Smiles S.A.

Interim Financial Information for the Quarter Ended June 30, 2013 and Report on Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

SMILES S.A.

Individual Interim Financial Statements

June 30, 2013
(In thousands of Brazilian Reais)

Contents

MANAGEMENT REPORT

The Smiles Program presented a significant growth in the number of redeemed miles compared with the second quarter of the previous year[1], with high profitability for shareholders and strong attractiveness for clients. In May 2013, Smiles was recognized as one of the world's five best airline loyalty programs for the third consecutive year, being the only Latin American program in the ranking[2] and coming first this year.

With the aim of bringing the Company closer to the clients and strengthening our commercial relationships with financial institutions, we developed new mileage purchase products, which grants discounts of more than 40% to clients in relation to the price available on the website when they choose to transfer credit card mileage to Smiles. In addition to generating value to clients, the new product enables savings for the banks and profitability for the Company.

In May 2013, our partner Gol implemented a codeshare agreement on Delta flights from Brasília to Atlanta, further increasing the attractiveness of the Smiles program and coverage for our clients, as well as new opportunities to accumulate Gol and Delta miles. Gol also filed a request to operate codeshare flights with Alitalia, a closer step to sharing the mileage program, both in terms of accrual and redemption of miles.

We also announced a partnership with PayPal, worldwide leader in online payments, to offer new redemption alternatives to our clients. The project is in the phase of implementation and will be available to our clients in the second half of 2013.

With the aim of improving Smiles' corporate governance practices while preserving the interests of our minority shareholders, the Company's by-laws were amended by the Extraordinary Shareholders' Meeting of June 10, 2013, to include a mechanism to approve the transactions involving Gol through a committee composed of independent members.

In the quarter, Mr. Ricardo Constantino and Mr. Martín Escobari have been elected to the Board of Directors. Mr. Ricardo Constantino is a business administrator and the managing director of the Comporte Group since 1994. Mr. Martín Escobari is an economist and the managing director of General Atlantic Participações Ltda, a Brazilian subsidiary of one of the largest private equity funds in the world. The Company would like to welcome the new Board members, who will share their experience and know-how as part of Smiles' Administration.

We would like to emphasize Management's commitment to maintaining the program's profitability. In financial terms, the quarter presented an important improvement with the investment of the proceeds from the IPO, generating a significantly higher net margin than in the first quarter.

[1] Redemption figures reflect the Smiles Program's figures, including legacy miles
[2] Ranking available on the WSJ website

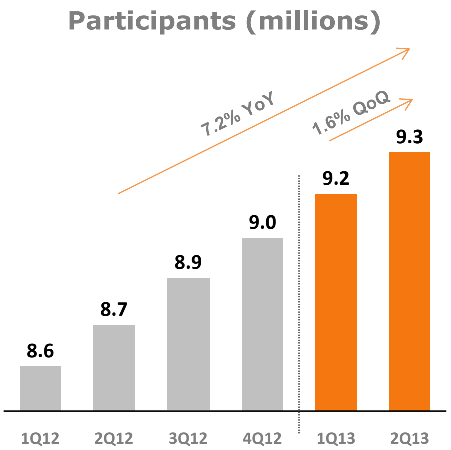
Comments on Performance

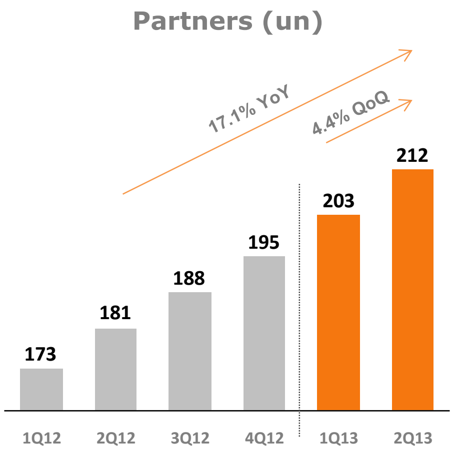
Operating Performance

Operational Data [1]	Units	2Q13	1Q13	2Q12	2Q13 vs. 1Q13 (%)	2Q13 vs. 2Q12 (%)
Participants	**thousands**	**9,333**	**9,185**	**8,710**	**1.6%**	**7.2%**
Partnerships	**units**	**212**	**203**	**181**	**4.4%**	**17.1%**
Miles Accumulated[2]	**mn**	**8,681**	**9,181**	**9,237**	**(5.4%)**	**(6.0%)**
Gol	mn	2,232	1,864	2,545	19.8%	(12.3%)
Banks, Retail e Services	mn	6,448	7,317	6,692	(11.9%)	(3.6%)
Miles Redemption (Program)	**mn**	**6,955**	**7,407**	**5,830**	**(6.1%)**	**19.3%**
Legacy Miles (Gol)	mn	4,008	5,282	5,830	(24.1%)	(31.2%)
New Miles (Smiles S.A.)	mn	2,947	2,125	0	38.7%	-
Breakage Rate	**%**	**16.26%**	**17.48%**	**25.58%**	**(1.2 p.p.)**	**(9.3 p.p.)**
% Legacy Miles	**%**	**57.63%**	**71.31%**	**100.00%**	**(13.7 p.p.)**	**(42.4 p.p.)**
% New Miles	**%**	**42.37%**	**28.69%**	**0.00%**	**13.7 p.p.**	**42.4 p.p.**

1 All amounts corresponding to miles are net of refund effects

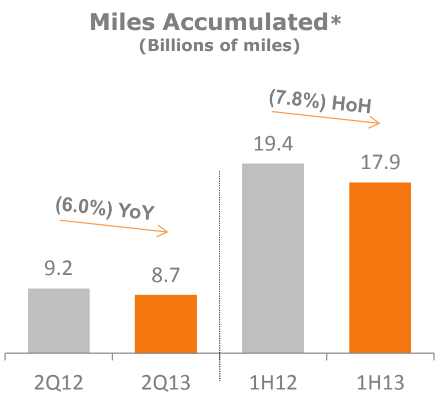
2 Accumulation of miles for 2Q12 refers to the Smiles Program, while from 1Q13 on it refers to Smiles S.A.

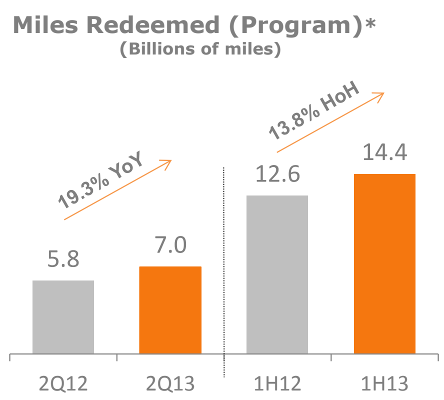




Members: The number of members of the Smiles Program grew by 1.6% in 2Q13 when compared to the prior quarter and by 7.2% when compared to 2Q12, reflecting the increase in the penetration of the loyalty program in the market as well as the Company's commitment to making the program more attractive by establishing new partnerships and offering new products.

Partnerships: In 2Q13, we entered into 9 new partnerships, totaling 212. The new agreements and partnerships entered into in the period include Centauro, RiHappy and Cybelar.





