



4Q13/2013 Results Presentation

February 5th. 2014

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 **Net profit of R\$66.7 million on 4T13 and R\$207.8 million on 2013**

5.8% growth over 3Q13. 35.6% net margin on 4Q13 and 36.3% on 2013.

 **Strong YoY miles accrual growth (ex-GOL partners)**

35.2% growth over 4Q12

 **15.5% breakage rate at the end of 2013**

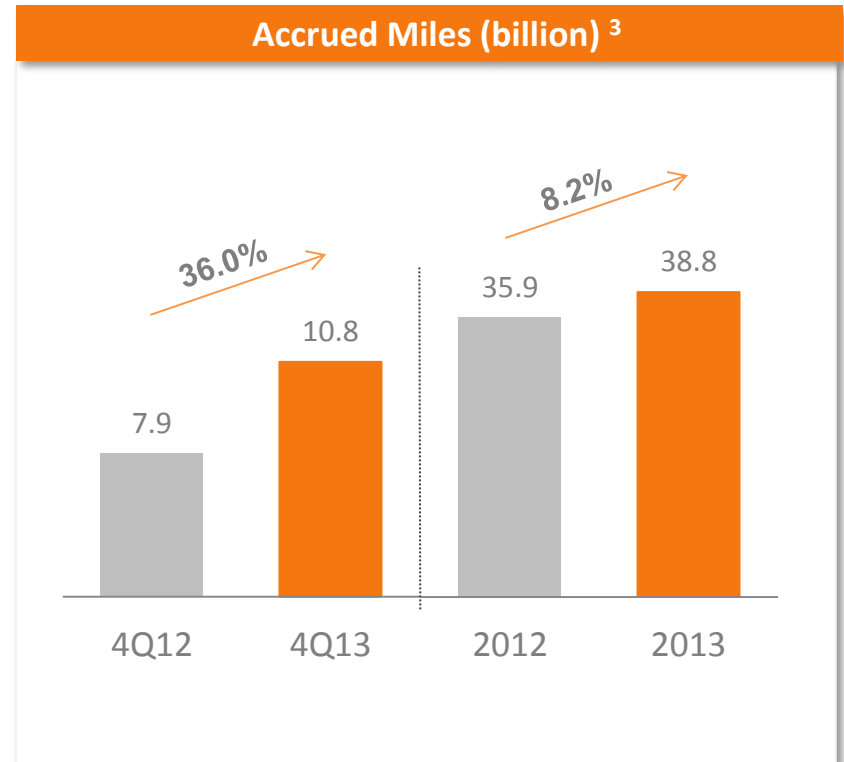
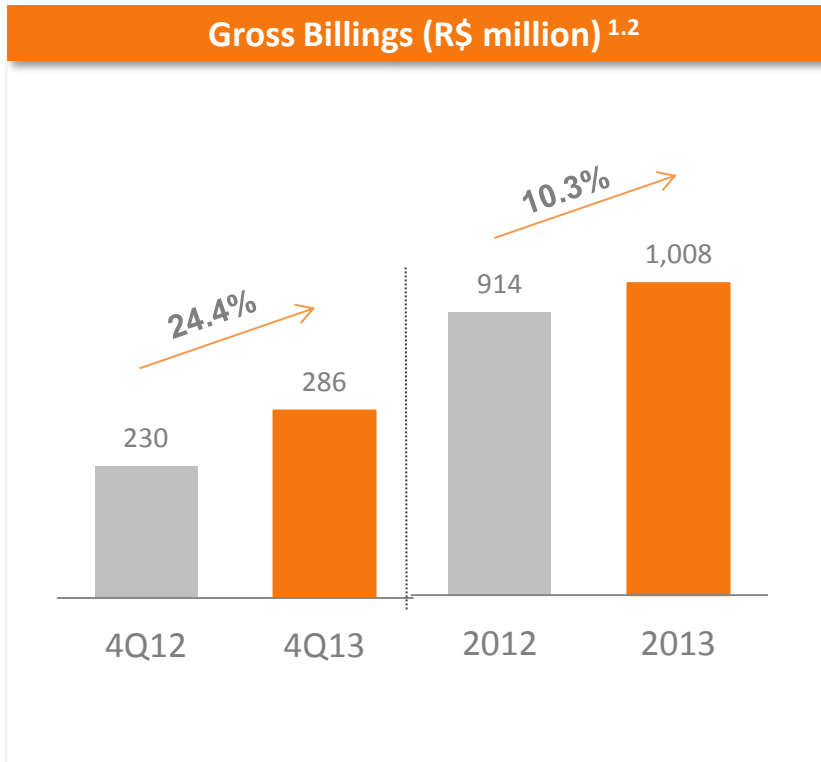
0.3 p.p. higher over 3Q13 and 2.4 p.p. decrease over 4Q12

