Smiles S.A.

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

Deloitte Touche Tohmatsu Auditores Independentes

SMILES S.A.

Individual Interim Financial Statements

September 30, 2013
(In thousands of Brazilian Reais)

Contents

Message from Management

We operate in an extremely dynamic and challenging market. We remain committed to optimizing our profitability and are working towards further improving our business model. Net profit totaled R$63.0 million, an upturn of 30.5% over 2Q13, and cash from operating activities came to R$133.4 million in the quarter.

Aiming to rescue the brand’s potential and present our competitive edge to the market, we went back to the media with a mass communication campaign. With the slogan “*Quem vai com Smiles, volta sorrindo*” (“Who goes with Smiles comes back smiling”), we applied the concept “We do everything for you to travel with Smiles” and showed the public some exclusive benefits offered by the program, such as the possibility to combine miles&money and reactivate expired miles.

We continue to obtain high profitability in our asset light business model, having posted record net profit in 3Q13, reinforcing our ability to provide attractive return to our shareholders. In the third quarter, the Smiles program accelerated the miles redemption, reflecting the increased commitment from our customers and the alignment with partner airline companies.

In line with our goal of strengthening our relationship with financial partners, we renewed our commercial agreement with Banco Itaú for a three-year period, investing in a long-term relationship with the bank. Smiles remains close to the financial segment, developing custom programs and solutions with all main retail banks in Brazil and as a result we obtained a substantial increase in the number of miles accrued in the quarter.

In addition, on September 13th we launched *Clube Smiles*, an unprecedented product in the loyalty market, which allows its members to receive 1,000 miles every month for a R$30 monthly fee, in addition to having access to a series of exclusive benefits. Clube Smiles was developed with the aim of engaging our clients, increasing the program’s coalition power and expanding our operation base.

Aiming to strengthen our exposure in the retail segment, in October we signed the “Investment Agreement” to acquire a minority interest in the loyalty company Netpoints. We believe that Netpoints’ experience in this segment will complement our strategy to operate in this channel, which has an attractive growth potential.

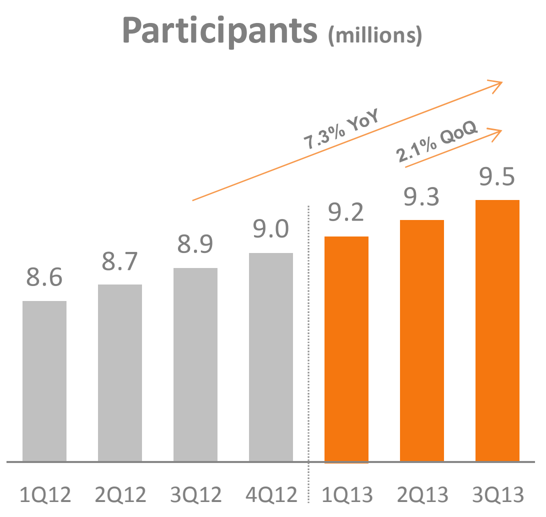
We remained committed to offering an attractive value proposition to members and strengthening our relationship with financial partners, international airlines and major retailers.

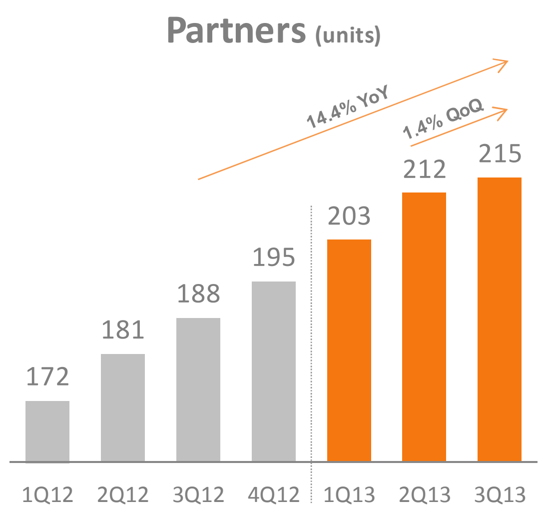
Comments on Performance

Operating Performance

Operational Data[1]	Units	3Q13	2Q13	3Q12	3Q13 vs. 2Q13 (%)	3Q13 vs. 3Q12 (%)
Participants	**thousand**	**9,527**	**9,333**	**8,878**	**2.1%**	**7.3%**
Partnerships	**unit**	**215**	**212**	**188**	**1.4%**	**14.4%**
Miles Accumulated [2]	**million**	**10,170**	**8,681**	**8,578**	**17.2%**	**18.6%**
Partners ex-Gol	million	7,743	6,448	6,036	20.1%	28.3%
Gol	million	2,427	2,232	2,542	8.7%	(4.5%)
Miles Redemption (Program)	**million**	**8,684**	**6,955**	**6,666**	**24.9%**	**30.3%**
Breakage Rate	**%**	**15.2%**	**16.3%**	**22.3%**	**(1.1 p.p.)**	**(7.1 p.p.)**
% New Miles	**%**	**54.2%**	**42.4%**	**-**	**11.8 p.p.**	**54.2 p.p.**

