, adding to the attractiveness of the products and boosting gross margins in the franchise channel through a larger average mark-up and a smaller surplus at the end of the collections. In this way, the process of improving profitability for franchisees, which started in 3Q14, continued to progress. Also, a major initiative for expanding and refurbishing the brand stores, with a new architectural model, continued during the quarter. Four stores were changed to the new model, and the refurbishments resulted in increased productivity. Twenty more stores will be altered to the new layout during 2015.

The Schutz brand posted gross revenue of R$99.4 million, or 35% of domestic sales, a growth of 12.6% in 1Q15 compared to 1Q14. In line with the strategy to increase share in the brand's revenues, pride of place continues to be given to handbags, which showed a 45.3% growth in volume for the quarter. Once again, the strategy for the web commerce channel showed strong results, with growth of 74.9% in 1Q15. The innovative branding continued to be underlined by a series of unique events. In the winter collection launch, the brand hosted an event combining fashion, technology and interactivity, with shoppers in the flagship store in São Paulo being invited to try a new mobile app developed specially for Schutz. An eye-catching window display was built with 100 tablets, surfing the social networks and the brand website and showing the entire catalogue, with videos of the new collection, giving the brand a high profile in the main social media and communication vehicles.

The Anacapri brand recorded growth of 34.7% compared to 1Q14, with a total of R$15.9 million in revenue. The brand again entered into strategic partnerships during the quarter to reinforce its branding, and this contributed to a successful launch of the winter collection. The brand also continued its expansion in the franchise channe according to plan. The positive results, with 53 stores in the channel by the end of the quarter, provided the brand a healthy growth. In addition, in 1Q15 the brand started operating on the web commerce channel, offering consumers a quick and "uncomplicated" platform to find products, continuing the Company's Omni Channel strategy.

Brands

The Alexandre Birman brand reinforced its international presence with a series of events in different countries. Alexandre Birman was one of a select group of global luxury brands chosen for a remaking of the story of Cinderella's slipper. The worldwide launch was celebrated at the store in the Iguatemi Shopping Mall, in São Paulo, with 800 key opinion makers and journalists invited to a party followed by the première of the new Disney film. Also in 1Q15, the brand held an event in Paris to launch its new spring collection, which was attended by the press and a number of international celebrities.

Channels

Mono-brands – Franchises and Owned Stores

Following the Company's strategy to strengthen mono-brand stores, the sell-out sales of the Arezzo&Co network (Owned Stores + Web Commerce + Franchises) grew 10.2% in 1Q15 against 1Q14, particularly due to the expansion of the sales area and increase in same-store sales, which were up by 2.2% in the quarter. With regard to the SSS (same-store sales) sell-out indicator, it is worth mentioning that:

(i) the healthy stock level at the end of the summer collection, with less surplus than in previous years, resulted in fewer products to be sold at a discount in the first two months of the quarter, with an adverse effect on the indicator compared with the year before;

(ii) the Company's new ERP caused longer terms for the automatic restocking of core products in the stores, due to changes in internal processes, thus bringing the indicator down by 150 bps;

(iii) with the presentation of the winter collection in March, the SSS indicator turned positive and rose steadily throughout the month;

(iv) the SSS sell-out indicator also includes online sales. Excluding the web commerce channel, SSS would have been 0.6%.

Growth in revenue from mono-brand stores, which comprise franchises sell-in and owned stores sell-out, was 3.2% in 1Q15 over 1Q14, mainly due to the 9.8% increase in sales area in the last 12 months, excluding the new outlets opened, and the healthy growth of 15.1% in handbags volume, thanks to the product development work in the brands. Mono-brand stores accounted for 76.4% of domestic sales in 1Q15.

Sell-in sales, i.e. those made by Arezzo&Co to its franchisees, recorded a decrease in the same franchises (SSS – Franchises) of 4.0% in 1Q15 compared to 1Q14, due mainly to lower volumes of shoes and handbags delivered during the quarter. The Company's strategy for increasing franchisees' margins, with a higher average mark-up and a smaller surplus at the end of the collections, produced an SSS sell-in lower than the SSS sell-out this quarter. In addition, the increase in the number of winter collections in 2015 from four to six led to changes in the supplies timetable, with a larger proportion of collection deliveries during the second quarter than in the previous year. Finally, because of the automatic replacement of continuable products in the stores, the Company's new ERP had adverse impacts also on SSS sell-in.

Due to the reasons mentioned above, Franchises channel's revenues were in line with its sell-in sales for the same period of the previous year, accounting for 51.5% of domestic sales in 1Q15. Fifty-six franchises were opened in the last 12 months, 15 of them under the Arezzo brand, 5 for Schutz and 36 for Anacapri. In the same period 13 Arezzo brand franchises were expanded, adding 343 m² to the channel's sales area.

Taking the Owned Stores channel on its own, there was a growth of 10.3% in revenues for the quarter due to 2.1% increase in the sales area in 1Q15 in comparison with the previous year, excluding outlets, and due to the web commerce growth.

The Company ended the quarter with 508 mono-brand stores in Brazil and 6 abroad. In Brazil there were 375 stores under the Arezzo brand, 74 for Schutz, 57 for Anacapri and 2 for Alexandre Birman.

Channels

History of Stores	1Q14	2Q14	3Q14	4Q14	1Q15
Sales area [1,3] - Total (m²)	**32,138**	**32,381**	**32,859**	**35,641**	**35,735**
Sales area - franchises (m²)	25,498	26,056	26,472	28,466	28,337
Sales area - Owned stores [2] (m²)	6,640	6,325	6,387	7,175	7,398
Total number of domestic stores	**452**	**461**	**472**	**508**	**508**
# of franchises	**399**	**411**	**421**	**455**	**455**
Arezzo	341	342	344	359	356
Schutz	41	43	43	46	46
Anacapri	17	26	34	50	53
# of owned stores	**53**	**50**	**51**	**53**	**53**
Arezzo	17	17	17	19	19
Schutz	27	25	26	27	28
Alexandre Birman	2	2	2	2	2
Anacapri	7	6	6	5	4
Total number of international stores	**9**	**7**	**7**	**8**	**6**
# of franchises	8	6	6	7	5
# of owned stores	1	1	1	1	1

1. Includes areas in square meters of international stores
2. Includes 7 outlet-type stores with a total area of 2,882 m²
3.Includes areas in square meters of stores expansion

Multibrands

In 1Q15, revenue from the Multibrand channel grew 18.8%, continuing the growth recovery of the previous quarters, due to the Company's strategy to unify the management of all brands in the channel, in addition to the continued interest shown by shop owners in products and brands with a history of greater assertiveness 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 through new categories, such as handbags, and encourage cross-selling among brands.