 **G.A. Smiles S.A. Incorporation**

R\$214.5 million fiscal goodwill to be amortized in 5 years

 **New Product: Miles Transferring**

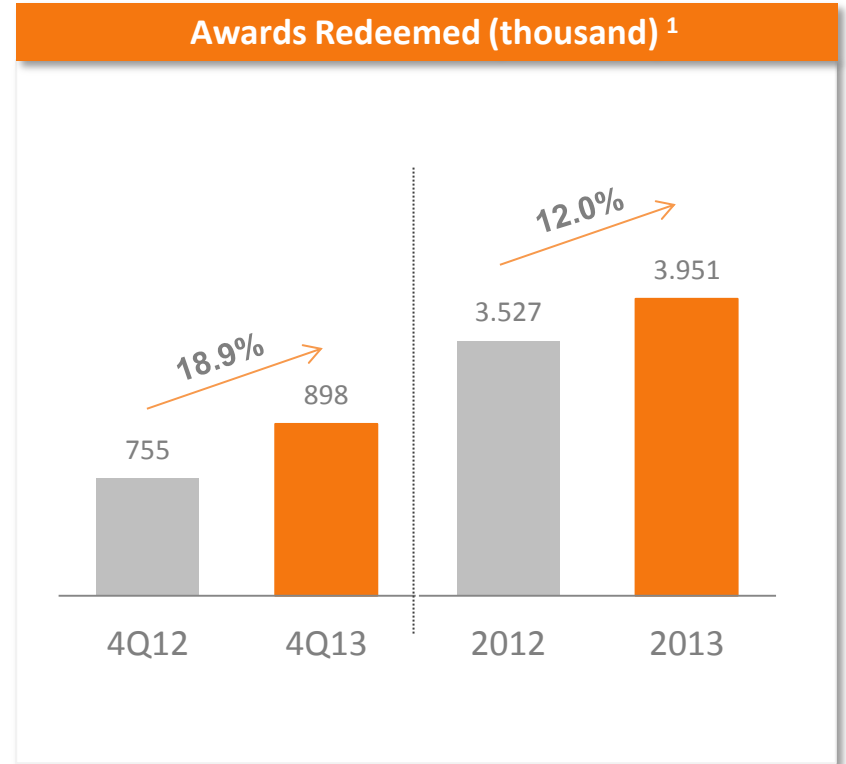
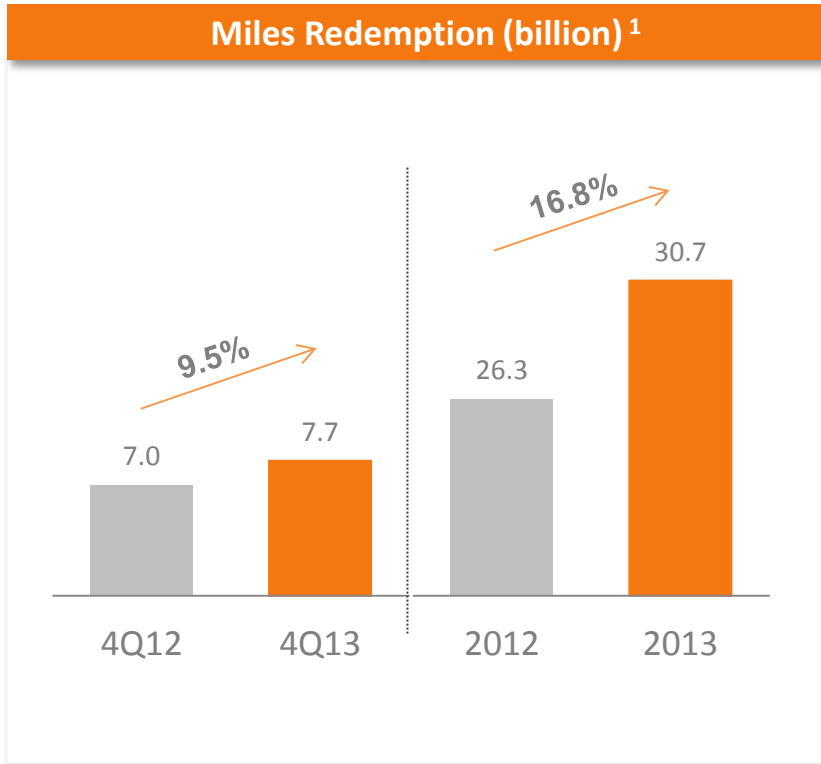
Smiles participants can transfer their miles by paying a R\$0.03 fee per mile



