DEAR SHAREHOLDERS,

Saraiva S.A. Livreiros Editores (BM&FBOVESPA: SLED3 and SLED4), one of the largest retailers in content focused on culture and education in Brazil, announces its financial results for the quarter and fiscal year ended December 31, 2015.

The financial information contained herein refers to the fourth quarter and fiscal year of 2015 (4Q15 and 2015) and the comparisons are made in relation to the same period last year, unless otherwise stated.

The financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil.

The result for the publishing segment is recorded in the individual and consolidated statements of income of Saraiva S.A Livreiros Editores under "Net income from discontinued operations", as required by CPC 31 – Non-current Assets Held for Sale and Discontinued Operations, as a result of the sale of the publishing segment in accordance with the Share Purchase and Sale Agreement and Other Covenants entered into with Editora Ática S.A. on June 18, 2015. The financial information in the Management Report refers solely to the information from the Retail segment.

Any non-accounting information or information derived from non-accounting figures has not been reviewed by the independent auditors.

RETAIL HIGHLIGHTS

- Within the context of optimization of Saraiva's capital structure, we successfully completed the sales process of Saraiva Education (a company that agglutinated the Company's publishing and education assets).
- The Retail Net Revenue amounted to R$ 499 million (3.2% decrease against 4Q14). In 2015, the revenue was R$ 1.8 billion (2.7% decrease against 2014).
- Comparable sales of physical stores network (SSS) show a 2.9% decrease in 4Q15 against 4Q14 and a 1.7% decrease in the annual comparison.
- Important 7.9% Adjusted Gross Profit growth in 4Q15 against 4Q14, reaching R$ 161 million. In the year, Adjusted Gross Profit closed at R$ 581 million, 1.3% higher than 2014. The Adjusted Gross Margin was 32.2% in 4Q15, 330 bps higher than 4Q14 (28.9%). In 2015, the Adjusted Gross Margin showed a significant increase of 130 bps, closing the year at 32.8%.
- Recurring Operating Expenses were 10.0% higher in 4Q15 against 4Q14. In the year, excluding nonrecurring effects in 4Q15, the growth was 7.3%.
- EBITDA in 4Q15 was R$ 330 million (in 4Q14, it was R$ 7 million). In 2015, EBITDA was R$ 329 million against a R$35 million EBITDA in 2014. This significant variation is due to recognition in the sale of publishing assets balance sheet completed in Dec/15. Excluding the effect of the sale and extraordinary expenses recognized in the quarter, recurring EBITDA in 4Q15 would be R$5 million and R$ 3 million in 2015.
- Positive Free Cash Flow Generation (before the financial result) at R$ 29 million in 4Q15, higher than R$ 23 million in 4Q14.
- Opening a new store at Shopping Nova Iguaçu – State of Rio de Janeiro, scheduled for late April/16. The store will have a 760m² sales area and will reflect the new concepts established by the Management regarding the mix of products categories and visual merchandising aspects.
- Closing the store located in the *Leblon* neighborhood, in Rio de Janeiro, in Dec/15, in line with the strategy of closing operations in stores with low value generation prospects.
- Significant improvement in our customers experience, as shown by important indicators. On the *Reclame Aqui* website, a reference to companies reputation before consumers, we reached an evaluation score of 8.1 and are now classified as "Great". We also received the *Loja Mais Querida* (Most Beloved Store) award in the Bookstore and Entertainment category given by the E-bit company, specialized in the evaluation of e-commerce consumers.

SUBSEQUENT EVENTS

- Closing the activities of the store located at Shopping Iguatemi in São Paulo, in Mar/16.

MAIN INDICATORS

Table 1. (R$'000, unless otherwise specified)