With the disqualification of some of the channel's stores, beggining in the second half of 2013 with a view to preserving its branding, the group's four brands are now distributed through 2,219 stores, down 5.8% over 1Q14, with a presence in 1204 cities.

Key financial indicators	1Q14	1Q15	Growth or spread%
Net revenues	213,425	236,242	10.7%
COGS	(121,364)	(140,342)	15.6%
Gross profit	92,061	95,900	4.2%
Gross margin	*43.1%*	*40.6%*	*-2.5 p.p.*
SG&A	(67,981)	(73,573)	8.2%
% of net revenues	*31.9%*	*31.1%*	*-0.8 p.p*
Selling expenses	(45,922)	(51,064)	11.2%
Owned stores	(22,571)	(22,958)	1.7%
Selling, logistics and supply	(23,351)	(28,106)	20.4%
General and administrative expenses	(17,914)	(15,912)	-11.2%
Other operating revenues (expenses)[2]	(936)	(813)	-13.1%
Depreciation and amortization	(3,209)	(5,784)	80.2%
EBITDA	27,289	28,111	3.0%
EBITDA margin	*12.8%*	*11.9%*	*-0.9 p.p.*
Net income	17,433	18,143	4.1%
Net margin	*8.2%*	*7.7%*	*-0.5 p.p.*
Working capital[1] - as % of revenues	28.0%	28.1%	0.1 p.p
Invested capital[2] - as % of revenues	39.3%	42.0%	2.7 p.p.
Total debt	96,652	98,138	1.5%
Net debt[3]	(110,901)	(112,011)	1.0%
Net debt/EBITDA LTM	-0.7x	-0.7x	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 totaled R$236.2 million in the quarter, a growth of 10.7% over 1Q14. Some of the primary factors leading to this growth are:

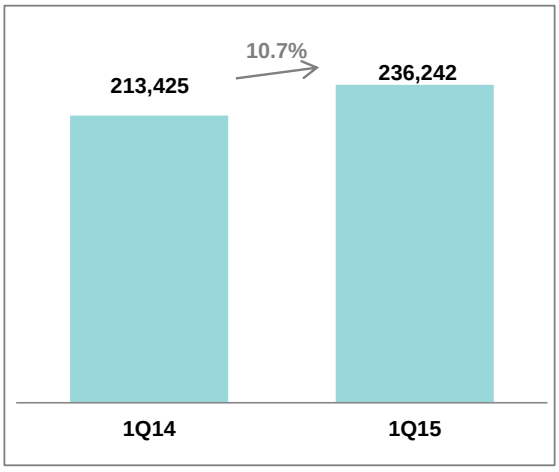
i) Expansion of 9.8% in sales area compared to 1Q14, excluding outlets, with particular reference to the growth of 11.5% increase in the Franchises area;

ii) Growth of 8.2% in volume in shoes and 15.1% in handbags;

iii) Increase of 2.2% in the same store sales sell-out indicator and decrease of 4.0% in SSS sell-in;

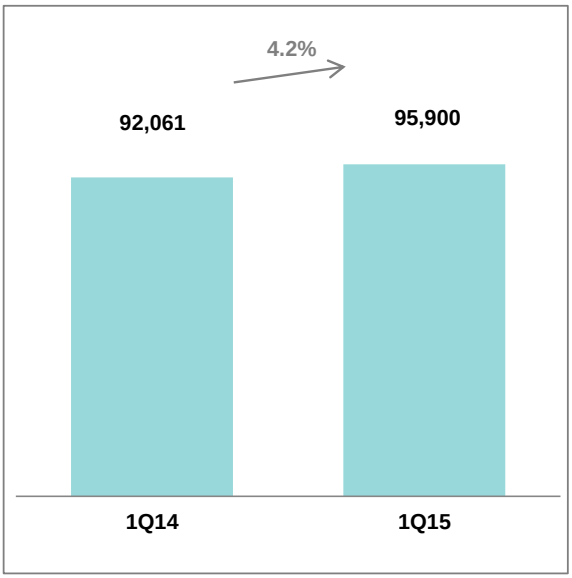
iv) The Multibrand channel grew 18.8% against 1Q14, primarily due to the greater interest shown by the channel in brands and products with a history of greater assertiveness;

v) Ending of the benefit of a reduction in the ICMS rate, which added R$1.6 million in net revenue in 1Q14.



Gross profit

Gross profit totaled R$95.9 million in 1Q15, an increase of 4.2% in comparison with 1Q14, with a gross margin of 40.6%.



Gross profits growth in 1Q15 reflects, in particular, the net revenues growth of 10.7%.

The Company pursues a strategy of maintaining channel margins stable. The greatest variations are seen in the Owned Stores channel. In 1Q15, change in channels sales mix impacted the consolidated gross margin. In this quarter, unlike 1Q14, outsourcing agents expenses were included in costs of goods sold instead of in selling expenses of selling, logistics and supply, and this had a negative impact on the gross margin. In addition to this change, the introduction of new controls due to the Company's new ERP also resulted in a rearrangement of the payment periods for outsourcing agents costs, with a greater proportion in the first quarter. This should be offset in the quarters to come in the year. Thus, costs with outsoucing agents impacted gross margin in 110 bps.

In addition, the end of the benefit of the ICMS rate also impacted gross margin in comparison with 1Q14 in 40 bps.

Operating Expenses

The Company works diligently to adjust its level of expenses to its growth. In this quarter, there was a reduction in administrative expenses to a level below 1Q14.

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 1Q15 selling expenses increased by 11.2% against 1Q14, reaching R$51.1 million against R$45.9 million in the same quarter of the previous year. Selling, logistics and supply expenses totaled R$28.1 million in the period, up by 20.4% against the same period of the previous year, primarily due to the implementation of the Company's new ERP, which resulted in a rearrangement of the payment period for freight charges. This added R$1.8 million for the quarter, which should be offset in the quarters to come in the year. In addition, past commercial agreements in the US operation were ended, resulting in selling expenses of R$2.0 million.

