

Barueri, May 6, 2014 – Smiles S.A. (BM&FBOVESPA: **SMLE3**), one of the largest coalition programs in Brazil, with over 9.9 million members, announces today its results for 1Q14. The financial and operating information herein refers to the results of Smiles S.A. and is presented in accordance with IFRS and in Brazilian Reais (R\$), except when indicated otherwise. Percentage variations may use more decimal places for the calculations shown in the document.

Smiles S.A.

BM&FBOVESPA: SMLE3

Novo Mercado

Stock quote: R\$ 41,75

No. of stocks: 122,300,059

Market value: BRL 5.1 billion

(closing price: May 5, 2014)

ri@smiles.com.br

www.smiles.com.br/ri

1Q14 Conference Calls

May 7, 2014

Portuguese:

9:00 am (Brasilia time)

8:00 am (EDT)

Phone: +55 (11) 3728-5971

Password: Smiles

Replay: +55 (11) 3127-4999

Password: 47696216

English:

11:00 am (Brasilia time)

10:00 am (EDT)

Phone: +1-412-317-6776

Password: Smiles

Replay: +1-412-317-0088

Password: 10043315

CONTACTS

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Investor Relations Officer

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Treasury Director

Bruno Fregonezi

Investor Relations

Net income of R\$ 78.3 million in 1Q14 with net margin of 41.6%

Highlights

- ✓ Gross Billings³ of R\$ 264.2 mn, 10.5% up over 1Q13
- ✓ Miles Accrued in line with 1Q13, up 0.3% over 1Q13
- ✓ Miles Redemption up 6.1% over 1Q13
- ✓ Capital Reduction: R\$ 8.19 per share approved by the Annual Shareholder's Meeting¹
- ✓ Complementary dividend distribution of R\$ 1.31 per share¹
- ✓ R\$ 78.3 million net profit during 1Q14, with 162.5% growth over 1Q13
- ✓ Profit margin of 41.6% in 1Q14

Smiles began 2014 with the approval for minority stake acquisition in Netpoints, the announcements of partnerships with Aerolíneas Argentinas and TAP², and the launch of our new product: *online booking*. Our operating income was R\$ 69.0 million, 58.7% up over 1Q13. On April 30, 2014, at the Annual and Extraordinary Shareholders' Meeting (AGO/E), the capital reduction of R\$ 1.0 billion and the complementary dividend distribution of R\$ 160.3 million regarding the fiscal year of 2013 were approved, reaffirming our commitment to shareholders.

Main Highlights	Unit	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Miles Accrual	bn	9.2	10.8	9.2	(14.7%)	0.3%
Banks, Retail and Services	bn	7.4	7.7	7.3	(4.4%)	0.7%
Gol	bn	1.8	3.1	1.9	(40.3%)	(1.3%)
Miles Redemption (Program)	bn	7.9	7.7	7.4	2.2%	6.1%
Gross Billings ³	R\$ mn	264.2	286.3	239.2	(7.7%)	10.5%
Net Revenues	R\$ mn	188.1	187.6	116.6	0.3%	61.3%
Operating Profit	R\$ mn	69.0	56.3	43.5	22.7%	58.7%
<i>operating margin</i>	%	36.7%	30.0%	37.3%	6.7 p.p.	(0.6 p.p.)
Net Profit	R\$ mn	78.3	66.7	29.8	17.5%	162.5%
<i>net margin</i>	%	41.6%	35.6%	25.6%	6.0 p.p.	16.0 p.p.

¹Subsequent events to 1Q14

²These partnerships were signed through GOL

³Gross billings is not an accounting measure. It corresponds to the total billings from mileage sales and the cash portion from Smiles & Money, gross of taxes. These billings may have affected the current period or will be recognized as revenue in future periods, depending on the date of redemption by the members of the program.