* Numbers in the graphic reflect the accumulation of miles/redemption of miles net of reimbursement effects

Accumulated Miles: A total of 6.4 billion miles were accumulated through our banking, retail, industry and services partners in 2Q13, 3.6% less than in the same period last year. For comparison purposes, the second half of 2013 is expected to be more favorable than the first half. A total of 2.2 billion miles have been accumulated through Gol Linhas Aéreas in 2Q13, 12.3% lower than in 2Q12.

We would like to highlight the change in the accumulation rules of Gol Linhas Aéreas as of January 2013, to award points to its clients based on the passenger's origin-destination distance, as opposed to the previous rule of distance travelled, considering connections. It is worth noting that this change is aligned with the rules adopted in the most attractive mileage programs from traditional airlines worldwide.

Miles Redemption: The number of redeemed miles presented a significant growth of 19.3%, from 5.8 billion in 2Q12 to 7.0 billion in 2Q13, while declining by 6.1% in 1Q13, due to seasonal effects.

The focus on the program's attractiveness in the first half through the high availability and dynamic pricing resulted in a substantial growth in mileage redemption compared with the same period last year.

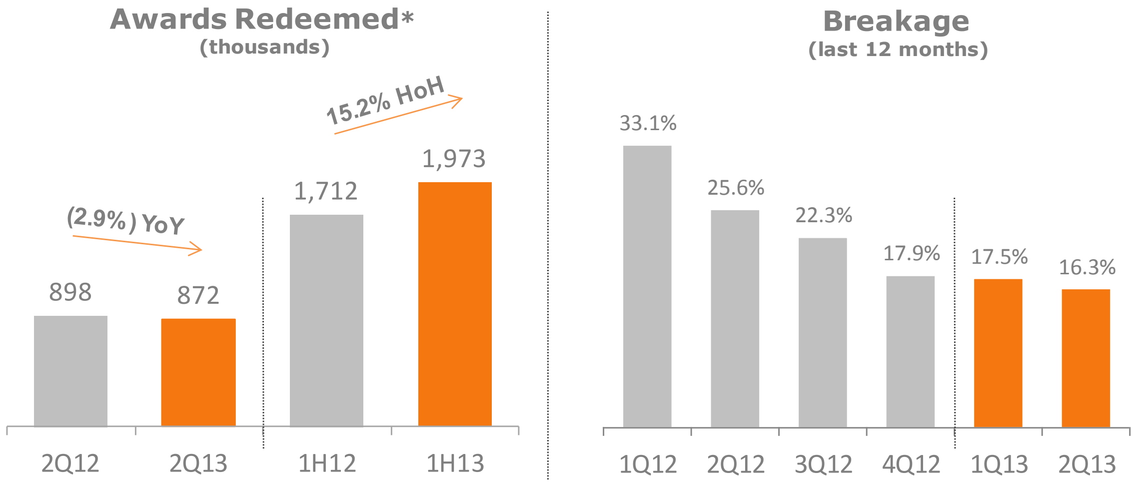
Additionally, the percentage of redemptions of accumulated mileage after the program's spin-off increased from 28.69% in 1Q13 to 42.37% in 2Q13.

Operational Data [1]	Units	2Q13	1Q13	2Q13 vs. 1Q13
Miles Redemption of the program [2]	**mn**	**6,955**	**7,407**	**(6.1%)**
Smiles & Money	**mn**	253	287	(12.0%)
Traditional (100% Miles)	**mn**	6,702	7,120	(5.9%)
Amount of Products Awarded	thousands	**872**	**1,101**	**(20.8%)**
Smiles & Money	thousands	150	202	(25.7%)
Traditional (100% Miles)	thousands	722	899	(19.7%)
Average Miles per Product	miles	**7,976**	**6,729**	**18.5%**
Smiles & Money	miles	1,681	1,420	18.4%
Traditional (100% Miles)	miles	9,287	7,923	17.2%

1 All amounts corresponding to miles are net of refund effects

2 The mileage redemption amounts represent the redemptions related to the new and legacy miles

Number of awards and Average Miles per award: The total number of redeemed awards fell by 20.8% in relation to 1Q13, reflecting the reduction of 25.7% in Smiles & Money redemption and of 19.7% in the redemption of traditional products.



* Numbers of the graphs reflect the quantity of tickets net of reimbursement

The average number of traditional redemption miles (100% miles) grew by 17.2% over 1Q13. The average number of Smiles & Money redemption miles also increased by a significant 18.4% compared with 1Q13.

Breakage: The Breakage rate fell by 1.2 p.p. in relation to the prior quarter, in line with the Company's objective of maintaining the program attractive and healthy. The Company aims to maintain the Breakage rate at levels similar to that recorded this quarter, at around 15% to 18. The estimated breakage rate is calculated based on the history of the program, applied on the balance of accumulated mileage not yet redeemed or expired.

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 accumulation 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 accumulation 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) the spread between revenue from Miles issued and their redemption cost, 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 accumulation and redemption of Miles, and (iii) breakage revenue if the Miles issued expire without being redeemed.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of
Smiles S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual interim financial information of Smiles S.A. (the "Company"), included in the Interim Financial Information Form (ITR), for the six-month period ended June 30, 2013, which comprises the statement of financial position as of June 30, 2013 and the related statement of profit or loss and statement of comprehensive income for the three-month and six-month periods then ended and statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial 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 of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). 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 the 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.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the Interim Financial Information (ITR) referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the CVM.

Other matters

Interim statements of value added

We also have reviewed the interim statements of value added ("DVA"), for the six-month period ended June 30, 2013, prepared under the responsibility of Management, the presentation of which is required by the standards issued by CVM, applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for International Financial Reporting Standards - IFRS that do not require the presentation of DVA. These statements were subject to the same review procedures described above 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, consistently with the individual interim financial information taken as a whole.

Convenience translation

The accompanying interim individual financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, August 8, 2013

DELOITTE TOUCHE TOHMATSU	André Ricardo Aguillar Paulon
Auditores Independentes	Engagement Partner

SMILES S.A.