Retail	2015	2014	Y/Y	4Q15	4Q14	Y/Y	3Q15	Q/Q
Gross Revenue	1,898,263	1,938,421	-2.1%	542,789	553,014	-1.8%	415,546	30.6%
Net Revenue	1,773,443	1,821,761	-2.7%	499,042	515,559	-3.2%	385,776	29.4%
Store Sales	1,246,283	1,259,854	-1.1%	355,832	366,877	-3.0%	270,033	31.8%
E-commerce Sales	527,160	561,907	-6.2%	143,211	148,682	-3.7%	115,743	23.7%
Adjusted Gross Profit[1]	580,869	573,355	1.3%	160,864	149,148	7.9%	125,694	28.0%
Adjusted Gross Margin (%)[1]	32.8%	31.5%	1.3 p.p.	32.2%	28.9%	3.3 p.p.	32.6%	-0.3 p.p.
Gross Profit	523,074	573,355	-8.8%	103,069	149,148	-30.9%	125,694	-18.0%
Gross Margin (%)	29.5%	31.5%	-2.0 p.p.	20.7%	28.9%	-8.3 p.p.	32.6%	-11.9 p.p.
Recurring Operating Expenses	(577,925)	(538,409)	7.3%	(156,308)	(142,149)	10.0%	(130,850)	19.5%
Adjusted EBITDA[2]	2,944	34,946	-91.6%	4,556	6,999	-34.9%	(5,156)	-
Adjusted EBITDA Margin (%)[2]	0.2%	1.9%	-1.8 p.p.	0.9%	1.4%	-0.4 p.p.	-1.3%	2.2 p.p.
Non-Recurring Events	383,719	-	-	383,719	-	-	141	>500%
EBITDA	328,868	34,946	>500%	330,480	6,999	>500%	-	-
EBITDA Margin (%)	18.5%	1.9%	16.6 p.p.	66.2%	1.4%	64.9 p.p.	0.0%	66.2 p.p.
Net (Loss) Income[3]	238,994	(36,905)	-	194,203	(13,544)	-	(26,333)	-
Net Margin (%)[3]	13.5%	-2.0%	15.5 p.p.	38.9%	-2.6%	41.5 p.p.	-6.8%	45.7 p.p.
Same Store Sales Growth	-1.7%	6.5%	-8.2 p.p.	-2.9%	2.4%	-5.3 p.p.	0.8%	-3.7 p.p.
E-Commerce Sales Growth	-4.3%	1.6%	-6.0 p.p.	1.7%	7.8%	-6.1 p.p.	-10.7%	12.4 p.p.
E-Commerce Growth ex-eletro	-2.6%	9.3%	-11.9 p.p.	2.2%	16.0%	-13.8 p.p.	-10.4%	12.7 p.p.
Number of Stores – End of Period	112	116	-3.4%	112	116	-3.4%	114	-1.8%
Sales Area – End of Period (m²)	62,424	63,870	-2.3%	62,424	63,870	-2.3%	62,692	-0.4%

Note: 1. Excludes the effects of changes in estimates for inventory obsolescence (-R$ 58 million)
Note: 2. Excludes the effects of the sales proceeds from publishing assets completed in Dec/15 (+ R$ 403 million), the change in estimate for inventory obsolescence (-R$ 58 million) and extraordinary expenses in 4Q15 (-R$ 19 million)
Note: 3. Net income before equity income

PERFORMANCE REVIEW

2015 was one of the most challenging years in the recent history of Brazil, both economically and politically. The retail sector was severely affected as we can analyze by the record drop in the sector's activities, measured by IBGE's Monthly Trade Survey ("PMC"), of 4.2% year on year. Considering only the month of December, seasonally one of the strongest months in terms of sales, there was a 7.2% decrease. By analyzing sales in the "books, newspapers, magazines and stationery" category, which we lead, the market downturn was even higher, almost 11% in 2015 against 2014.

Despite this scenario, we remain focused on our ongoing efforts to reduce costs, improve working capital and gain gross margin. A very important result was the 330 bps growth of retail's adjusted gross margin against 4Q14. Even if we exclude the effect of the National Institute of Social Security (INSS), which no longer accrues on revenue as of Nov/15, the adjusted gross margin was 260 bps higher than in 4Q15 against 4Q14. This improvement reflects the success of the developed action plan, which structures supply areas and business planning and improves tools and algorithms that have contributed to greater assertiveness in pricing and assortment.

As to sales, given the strongly recessionary scenario, we posted a relatively satisfactory performance with revenue decrease under the same stores concept lower than market decrease. According to the GFK market research consultancy, we gained 1.6 percentage points of market share in value in the book category in 2015, rising to 24.5%.

2015 also marked a major change in our activities, with the sale of publishing assets, which now allows us to focus 100% on retail activities, including physical stores and e-commerce. Within our resource rationalization plan and selective investments, we will open a store in Nova Iguaçu, in the state of Rio de Janeiro, after detailed feasibility studies indicating excellent potential for the unit's value creation. We also signed the retrofit (modernization and revitalization process) of the *Jardim Sul* store in São Paulo, which should occur by June, and we carried out facelift projects (specific changes) in 20 stores of the chain, leaving them with a more enjoyable shopping experience for customers.

Project 25, which changed the assortment in 22 out of 25 stores scheduled to receive it (including Telephone and Games categories) continues to get good results in terms of increased sales per m^2. In the games category, we expect to implement the assisted sale project in 2 more stores in 1H16, in view of the promising results obtained in 4 stores in which the project was initially developed. Still within the assortment strategy, we continue with some projects in development. Highlights are the rollout of the *bomboniere* category, now found in 5 stores. The results have been positive and are expected to implement the category in other units in upcoming months.

We should also stress the efforts that the Company has undertaken to reduce the working capital applied. We have a wide range of ongoing initiatives such as the review of the ideal clustering of stores and implementation of tools that promote better management of purchases and returns. We closed 2015 with a significant decrease of R$ 60 million in inventories (before the adjustment in the provision for obsolete inventories), against 2014. As our operating cycle considers the average of the last 12 months, we hope to report important earnings in this management throughout 2016.

The increase in expenses recorded in 4Q15, excluding nonrecurring events, was mainly due to inflationary pressures and the R$ 6 million increase in personnel expenses in the period, due to the collective bargaining agreement and the return of the INSS on payroll due to the change in the exemption policy rules established by the government. Even with the reasons explained regarding the expenses growth in 4Q15, we are not satisfied, so we will continue to implement a series of ongoing measures to ensure strict control of costs. We have several ongoing initiatives, especially the renegotiation of agreements and partnerships, and we expect to capture significant value creation in 2016 with the costs rationalization.