Message from Management

We began 2014 with an important milestone for the Company. In January, the Brazilian Administrative Council for Economic Defense (CADE) approved a R\$ 25 million investment by Smiles with no restrictions in the capital of Netpoints. The transaction included the option for the purchase of control of Netpoints after the end of 2018. With this acquisition, we complement our strategy through a loyalty company that is specialized in retail, allowing our customers new accrual and redemption options. On April 15th, we announced the start of Netpoints to Smiles conversion, potentially increasing our customer base by 5.2 million customers.

Smiles has been elected the best loyalty program in Brazil by "Melhores Destinos" (Best Destinations), a Brazilian specialized travel blog. Nearly 4,000 readers took the survey that puts Smiles in first place.

Once more, we are offering new products and presenting to the market our commitment to differentiation and innovation. In this quarter, we launched *online reservation* product for GOL ticket redemptions. Since March 22, Smiles' customers have been able to reserve tickets for three days before purchasing them. This way, our customers are able to choose the flight they want first, and then directly buy or re-validate expired miles, transfer miles from one program member to the other, or even request a transfer from their credit card programs.

In February, we signed a partnership with Aerolíneas Argentinas, one of the main companies in South America. Still in the first half of 2014, Smiles' customers can already count on Aerolíneas Argentinas both for the accrual and redemption of miles, with new international destinations as Santiago, Bogota, Bariloche, Ushuaia, Cancun, Rome, Barcelona, among others.

In April, TAP, one of the main European airline companies, and GOL announced a codeshare and loyalty program agreement. The airline companies will offer Smiles' and Victoria's (the TAP program) members the option of accrual and redemption on all eligible flights operated. The partnership with TAP is pending approval from CADE and ANAC (National Civil Aviation Agency).

Partnerships with airline companies shall grow even further. The increase in our international redemption portfolio is an important strategy for the Company. With the partnerships implemented, Smiles will begin to offer a total of 701 redemption destinations. We are striving to offer even more options so our clients can travel more and better with Smiles.

We presented a net profit of R\$ 78.3 million in the first quarter, with a net margin of 41.6%, which is 162.5% higher than the previous year. We reaffirm our commitment to shareholders. At the Annual Shareholders' Meeting (AGO) on April 30, a R\$ 1.0 billion capital reduction was approved, without reducing the number of shares.

Comments on Performance

Operational Performance

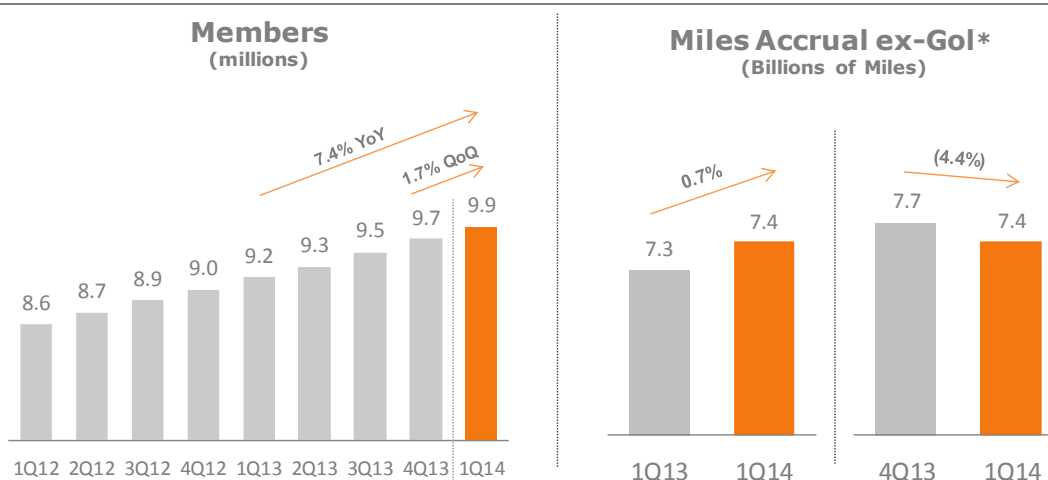
Operational Data ¹	Unit	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Members	k	9,863	9,700	9,185	1.7%	7.4%
Partnerships	unit	218	215	203	1.4%	7.4%
Mile Accumulation	mn	9,209	10,795	9,181	(14.7%)	0.3%
GOL	mn	1,840	3,084	1,864	(40.3%)	(1.3%)
Banks, Retail and Services	mn	7,369	7,711	7,317	(4.4%)	0.7%
Miles Redemption (Program)	mn	7,859	7,691	7,407	2.2%	6.1%
Breakage Rate	%	16.9%	15.5%	17.5%	1.4 p.p.	(0.6 p.p.)
% New Miles	%	68.6%	63.2%	28.7%	5.4 p.p.	39.9 p.p.