BALANCE SHEETS
AS OF JUNE 30, 2013 AND DECEMBER 31, 2012
(In thousands of Brazilian Reais - R$)

Line code	Line item	Current Quarter 06/30/2013	Prior Year 12/31/2012
1	Total Assets	1,797,390	91,878
1.01	Current Assets	719,298	91,878
1.01.01	Cash and Cash Equivalents	99,199	-
1.01.02	Short-term Investments	99,448	-
1.01.03	Trade Receivables	33,431	-
1.01.06	Recoverable Taxes	13,928	-
1.01.07	Prepaid Expenses	2,676	70
1.01.08	Other Current Assets	470,616	91,808
1.01.08.03	Others	470,616	91,808
1.01.08.03.01	Advances to Suppliers	422,755	91,808
1.01.08.03.02	Other Credits	1,497	-
1.01.08.03.03	Related-Party Transactions	46,364	-
1.02	Noncurrent Assets	1,078,092	-
1.02.01	Long-term Assets	1,077,514	-
1.02.01.06	Deferred Taxes	3,545	-
1.02.01.09	Other Noncurrent Assets	1,073,969	-
1.02.01.09.03	Advances to Suppliers	1,073,969	-
1.02.03	Property, Plant and Equipment	578	-

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

BALANCE SHEETS
AS OF JUNE 30, 2013 AND DECEMBER 31, 2012
(In thousands of Brazilian Reais - R$)

Line code	Line item	Current Quarter 06/30/2013	Prior Year 12/31/2013
2	Total Liabilities and Equity	1,797,390	91,878
2.01	Current Liabilities	424,096	91,878
2.01.01	Salaries, Wages and Benefits	3,902	-
2.01.01.02	Salaries, Wages and Benefits	3,902	-
2.01.02	Accounts Payable	19,113	70
2.01.02.01	National Suppliers	19,113	70
2.01.03	Taxes Payable	9,365	-
2.01.05	Other Liabilities	391,716	91,808
2.01.05.02	Others	391,716	91,808
2.01.05.02.04	Advances from Clients	325,572	91,808
2.01.05.02.05	Deferred Revenue	66,144	-
2.02	Noncurrent Liabilities	198,211	-
2.02.02	Other Liabilities	198,202	-
2.02.02.02	Others	198,202	-
2.02.02.02.03	Deferred Revenue	145,669	-
2.02.02.02.04	Advances from Clients	52,533	-
2.02.04	Provisions	9	-
2.02.04.01	Provisions Tax Social Security Labor and Civil	9	-
2.02.04.01.04	Civil Provisions	9	-
2.03	Shareholder's Equity	1,175,083	-
2.03.01	Capital	1,095,953	-
2.03.01.01	Issued Capital	1,132,174	-
2.03.01.02	Cost of Issued Shares	(36,221)	-
2.03.02	Capital Reserves	991	-
2.03.02.07	Share-based Payments	991	-
2.03.05	Accumulated Profits	78,139	-

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013
(In thousands of Brazilian Reais - R$, except basic/diluted loss per share)

Line code	Line item	Current Quarter 04/01/2013 to 06/30/2013	Current YTD 01/01/2013 to 06/30/2013
3.01	Sales and services revenue	113,234	229,877
3.01.01	Net Revenue	113,234	229,877
3.02	Cost of Sales and Services	(54,119)	(110,359)
3.02.01	Cost of Services Rendered	(54,119)	(110,359)
3.03	Gross profit	59,115	119,518
3.04	Operating Expenses/Income	(17,477)	(34,392)
3.04.01	Selling expenses	(12,267)	(21,490)
3.04.01.01	Marketing expenses	(12,267)	(21,490)
3.04.02	General and administrative expenses	(5,210)	(12,902)
3.05	Income Before Income Taxes and Financial Income/Expenses	41,638	85,126
3.06	Finance Income/Expenses	31,976	33,756
3.06.01	Financial income	32,153	33,972
3.06.01.01	Financial income	32,153	33,972
3.06.02	Financial expenses	(177)	(216)
3.06.02.01	Financial expenses	(177)	(216)
3.07	Income Before Income Taxes	73,614	118,882
3.08	Income Tax (Expenses)	(25,305)	(40,743)
3.08.01	Current	(8,671)	(25,629)
3.08.02	Deferred	(16,634)	(15,114)
3.09	Profit from Continuing Operations	48,309	78,139
3.11	Profit for the Period	48,309	78,139

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013
(In thousands of Brazilian Reais – R$)

Line code	Line item	Current Quarter 01/04/2013 to 06/30/2013	Current YTD 01/01/2013 to 06/30/2013
4.01	Net Profit for the Period	48,309	78,139
4.03	Comprehensive income for the period	48,309	78,139

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013
(In thousands of Brazilian Reais – R$)

Line code	Line item	Capital Stock	Capital reserves, options granted and treasury shares	Income reserves	Accumulated profits	Total equity
5.01	Opening Balance	-	-	-	-	-
5.04	Shareholders Capital Transactions	1,095,953	-	-	-	1,095,953
5.04.01	Capital Increases	1,132,174	-	-	-	1,132,174
5.04.02	Expenditures with Issuance of Shares	(36,221)	-	-	-	(36,221)
5.05	Total Comprehensive Income	-	-	-	78,139	78,139
5.05.01	Profit for the Period	-	-	-	78,139	78,139
5.06	Internal Changes in Shareholders' Equity	-	991	-	-	991
5.06.04	Share-based Payments	-	991	-	-	991
5.07	Closing Balance	1,095,953	991	-	78,139	1,175,083

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013
(In thousands of Brazilian Reais – R$)

Line code	Line item	Current YTD 01/01/2013 to 06/30/2013
6.01	Net Cash Used in Operating Activities	(896,709)
6.01.01	Cash Flows from Operating Activities	(12,556)
6.01.01.01	Deferred Taxes	15,114
6.01.01.02	Shared-based Payments	991
6.01.01.03	Provision for Litigation	9
6.01.01.04	Depreciation and Amortization	19
6.01.01.05	Obtained discounts	(29,264)
6.01.01.06	Exchange and Monetary Variations, Net	185
6.01.01.07	Allowance for Doubtful Accounts	390
6.01.02	Changes in Assets and Liabilities	(962,292)
6.01.02.01	Accounts Receivable	(33,821)
6.01.02.02	Advances to Suppliers	(1,374,919)
6.01.02.03	Prepaid Expenses	(2,606)
6.01.02.04	Recoverable Taxes	(13,928)
6.01.02.05	Other Credits	(1,497)
6.01.02.07	Salaries, Wages and Benefits	3,902
6.01.02.08	Advances from Clients	286,297
6.01.02.09	Deferred Revenue	211,813
6.01.02.10	Tax Obligations	9,365
6.01.02.11	Income Tax and Social Contribution Paid	(19,392)
6.01.02.12	Related-Party Transactions	(46,364)
6.01.02.13	Accounts Payable	18,858
6.01.03	Other	78,139
6.01.03.01	Profit for the Period	78,139
6.02	Net Cash Used in Investing Activities	(100,045)
6.02.01	Acquisition of Fixed Assets	(597)
6.02.02	Financial application	(99,448)
6.03	Net Cash Generated by Financing Activities	1,095,953
6.03.01	Capital Increase	1,132,174
6.03.02	Cost of Issue of Shares	(36,221)
6.05	Net Increase in Cash and Cash Equivalents	99,199
6.05.01	Cash and Cash Equivalents at Beginning of the Period	-
6.05.02	Cash and Cash Equivalents at End of the Period	99,199

The accompanying notes are an integral part of these interim financial statements.

SMILES S.A.