Owned stores expenses totaled R$23.0 million in 1Q15, up by 1.7% in comparison with 1Q14, lower than the 10.3% growth in their sell-out.

General and Administrative Expenses

In 1Q15, general and administrative expenses totaled R$15.9 million, a decrease of 11.2% from the R$17.9 million seen in the same quarter of the previous year. This was mainly due to non-recurring expenses of R$1.2 million in 1Q14, and other savings through control of several other expenses.

Other Revenues (Expenses)

In 1Q15, the Company showed a balance of R$813 thousand for other operating expenses, in line with the amount of R$936 thousand in 1Q14.

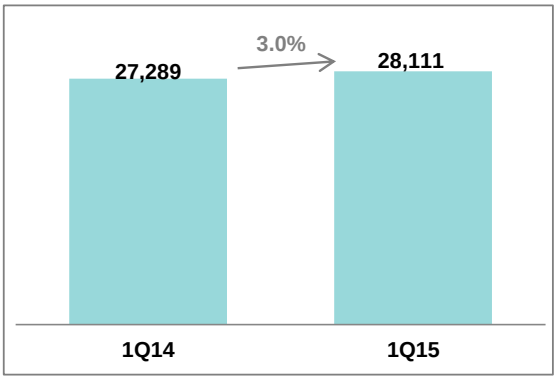
EBITDA and EBITDA margin

The Company's EBITDA grew 3% in 1Q15 over 1Q14, totaling R$28.1 million. The EBITDA margin for 1Q15 was 11.9%, against 12.8% for 1Q14. The primary factors leading to the EBITDA in the quarter were:

(i) Increase of 10.7% in net revenue;

(ii) Growth of 4.2% in gross profit;

(iii) Operating expenses as a percentage of revenues at 31.1%, or a decrease of 80 bps against 1Q14.



It should be mentioned that the 1Q15 results are in line with the Company's forecast. Excluding only the R$2.0 million non-recurring effects from the US operation as mentioned above, the EBITDA margin would have been in line with what was presented in 1Q14.

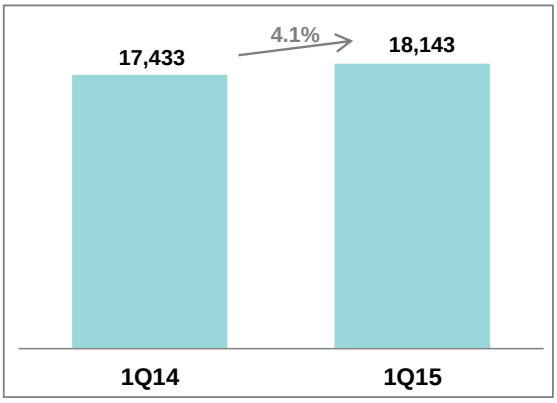
EBITDA Reconciliation	1Q14	1Q15
Net income	17,433	18,143
(-) Income tax and social contribution	(9,564)	(12,207)
(-) Financial results	2,917	8,023
(-) Depreciation and amortization	(3,209)	(5,784)
(=) EBITDA	27,289	28,111

Net Income and net margin (%)

The Company showed EBITDA with an 11.9% margin in 1Q15 converted to net income with a 7.7% margin 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 heavier investment in IT.

Due to the higher level of fixed assets in 1Q15, in comparison with 1Q14, depreciation increased by 80.2% for the quarter.

In addition, because of the results incurred in the overseas operation, the income tax rate for 1Q15 was higher than in 1Q14.



Excluding the effects of the higher tax rate and the non-recurring effect in US operation, EBITDA conversion to net income for the quarter would have been higher than the previous year. Net income was R$18.1 million in 1Q15, and net margin was 7.7%.

Operating cash flow

Arezzo&Co generated R$24.2 million in operating cash in 1Q15, due mainly to the higher operating profit during the quarter and a greater need for working capital. Working capital was impacted as a result of temporary differences arising from the seasonality of the business.

Operating Cash Flow	1Q14	1Q15	Change in R$	Change in %
Income before income tax and social contribution	**26,997**	**30,350**	**3,353**	**12.4%**
Depreciation and amortization	**3,209**	**5,784**	**2,575**	**80.2%**
Other	**(3,184)**	**4,149**	**7,333**	**n/a**
Decrease (increase) in current assets / liabilities	**9,202**	**(13,077)**	**(22,279)**	**n/a**
receivables	2,503	(18,925)	(21,428)	n/a
Inventories	(17,774)	(23,186)	(5,412)	30.4%
Suppliers	39,400	34,130	(5,270)	-13.4%
Change in other noncurrent and current assets and liabilities	(14,927)	(5,096)	9,831	-65.9%
Payment of income tax and social contribution	**(2,342)**	**(3,019)**	**(677)**	**28.9%**
Net cash flow generated by operational activities	**33,882**	**24,187**	**(9,695)**	**-28.6%**

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 1Q15 was R$10.3 million, primarily due to corporate investments in IT, to finalize the implementation of the Company's new ERP, and in the web commerce channel to develop a platform to support growth for all the brands. In addition, R$1.0 million was invested in machinery and equipments to increase efficiency in one of the factories.

Summary of investments	1Q14	1Q15	Var. (%)
Total capex	**9,858**	**10,292**	**4.4%**
Stores - expansion and refurbishing	3,182	468	-85.3%
Corporate	6,086	7,496	23.2%
Other	590	2,328	294.6%

Cash position and indebtedness

The Company ended 1Q15 with R$112.0 million in net cash. Indebtedness policy remained conservative, with the following primary characteristics:

- Total debt of R$98.1 million in 1Q15 against R$96.7 million in 1Q14;
- Long-term indebtedness was 33.0% of total debt in 1Q15, against 38.3% in 1Q14;
- The weighted average cost of the Company's total debt in 1Q15 remained at lower levels.