¹ All amounts corresponding to miles are not affected by reimbursement. The data in this table does not reflect accounting information.

² Redeeming miles refers to miles redeemed with the Smiles Program, including new and legacy miles.

Participants: The number of members was 7.4% and 1.7% higher over 1Q13 and 4Q13, respectively. We reached 9.9 million clients at the end of 1Q14.

Partnerships and products: 1Q14 presented a 7.4% growth over 1Q13, reaching 218 commercial partners on March 31, 2014.



*Graphic's numbers reflect the miles net of refund effects

Miles Accrual: Miles accrued in the program were up 0.3% over 1Q13, which was primarily caused by the 0.7% increase in the number of miles accumulated with ex-Gol partners and a 1.3% negative variation in the number of

miles accrued by GOL. It is worth mentioning that in 1Q13, a rule change was announced by one of our financial partners' programs, and a non-recurring accrual number was anticipated for that quarter.

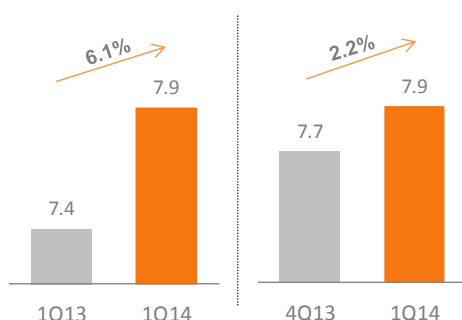
Mile Redemption: Mile redemption for the Smiles program presented a 6.1% increase over 1Q13 and 2.2% over 4Q13. The percentage of new miles in comparison to the total number of miles redeemed went from 63.2% in 4T13 to 68.6% in 1Q14.

Operational Data ¹	Unit	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Redeeming Program Miles²	mn	7,859	7,691	7,407	2.2%	6.1%
Smiles & Money Redemption	mn	832	327	287	154.4%	189.6%
Traditional (100% Miles) Redemption	mn	7,027	7,364	7,120	(4.6%)	(1.3%)
Number of Redeemed Products	mn	908	898	1,101	1.1%	(17.5%)
Smiles & Money Redemption	Mn	209	211	202	(1.1%)	3.3%
Traditional (100% Miles) Redemption	mn	700	687	899	1.8%	(22.2%)
Average Miles per Product	unit	8,651	8,563	6,729	1.0%	28.6%
Smiles & Money Redemption	unit	3,982	1,548	1,420	157.2%	180.4%
Traditional (100% Miles) Redemption	unit	10,045	10,719	7,923	(6.3%)	26.8%

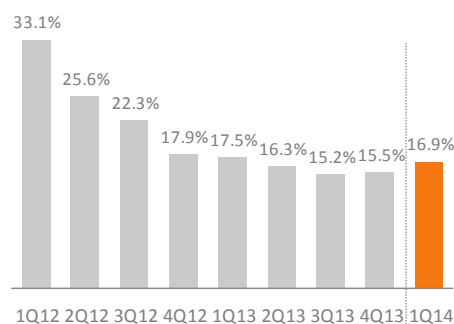
¹ All figures corresponding to miles are net of refund effects. Segregation between Smiles & Money redemptions and traditional redemptions is not audited.

² The miles redemption figures represent the redemptions of new and legacy miles.

Program's Miles Redemption*
(Billions of Miles)



Breakage Rate
(last 12 months)



* Graphic's numbers reflect the miles net of refund effects

Breakage: The first quarter presented a 16.9% breakage rate, with a 1.4 p.p. variation compared to 4Q13. The increased breakage rate was primarily caused by the accumulation of promotional miles for flights in 4T13.