STATEMENT OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013
(In thousands of Brazilian Reais – R$)

Line code	Line item	Current YTD 01/01/2013 to 06/30/2013
7.01	Revenues	253,100
7.01.01	Sales of Goods, Products and Services	250,209
7.01.02	Other Income	3,281
7.01.02.01	Other Operating Income	3,281
7.01.04	Provision / Reversal of credits Losses	(390)
7.02	Acquired services from Third Parties	(145,311)
7.02.01	Cost Products, Goods and Services Sold	(117,471)
7.02.02	Materials, Energy, Outside Services and Other	(17,279)
7.02.04	Other	(10,561)
7.02.04.01	Sales and advertising	(10,561)
7.03	Gross Value Added	107,789
7.04	Retentions	(19)
7.04.01	Depreciation and Amortization	(19)
7.05	Added Value Produced	107,770
7.06	Value Added Received in Transfer	33,972
7.06.02	Finance income	33,972
7.07	Total Wealth for Distribution (Distributed)	141,742
7.08	Wealth for Distribution (Distributed)	141,742
7.08.01	Employees	8,207
7.08.02	Taxes	55,007
7.08.03	Third Party Capital Remuneration	389
7.08.04	Profit earned in the Period	78,139

The accompanying notes are an integral part of these interim financial statements.

1. General Information

Smiles S.A. ("Company"), established on June 10, 2012, originally named "Santa Angélica Empreendimentos e Participações S.A.", is a publicly-listed company incorporated in accordance with Brazilian laws. On June 27, 2012, Gol Linhas Aéreas Inteligentes S.A. ("GLAI") acquired the Company at its book value. GLAI is a Company listed on the São Paulo Stock, Commodities and Futures Exchange - BM&FBOVESPA, and the Stock Exchange in New York.

The Company is engaged in the customers loyalty program to accomplish primarily: (a) the development and management of the program; (b) the marketing rights of rewards acquired; and (c) establishment of a database of individuals and legal entities.

The Company's operations result from the organizational restructuring of GLAI, which transferred to the Company the Smiles mileage program ("Smiles Program"), which was managed by VRG Linhas Aéreas ("VRG"). The Smiles Program consists of the granting of credit reward miles to participants who can use them to redeem rewards, mainly airline tickets. Agreements have been entered into GLAI and VRG to facilitate the transfer of operations, which are described in Note 9.

The miles are issued by the Smiles Program to: (a) transfer to participating passengers through the VRG loyalty program; (b) the sale of miles to banks that transfer to its customers with miles according to credit card spending; (c) the sale of miles to retail and entertainment customers; (d) the sale of miles to airline partners; and (e) the sale of miles to individuals.

Events occurred during the six-month period ended June 30, 2013:

On April 25, 2013, the Company completed the IPO of its common shares. Under this context, the Company issued 52,173,912 common shares at R$21.70 per share, resulting in a capital increase of R$1,132,173, approved on the same date by the Board of Directors. The total cost of the shares' issuance on the IPO determined by the Company, net of the deferred tax effects, was R$36,221 and is recorded in shareholders' equity under "cost of issuing shares."

2. Approval and Summary of Significant Accounting Policies Applied in Preparing the Interim Financial Information – ITR.

These interim financial information were approved and authorized for issue at the Company's Board of Directors' meeting held on August 08, 2013. The Company's head office is at Rua Luigi Galvani, 200 – 8º andar, Brooklin, São Paulo, SP, Brazil.

2.1. Declaration of Conformity

The Company's interim financial information were prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The accounting practices adopted in Brazil comprise those included in the Brazilian corporate law and the technical pronouncements, guidelines and interpretations issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Federal Accounting Board ("CFC)" and the Brazilian Securities and Exchange Commission ("CVM").

2.2. Basis of presentation

These interim financial statements were prepared using the Brazilian real as the functional and presentation currency.

The Interim Financial Information were prepared for the three and/or six-month period ended on June 30, 2013 in accordance with International Accounting Standards (IAS) no. 34, related to interim financial statements, as issued by the International Accounting Standards Board (IASB) and technical pronouncement CPC 21 (R1) – Interim Financial Reporting.

IAS 34 requires the use of certain accounting estimates by the Company Management. The interim financial information was prepared based on historical cost, except for certain financial assets and liabilities, which are measured at fair value.

Since the Company started its operations in 2013, in order for a better comprehension of the Quarterly Financial Information - ITR, it was decided to present the main accounting practices in these Interim Financial Statements, although there is no requirement by the standards CPC 21 (R1) and IAS 34. There is no comparative information for the period to and as of June 30, 2012.

The following is a summary of the main accounting policies adopted by the Company:

a) Cash and cash equivalents

In this line are classified the bank deposits and short term investments with maturities of less than 90 days or with no deadlines for redemption, which have high liquidity, are readily convertible into an amount of cash and have an insignificant risk of value changes, measured at fair value through income.

b) Financial assets and liabilities

Represent securities with maturities up to 90 days and change in value risks, measured at fair value through profit or loss.

c) Prepaid expenses

Represent advance payments whose benefits to the Company will occur the balance sheet date, classified based on the criteria of segregation between short and long term.

d)Trade and other receivables

Trade receivables are measured based on cost (less allowances for doubtful accounts) which approximates its fair value, due to their short-term maturity.

The allowance for doubtful accounts is established when there is evidence that the Company will not be able to collect all amounts overdue for more than 90 days, according to the original terms of the receivable. The allowance for doubtful accounts is the difference between the book value and recoverable amount, calculated based on a risk and historical analysis of recovery of the overdue amounts.

e) Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time that the transaction occurs. Monetary assets and liabilities in foreign currencies are subsequently calculated based on the conversion using the exchange rate at the balance sheet date and differences resulting from the currency conversion are recognized in the statements of income.

f) Share-based payments

The Company, through its parent Company, offers to its key personnel share-based plans, settled exclusively through the issue of GLAI’s shares.

The cost of equity-settled transactions is recognized, along with a corresponding increase in equity, being described as "Share-Based Payments" over the period in which the performance and/or the service conditions are fulfilled, with maturity on the date that the employee acquires the right (the acquisition date). The income or expense in the income statement for the period is recorded under "Administrative Expenses".

The fair value of the GLAI equity-settled transactions with employees of stock options and restricted shares plan were estimated on the date of grant of the options using the Black-Scholes pricing. This fair value is recorded on a straight-line basis, according to CPC 10 (R1) – “Share-Based Payment”, as an expense in net income for the year over the vesting period, based on Management’s estimates on which options granted will become eventually vested, with a corresponding increase in shareholders’ equity.

The expenses registered in the period ended June 30, 2013 corresponds exclusively to the services provided by the executives transferred to the Company during the period. There are no plans for stock options granted in respect of the Company's equity instruments.

g) Provisions

Provisions are recognized when the Company has a present obligation (legal or presumed) as a result of a past event, being probable that an outflow of resources will be required to settle the obligation.

When the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

h) Deferred revenue

The "Smiles Program" aims to gain its customers through the grant of mile credits to its participants. The obligation created by the issuance of miles is measured based on the price that the miles were sold to its airline partners and non-airline partners, classified by the Company as the fair value of the transaction. The revenue recognition occurs when the miles are redeemed by the Smiles Program participants to exchange the rewards with their partners.

i) Income taxes

i. Current income tax

The provision for income tax and social contribution is based on the taxable profit for the year. Taxable income differs from earnings presented in the income statement because it excludes the effects of the transition tax regime ("RTT") revenues or expenses taxable or deductible in other years, and exclude items not taxable or not deductible permanently.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

ii. Deferred income tax

Deferred income tax and social contribution are recognized on temporary differences at the end of each reporting period between the balances of assets and liabilities recognized in financial statements and tax bases used in the calculation of taxable income, including net tax losses, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, only when it is probable that the Company will present future taxable income in an amount sufficient to bring such deductible temporary differences can be used.