Cash position and Indebtedness	1Q14	4Q14	1Q15
Cash	**207,553**	**200,385**	**210,149**
Total debt	96,652	99,410	98,138
Short term	59,680	65,081	65,718
% total debt	61.7%	65.5%	67.0%
Long-term	36,972	34,329	32,420
% total debt	38.3%	34.5%	33.0%
Net debt	**(110,901)**	**(100,975)**	**(112,011)**

ROIC (Return on Invested Capital)

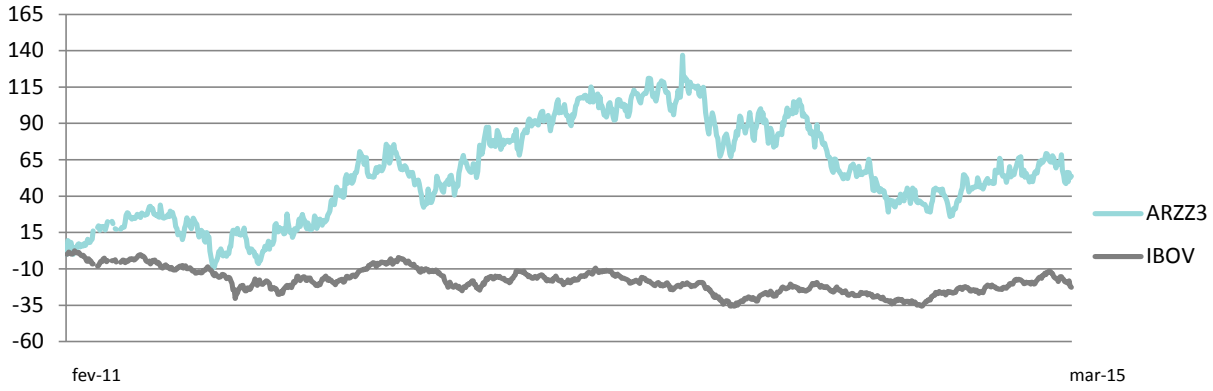
In line with the Company's strategic direction, aimed at sustainability and long-term operating improvements, levels of investment in capital employed exceeded those of previous years. Return on Capital Invested (ROIC) was 22.3% in 1Q15, affected primarily by the concentration of investments in infrastructure, such as the investment in implementing the Company's new ERP, which will only bear fruit in the medium to long term.

Income from operations	1Q13	1Q14	1Q15	Growth (%)
EBIT (LTM)	141,005	146,519	155,041	5.8%
+ IR and CS (LTM)	(40,571)	(46,401)	(54,163)	16.7%
NOPAT	**100,434**	**100,118**	**100,878**	**0.8%**
Working Capital[1]	221,069	272,718	302,429	10.9%
Permanent assets	116,901	139,892	170,350	21.8%
Other long-term assets[2]	7,650	8,451	9,788	15.8%
Invested capital	**345,620**	**421,061**	**482,567**	**14.6%**
Average invested capital[3]		**383,341**	**451,814**	**17.9%**
ROIC[4]		**26.1%**	**22.3%**	

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 March 31, 2015 the Company's Market capitalization amounted to R$2.2 bn (stock price R$24.55), a reduction of 11% against the same period of 2014.



Arezzo&Co	
Listing	88,682,735
Ticker	ARZZ3
Listing	2/2/2011
Share Price (06/30/2014)	24.55
Market Cap	2,177,161,144
Performance	
2011[1]	20%
2012[2]	71%
2013 [3]	-24%
2014 4	-9%
2015 [5]	-9%

(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 03/31/2015

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	Interest on equity	(R$)	Gross amount by ordinary share (R$)

(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 audit of the financial statements of Arezzo&Co for the year ended December 31, 2014, and the revision of the Quarterly Information (ITRs) for the periods ended March 31, 2014; June 30, 2014; September 30, 2014; and March 31, 2015, were carried out by Ernst & Young Auditores Independentes S.S. ("EY"). The Company policy is that services unrelated to external auditing should not be undertaken by its independent accountants. This ensures that there is no conflict of interest or loss of independence or objectivity. In the quarter ended March 31, 2015, in addition to the recurring services regarding the audit and revision activities, EY provided other services not associated to these activities, which can be summarized as follows:

Services relating to the technical review of a tax survey conducted by a third party on the impact of direct taxes on the purchase and sale of goods, at a fee of R$46,000

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 March 31st, 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 March 31, 2015, the Company held 455 franchises in Brazil and 5 abroad; 53 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 period ended March 31, 2015 in accordance with CPC 21 (R1) – Interim Financial Reporting, issued by the Brazilian Financial Accounting Standards Committee ("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 quarter ended March 31, 2015 were authorized at the Executive Board's meeting held on May 4, 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:

Subsidiaries	Total ownership interest %			
	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 March 31, 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	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Cash	**33**	15	**326**	544
Banks	**2,219**	6,095	**7,210**	10,287
	2,252	6,110	**7,536**	10,831

6. Short-term investments

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Current				
Fixed income (a)	**27,544**	26,781	**27,544**	26,781
Exclusive investment fund				
Bank Deposit Certificates (CDBs)	**10,509**	15,441	**10,509**	15,441
Repurchase agreements	**52,736**	51,911	**52,736**	51,911
Financial bills (CEF)	**55,055**	-	**55,055**	-
Financial Treasury Bills (LFTs)	**56,769**	95,421	**56,769**	95,421
	202,613	189,554	**202,613**	189,554
Noncurrent				
Certificate accounts with lottery prizes	**-**	-	**55**	29
Total short-term investments	**202,613**	189,554	**202,668**	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 March 31, 2015, average remuneration for the investment fund is 101.8% of the Interbank Deposit Certificate (CDI) rate. Fund assets are comprised of 28% Financial Treasury Bills (LFTs) and 57% 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 March 31, 2015, the Company has no investments pledged as collateral to financial institutions.

7. Trade accounts receivable

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Trade notes – domestic customers	**214,253**	190,616	**218,385**	192,231
Trade notes – foreign customers	**28,953**	24,663	**39,477**	34,258
Trade notes – related parties (Note 12.a)	**27,656**	24,233	**-**	-
Checks	**-**	-	**151**	119
Credit cards	**-**	-	**39,236**	51,716
	270,862	239,512	**297,249**	278,324
(-) Allowance for doubtful accounts	**(365)**	(365)	**(411)**	(411)
	270,497	239,147	**296,838**	277,913

Changes in the allowance for doubtful accounts are as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**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	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Raw material	**6,313**	6,407	**14,287**	13,161
Work in process	**-**	-	**9,806**	9,739
Finished products	**42,359**	27,865	**88,762**	70,867
Advances to suppliers	**9,655**	4,273	**10,001**	5,903
(-) Provision for losses	**(1,777)**	(1,539)	**(1,777)**	(1,539)
	56,550	37,006	**121,079**	98,131