We completed the first stage of the action plan focused on the structural pillars which we believe will define the success of our business strategy. We had significant progress on all fronts: Customer Experience, Inventory Management, Level of Expenses, Management Tools and Employee Engagement. An important indicator that shows the evolution of customers perception and the improvement of our service level was achieving the 8.1 score ("Great" reputation) in consumers evaluation in the *Reclame Aqui* platform. In 2016, we started a second stage structuring a number of initiatives in each of the strategic pillars.

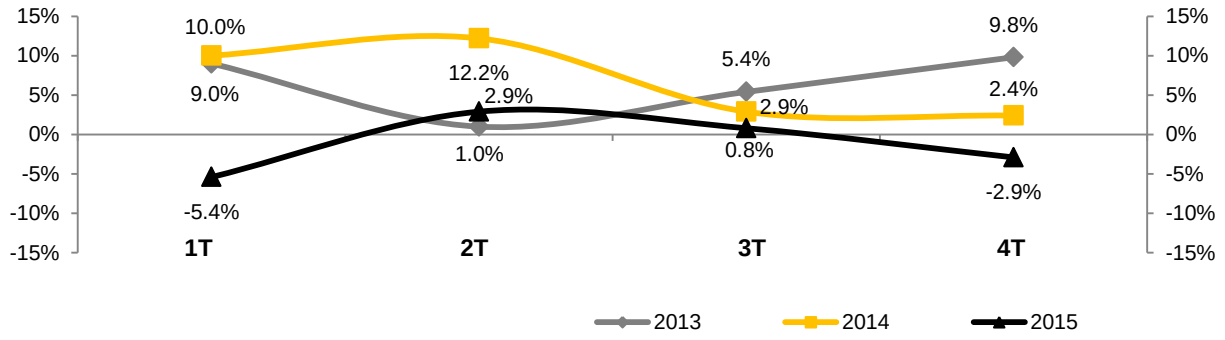
Overall, 2015 was a year of intense work and many challenges for business, but the results achieved with the increase of current initiatives operating efficiency make us confident to build a solid foundation to ensure our sustainable growth. We are aware that the 2016 challenges will be even greater, given the uncertain macroeconomic and political scenario to date, but we are convinced that we are preparing Saraiva for a new cycle of value creation.

RETAIL BUSINESS RESULTS

REVENUE – Retail net revenue totaled R$ 499 million in 4Q15, a 3.2% drop year on year. The annual net revenue closed 2015 at R$ 1.8 billion, 2.7% lower than 2014.

PHYSICAL STORES REVENUE – Stores net sales decreased 3.0% in 4Q15 and 2.9% in the concept of comparable stores. In the year, the decrease was 1.1% and 1.7%, respectively. Analyzing the context of relatively strong economic downturn, with a 3.8% GDP decrease in 2015, the performance is higher than what was recorded by important market indicators, such as retail sales data, which dropped 6.9% in 4Q15 against 4Q14 (source: IBGE Monthly Survey of Trade) and the traffic indicator for malls, where most of our stores are located, which decreased 3.9% in December (source: Ibope).

Chart 1. Sales Performance - Nominal Growth of Same Store Sales (by quarter)

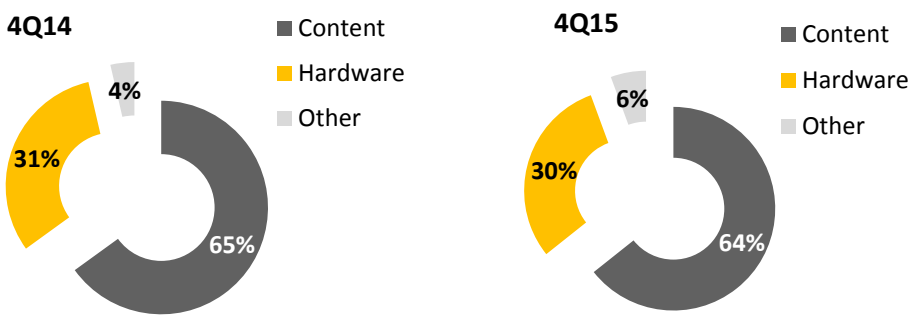


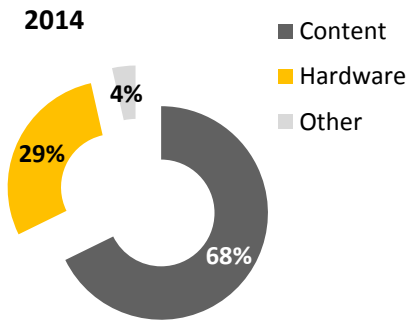
E-COMMERCE REVENUE – In 4Q15, Saraiva.com gross sales were 1.7% higher than the same period in the previous year. Year on year, there was a 4.3% decrease. Excluding the sale of consumer electronics and household appliances, the quarterly variation was positive by 2.2%, and negative by 2.6% in the year.