The value of deferred income tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow tax credit to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are determined, considering tax rates and tax laws ratified or substantially ratified at the balance sheet date and which expects to be applied when the respective asset is realized or the liability is settled.

Deferred income tax and social contribution, assets and liabilities are compensated if there is a legal right and intention to offset them when calculating the current taxes, generally when related to the same taxable entity and the same taxation authority.

j) Main accounting estimates and assumptions adopted

The process of elaborating these Financial Statements often requires that the Management adopt assumptions, judgments and estimates that may affect the application of the policies and amounts of assets and liabilities, revenues and expenses.

The real results may differ from the adopted estimates, since such are based on historical experience and some assumptions that are believed to be appropriate under the circumstances. The reviews of accounting estimates are recognized in the same period in which the assumptions are reviewed on a prospective basis.

The estimates and assumptions that have a significant risk of material adjustments in the accounted for amounts of assets and liabilities are discussed below:

i. Breakage

Breakage consists of the statistical calculation of miles that have high potential of expiration due to non-use of the miles by the participants of Smiles Program. For the breakage calculation, the Company considers the amount of expired miles in the last twelve (12) months. This calculation is applied on the non-used mile balance, which results in the breakage revenue. Future opportunities may significantly modify the customers profile and the historical pattern, and such changes may result in significant changes in the deferred revenue balance, as well as the recognition of the revenue from this Program. The Smiles policy provides the cancellation of all the given miles from customers' accounts after 36 months, except for Gold and Diamond customers whose expiration period is 48 and 60 months, respectively.

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

ii. Income Taxes

The Company believes that the tax positions taken are reasonable. However, it recognizes that the authorities may question the positions taken which may result in additional liabilities for taxes and interest. The Company recognizes provisions that involve considerable judgment of the management. The provisions are reviewed and adjusted to account for changes in circumstances, such as lapsing of applicable statutes of limitations, conclusions of tax authorities, additional exposures based on the identification of new issues or court decisions affecting a particular tax issue. Actual results can differ from estimates.

k) Statement of value added ("DVA")

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its financial statements.

The DVA was prepared based on information obtained in the accounting records that serve as basis for the preparation of financial statements and in accordance with the provisions of CPC 09 – Statement of Value Added. The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied on sales, other revenues and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, power and services from third parties, including the taxes levied on purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (equity in subsidiaries, financial income and other income). The second part of the DVA presents the distribution of wealth among employees, taxes and contributions, compensation to third parties and shareholders.

l) Cost of equity securities issue

Transaction costs incurred on raising funds transactions through the issuance of equity securities are accounted, for as a reduction to shareholders' equity, net of tax effects.

3. Cash and cash equivalents

	06/30/2013
Cash and bank deposits	598
Cash Equivalents - Investment funds	98,601
	99,199

On June 30, 2013, the cash equivalents are represented by private bonds (Bank Deposit Certificates "CDB", remunerated at a weighted average rate of 99.74% of the CDI rate) and public bonds (LTN - National Treasury Bills). The Company does not have balances in foreign currency.

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

4. Short-term investments

	06/30/2013
Private bonds	**3,337**
Investment funds	**96,111**
	99,448

Private bonds comprise of CDBs and buy-back transactions. The CDBs have maturities until September 2013 and are highly liquid, paid at a weighted average rate of 100.3% of the CDI rate, and the buy-back transactions are highly liquid and are paid at a weighted average rate of 75.0% of the CDI rate.

Investment funds are represented primarily by private bonds, LTN and CDBs.

5. Trade and receivables

	06/30/2013
Non-Airline Partners Companies	**19,669**
Airline Partners Companies	**12,195**
Credit Card Administrators	**1,957**
	33,821
Allowance for Doubtful Accounts	**(390)**
	33,431

Of the balance of non-airline partners, R$10,058 is represented by the mile sales to financial institutions. Of the balance of the airlines partners, R$10,430 is represented by the sale of miles and administration fees of the Smiles Program to VRG.

The total receivables are denominated in Brazilian Reais. The composition of accounts receivable by maturity is as follows:

	06/30/2013
To mature	
Up to 30 days	**27,664**

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

Overdue	
Until 30 days	**2,756**
31 to 60 days	**2,419**
61 to 90 days	**592**
91 to 180 days	**193**
181 to 360 days	**197**
Total	**33,821**

The maximum exposure to credit risk as of June 30, 2013 is represented by the book value of each type of receivable mentioned above. The Company booked an allowance for doubtful accounts accrual for overdue amounts over 90 days, as mentioned in the accounting practices.

6. Advances to suppliers

The Company signed, on May 10, 2013, the second agreement of anticipated airline tickets purchase and sale with VRG Linhas Aéreas S.A.. Based on this agreement, the Company acquires monthly VRG airline tickets with the conditional discount rate over the ticket costs fixed at 150% of CDI. This operation provides the consumption of the total amount up to 4 years from the date of signing the contract. On June 30, 2013, the amount of advance on tickets purchase was R$422,755 (R$91,808 on December 31, 2012) in current assets and R$1,073,969 in noncurrent assets.

7. Deferred and recoverable taxes

a) Recoverable Taxes

	06/30/2013
Recoverable taxes:	
Withholding Tax of Public Institutions (1)	**13,598**
IRRF on financial investment (2)	**330**
Total Recoverable Taxes - current	**13,928**

(1) Withholding taxes by public agencies: Pis and Cofins retentions, withholdings tax on mile sales operations, by public agencies, joint and / or authorities.
(2) IRRF: withholding income tax levied on certain domestic transactions, such as payment of fees to some service providers, payment of salaries, and financial income from bank investments.

b) Deferred Taxes – Long Term

	06/30/2013
Deferred Taxes	

Temporary Differences:	
Provisions for costs and expenses	**2,562**
Provision for profit sharing	**847**
Other provisions	**136**
Total Deferred Tax and Social Contribution - Noncurrent	**3,545**

The Company considers that the deferred taxes registered as of June 30, 2013 resulting from temporary differences will be realized in accordance with the provision realization.

The Company recorded an expense for income tax and social contribution of R$18,660 for the six-month period ended on June 30, 2013. Such amount was recorded in equity under " Share Issuance Costs", according to CPC 08 – "Custos de Transação e Prêmios na Emissão de Títulos e Valores Mobiliários".