Financial Performance

Summary of Financial Information	Unit	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Gross Billings¹	R\$ mn	264.2	286.3	239.2	(7.7%)	10.5%
Banks Retail and Others	R\$ mn	169.7	174.3	157.9	(2.7%)	7.5%
Smiles & Money	R\$ mn	70.0	78.6	55.2	(10.9%)	26.8%
Gol (miles + man. fee)	R\$ mn	24.5	33.4	26.1	(26.5%)	(6.0%)
Net Revenues	R\$ mn	188.1	187.6	116.6	0.3%	61.3%
Gross Profit	R\$ mn	88.3	93.0	60.4	(5.0%)	46.2%
<i>Gross Margin</i>	%	46.9%	49.6%	51.8%	(2.7 p.p.)	(4.9 p.p.)
Operating Profit	R\$ mn	69.0	56.3	43.5	22.7%	58.7%
<i>Operating Margin</i>	%	36.7%	30.0%	37.3%	6.7 p.p.	(0.6 p.p.)
Net Profit	R\$ mn	78.3	66.7	29.8	17.5%	162.5%
<i>Profit Margin</i>	%	41.6%	35.6%	25.6%	6.0 p.p.	16.0 p.p.

Gross Billings: Smiles' gross billings with Banks, Retail and Others grew 7.5% over 1Q13. It is worth mentioning that most of this gross billings corresponds to the advanced sale of miles, with an exchange rate fixed in 1Q13.

Revenue (BRL millions)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Gross Revenues	207,462	206,780	128,612	0.3%	61.3%
Miles Redemption Revenue	112,109	100,522	46,772	11.5%	139.7%
Money Revenue	70,014	78,615	55,225	(10.9%)	26.8%
Breakage Revenue	24,388	19,812	25,162	23.1%	(3.1%)
Other Revenues	951	7,831	1,453	(87.9%)	(34.5%)
Direct taxes	(19,373)	(19,223)	(11,969)	0.8%	61.9%
Net Revenue	188,089	187,557	116,643	0.3%	61.3%

Miles Redemption Revenue: Gross revenue from miles redemption grew 139.7% over 1Q13, due to the increased number of miles redeemed through the program, with legacy miles accounting for less when compared to the total miles redeemed (from 71.3% in 1Q13 to 31.4% in 1Q14).

Breakage and Expiration Revenue: In 1Q14, breakage and expiration revenues jointly decreased 3.1% over 1Q13, which is illustrated in the table below:

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

Reference	Summary (R\$ millions)	1Q13	4Q13	1Q14
A	Beginning of Period	-	357.1	457.9
B = B1+B2	Accrual	190.7	357.1	195.5
B1	Gross Billings	182.5	205.7	192.9
B2	Other Effects	8.2	(1.1)	2.6
C	Redemption	46.8	100.5	112.1
D	Expiration	0.0	3.2	4.8
E = A + B - C - D	End of Period	143.9	457.9	536.5
F	Breakage Rate	17.5%	15.5%	16.9%
G = E * F	Breakage Balance (EoP * Rate)	25.2	71.0	90.6
H(t) = G(t) - G (t-1)	Variation - P&L	25.2	16.5	19.6
I = D + H(t)	Gross Breakage Revenue	25.2	19.8	24.4

Other Revenue: In 1T14, other revenues were primarily made up of the administration fee for the GOL loyalty program, calculated based on GOL gross billings.

Direct margin per product: It is worth mentioning that the margin includes the allocation of net Miles Redemption Revenue by the proportion of Program's miles redeemed for traditional (100% miles) and Smiles & Money products.