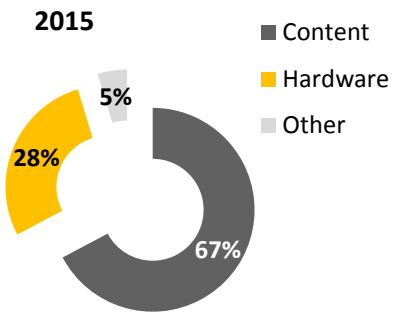
Net sales totaled R$ 143 million in 4Q15, a 3.7% decrease year on year. Excluding sales of consumer electronics and household appliances, there was a 3.2% decrease against 4Q14, due to low demand and the Company's direction in preserving margins, by offering profitable products and services. In the year, e-commerce net income closed the period at R$ 527 million, 6.2% lower against 2014. Excluding consumer electronics and household appliances, there was a 4.6% decrease.

Total gross revenue of e-commerce operations accounts for 29% of the Group's total retail operations in 4Q15 (against 28% in 4Q14). In the year, shares remained practically stable at 30%.

Chart 2. Gross Profit in Retail by segment (R$ million)







CHANGE IN THE PROVISION FOR OBSOLETE AND DAMAGED INVENTORIES

With the completion of publishing operation sales, the Company's Management has focused efforts on Retail operation and revisited a number of key processes to improve management. Considering the fast change that has occurred with the sales dynamics of certain product categories in recent years, especially the market deterioration seen in computer, music and movies segments, allied to specificities of the books category, which requires high degree of assertiveness to manage hundreds of thousands of SKUs, the Management improved the calculation estimate and changed the provision for inventories obsolescence at the end of 4Q15, generating an extraordinary impact with no cash effect, in the amount of R$ 58 million.

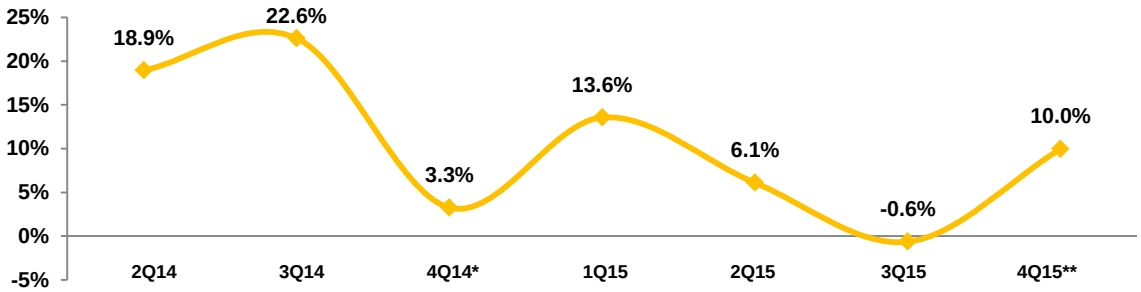
GROSS INCOME – Retail adjusted gross income reached R$ 161 million in 4Q15, 7.9% higher than in 4Q14. The adjusted gross margin showed significant increase of 330 bps, from 28.9% in 4Q14 to 32.2% in 4Q15. In the year, the adjusted margin increase 130 bps against 2014, closing the period at 32.8%.

Considering the effect of the change in the provision for inventories obsolescence, Retail gross income reached R$ 103 million in 4Q15, 30.9% lower than 4Q14 result. Gross margin was 20.7% in 4Q15 and 29.5% in the year.

OPERATING EXPENSES – The line of recurring operating expenses in Retail totaled R$ 156 million, accounting for a 10.0% increase against R$ 142 million reported in 4Q14. In 2015, operating expenses totaled R$ 578 million, 7.3% higher than in 2014.

As expected, the actions that have been implemented started to take important effects in 3Q15. The performance in 4Q15 was affected by inflationary pressures and growth in the personnel line under the collective bargaining agreement and the return of INSS incidence on payroll, but we reinforced our commitment in the quest for continuous effectiveness gains. Therefore, in 2016 we expect to improve productivity by optimizing costs, agreement reviews and processes change.

Chart 3. Operating Expense Evolution (% of change in relation to the same quarter of last year)



* Excluding 4Q13 non-recurring items
** Excluding extraordinary expenses, especially with consulting services regarding publishing assets sale process and write-off of ICMS ST credits not recognized by SEFAZ-SP

EBITDA – Retail EBITDA totaled R$ 330 million in 4Q15 against R$ 7 million in 4Q14. In 2015, EBITDA reached R$ 329 million against a R$ 35 million EBITDA in 2014. The EBITDA change is explained by the accounting recognition of publishing assets sales completed in Dec/15. Not considering the sale, the adjustment in inventories and the extraordinary expenses, EBITDA would be R$ 5 million in 4Q15 and R$ 3 million in 2015.