The amounts of income tax and social contribution presented in the income statement are reconciled to the combined rate as follows:

	Three-month period ended on	**Six-month period ended on**
	06/30/2013	**06/30/2013**
Profit before income tax and social contribution	**73,614**	**118,882**
Combined tax rate	**34%**	**34%**
Income tax expense at the combined tax rate combined	**(25,029)**	**(40,420)**
Adjustments to calculate the effective tax rate:		
Nondeductible expenses	**53**	**-**
Income tax on permanent differences and others	**(329)**	**(323)**
Expense income tax and social contribution	**(25,305)**	**(40,743)**
Current income tax and social contribution	**(8,671)**	**(25,629)**
Deferred income tax and social contribution	**(16,634)**	**(15,114)**

8. Prepaid expenses

	06/30/2013	**12/31/2012**
Marketing expenses	**2,500**	70
Insurance prepayments	**164**	-
IPTU	**12**	-
	2,676	**70**

The marketing expenses are related to advertising in print media agreements, of the Smiles mileage program and will be amortized during the use of the advertising throughout the period of maturity.

9. Related-party transactions

The Company's related parties are basically represented by the purchase of airline tickets and mile sales agreements with its associate VRG with the following characteristics:

Operating Agreement

On December 28, 2012, the Company, VRG and GLAI entered into an agreement to govern their operating and business relationship, the exclusivity characteristics of the Smiles Program, which will be the sole VRG's customer loyalty program. Additionally, the agreement also specifies VRG as the exclusive partner in the Company's air segment and establishes guidelines for the program management by the Company.

The agreement maturity is 20 years from execution date referred to above, and is automatically renewed for successive five-year periods, unless the Company, VRG or GLAI decides otherwise and gives prior notice of such decision within no less than 2 years before the agreement expiration.

The Company will charge monthly a relationship program management fee to VRG, which will be calculated based on the gross sales of miles to VRG in the previous year, adjusted using the General Market Price Index (IGP-M). As the Company's gross revenue increases, this factor decreases proportionally as agreed. For 2013, the established management fee is 6%, and the value recognized in the income statement as of June 30, 2013 under "Other revenue" was R$3,281.

On June 30, 2013, accounts receivable from the associate VRG regarding the transfer of mile sales to related party companies and individuals was R$46,364, with an average settlement of 30 days.

Miles and Air Tickets Purchase Agreement

This agreement sets the prices and the terms and conditions for the purchase by VRG of miles issued by the Company, and the purchase of air tickets by the Company from VRG. The agreement duration is 20 years from the execution date (December 28, 2012), and is automatically renewed for successive five-year periods, unless the Company, VRG or GLAI decides otherwise and gives prior notice of such decision within no less than 2 years before the agreement expiration.

On June 30, 2013, the outstanding balance of the advance tickets purchases of VRG is classified under "Advances to Suppliers" in the amount of R$422,755 (R$91,808 as of December 31, 2012), as current assets and R$1,073,969 as noncurrent assets in accordance with conditions established in the specific agreement.

Until June 30, 2013, the total of miles sold to VRG was 4,097,898,516, representing the amount of R$54,092 and the total of tickets purchased by VRG was 2,385,647, representing the amount of R$103,126 net of taxes.

Service agreement

Under the Service Agreement entered into on December 28, 2012, VRG will provide certain administrative services to the Company for which the Company will pay a fixed monthly amount for each service group, subject to annual renegotiation. This agreement is effective for 36 months and can be canceled by either party after prior notice. For the six-month period ended June 30, 2013, the Company recognized the total expenses related to these services of R$8,967, this value comprises the amount under "Suppliers" on current liabilities.

Equipment Lease Agreement and Other Covenants

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

Effective to December 28, 2013 and renewable through an amendment signed by the parties, this agreement consists of leasing the equipment owned by VRG to the Company. The agreement provides for monthly payments due to the lease of this equipment, and in case of delay, the outstanding payments are subject to fines and interest. For the six-month period ended June 30, 2013, the Company recognized R$28 of expenses related to these services.

Domain Name and Trademark Assignment Agreement

VRG undertakes to assign, on permanent, non-onerous terms, the rights of use and the rights to exploit the trademarks and the domain name "Smiles" to the Company. At the date of issuance of these financial statements, the Smile trademark was pending registration with the National Institute of Industrial Property - INPI.

Key Management Personnel Payments

	Three-month Period Ended on	**Six-month Period Ended on**
	06/30/2013	**06/30/2013**
Salaries and Benefits	**362**	**911**
Related Taxes	**82**	**239**
Share-based Payments	**601**	**721**
	1,045	**1,871**

As of June 30, 2013, the Company did not offer postemployment benefits, and there are no severance benefits or other long-term benefits for the Management or other employees.

10. Share-based payments

The Company's Board of Directors, during the Extraordinary General Meeting held on February 22, 2013, approved the grant of share-based payments plans to the Company's management and executives: the Stock Options Plan and Restricted Shares Plan. Both plans stimulate and promote the alignment of the Company's goals, the administrators and employees, mitigate risks in value creation to the Company for the loss of their executives and strengthen the commitment and productivity of these executives to long-term results. The plans were developed to attract and retain key managers and strategic talents, linking a significant part of their equity to the value of the Company. Until June 30, 2013, the Company has not granted shares to its executives.

Additionally, through its parent Company GLAI, the Company has the same two share-based payments plans granted to some executives transferred from VRG on January 1, 2013. Consequently, the remaining expenses related are recognized in the Company's income statements. The amounts granted to executives transferred are summarized below:

Stock option plan

Outstanding options					Options exercisable		Fair value
Year of the option	**Range of exercise prices**	**Options outstanding**	**Average remaining maturity (in years)**	**Average exercise price**	**Options exercisable**	**Average exercise price**	**(Black & Scholes)**
2009	10.52	18,000	7	10.52	17,640	10.52	8.53
2010	20.65	94,581	8	20.65	94,581	20.65	16.81
2011	27.83	144,584	9	27.83	132,536	27.83	16.11
2012	12.81	41,127	10	12.81	27,761	12.81	5.35
	10.52-27.83	**298,292**	**8,71**	**22.44**	**272,518**	**22.71**	

Restricted shares plan

Year of the Share Grant	Total Shares Granted	Fair Value of the Share at Grant Date	Duration of Share (in Years)
2012	43,519	9.70	10

For the six-month period ended on June 30, 2013, the Company recorded in shareholders ' equity a result from share-based payments in the amount of R$991, being the counterpart in the income statement results classified as staff costs.

11. Earnings per share

The basic earnings per share is calculated based on the net income of the period attributable to shareholders of the Company and the weighted average number of common shares outstanding during the year. The diluted earnings per share is calculated based on the average shares outstanding, adjusted by instruments that are potentially convertible into shares with a dilutive effect for the period presented.

	Three-month Period Ended on 06/30/2013	Six-month Period Ended on 06/30/2013
Numerator		
Income for the period, net	**48,309**	**78,139**
Denominator		
Weighted average number of outstanding shares (in thousands)	**107,488**	**88,744**
Adjusted weighted average number of outstanding shares and diluted presumed (in thousands)	**107,488**	**88,744**

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

Basic earning per share	**0.449**	**0.880**
Diluted earning per share	**0.449**	**0.880**

Diluted earnings or loss per share are calculated by considering the instruments that may have a potential dilutive effect in the future. Due to the fact that there were no grants of options and restricted shares issued by the Company for the three-month period ended June 30, 2013, there are no potentially dilutive instruments.