1Q14 (Margin per product - R\$ millions) ¹	100% miles Products	Smiles & Money Products	Not Allocated	Total
Gross Revenues	100.2	81.9	25.3	207.5
Miles Redemption Revenue	100.2	11.9	-	112.1
Money Revenue	-	70.0	-	70.0
Breakage Revenue	-	-	24.4	24.4
Other Revenues	-	-	1.0	1.0
(-) Direct taxes	(9.3)	(7.6)	(2.5)	(19.4)
(=) Net Revenue	91.0	74.3	22.8	188.1
(-) Direct Costs	(55.0)	(41.9)	-	(96.8)
(-) Non-Allocated Costs	-	-	(3.0)	(3.0)
(=) Gross Profit	36.0	32.4	19.9	88.3
Gross Margin	39.6%	43.7%	n/a	46.9%

Operating Expenses (R\$ millions)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Operational Expenses	(19,264)	(36,690)	(16,915)	(47.5%)	13.9%
Commercial expenses	(13,145)	(22,126)	(9,223)	(40.6%)	42.5%
Administrative expenses	(6,119)	(14,564)	(7,692)	(58.0%)	(20.4%)

Operating Expenses: The R\$ 2.3 million increase in operating expenses over the previous year is mostly composed of the (i) R\$ 2.5 million increase in personnel costs, (ii) R\$ 1.6 million increase in sales and marketing expenses, (iii) R\$ 3.4 million of services expense, mainly due to non-recurring costs for the segregation of Smiles in preparation for the IPO (in 1Q13) and (iv) R\$ 1.6 million increase in other costs and expenses.

1. Product cost allocation was not audited.

Net Financial Results: The financial revenue for this period is mostly composed of discounts obtained of R\$ 39.2 million in advanced ticket purchases with VRG, and the BRL 10.6 million from gains with financial investments.

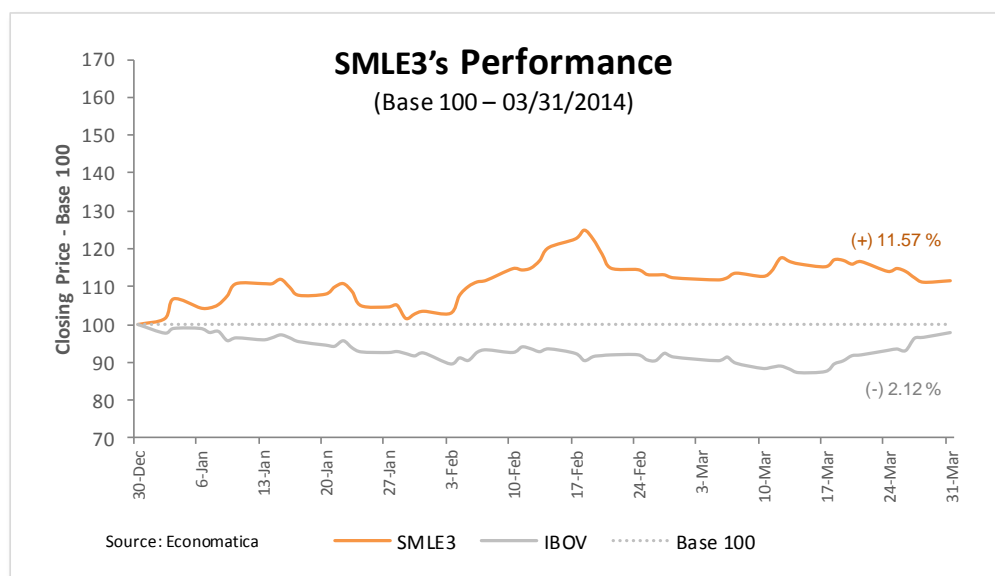
Income Tax and Social Contribution: The main difference between the effective tax rate and the 34% tax rate is mainly related to BRL 0.2 million non-deductible expenses, offset by tax incentives of the same size.

Other Information (R\$ millions)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Net Financial Results	50,270	47,991	1,780	4.7%	n/a
Income Taxes	(40,548)	(37,595)	(15,439)	7.9%	162.6%

Net Profit: The Company's net profit presented a 162.5% increase compared to 4Q13, reaching R\$ 78.3 million in the quarter, with a net margin of 41.6%.