Table 2. EBITDA (R$'000, unless otherwise indicated)

Retail	2015	2014	Y/Y	4Q15	4Q14	Y/Y	3Q15	Q/Q
Net Income (Loss)[1]	**238,994**	**(36,905)**	**-**	**194,203**	**(13,544)**	**-**	**(26,333)**	**-**
(+) Financial Result	89,380	54,689	63.4%	30,773	18,292	68.2%	25,764	19.4%
(+) Income Tax / Social	(35,101)	(17,145)	104.7%	97,019	(6,821)	-	(13,071)	-
(+) Depreciation Amortization	35,595	34,307	3.8%	8,485	9,072	-6.5%	8,625	-1.6%
EBITDA	**328,868**	**34,946**	**>500%**	**330,480**	**6,999**	**>500%**	**(5,015)**	**-**
EBITDA Margin	**18.5%**	**1.9%**	**16.6 p.p.**	**66.2%**	**1.4%**	**64.9 p.p.**	**-1.3%**	**67.5 p.p.**
Adjusted EBITDA[2]	**2,944**	**34,946**	**-92%**	**4,556**	**6,999**	**-35%**	**(5,156)**	**-**
Adjusted EBITDA Margin (%)[2]	**0.2%**	**1.9%**	**-1.8 p.p.**	**0.9%**	**1.4%**	**-0.4 p.p.**	**-1.3%**	**2.2 p.p.**

Note: 1. Net income before equity income
Note: 2. Excludes the effects of the sales proceeds from publishing assets completed in Dec/15 (+R$ 403 million), the change in estimate for inventories obsolescence (-R$ 58 million) and extraordinary expenses in 4Q15 (-R$ 19 million)

WORKING CAPITAL * – The working capital/net revenue ration went from 20.9%, in 4Q14, to 22.8%, in 4Q15. Retail operating cycle was 86 days in 4Q15 against 87 days in 4Q14. Accounts receivable went from 55 days in 4Q14 to 58 days in 4Q15. The average term for inventory coverage decreased by 1 day, from 100 days in 4Q14, to 99 days in 4Q15. The payment term to suppliers increased 3 days, from 68 days in 4Q14 to 71 days in 4Q15. We continue with initiatives to reduce the operating cycle, focusing on releasing the capital used and expecting to capture gains as from 2016. The 15% reduction in inventory levels, excluding the adjustment to provision for obsolescence, at the end of 4Q15, is already an indicator that makes us confident in the assertiveness of ongoing actions.

* to calculate the operating cycle days, we used the average of the last 12 months

NET FINANCIAL REVENUE (EXPENSES) – Net financial result was an expense in the amount of R$ 31 million in 4Q15 against R$ 18 million in 4Q14. In 2015, the financial income was an expense of R$ 89 million against R$ 55 million in 2014. The growth reflects an increase in average debt balance and an increase in the reference rate for bank indebtedness (SELIC and TJLP).

NET INCOME (LOSS) FOR THE PERIOD – Retail net income, before equity pick-up, was R$ 194 million in 4Q15 against net loss of R$ 13 million in 4Q14, due to the accounting for the sale of publishing assets completed on December 30. In 2015, net income was R$ 239 million against net loss of R$ 37 million in 2014.

INVESTIMENTS (CAPEX) – Investments made in Retail totaled R$ 8 million in 4Q15 against R$ 13 million in 4Q14. In the year, the investments totaled R$ 22 million against R$ 47 million in 2014. We reinforce our determination to rationalize the use of funds by taking a selective approach to the investments made, prioritizing projects with faster return expectations.

LIQUIDITY – With the completion of the sale of Saraiva Educação at the end of 2015, a portion of consolidated net debt (BNDES line initially contracted by Editora Saraiva) was transferred together with the operation.

The following table presents information on maturities by financing line:

Table 3. Sources of financing for working capital and investments and their respective maturities (R$'000)

Consolidated	Average Cost (p.a)	Total	Until 2016	Until 2017	Until 2018	After 2018
Transaction Type						
BNDES[1]	**11.3%**	**58,798**	3,052	10,142	13,649	31,956
Working Capital/other	**16.5%**	**533,841**	271,585	162,136	92,642	7,478
Total Gross Debt[2]	**16.0%**	**592,639**	**274,637**	**172,278**	**106,291**	**39,433**

Note 1: Average cost at the close of 4Q15 from the balance of the 2014 BNDES agreement, without considering the cost of bank guarantee, considering TJLP of 6.5% p.a. and SELIC of 14.25% p.a.
Note 2: Loans net of financial derivative instruments

The table below presents the Saraiva Group's consolidated net debt (already excluding net debt related to Saraiva Educação), which totaled R$515 million on December 31, 2015, versus R$544 million in 4Q14 and R$786 million in 3Q15.

If we consider credit card receivables, net debt came to R$293 million in 4Q15 against R$243 million in 4Q14 and R$564 million in 3Q15.