Changes in the provision for losses are as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Balance at beginning of period	**(1,539)**	(799)	**(1,539)**	(799)
Additions	**(238)**	(1,054)	**(238)**	(1,054)
Recoveries/realization	**-**	314	**-**	314
Balance at end of period	**(1,777)**	(1,539)	**(1,777)**	(1,539)

9. Taxes recoverable

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
State VAT (ICMS) recoverable	**9,988**	11,165	**10,241**	11,985
Prepaid Corporate Income Tax (IRPJ)	**4,917**	6,061	**6,114**	6,867
Prepaid Social Contribution Tax on Net Profit (CSLL)	**140**	1,986	**652**	2,357
Other	**938**	1,561	**8,157**	6,533
	15,983	20,773	**25,164**	27,742

10. Other receivables

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Advance for advertising fund	**5,463**	4,268	**5,463**	4,268
Receivables from franchisees	**1,760**	2,457	**1,760**	3,903
Advances to suppliers	**2,901**	975	**2,369**	2,525
Advances to employees	**305**	332	**573**	850
Advances on business travel	**1,844**	846	**1,853**	848
Prepaid expenses	**3,094**	55	**3,235**	201
Other receivables	**304**	-	**2,561**	2,808
	15,671	8,933	**17,814**	15,403
Current	**13,608**	8,613	**15,331**	14,482
Noncurrent	**2,063**	320	**2,483**	921

11. Income and social contribution taxes

a) Deferred taxes

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Deferred income and social contribution taxes:				
On temporary differences	**3,902**	2,429	**3,902**	2,382
On income and social contribution tax losses	**-**	-	**2,252**	1,742
Total deferred income and social contribution taxes	**3,902**	2,429	**6,154**	4,124

Deferred income tax asset reconciliation is as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Opening balance	**2,429**	4,800	**4,124**	5,514
Deferred tax recognized in Income Statement	**1,473**	(2,371)	**2,030**	(1,390)
Closing balance	**3,902**	2,429	**6,154**	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
	03/31/2015	03/31/2015
2015	**3,093**	**3,278**
2016	**294**	**1,045**
2017	**294**	**1,045**
2018	**221**	**786**
Total	**3,902**	**6,154**

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	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Income before income and social contribution taxes	**30,907**	28,692	**30,350**	26,997
Statutory rate (%)	**34%**	34%	**34%**	34%
Expected IRPJ and CSLL expenses at statutory rate	**(10,508)**	(9,755)	**(10,319)**	(9,179)
Deferred income and social contribution taxes on losses other than those from subsidiaries	**-**	-	**(1,823)**	(617)
Income and social contribution tax effects on permanent differences:				
Benefit on expenses with research and technological innovation - Law No. 11196/05	**292**	874	**292**	874
Equity pickup	**(2,750)**	(1,825)	**-**	-
Expenses with stock option plan	**(447)**	(426)	**(447)**	(426)
Tax incentives (Worker's meal program - PAT, Rouanet Act, among others)	**122**	25	**122**	25
Other permanent differences	**527**	(152)	**(32)**	(241)
Income and social contribution taxes per income statement	**(12,764)**	(11,259)	**(12,207)**	(9,564)
Current	**(14,237)**	(12,342)	**(14,237)**	(12,342)
Deferred	**1,473**	1,083	**2,030**	2,778
Total	**(12,764)**	(11,259)	**(12,207)**	(9,564)
Effective rate - %	**41.30%**	39.24%	**40.22%**	35.43%

12. Related-party transactions and balances

a) Balances and transactions with subsidiaries and controlling shareholders

	03/31/2015							
	Current assets		Noncurrent assets		Current liabilities	Noncurrent liabilities	Transactions	
	Accounts receivable	Inventories	Receivables	Intercompany loans	Trade accounts payable	Intercompany loans	Revenues	Purchases
Company								
Subsidiaries								
ARZZ Co LLC	**-**	**-**	**10,631**	**-**	**-**	**-**	**-**	**-**
ARZZ International INC	**-**	**-**	**17,135**	**-**	**-**	**-**	**1,646**	**-**
ZZAB Comércio de Calçados Ltda.	**26,530**	**-**	**-**	**-**	**150**	**-**	**32,721**	**-**
ZZSAP Indústria e Comércio de Calçados Ltda.	**1,126**	**5,492**	**-**	**6,023**	**1,931**	**-**	**1,115**	**26,237**
Total Company	**27,656**	**5,492**	**27,766**	**6,023**	**2,081**	**-**	**35,482**	**26,237**
Consolidated								
Controlling shareholders	**-**	**-**	**-**	**-**	**-**	**1,152**	**-**	**-**
Total Consolidated	**-**	**-**	**-**	**-**	**-**	**1,152**	**-**	**-**

	12/31/2014					03/31/2014	
	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	-	10,379	-	-	-	-	-
ARZZ International INC	-	12,191	-	-	-	3,390	-
ZZAB Comércio de Calçados Ltda.	23,418	-	-	433	-	29,591	1
ZZSAP Indústria e Comércio de Calçados Ltda.	815	-	5,916	-	-	144	22,305
Total Company	24,233	22,570	5,916	433	-	33,125	22,306
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 74 days, while days purchases outstanding (DPO) by related parties is 7 days.

c) Key management personnel compensation

Management compensation is through management fees and profit sharing. At March 31, 2015, Company management compensation related to short-term benefits (management fees and profit sharing) totaled R$1,644 (R$951 at March 31, 2014), as follows:

	03/31/2015	03/31/2014
Annual fixed compensation – salary/management fees	**1,076**	951
Variable compensation – bonus	**568**	-
Total compensation	**1,644**	951

The Company grants a share-based payment plan (Note 30). For the quarter ended March 31, 2015, expenses on officers' stock option plan totaled R$256 (R$209 at March 31, 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, either directly or indirectly, a total 52.9% interest in the Company's shares at March 31, 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 quarter ended March 31, 2015, these entities received R$26 and R$137 (R$24 and R$147 at March 31, 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 quarter ended March 31, 2015, this entity received R$74 (R$1,065 at March 31, 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 "Equity adjustment"; 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	Net Income (loss) for the period	% Interest held	Investment/provision for investment losses		Equity pickup	
								03/31/2015	12/31/2014	03/31/2015	03/31/2014
ZZAB Com. de Calçados Ltda.	**166,459**	**41,830**	**124,629**	**93,614**	**46,435**	**(1,573)**	99.99	**124,629**	126,678	**(1,573)**	(1,907)
ZZSAP Ind. e Com. de Calçados Ltda.	**43,212**	**36,562**	**6,650**	**592**	**20,685**	**(765)**	99.99	**6,650**	6,939	**(765)**	(1,174)
Investments								**131,279**	133,617	**(2,338)**	(3,081)
ARZZ International INC.	**28,672**	**45,672**	**(17,000)**	**24,270**	**8,119**	**(5,751)**	100.00	**(17,000)**	(9,129)	**(5,751)**	(2,287)
Provision for investment losses								**(17,000)**	(9,129)	**(5,751)**	(2,287)
								114,279	124,488	**(8,089)**	(5,368)