12. Taxes payable

Taxes payable are registered in current liabilities and are shown below:

	06/30/2013
Tax payable:	
PIS and COFINS	**2,635**
ISS	**36**
IRRF on payroll	**121**
IRPJ and CSLL payable	**6,235**
Others	**338**
	9,365

13. Advances from customers

The Company performed advance miles sales and recorded such under "Advances from Customers". On June 30, 2013, the outstanding balance regarding these anticipated sales is R$378,105, which R$325,572 and R$52,533, respectively, are classified in current and noncurrent liabilities, as represented as follows:

	06/30/2013	12/31/2012
Financial institutions (a)	**376,466**	91,808
Others	**1,639**	-
	378,105	91,808

(a) On December 1, 2012, VRG transferred to the Company the Smiles Partnership Agreement, signed jointly on December 1, 2009 with financial institutions of the Banco Itaú S.A Group. The contract has the objective to regulate the conversion of the accumulated points arising from the rewards programs of Banco Itaú S.A. into miles of the Smiles Program from January 1, 2013. The balance on June 30, 2013 is R$31,099 (R$91,808 as of December 31, 2012).

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

On April 8, 2013, the Company concluded the advances on miles sales agreement in the approximately total amount of R$400,000 with the financial institutions Bradesco S.A., Banco do Brasil S.A. and Santander S.A..The funds were received by the Company on April 30, 2013 and the total balance on June 30, 2013 is R$344,853. The amount of R$514 is related to financial institutions.

Advances from customers are transferred to "Deferred revenue" as the miles are transferred to the participants of Smiles Program.

14. Deferred revenue

The miles issued are initially recorded as deferred revenue, and as they are redeemed by the customers, are recognized as revenue in the income statement. As of June 30, 2013, the balance of Smiles deferred revenue is R$211,813, of which R$66,144 and R$145,669 are classified in the current and non-current liabilities, respectively, and the number of outstanding miles amounted to 10,712,430,018.

	06/30/2013
Deferred revenue	**252,943**
(-) Breakage provision	**(41,130)**
	211,813

Breakage consists of a statistical calculation of miles issued for which there is no expectation of redemption, miles that will expire without the expectation of use; such are recognized in advance in the earnings of the period, as described in Note 2(i).

15. Provisions

	06/30/2013
Current	-
Noncurrent	9
	9

Provisions are reviewed based on the progress of the proceedings and history of losses based on the best current estimate for labor and civil lawsuits.

As of June 30, 2013 the Company is involved with 55 civil judicial and administrative procedures.

The civil proceedings are primarily related to compensation claims generally to redeem miles for exchange in prizes. On June 30, 2013, the allowance for risks relate to civil lawsuits with probable losses totaling R$9.

There are other civil lawsuits assessed by management and its legal counsel as to possible loss, with an estimated loss of R$70 on June 30, 2013, for which no provision was accounted for.
The Company has no lawsuits in respect of labor and tax.

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

16. Shareholders' equity

a) Issued Capital

On June 30, 2013, the share capital subscribed and fully paid by shareholders domiciled in Brazil, was R$1,132,174, amounting R$1,006,377 on May 2, 2013 and R$125,797 on May 10, 2013, represented by 122,173,912 common shares, nominative, without face value, paid primarily with funds from the public offering of shares of the Company held on April 25, 2013. The authorized share capital as of June 30, 2013 was 139,999,999 common shares. Shares are held as follows:

	06/30/2013	**12/31/2012**
	Common	**Common**
Gol Linhas Aéreas Inteligentes S.A.	57.295%	100.000%
G.A. Smiles Participações S.A.	15.088%	0.000%
Others	27.617%	0.000%
	100.000%	**100.000%**

b) Share issuance costs

Costs incurred for the capital increase through the issue of shares by the Company amounted to R$54,881 on February 2013, which, net of tax, represents R$36,221.

c) Share-based payments

As of June 30, 2013, the amount recorded of share-based payment expense was R$991, with a corresponding expense in the statement of profit or loss, classified as personnel costs

17. Sales revenue

The net sales revenue for the period has the following composition:

	Three-month Period Ended on	**Six-month Period Ended on**
	06/30/2013	**06/30/2013**
Revenue from redeemed miles	**63,272**	**110,044**
Smiles & Money revenue	**43,795**	**99,020**
Breakage revenue	**15,972**	**41,130**
Revenue from expired miles	**10**	**15**
Other operating income	**1,828**	**3,281**
Gross revenue	**124,877**	**253,490**
Taxes	**(11,643)**	**(23,613)**
Net revenue	**113,234**	**229,877**

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

Other operating income is related to the management fee of the Smiles Program relationship charged to VRG, as described in Note 9.

The revenues are net of PIS/COFINS and ISS, which are collected and transferred to the appropriate government entities.

18. Costs of redeeming rewards, selling expenses and administrative expenses

	Three-month Period Ended on 06/30/2013				
	Cost of award redemption	Selling Expenses	Administrative expenses	Total	%
Salaries	-	(2,942)	(2,664)	(5,606)	7.8
Cost of purchase of airline tickets	(51,831)	-	-	(51,831)	72.5
Cost of purchase of various products	(409)	-	-	(409)	0.6
Computer services	(1,852)	-	(29)	(1,881)	2.6
Call center	-	(3,138)	-	(3,138)	4.4
Services	-	-	(988)	(988)	1.4
Sales and marketing	-	(6,187)	-	(6,187)	8.6
Depreciation and amortization	(19)	-	-	(19)	0.0
Other expenses	(8)	-	(1,529)	(1,537)	2.1
	(54,119)	(12,267)	(5,210)	(71,596)	100.0

	Six-month Period Ended on 06/30/2013				
	Cost of award redemption	Selling Expenses	Administrative expenses	Total	%
Salaries	-	(3,968)	(5,461)	(9,429)	6.5
Cost of purchase of airline tickets	(106,251)	-	-	(106,251)	73.4
Cost of purchase of various products	(650)	-	-	(650)	0.4
Computer services	(3,386)	-	(484)	(3,870)	2.7
Call center	-	(6,570)	-	(6,570)	4.5
Services	-	-	(5,345)	(5,345)	3.7
Sales and marketing	-	(10,952)	-	(10,952)	7.6
Depreciation and amortization	(19)	-	-	(19)	0.0
Other expenses	(53)	-	(1,612)	(1,665)	1.2
	(110,359)	(21,490)	(12,902)	(144,751)	100.0

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

19. Financial result

	Three-month Period Ended on	Six-month Period Ended on
	06/30/2013	**06/30/2013**
Financial income		
Obtained discounts	**29,819**	**31,351**
Income from Short-term Investments	**2,304**	**2,590**
Other financial revenue	**30**	**31**
	32,153	**33,972**
Financial expenses		
IOF - IOC	**11**	**(15)**
Others	**(3)**	**(16)**
	8	**(31)**
Foreign Exchange Changes, net	**(185)**	**(185)**
Total	**31,976**	**33,756**

The obtained discounts in the amount of R$31,351 are mainly related to anticipated purchases of tickets with VRG as Note 6 - Advances to suppliers.