¹ Gross revenue is not an accounting measure. It corresponds to the total revenue from mileage sale and the cash portion from Smiles & Money, gross of taxes. These revenues may have affected the current period or will be recognized as revenue in future periods, depending on the date of redemption by the participants of the program.

² For the 2012 periods, pro-forma revenue reflects the estimated amounts that would have been billed to GOL, in compliance with the ticket and miles purchase agreement.

³ The chart figures reflect redemptions net of refunds.



¹ Graphs' numbers reflect miles/awards net of refund effects.

Products' Direct Margins



4Q13 (Margin per product)	100% miles products	Smiles& Money	Non Allocated	Total
Gross Revenues	96.2	82.9	27.6	206.8
Miles Redemption Revenue	96.2	4.3	-	100.5
Money Revenue	-	78.6	-	78.6
Breakage Revenue	-	-	19.8	19.8
Other Revenues	-	-	7.8	7.8
(-) Revenue Taxes	(8.9)	(7.7)	(2.6)	(19.2)
(=) Net Revenues	87.3	75.2	25.0	187.6
(-) Direct Costs	(51.8)	(40.0)	-	(91.8)
(-) Non Allocated Costs	-	-	(2.8)	(2.8)
(=) Gross Profit	35.5	35.3	22.2	93.0
Gross Margin	40.6%	46.9%	n/a	49.6%

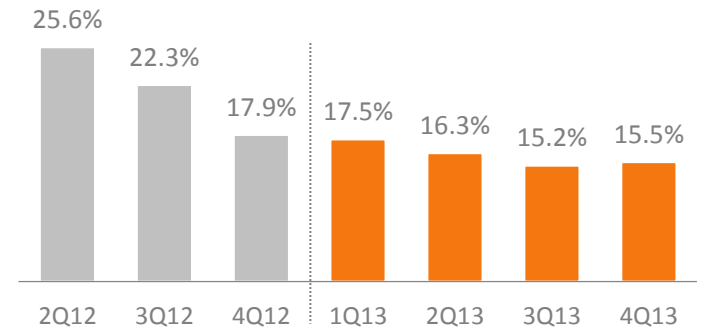
¹ this margin includes the direct allocation of net revenue from mileage redemption, of net Money revenue and of the respective redemption costs. Note that other revenues, costs and expenses have not been specifically allocated to the products

Breakage Recognition 4Q13



A	Initial Deferred Revenue Balance	357.1
B	Accumulated	204.6
	(+) Gross Billings from Miles	205.7
	1 (+) Bonus Miles	(1.1)
C	Redemptions	100.5
D	Expirations	3.2
E = A + B - C - D	Final Deferred Revenue Balance	457.9
F	Breakage Rate	15.5%
G = E x F	Breakage Balance	71.0
$H(t) = G(t) - G(t-1)$	Breakage Variation in Results	16.5
J = D + H(t)	Revenue from Breakage	19.8