	Company	
	03/31/2015	**12/31/2014**
Balance at beginning of period, net of provision for losses	124,488	125,184
Capital payment	-	5,721
Equity adjustment (CTA)	(2,120)	-
Equity pickup	(8,089)	(6,417)
Balance at end of period, net of provision for losses	**114,279**	124,488

14. Property, plant and equipment

Company	03/31/2015 Cost	03/31/2015 Depreciation	03/31/2015 Net	12/31/2014 Cost	12/31/2014 Depreciation	12/31/2014 Net
Computers and peripherals	**9,914**	**(5,040)**	**4,874**	9,619	(4,662)	4,957
Furniture and fixtures	**7,211**	**(2,708)**	**4,503**	7,019	(2,554)	4,465
Machinery and equipment	**6,284**	**(2,153)**	**4,131**	5,963	(2,000)	3,963
Facilities and showroom	**14,466**	**(3,940)**	**10,526**	14,320	(3,589)	10,731
Vehicles	**236**	**(94)**	**142**	236	(67)	169
Land	**101**	**-**	**101**	101	-	101
Total	**38,212**	**(13,935)**	**24,277**	37,258	(12,872)	24,386

Consolidated	03/31/2015 Cost	03/31/2015 Depreciation	03/31/2015 Net	12/31/2014 Cost	12/31/2014 Depreciation	12/31/2014 Net
Computers and peripherals	**11,932**	**(6,163)**	**5,769**	11,552	(5,690)	5,862
Furniture and fixtures	**19,567**	**(5,964)**	**13,603**	19,045	(5,479)	13,566
Machinery and equipment	**15,624**	**(5,748)**	**9,876**	14,459	(5,381)	9,078
Facilities and showroom	**63,010**	**(15,836)**	**47,174**	61,371	(14,380)	46,991
Vehicles	**249**	**(107)**	**142**	249	(80)	169
Land	**101**	**-**	**101**	101	-	101
Total	**110,483**	**(33,818)**	**76,665**	106,777	(31,010)	75,767

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 12/31/2014	2,375	4,401	3,586	9,752	133	1,501	21,748
Acquisitions	204	184	74	745	-	-	1,207
Depreciation	(196)	(136)	(94)	(275)	(4)	-	(705)
Write-offs	-	-	-	-	-	(1,400)	(1,400)
Balances at 03/31/2014	2,383	4,449	3,566	10,222	129	101	20,850
Balances at 12/31/2014	4,957	4,465	3,963	10,731	169	101	24,386
Acquisitions	**295**	**192**	**320**	**145**	**-**	**-**	**952**
Depreciation	**(378)**	**(154)**	**(152)**	**(350)**	**(27)**	**-**	**(1,061)**
Balances at 03/31/2015	**4,874**	**4,503**	**4,131**	**10,526**	**142**	**101**	**24,277**
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 12/31/2014	3,360	11,840	7,750	43,959	133	1,501	68,543
Acquisitions	248	1,535	186	2,947	-	-	4,916
Depreciation	(276)	(398)	(244)	(1,528)	(4)	-	(2,450)
Write-offs	(5)	(74)	-	(95)	-	(1,400)	(1,574)
Balances at 03/31/2014	3,327	12,903	7,692	45,283	129	101	69,435
Balances at 12/312/2014	5,862	13,566	9,078	46,991	169	101	75,767
Acquisitions	**382**	**535**	**1,165**	**1,573**	**-**	**-**	**3,655**
Depreciation	**(475)**	**(498)**	**(367)**	**(1,390)**	**(27)**	**-**	**(2,757)**
Balances at 03/31/2015	**5,769**	**13,603**	**9,876**	**47,174**	**142**	**101**	**76,665**
Average depreciation rate	20%	10%	10%	10%	20%	-	

15. Intangible assets

Company	03/31/2015 Cost	03/31/2015 Amortization	03/31/2015 Net	12/31/2014 Cost	12/31/2014 Amortization	12/31/2014 Net
Trademarks and patents	**3,112**	**-**	**3,112**	2,812	-	2,812
Store use rights	**1,078**	**-**	**1,078**	1,078	-	1,078
System use rights	**66,360**	**(15,961)**	**50,399**	60,120	(12,989)	47,131
Total	**70,550**	**(15,961)**	**54,589**	64,010	(12,989)	51,021

Consolidated	03/31/2015 Cost	03/31/2015 Amortization	03/31/2015 Net	12/31/2014 Cost	12/31/2014 Amortization	12/31/2014 Net
Trademarks and patents	**3,234**	**-**	**3,234**	2,928	-	2,928
Store use rights	**39,597**	**-**	**39,597**	39,598	-	39,598
System use rights	**67,347**	**(16,493)**	**50,854**	61,017	(13,467)	47,550
Total	**110,178**	**(16,493)**	**93,685**	103,543	(13,467)	90,076

Details of changes in the Company's balances are set out as follows:

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	10	-	4,867	4,877
Amortization	-	-	(734)	(734)
Balances at 03/31/2014	2,665	1,078	26,630	30,373
Balances at 12/31/2014	2,812	1,078	47,131	51,021
Acquisitions	**300**	**-**	**6,240**	**6,540**
Amortization	**-**	**-**	**(2,972)**	**(2,972)**
Balances at 03/31/2015	**3,112**	**1,078**	**50,399**	**54,589**
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	9	-	4,935	4,944
Amortization	-	-	(759)	(759)
Write-offs	-	(842)	-	(842)
Balances at 03/31/2014	2,787	40,653	27,017	70,457
Balances at 12/31/2014	2,928	39,598	47,550	90,076
Acquisitions	**306**	**-**	**6,331**	**6,637**
Amortization	**-**	**-**	**(3,027)**	**(3,027)**
Write-offs	**-**	**(1)**	**-**	**(1)**
Balances at 03/31/2015	**3,234**	**39,597**	**50,854**	**93,685**
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 quarter of 2015 with additional investment in 2015 of R$4,584. The management software selected by the Company was SAP.