Complementary Dividends: R\$ 160.3 mn or R\$ 1.31 per share will be distributed as complementary dividends. With this distribution, Smiles obtains a 95% payout over the net profit calculated in 2013. Shares began to be negotiated ex-dividend on May 2, 2014 and payments will be made on May 14, 2014.

Reduction of Share Capital: At the Annual and Extraordinary Shareholders' Meeting on April 30, 2014, a R\$ 1.0 bn capital reduction (R\$ 8.19 per share), without reduction of number of shares, was approved. The company will timely announce the transaction's relevant information.



Stock performance: Smiles' (SMLE3) stocks are listed at the highest level of BM&FBovespa Corporate Governance, *Novo Mercado*. On March 31, 2014, the shares were trading at R\$ 36.25, representing an upside of more than 11% since the beginning of the year, representing a market value of BRL 4.4 billion. In the same period, Ibovespa, the

most important index of average performance of the shares traded on the São Paulo Stock Exchange, decreased 2.12%.

Shareholder Structure:

Shareholder Structure:	SMLE3 ON	%
Controlling Shareholder	66,566,524	54.5%
Gol Linhas Aéreas Inteligentes	66,566,524	54.5%
Market - Free Float	55,607,388	45.5%
General Atlantic	21,866,656	17.9%
Others	33,740,732	27.6%
Total	122,173,912	100.0%

On February 27, 2014, General Atlantic exercised all Smiles call options GOL had granted. This represents 3,443,476 shares or 2.8% of the company's capital. Through this purchase, GOL decreased its stake from 57.3% to 54.5% and General Atlantic increased its stake from 15.1% to 17.9%.

Profit and Loss Statement

Profit and Loss Statement (R\$ thousands)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Gross Revenue	207,462	206,780	128,612	0.3%	61.3%
Miles Redemption Revenue	112,109	100,522	46,772	11.5%	139.7%
Money Revenue	70,014	78,615	55,225	(10.9%)	26.8%
Breakage Revenue	24,388	19,812	25,162	23.1%	(3.1%)
Other Revenue	951	7,831	1,453	(87.9%)	(34.5%)
Direct taxes	(19,373)	(19,223)	(11,969)	0.8%	61.9%
Net Revenue	188,089	187,557	116,643	0.3%	61.3%
Costs of Services Provided	(99,788)	(94,585)	(56,240)	5.5%	77.4%
Cost of Ticket Purchase	(96,442)	(91,116)	(54,420)	5.8%	77.2%
Product Purchase	(386)	(685)	(241)	(43.6%)	60.2%
Other Costs	(2,960)	(2,784)	(1,579)	6.3%	87.5%
Gross Profit	88,301	92,972	60,403	(5.0%)	46.2%
<i>gross margin</i>	46.9%	49.6%	51.8%	(2.7 p.p.)	(4.9 p.p.)
Operating expenses	(19,264)	(36,690)	(16,915)	(47.5%)	13.9%
Selling	(13,145)	(22,126)	(9,223)	(40.6%)	42.5%
General & Administrative	(6,119)	(14,564)	(7,692)	(58.0%)	(20.4%)
Operating Profit	69,037	56,282	43,488	22.7%	58.7%
<i>operating margin</i>	36.7%	30.0%	37.3%	6.7 p.p.	(0.6 p.p.)
Net Financial Results	50,270	47,991	1,780	4.7%	n/a
Equity Method Results	(446)	-	-	n/a	n/a
Earnings Before Taxes	118,861	104,273	45,268	14.0%	162.6%
Income Taxes	(40,548)	(37,595)	(15,439)	7.9%	162.6%
Net Profit	78,313	66,678	29,829	17.5%	162.5%
<i>net margin</i>	41.6%	35.6%	25.6%	6.0 p.p.	16.0 p.p.