Breakage (last 12 months)

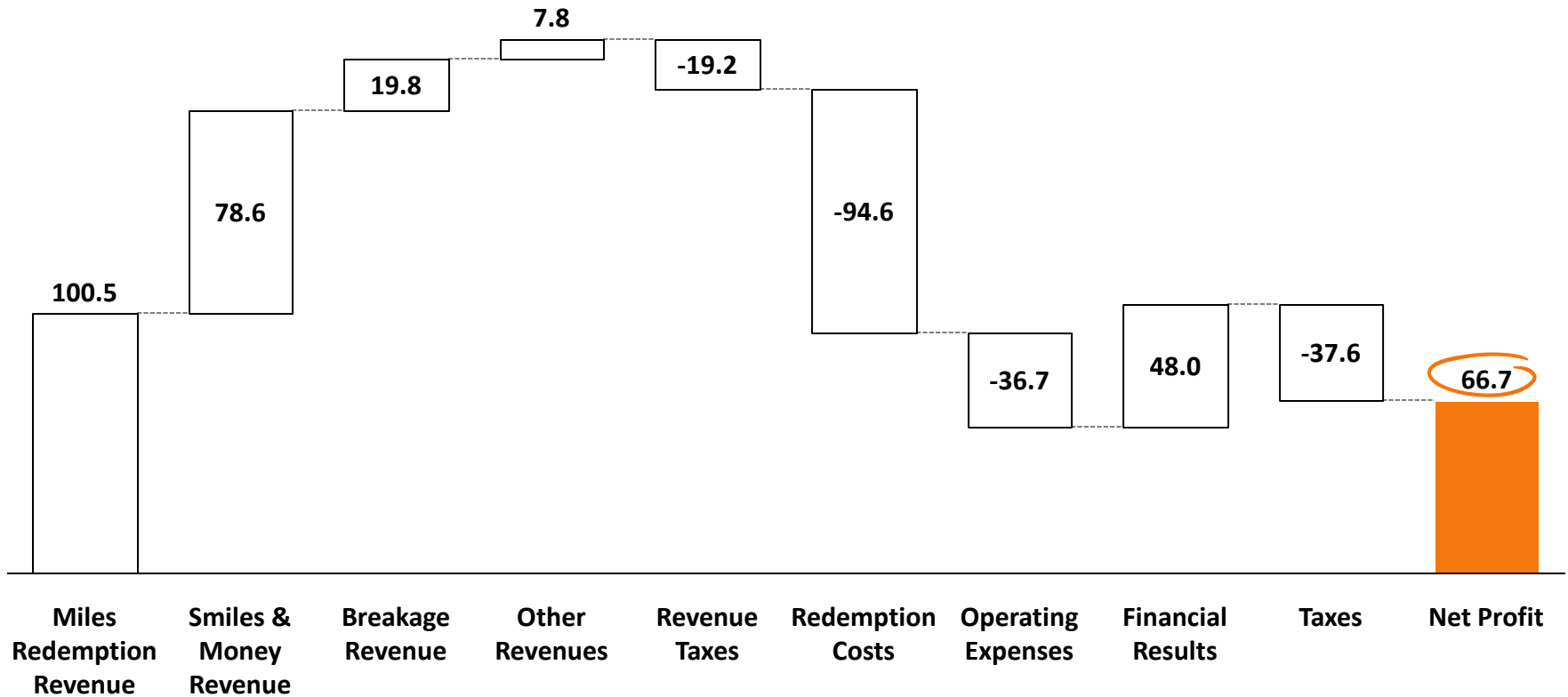


The adjustments refer to the accounting for accrued miles but not billed yet, as well as mileage bonus adjustments, against selling expenses.

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These adjustments occur so that the accounting reflects the accrual basis, while sales are objectively calculated by the amount billed with business partners.