20. Financial instruments

The description of the account balances and the categories of financial instruments included in the balance sheet as of June 30, 2013 is as follows

	Measured at fair value through profit or loss	Measured at amortized cost	
	06/30/2013	**06/30/2013**	**12/31/2012**
ASSETS			
Cash and cash equivalents	**99,199**	**-**	-
Short-term Investments	**99,448**	**-**	-
Trade receivables	**-**	**33,431**	-
Other	**-**	**1,497**	-
LIABILITY			
Accounts payable	**-**	**19,113**	70

Financial assets and financial liabilities are measured at amortized cost. Their carrying amount approximates their fair value due to their nature and to their short-term maturity.

Management manages the financial instruments in accordance with a formal guideline, consistent with the Risk Management Policy of parent GLAI, periodically defined by the Financial Policies and Risk Committee and submitted to GLAI’s Board of Directors. The Committee establishes the guidelines and the limits, and monitors the controls, including the mathematical models adopted for the continuous monitoring of the exposures and possible financial impacts, as well as to prevent the use of speculative transactions with financial instruments.

Risks

The operating activities expose the Company and its subsidiaries to the following financial risks: market (including currency risk and interest rate risk), credit and liquidity risks.

The Company’s risk management policy aims at mitigating potential adverse effects from transactions that could affect its financial performance.

The Company’s decisions on the exposure portion to be hedged against financial risk, both for currency and interest rate exposures, consider the risks and hedge costs.

Until June 30, 2013, the Company has not made any derivative transaction.

a) Market

i) Interest Rate Risk

The Company is exposed to fluctuations in interest rates in respect of interest income generated by cash balances and short-term investments.

The Company has no derivative in respect of cash flow hedges on interest rate fluctuations as of June 30, 2013.

ii) Sensitivity analysis

The sensitivity analysis of financial instruments was prepared according to CVM Instruction 475/08, in order to estimate the impact on the fair value of financial instruments operated by the Company, considering three scenarios considered in the risk variable: most likely scenario, the assessment of the Company; deterioration of 25% (possible adverse scenario) in the risk variable, deterioration 50% (remote adverse scenario).

The estimates presented, since they are based on simple statistics, do not necessarily reflect the amounts to be reported in the next financial statements. The use of different methodologies and /or assumptions may have a material effect on the estimates presented.

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

Additionally, the Company must present in its sensitivity analysis of derivative instruments the risk that may result in material losses, directly or indirectly considering the following elements, as determined by CVM Instruction 475/08:

- The likely scenario is defined as the expected scenario by the Company and referenced by an independent external source;

- The possible adverse scenario considers a deterioration of 25% in the major risk variable that determines the fair value of financial instruments; and

- The remote adverse scenario considers a deterioration of 50% in the major risk variable that determines the fair value of financial instruments.

The only financial instruments that the Company owns are investments in Bank Deposit Certificates (CDB) and investment funds, classified as cash equivalents and short term investments. The Company measured its non-derivative financial instruments, considering the impact on quarterly interest on the values exposed on June 30, 2013, from changes in interest rates as the scenarios as follows

Instrument	Risk	Exposed Values	Possible Adverse Scenario 25% (*)	Remote Adverse Scenario 50% (*)
Cash equivalents	Reduction of CDI	98,601	(728)	(873)
Short term investments	Reduction of CDI	99,448	(757)	(908)

(*)These values represent the estimated amount of gains reduction, given the adverse scenarios presented above.

b) Credit risk

The credit risk is inherent in the Company's operating and financing activities, mainly represented by trade receivables, cash and cash equivalents, including bank deposits.

The "trade receivable" credit risk consists of amounts falling due from the largest credit card companies, with a credit risk better than or equal to those of the Company, and receivables from non-airline partners.

As defined in the Risk Management Policy, the Company is required to evaluate the counterparty risks in financial instruments and diversify the exposure. Financial instruments are performed with counterparties rated at least as investment grade by S&P and Moody's.

c) Liquidity risk

Liquidity risk takes on two distinct forms: market liquidity risk and cash flow liquidity risk. The first is related to current market prices and varies in accordance with the types of assets and the markets where they are traded. Cash flow liquidity risk, however, is related to difficulties in meeting the contracted operating obligations at the agreed dates.

As a way of managing the liquidity risk, the Company invests its funds in liquid assets, basically represented by CDBs and Commitment Agreements.

The Company maintains a strong dependence on its associate VRG and on financial institutions, which together represents almost the entire Company revenue source. A reduction of the sale of miles to any main partner or business relationship severance may result in adverse events that could significantly impact the Company's results.

d) Capital management

The Company remains committed to maintain high liquidity, and to ensure continued operations over time, providing its shareholders a strong capital base, as well as a return of benefits to other stakeholders. The available resources are sufficient to meet current liabilities.

As of June 30, 2013 the Company had no financial leverage.

e) Measurement of the fair value of financial instruments

In order to comply with the disclosure requirements for financial instruments measured at fair value, the Company must classify its instruments in Levels 1 to 3, based on observable fair value levels:

a) *Level 1:* Fair value measurements are calculated based on quoted prices (without adjustment) in active market or identical liabilities;

b) *Level 2:* Fair value measurements are calculated based on other variables besides quoted prices included in Level 1, that are observable for the asset or liability directly (such as prices) or indirectly (derived from prices); and

c) *Level 3:* Fair value measurements are calculated based on valuation methods that include the asset or liability but that are not based on observable market variables (unobservable inputs).

The following table states a summary of the Company's financial instruments measured at fair value, including their related classifications of the valuation method, as of June 30, 2013.

Financial Instrument	Book Value	Other Significant Observable Factors (Level 2)
Cash equivalents	**98,601**	**98,601**
Short term investments	**99,448**	**99,448**

(In Thousands of Brazilian Reais – R$, except when indicated otherwise)

21. Insurance

As of June 30, 2013, the insurance coverage by nature, and related to the maximum reimbursable amounts, is as follows:

Modality	In BR Reais
Bail lessor	**831**
Civil responsibility D&O (Public Offer - IPO)	**50,000**
Fire (Property insurance)	**4,635**

22. Subsequent events

a) The Board of Directors of the Company approved on August 8, 2013 the granting of 1,058,043 option shares related to the Company's IPO ("Options"); in conformity with the Company's long term incentive - stock options plan ("Stock Option Plan") approved by the Extraordinary General Meeting held on February 22, 2013.

b) On August 8, 2013, the Directors of the Company approved the payment of interim dividends and interest on equity based on the estimated results for the fiscal year of 2013, ending on December 31, 2013, under the following terms: (i) R$18,826,804.81 in respect of interim dividends to be deducted from the estimated profit for 2013, based on the Quarterly Information for the six-month period ended on June 30, 2013, and imputed to the minimum mandatory dividends to be calculated for the year of 2013 at R$0.1540984037 per common share, without withholding income tax at source, under the current legislation, and (ii) R$18,289,000.00 in interest on capital, to be deducted from the accumulated income until August 31, 2013 and attributed to mandatory minimum dividends for 2013, corresponding to the gross unit value of R$0.1496964426 per common share.