Table 4. Evolution of the main CONSOLIDATED debt indicators monitored by the Company (R$'000)

Consolidated	4Q15	4Q14	Y/Y	3Q15	Q/Q
Transaction Type					
Loans and Financing[1]	592,639	801,243	-26%	590,491	0%
(+) Acquisition Obligations	5,018	4,432	13%	2,942	71%
(+) Receivables Prepayment	106,916	13,605	>500%	38,468	178%
(-) Cash and Cash Equivalents / Financial Investments	189,016	275,019	-31%	166,233	14%
(+) Liabilities Held for Sale (*Saraiva Educação*)	-	-	-	325,608	-
(-) Assets Held for Sale (*Saraiva Educação*)	-	-	-	5,521	-
Consolidated Net Debt Before Receivables	**515,557**	**544,261**	**-5%**	**785,756**	**-34%**
(-) Credit Card Receivables	222,036	301,324	-26%	221,710	0%
Consolidated Net Debt After Receivables	**293,521**	**242,937**	**21%**	**564,046**	**-48%**

Note 1: Loans net of financial derivative instruments

Note: For 1H16, receivables net of the payment of PNLD suppliers are expected to total around R$29 million.

It is important to note that the restated amount of the sale of the publishing assets was R$777 million on December 30, 2015. Of this amount, R$395 million was retained in an escrow account, expected to be released throughout 2016, as shown below:

Table 5. Sale of Publishing Assets (R$ Thousand)

Contractual Price Conditions	Dec/15
Total Transaction Amount	**776,599**
(-) Adjustment in the Estimated Accounting Price (Net Debt and Working Capital)	281,979
Net Transaction Amount	**494,620**
(-) Amount Received on December 30, 2015	99,165
Amount Receivable in 2016*	**395,455**
*** Escrow Account**	**395,455**
(-) Guarantee Deposit for Price Adjustment[1]	133,897
(-) PNLD Supply Guarantee Deposit[2]	261,558

Note: 1. Expected for June 2016, it refers to the usual adjustments for this type of transaction.

Note: 2. Expected for April 2016, the release will occur as soon as the transfer of the book supply agreements within the scope of the PNLD (National Textbook Program) is formalized.

OUR STORES - In 4Q15, Saraiva had 112 stores in 17 Brazilian states and the Federal District.

We expect to open a store in Shopping Nova Iguaçu, in Rio de Janeiro in 2Q16.

Our focus continue to be on extracting greater value from existing assets and renegotiating or closing stores without prospects for future value creation. We closed the Leblon store, in Rio de Janeiro, at the end of 2015 and the Shopping Iguatemi store, in São Paulo, in 1Q16. We are also reassessing our presence in airports, in line with this strategy.

LEV – The Saraiva portable digital reader (e-reader), LEV, released in early August 2014, already has digital catalog of over 486 thousand titles in foreign languages and 67 thousand titles in Portuguese.

PUBLIQUE-SE! – Publique-se! (a self-publishing platform) in 4Q15 had a total of 8.8 thousand published books versus 4.8 thousand books published in 4Q14. The advantage of this tool is that the digital books are promoted by the largest online book retailer in Brazil. More than 12 million people visit the online store each month, where they can access the entire collection of Publique-se! works.

SARAIVA PLUS – Another important initiative is the Saraiva Plus Program, our customer loyalty card, and an important relationship-building tool with clients of both the physical stores and Saraiva.com.br. The Saraiva Plus loyalty program had 12.3 million associated customers at the end of 4Q15 versus 10.1 million customers in 4Q14.

CAPITAL MARKETS

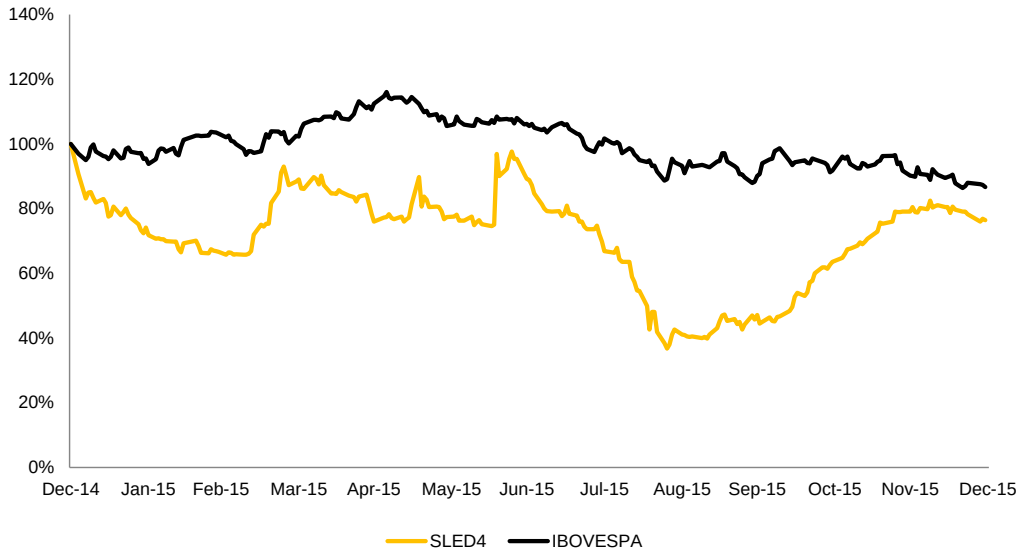
Below is a table of indicators summarizing the movement of Saraiva's shares in 2015 compared with 2014.