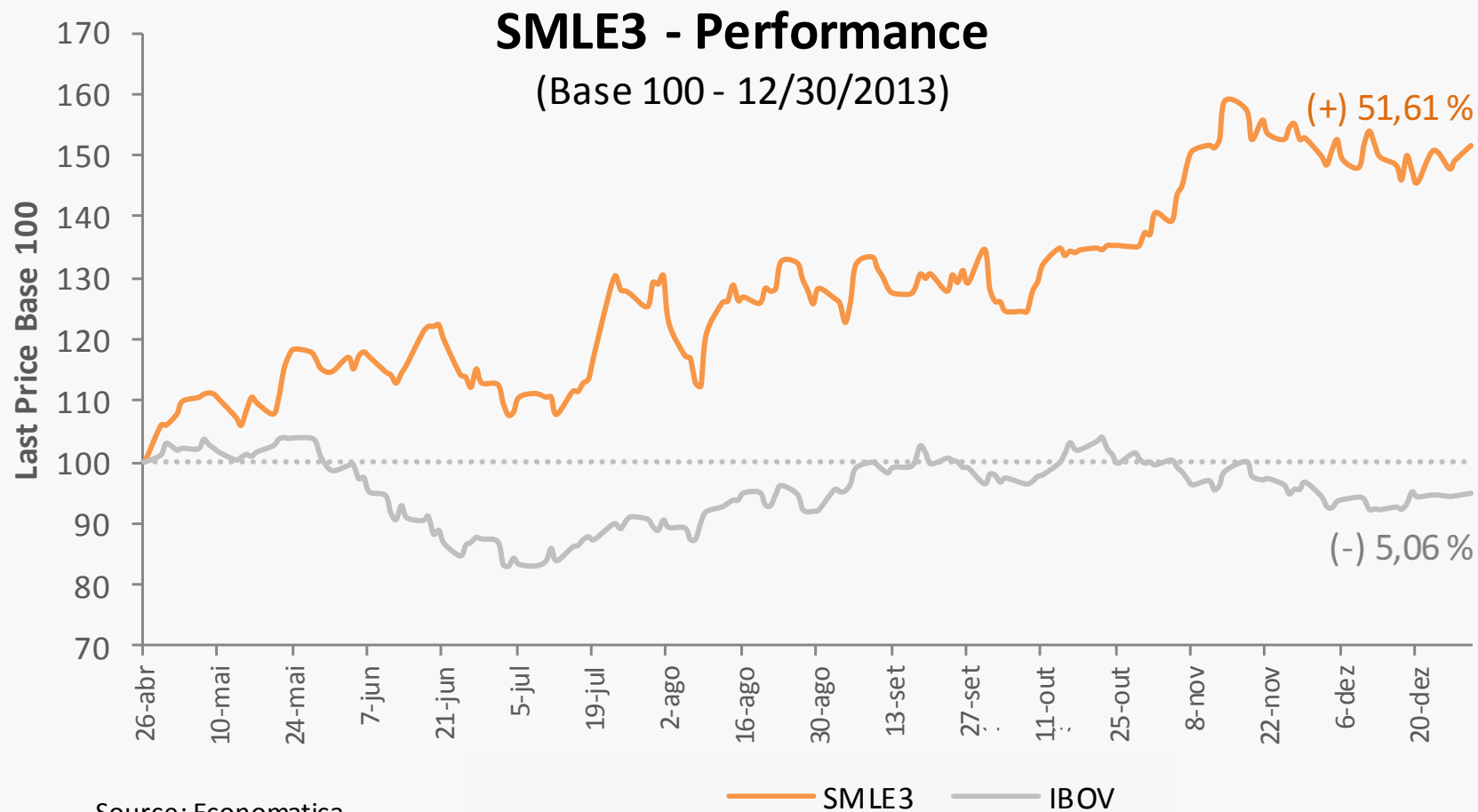
Net Profit Breakdown – 4Q13



**Net Revenues:
R\$187.6 million**

**Operating Profit:
R\$56.3 million
30.0% margin**

**Net Profit:
R\$66.7 million
35.6% margin**



Source: Economica
Adjusted for dividends



Leonel Andrade

CEO

Flavio Vargas

Chief Financial and
Investor Relations Officer

Marcos Pinheiro

Treasury Director

Renata Oliva

Investor Relations