



CONSULT AUDITORES

Curitiba, May 15, 2015.


To
The Executive Officers and Shareholder of
EMPRESA BRASILEIRA DE CORREIOS E TELÉGRAFOS - ECT
Brasília - DF

CONFIDENTIAL

Dear Sirs,

In order to execute the obligations established in our service submission contract of auditing, we present the independent auditors' report concerning the financial statements as of December 31, 2014.

Sincerely,



Pedro Nunes de Gouveia
CHIEF AUDIT OFFICER

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To
The Executive Officers and Shareholder of
EMPRESA BRASILEIRA DE CORREIOS E TELÉGRAFOS - ECT
Brasília/DF

We have audited the financial statements of Empresa Brasileira de Correios e Telégrafos - ECT, which comprise the statement of financial position as at December 31, 2014, and the statements of income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility on the Financial Statements

The management of Empresa Brasileira de Correios e Telégrafos - ECT is responsible for the preparation and fair presentation of those financial statements in accordance with practices generally accepted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with the Brazilian and international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the equity and financial position of Empresa Brasileira de Correios e Telégrafos - ECT as at December 31, 2014, the performance of its operations and its cash flows for the year then ended in accordance with the Brazilian accounting practices.

Emphasis of Matter

As mentioned in explanatory note 4, due to the correction of errors in prior years, the corresponding figures for the balance sheet and the related accounting information concerning the income statements, comprehensive income, changes in shareholders' equity, cash flows and the value added for the year ended on December 31, 2013, presented for comparative purposes, were adjusted and are being restated as provided in CPC 23 (IAS 08) – Accounting Policies, Changes in Accounting Estimates and Errors and in CPC 26 (IAS 01) – Presentation of Financial Statements. Our conclusion does not contain modification related to the adequacy of rectification of errors from prior years.

According to notes 12 and 16.2, due to the initial application of CPC 27 – Fixed Assets, only in the beginning of fiscal year 2014, in the accounting records of Empresa Brasileira de Correios e Telégrafos – ECT, there was the option for recognizing the cost assigned to real estate that presented too low residual value, generating a significant increase in Fixed Assets with counterpart in Shareholders' Equity, presented in the financial statements by the net value of deferred taxes. There was also a review on the terms of effective useful life of assets from fixed assets, and a readjustment of measurement and recognition of depreciation expenses were performed.

As representation of values related to the comparative period as of DEC/31/13, due to the recognition of post-employment actuarial liability of health insurance, the Shareholders' Equity of Empresa Brasileira de Correios e Telégrafos – ECT was negative. That fact was reversed in fiscal year 2014 because of the increase of values of assets from fixed assets, of which counterpart is the adjustment account of equity valuation in Shareholders' Equity.

ECT keeps health insurance headed for its employees and former employees (retired, bound participants and pensioners), which, from fiscal year 2014, has been managed by POSTAL SAÚDE – Caixa de Assistência e Saúde dos Empregados dos Correios, legal entity with legal identity different from ECT. It is a plan in the modality of sponsored self-governing, in which ECT is represented as sponsor and is responsible to cover the plan expenses. In 2014, it was used part of

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the structure of personnel, real estate and equipment of ECT, and the expenses generated with that structure were recorded in the income statement of ECT, without the specific identification, for being expenses linked to the health insurance.

According to note 14.12, there was recognition of the effects of agreement Dissolution signed in 2011, between ECT and Banco do Brasil. In that period, the agreement generated the anticipated receipt of amounts, which ECT kept recorded as Income Received in Advance, making the appropriation to the period income on accrual basis in the time lapse of the agreement. Upon Dissolution, a Financial Obligation Payable was generated, corresponding to the return of balance of amount received in advance, monetarily updated.

As described in note 15.1, in the financial statements is recognized the actuarial liability of post-employment benefit of health insurance, since the variation of fiscal year from 2013 to 2014 was not relevant, although there was an increase of participants in the plan, according to note 15.1.1.3. In note 15.1.1.6, the main assumptions justifying the fact that there has not been a significant increase, are represented by the reduction in turnover rate, by increase in discounts rate and by reduction in the average medical expense of the last age group of cost vector, which correspond to highly sensitive assumptions, equal to the real growth rate of health care costs.

According to note 15.1, it is recognized in the financial statements, the actuarial liability of post-employment benefit of pension plan Postalís-BD. In addition to sensitive actuarial assumptions that generate actuarial liability, one may observe in note 15.1.1.8, that the fair value of plan assets directly impact on net liabilities, which is recognized as obligation by ECT.

In recent trials of Supremo Tribunal Federal – STF (Federal Supreme Court), decisions have been handed down indicating that, the services provided by ECT are covered by reciprocal immunity (CF, art. 150, VI, a, and §§ 2nd and 3rd), on the grounds that, extending the tax exemption scheme would be natural, considering that ECT would be *longa manus* of the Union and that, the other economic activities performed by ECT, would exist to fund the performance of that one, subject to constitutional reserve of monopoly. Whereas there are obscurities regarding the taxes covered (only taxes on services, or also taxes on property, income, sales and the contributions on revenues) and related to the time periods covered (former ones or only from the decision) it is not possible to measure the effects of decision regarding the current tax contingencies of ECT, which are classified by the legal advisors as a remote risk of loss, also in relation to the possible need for tax repayment claims, and the impacts they shall cause to the financial statements.





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Other Matter

Our examination was conducted with the aim to issue opinion on the basic financial statements taken as a whole. The statement of added value, submitted to provide additional information about the Company, is not required as part of the basic financial statements, according to the Brazilian accounting practices. The statement of added value was submitted to auditing procedures and, in our opinion, is adequately presented, in all relevant aspects, in relation to the financial statements taken as a whole.

Curitiba, May 12, 2015.


Pedro Nunes de Gouveia
Accountant CRCPR Nº 022.632/O-9 S-DF


Parailio Domingues da Silva Filho
Accountant CRCPR Nº 035.538/O-4 S-DF

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