Indicators(*)	2015	2014	Y/Y
Number of Trades[1]	102,585	114,107	-10.1%
Participation in trading sections - %[1]	100.0	100.0	0.0%
Qtt. trades – thousand[1]	51,112	30,093	69.8%
Volume traded – R$ thousand[1]	231,031	457,505	-49.5%
Share Price – R$[1]	4.93	6.45	-23.6%
Total shares outstanding – thousand	26,686	26,686	0.0%
Market Value – R$ mllion	132.2	220.6	-40.1%

Source: BM&FBOVESPA
1 Reffers to PN shares (SLED4)
(*) Unaudited

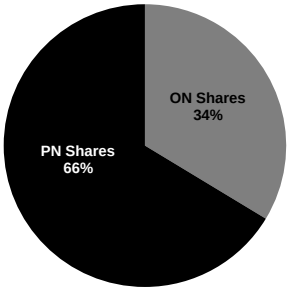
Saraiva's preferred shares (SLED4) reported a depreciation of 24% over the past 12 months. During the same period the Ibovespa stock index recorded a negative variation of 13%. As of December 31, 2015 Saraiva's market capitalization was R$ 132.2 million.

SLED4 versus IBOVESPA
Base 100 = 12/30/2014



SHAREHOLDING STRUCTURE

Saraiva's subscribed and paid in capital stock was R$ 391.5 million on December 31, 2015, made up of a total of 28,596,123 shares, all nominative, book entry and with no par value. Of these shares, 9,622,313 are common (ON) and 18,973,810, preferred (PN). The Company holds 1,894,378 preferred shares as treasury stock.



DIVIDENDS

The Board of Directors, at the meeting held on March 28, 2016, presented a proposal for retention of the minimum mandatory dividend in the amount of R$ 22 million, equivalent to 25% of the balance of net income for the year, to be allocated to the Special Reserve for Not Distributed Mandatory Dividend pursuant to article 202, paragraphs 4 and 5 of Law No. 6.404/76, as its distribution is not compatible with the Company's current financial condition.

EMPLOYEES

The Company ended 2015 with 4,531 employees (5,839 in December 2014). The Group has been investing in qualification and training programs, creating opportunities and enhancing the shopping experience for its customers.

CORPORATE GOVERNANCE

In line with best corporate governance practices, since the end of 2013, the Group has had a Governance area, responsible for concentrating and organizing the Company's internal controls. As of January 2014, the Internal Audit area became independent, no longer reporting to the Chief Financial Officer, but being part of the Governance Executive Department. This Executive Department, which includes the Internal Audit, reports directly to the Chief Executive Officer and also has an Asset Protection Area, divided into Loss Prevention, Ombudsman Channel and Inventory Processes.

The Internal Audit has established as a goal to apply the best practices, in line with companies that have the highest governance levels in the market, in addition to the standards determined by the governance bodies (e.g. IIA – Institute of Internal Auditors). As a result, we established that the structure and targeting of the Internal Audit's work should focus on risks, prioritizing the most critical ones and those that have a direct impact on the Group's business objectives and strategic plan.

A General Risk Assessment (GRA) was initiated in 2014 and continued in 2015 in order to identify, classify and detail the main risks involved in the Group's activities, areas and structure and as well as risk qualifiers that indicate its exposure.

The General Risk Assessment (GRA) was reviewed and approved by the Company's Board of Directors, although a Risk Management Policy has not been formally established. The Governance area helps Management map, analyze and appropriately treat risk events that may affect the Company's business.

The result of this project led to the definition of an annual Internal Audit plan for 2016 focusing on risks, which was formally approved by the Company's Governance Executive Department and Chief Executive Officer.

SUSTAINABILITY AND SOCIAL ACTIONS

Saraiva also sponsors the Jorge Saraiva Institute, a non-profit education institution that promotes the full development of children aged between two and five years, in the physical, psychological, intellectual and cognitive aspects.

Founded in 2004, the first Institute base was opened in the Lapa district, in São Paulo, and initially served 40 children. In 2008, it moved its facilities to the Freguesia do Ó region, in the city of São Paulo, expanding its capacity to 100 students.

It provides the community with a different educational option, targeting families seeking high-quality learning with a humanistic and critical approach focused on promoting autonomy.

In accordance with the Brazilian Education Guidelines and Bases and the Child and Adolescent Statute, it offers kindergarten and pre-school, both on a full time basis. Through recreational activities, students are encouraged to exercise their motor skills, make discoveries and take their first steps in literacy.

INDEPENDENT AUDITORS

The financial information (individual and consolidated) have been examined by KPMG Auditores Independentes ("KPMG").

The engagement of independent auditors is based on the principles which safeguard the independence of the auditor, consisting in (a) the auditor not auditing its own work; (b) not exercising managerial functions; and (c) not advocating on behalf of the Saraiva Group or rendering any services which might be deemed as subject to restriction under prevailing regulations.