Balance Sheet

Balance Sheet (R\$ thousands)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Assets	2,028,181	1,944,150	227,384	4.3%	792.0%
Current	1,004,945	834,116	225,708	20.5%	345.2%
Cash and Cash Equivalents	231,011	154,243	73,515	49.8%	214.2%
Financial Investments	266,905	228,489	-	16.8%	n/a
Accounts Receivable	57,509	49,637	75,714	15.9%	(24.0%)
Advance Payment to Suppliers	400,064	351,403	35,446	13.8%	n/a
Taxes Recoverable	418	418	681	0.0%	(38.6%)
Prepaid Expenses	2,909	105	867	n/a	235.5%
Credit from Related Companies	45,643	48,990	39,238	(6.8%)	16.3%
Other Credits and Amounts	486	831	247	(41.5%)	96.8%
Non-Current	1,023,236	1,110,034	1,676	(7.8%)	n/a
Deferred Taxes	75,389	77,308	1,519	(2.5%)	n/a
Advanced Payment to Suppliers	921,531	1,031,423	-	(10.7%)	n/a
Investments	24,554	-	-	n/a	n/a
Property, Plant & Equipment	1,623	1,137	157	42.7%	933.8%
Intangible	139	166	-	(16.3%)	n/a
Liabilities	2,028,181	1,944,150	227,384	4.3%	792.0%
Current	311,501	344,120	108,975	(9.5%)	185.8%
Accounts Payable	18,054	16,094	11,218	12.2%	60.9%
Labor Liabilities	3,031	14,849	2,241	(79.6%)	35.3%
Dividends Payable	12,247	12,247	-	0.0%	n/a
Tax Obligations	21,474	13,502	8,369	59.0%	156.6%
Advanced Payment from Customers	100,391	167,759	56,826	(40.2%)	76.7%
Deferred Revenue	137,554	119,669	30,321	14.9%	353.7%
Payable to Related Companies	18,750	-	-	n/a	n/a
Non-Current	308,949	270,974	88,436	14.0%	249.3%
Advanced Payment from Customers	402	3,645	-	(89.0%)	n/a
Provision for risks and costs - litigation	252	104	-	142.3%	n/a
Deferred Revenue	308,295	267,225	88,436	15.4%	248.6%
Shareholders' Equity	1,407,731	1,329,056	29,973	5.9%	n/a
Capital Stock	1,132,174	1,132,174	0	0.0%	n/a
(-) Cost of Stock Issuance	(36,402)	(36,402)	-	0.0%	n/a
Capital Reserves	72,942	72,942	-	0.0%	n/a
Profit Reserves	10,392	10,392	-	0.0%	n/a
Proposed Additional Dividend	148,102	148,102	-	0.0%	n/a
Stock-based Compensation	2,210	1,848	144	19.6%	n/a
Profit for Current Fiscal Year	78,313	-	29,829	n/a	162.5%