For the quarter ended March 31, 2015, the amount of R$3,254 (R$4,286 at March 31, 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	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Working Capital	**-**	-	**16,104**	13,331
Banco do Brasil (FINAME)	**12**	12	**1,338**	1,055
Advance on exchange contracts (ACC)	**31,263**	29,493	**31,263**	29,493
FINEP	**39,260**	41,205	**39,260**	41,205
BNDES Progeren	**-**	-	**10,173**	14,323
Other	**-**	-	**-**	3
	70,535	70,710	**98,138**	99,410
Current	**39,034**	37,266	**65,718**	65,081
Noncurrent	**31,501**	33,444	**32,420**	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 1.34% p.a. at 03/31/2015.

(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 November 2015;
- FINEP: maturing from 2014 to September 2021; and
- BNDES: maturing at November 15, 2015.

Loans and financing recorded as noncurrent liabilities at March 31, 2015 mature as follows:

	Company	Consolidated
2016	**6,666**	**6,758**
2017	**7,963**	**8,184**
2018	**9,882**	**9,978**
After 2018	**6,990**	**7,500**
Total	**31,501**	**32,420**

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 March 31, 2015 and December 31, 2014, there were no transactions of this nature and, as a consequence, the Company was not the guarantor of any such operation.

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 March 31, 2015, balance of these transactions guaranteed by the Company amounted to R$4,203 (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	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Domestic trade accounts payable	**95,140**	63,891	**104,445**	70,271
Transactions with related parties (Note 12.a)	**2,081**	433	**-**	-
Foreign trade accounts payable	**-**	44	**-**	44
	97,221	64,368	**104,445**	70,315

18. Labor liabilities

Breakdown of labor liabilities is as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Salaries payable	**50**	5,810	**1,021**	7,398
Accrued for vacation pay and payroll taxes	**8,360**	5,706	**12,870**	9,707
	8,410	11,516	**13,891**	17,105

19. Provisions for labor, tax and civil contingencies

The balances are as follows:

	Company		Consolidated	
	03/31/2015	**12/31/2014**	**03/31/2015**	**12/31/2014**
Civil	**265**	484	**313**	507
Tax	**1,675**	1,675	**2,044**	2,044
Labor	**2,333**	2,346	**2,863**	2,766
	4,273	4,505	**5,220**	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	161	1,889
Reversals/payments	(533)	-	(461)	(994)
Balances at 03/31/2014	480	2,402	1,862	4,744
Balances at 12/31/2014	484	1,675	2,346	4,505
Additions/restatements	**2**	**-**	**57**	**59**
Reversals/payments	**(221)**	**-**	**(70)**	**(291)**
Balances at 03/31/2015	**265**	**1,675**	**2,333**	**4,273**

Consolidated	**Civil**	**Tax**	**Labor**	**Total**
Balances at 12/31/2013	524	1,554	2,765	4,843
Additions/restatements	511	1,217	197	1,925
Reversals/payments	(533)	-	(645)	(1,178)
Balances at 03/31/2014	502	2,771	2,317	5,590
Balances at 12/31/2014	507	2,044	2,766	5,317
Additions/restatements	**28**	**-**	**361**	**389**
Reversals/payments	**(222)**	**-**	**(264)**	**(486)**
Balances at 03/31/2015	**313**	**2,044**	**2,863**	**5,220**

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. 12.973 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$45,248, 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$7,520.

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$5,033. 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 March 31, 2015, judicial deposits amount to R$5,405, in Company (R$5,242 at December 31, 2014), and R$7,250, 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 March 31, 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 March 31, 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. At 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 March 31, 2015, the Company had not repurchased any share.

21. Dividend and interest on equity paid and proposed

Dividend

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.

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 will be paid on June 30, 2015 and December 30, 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 quarters ended March 31, 2015 and 2014.

a) Basic earnings per share

	03/31/2015	03/31/2014
Net income for the period (in thousands of reais)	**18,143**	17,433
Weighted average number of shares issued (in thousands)	**88,683**	88,637
Basic earnings per share – in R$	**0.2046**	0.1967

b) Diluted earnings per share

	03/31/2015	03/31/2014
Net income for the period (in thousands of reais)	**18,143**	17,433
Weighted average of shares issued (in thousands)	**88,683**	88,637
Adjustment as per stock options (in thousands)	**208**	168
Weighted average number of common shares for diluted earnings per share (in thousands)	**88,891**	88,805
Diluted earnings per share – R$	**0.2041**	0.1963

23. Net sales revenue

Breakdown of net sales revenue is as follows:

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Gross sales revenue				
Domestic market	**246,566**	231,787	**283,684**	266,307
Foreign market	**9,190**	6,849	**16,760**	9,536
Sales returns	**(574)**	(5,912)	**(6,706)**	(11,463)
Discounts and rebates	**(18)**	(275)	**(18)**	(275)
Sales taxes	**(45,233)**	(40,180)	**(57,478)**	(50,680)
Net operating revenue	**209,931**	192,269	**236,242**	213,425

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	**03/31/2015**	**03/31/2014**
Gross revenue	**300,444**	275,843
Arezzo – domestic market	**166,448**	164,554
Schutz – domestic market	**99,389**	88,248
Anacapri – domestic market	**15,885**	11,795
Other	**1,962**	1,710
Foreign market	**16,760**	9,536

	Consolidated	
Channel	**03/31/2015**	**03/31/2014**
Gross revenue	**300,444**	275,843
Franchises	**146,017**	145,905
Multi-brand	**66,057**	55,598
Own stores	**70,542**	63,928
Other	**1,068**	876
Foreign market	**16,760**	9,536

Revenue from foreign market is not stated separately by geographic area, as it accounts for 6% of gross revenue as of March 31, 2015 (4% as of March 31, 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	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Expenses by function				
Cost of sales	**(138,530)**	(122,914)	**(140,342)**	(121,364)
Selling expenses	**(24,328)**	(20,556)	**(54,966)**	(47,721)
General and administrative expenses	**(16,105)**	(18,147)	**(17,794)**	(19,324)
Other operating income (expenses), net	**(1,346)**	(763)	**(813)**	(936)
	(180,309)	(162,380)	**(213,915)**	(189,345)