The total value booked relative to outside audit fees for fiscal year 2015 was R$ 508 thousand.

Pursuant to the Brazilian Securities and Exchange Commission's (CVM) Normative Instruction 381/03 for the year ending December 31, 2015, KPMG provided services other than external audit in the amount of R$ 31 thousand.

ADHERENCE TO THE MARKET ARBITRATION PANEL

As a result of adherence to Corporate Governance Level 2, the Company, its shareholders and management undertake through arbitration to resolve all conflicts established in the Commitment Clause in the Bylaws pursuant to BM&FBOVESPA's Market Arbitration Panel Regulations.

DECLARATION OF THE EXECUTIVE BOARD ON THE FINANCIAL STATEMENTS

Pursuant to the provision in Article 25 of CVM Instruction 480/09, the Executive Board declares that it has reviewed, discussed and agrees with the financial statements, individual and consolidated, authorizing its conclusion on this date.

DECLARATION OF THE EXECUTIVE BOARD ON THE OPINION OF THE INDEPENDENT AUDITORS

Pursuant to the provision in Article 25 of CVM Instruction 480/09, the Executive Board declares that it has reviewed, discussed and agrees with the opinions expressed in the opinion of the independent auditors on these statements, issued as of this date.

ACKNOWLEDGEMENTS

We wish to thank all shareholders, clients, suppliers, financial institutions, authors, employees and communities for the support provided in 2015 without which we would have been unable to achieve the year`s results

São Paulo, March 28, 2016.
The Management

ANNEX – RETAIL

R$ thousand	4Q15	4Q14	Y/Y	3Q15	Q/Q
CURRENT ASSETS					
Cash and Cash Equivalents / Financial Investments	185,906	99,470	86.9%	151,771	22.5%
Accounts Receivable	230,829	308,198	-25.1%	229,174	0.7%
Inventories	289,024	406,591	-28.9%	335,737	-13.9%
Recoverable Taxes	135,030	132,944	1.6%	160,503	-15.9%
Financial Derivative Instruments	37,658	-	-	-	-
NON-CURRENT ASSETS					
Other Long Term Assets	106,714	80,220	33.0%	118,489	-9.9%
Financial Derivative Instruments	45,591	-	-	-	-
Investments	135	190	-28.9%	24,223	-99.4%
Property, Plant & Equipment	72,977	85,174	-14.3%	75,726	-3.6%
Intangible assets	120,851	123,816	-2.4%	119,683	1.0%
CURRENT LIABILITIES					
Loans and Financing	311,109	453,128	-31.3%	235,516	32.1%
Suppliers	327,744	399,891	-18.0%	219,677	49.2%
NON-CURRENT LIABILITIES					
Intragroup Loans	128,055	-	-	151,878	-15.7%
Loans and Financings	331,696	67,133	394.1%	332,663	-0.3%
SHAREHOLDERS' EQUITY	**362,087**	**256,271**	**41.3%**	**157,819**	**129.4%**

CONFERENCE CALL DETAILS

Saraiva's 4Q15 Earnings Conference Call, to be held in Portuguese and simultaneously translated to English, will be held on March 30, 2016, at 10:30 AM (local time) / 9:30 AM (US EST).

The call will be webcast live through streaming audio.

For more details, visit: www.saraivari.com.br

CONFERENCE CALL IN PORTUGUESE WITH SIMULTANEOUS TRANSLATION INTO ENGLISH

Time:
Brazil BRT (Brasília): 10:30 am
US Eastern Standard Time US EST (New York): 9:30 am
Greenwich Mean Time GMT (London): 2:30 pm
Central European Time CET (Madrid): 3:30 pm

Telephone Numbers:
Dial-in for connecting from Brazil: +55 11 3193-1001
Dial-in for connecting from Brazil: +55 11 2820-4001

Dial-in for connecting from the United States: +1 786 924-6977

Password: SARAIVA
Replay: +55 11 3193-1012 or 2820-4012 (available for 7 days)
Access codes: 1908785# (Portuguese) and 4513537# (English)

To listen in on the conference call over the Internet, connect to the webcast platform:

WEBCAST PLATFORM

Portuguese: http://webcast.neo1.net/Cover.aspx?PlatformId=kDGNoMZQCfe2YPSPex2Zuw%3D%3D

English: http://webcast.neo1.net/Cover.aspx?PlatformId=9sEEVFQLWe4wfEbtyfuGrQ%3D%3D

***Webcast*:** www.saraivari.com.br

ABOUT SARAIVA

Saraiva, a Company focused on education, culture and entertainment, is present in all phases of its clients' lives. The Company operates through a multi-channel concept, offering a wide range of products and services. The Company conducts its e-commerce business through the site Saraiva.com.br, whose operations are fully integrated with those of the physical stores, and Saraiva has a presence throughout the entire country.

DISCLAIMER

This report contains forward-looking statements that are subject to risk and uncertainty. These statements are based on beliefs and assumptions of management and on information currently available. Our future results and shareholder value may differ materially from those expressed or implied in these forward-looking statements.