Cash Flow Statements

Cash Flow Statements (R\$ thousands)	1Q14	4Q13	1Q13	1Q14 vs. 4Q13 (%)	1Q14 vs. 1Q13 (%)
Net Profit	78,313	66,677	29,829	17.5%	162.5%
Stock-based Compensation	282	453	144	(37.7%)	95.8%
Deferred Taxes	1,919	1,700	(1,519)	12.9%	(226.3%)
Provision for risks and costs - litigation	148	17	-	770.6%	n/a
Depreciation and Amortization	104	56	-	85.7%	n/a
Obtained Discounts	(39,239)	(40,865)	-	(4.0%)	n/a
Exchange Rate Variations, net	(371)	207	-	(279.2%)	n/a
Provision for Doubtful Accounts	(61)	358	-	(117.0%)	n/a
Provision for Share of Profits and Results	1,058	6,927	-	(84.7%)	n/a
Equity Method	446	-	-	n/a	n/a
Accounts Receivable	(7,812)	(10,311)	(75,714)	(24.2%)	(89.7%)
Advanced Payment to Suppliers	100,471	93,208	56,362	7.8%	78.3%
Prepaid Expenses	(2,804)	2,316	(797)	(221.1%)	251.8%
Taxes Recoverable	-	2,658	(681)	(100.0%)	(100.0%)
Other Credits	345	(159)	(247)	(317.0%)	(239.7%)
Accounts Payable	2,331	977	11,148	138.6%	(79.1%)
Labor Liabilities	(12,875)	(385)	2,241	n/a	(674.5%)
Advanced Payment from Customers	(70,611)	(94,735)	(34,982)	(25.5%)	101.8%
Deferred Revenue	58,955	84,247	118,757	(30.0%)	(50.4%)
Taxes Payable	32,725	42,359	19,907	(22.7%)	64.4%
Credit with Related Companies	3,427	(5,631)	(39,238)	(160.9%)	(108.7%)
Operating Cash Flow	146,751	150,074	85,210	(2.2%)	72.2%
Income tax and social contributions paid	(24,753)	(39,933)	(11,538)	(38.0%)	114.5%
Net Operating Cash Flow	121,998	110,141	73,672	10.8%	65.6%
Acquisition of fixed / intangible assets	(564)	(720)	(157)	(21.7%)	259.2%
Financial Investment	(38,416)	(81,604)	-	(52.9%)	n/a
Minority Stake Acquisition	(6,250)	-	-	n/a	n/a
Investing Activities Cash Flow	(45,230)	(82,324)	(157)	(45.1%)	n/a
Capital	-	-	-	n/a	n/a
(-) Cost of Stock Issuance	-	(116)	-	(100.0%)	n/a
(-) Advance of dividends / interest on capital	-	-	-	n/a	n/a
Net Assets Incorporated	-	13	-	(100.0%)	n/a
Financing Activities Cash Flow	-	(103)	-	(100.0%)	n/a
Net Increase in Cash and Cash Equivalents	76,768	27,714	73,515	177.0%	4.4%
Cash and cash equivalents BoP	154,243	126,529	-	21.9%	n/a
Cash and cash equivalents EoP	231,011	154,243	73,515	49.8%	214.2%

Business Model

Smiles began its operations as an individual loyalty program, but evolved into the current model, becoming a model of coalition with some unique features which allow the accrual and redemption of Miles on flights with GOL and its international partner airlines, as well as in the principal Brazilian commercial banks, including co-branded cards issued by Bradesco and Banco do Brasil, and a wide network of retail partners. The current model works by (i) the accrual of Miles by the Member on buying airline tickets from GOL or other partner airlines, or products and services from the business and financial partners that acquire these Miles from Smiles as a form of encouraging customer loyalty, and (ii) the redemption of Awards by the Member when exchanging their Miles for airline tickets from GOL and other partner airlines or for products and services from business and financial Partners.

The company's main sources of revenue are (i) revenue from miles redeemed, represented by tickets and awards in its network of airline, business and financial partners, (ii) interest income arising from the difference between the dates of accrual and redemption of Miles, and (iii) expired miles revenue if the Miles issued expire without being redeemed.

Glossary

Award Products - Products or services other than airline tickets delivered to a Member by a business partner as a result of the Member redeeming Miles acquired in customer loyalty programs.

Award Tickets - Airline tickets delivered to the Member as a result of redeeming Miles.

Awards - Products or services delivered to a Member by a business partner as a result of the Member redeeming Miles acquired in customer loyalty programs.

Breakage estimate - Miles expired and not redeemed; it may be expressed as the number of miles, the amount in Reais or as a percentage of miles issued, as appropriate to the context.

Burn / earn ratio – The ratio between the number of redeemed and accrued miles in a given period.

Free Float - Shares owned by non-controlling shareholders.

Legacy miles - Miles accrued before the Program's spin-off

Miles - The redemption rights of Members of the Smiles Program sold to Business Partners.

New miles - Miles accrued after the Program's spin-off.

Payout – percentage of net profits distributed by the company distributed to shareholders through dividends and interest on capital.

Smiles & Money - A way of issuing airline tickets by which it is possible to combine money and miles.

Smiles Program – A multi-loyalty program for several companies, including GOL Linhas Aéreas Inteligentes S.A.

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Smiles. These are merely projections and, as such, are based exclusively on the expectations of Smiles' management. Such forward-looking statements depend, substantially, on external factors, in addition to the risks disclosed in Smiles' filed disclosure documents and are, therefore, subject to change without prior notice. The Company's non-accounting information has not been reviewed by the independent auditors.