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Expenses by nature				
Depreciation and amortization	**(4,033)**	(1,441)	**(5,784)**	(3,209)
Personnel expenses	**(21,562)**	(17,438)	**(35,811)**	(29,912)
Raw material, and store and supplies	**(138,560)**	(123,427)	**(140,659)**	(121,877)
Freight	**(4,353)**	(2,250)	**(5,364)**	(2,882)
Store occupancy	**-**	-	**(6,704)**	(6,438)
Other operating expenses	**(11,801)**	(17,824)	**(19,593)**	(25,027)
	(180,309)	(162,380)	**(213,915)**	(189,345)

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			
	03/31/2015		**12/31/2014**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash equivalents	**7,536**	**7,536**	10,831	10,831
Short-term investments	**202,613**	**202,613**	189,583	189,583
Trade accounts receivable and other receivables	**321,519**	**321,519**	293,316	293,316
Loans and financing	**98,138**	**98,138**	99,410	99,410
Trade accounts payable and other accounts payable	**116,828**	**116,828**	82,543	82,543

26. Financial risk management objectives and policies (Continued)

a) Fair value (Continued)

At March 31, 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	-	**7,536**
Trade and other accounts receivable	-	**321,519**
Financial assets measured at fair value through profit or loss		
Short-term investments	**202,613**	**-**
Liabilities		
Other financial liabilities		
Trade and other accounts payable	-	**116,828**
Loans and financing	-	**98,138**

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

	Consolidated	
	03/31/2015	**12/31/2014**
Accounts receivable	**39,477**	34,258
Loans and financing	**(47,367)**	(42,824)
Net exposure	**(7,890)**	(8,566)

In order to check sensitivity of assets and liabilities in foreign currency to which the Company was exposed as of March 31, 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$	39,477	49,346	59,216
Loans and financing in foreign currency	R$	(47,367)	(59,209)	(71,051)
			25%	50%
Rate depreciation in reference to Dollar exchange rate		3.21	4.01	4.81
Effect on income before taxes	R$		(1,973)	(3,945)

26. Financial risk management policies and objectives (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 March 31, 2015, the outstanding amount of this hedging instrument.

Adjustments arising from derivative instruments would have the following effects:

Income statement	03/31/2015	03/31/2014
Gain recognized as financial income	-	180

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 March 31, 2015, breakdown of loans and financing, in terms of interest rates, is as follows:

	Consolidated	
	03/31/2015	%
Fixed interest	**45,611**	46%
TJLP and Libor-based interest	**52,527**	54%
	98,138	100%

In order to check sensitivity of indexes of loans to which the Company was exposed as of March 31, 2015, 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 March 31, 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 policies and objectives (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 March 31, 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$	2,003	2,504	3,005
Financing – LIBOR	R$	64	80	96
		2,067	2,584	3,101
Rate appreciation at Reference for financial liabilities			25%	50%
LIBOR		0.40%	0.50%	0.60%
TJLP		5.50%	6.88%	8.25%

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			
	Within 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	116,828	-	-	116,828

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	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Financial income:				
Interest income	**984**	878	**995**	882
Short-term investment yield	**5,806**	4,413	**5,841**	4,734
Other revenue	**433**	163	**343**	303
	7,223	5,454	**7,179**	5,919
Financial expenses:				
Banking expenses	**(406)**	(484)	**(500)**	(576)
Interest on financing	**(156)**	(447)	**(399)**	(1,136)
Credit card administration fee	**-**	-	**(763)**	(1,016)
Notary public fees	**(342)**	(136)	**(355)**	(137)
Other expenses	**(160)**	(151)	**(348)**	(224)
	(1,064)	(1,218)	**(2,365)**	(3,089)
Exchange gains (losses), net	**3,215**	(65)	**3,209**	87
Total	**9,374**	4,171	**8,023**	2,917

28. Other operating income (expenses), net

	Company		Consolidated	
	03/31/2015	**03/31/2014**	**03/31/2015**	**03/31/2014**
Stock option plan (Note 30)	**(1,315)**	(1,255)	**(1,315)**	(1,255)
Franchise fees	**-**	200	**-**	200
Recovery of expenses	**45**	24	**35**	25
Gain (loss) on disposal of property, plant and equipment and intangible assets	**-**	222	**-**	48
Other operationg income	**(76)**	46	**467**	46
	(1,346)	(763)	**(813)**	(936)

29. Operating lease agreements – store lease

Non-cancellable future minimum lease payments are set out as follows:

	Minimum payments at 03/31/2015 (consolidated)
Within 1 year	**17,581**
Over 1 year up to 5 years	**25,177**

The average monthly lease expenses paid amount to R$1,970 (R$1,538 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.

At March 31, 2015, lease expenses, net of taxes recoverable, totaled R$5,909 (R$4,613 at March 31, 2014). Lease payable balance amounts to R$992 (R$3,643 at December 31, 2014).

30. Stock option plan

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**
Up to 30 days from the grant date	45,059	22,539	21,744
From first anniversary	54,731	158,228	195,787
From second anniversary	54,731	158,228	195,787
From third anniversary	109,462	316,455	391,572
Total	263,983	655,450	804,890

Changes in the stock option plan are as follows:

	1st grant	**2nd grant**	**3rd grant**
Balance at 12/31/2013	178,875	631,911	-
Options granted	-	-	804,890
Options exercised	(23,957)	-	(21,744)
Options cancelled (*)	(36,089)	(125,207)	(31,376)
Balance at 12/31/2014	**118,829**	**506,704**	**751,770**
Options granted	**-**	**-**	**-**
Options exercised	**-**	**-**	**-**
Options cancelled (*)	**(51,747)**	**(60,840)**	**(3,640)**
Balance at 03/31/2015	**67,082**	**445,864**	**748,130**

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

For the quarter ended March 31, 2015, the Company calculated R$1,315 (R$1,255 at March 31, 2014) referring to the stock option plan expense recognized in the income statement matched against equity in the capital reserve specific account.

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

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

31. Government grants

ICMS matching credit

For the quarter ended March 31, 2015, the Company did not enjoy the tax benefit (R$1,583 at March 31, 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.

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 March 31, 2015, comprising the balance sheet as of March 31, 2015, and the related statements of income, comprehensive income, changes in equity and cash flows for the quarter 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 quarter ended March 31, 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, May 4, 2015

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

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