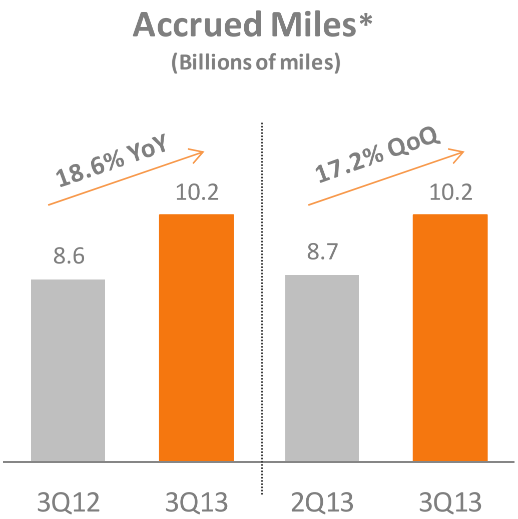
[1]All amounts corresponding to miles are net of refund effects.
[2]Accrual of miles for 3Q12 refers to the Smiles Program, while from 2Q13 on it refers to Smiles S.A.

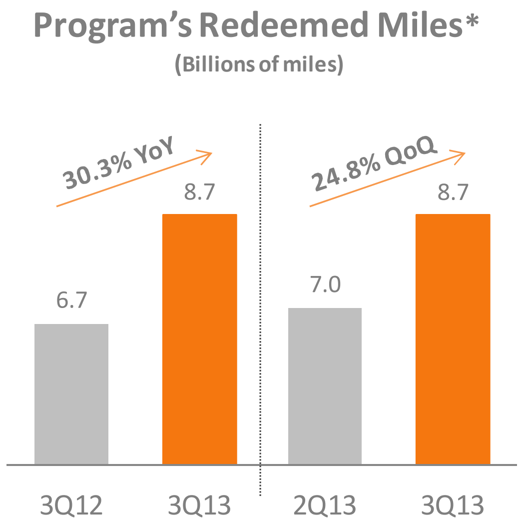




Members: The number of members of the Smiles program grew by 7.3% and 2.1% over 3Q12 and 2Q13, respectively, reaching 9.5 million clients at the end of 3Q13. We continue to launch innovative campaigns and promotions, which have led to an increase in our client base.

Partnerships: In order to continue expanding our partnerships in the retail segment, Smiles established a partnership with the drugstore chain DPSP, owner of the Drogaria São Paulo and Pacheco brands and one of the country’s largest drugstore chains in terms of number of stores, with approximately 700 outlets, annual revenue of around R$4.5 billion and presence in five Brazilian states. At the end of the third quarter, Smiles had 215 partners.





*Graphics' numbers reflect the miles/awards net of refund effects

Accrued Miles: The number of miles accumulated in 3Q13 increased by 18.6% over 3Q12 and 17.2% over 2Q13.

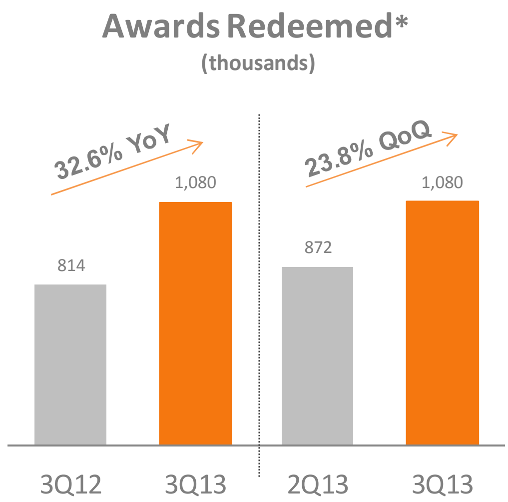
The increase is explained by the upturn in miles issued by ex-GOL partners of 28.3% over 3Q12 and 20.1% over 2Q13. We are increasing our focus on financial institutions by putting together a team dedicated to serving this channel. Among the initiatives introduced over the quarter, we highlight the special sale of miles to customers of our financial partners and the bonus campaigns to encourage mileage transfers.

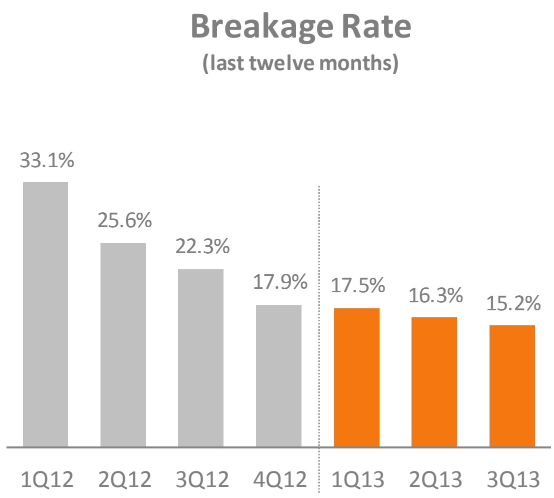
Mileage Redemption: The number of redeemed miles increased by 30.3% and 24.8% over 3Q12 and 2Q13, respectively. As a percentage of the program's total mileage redemption, new miles grew from 42.4% in 2Q13 to 54.2% in 3Q13.

Operational Data[1]	Units	3Q13	2Q13	3Q12	3Q13 vs. 2Q13 (%)	3Q13 vs. 3Q12 (%)
Miles Redemption of the program[2]	**million**	**8,684**	**6,955**	**6,666**	**24.9%**	**30.3%**
Smiles & Money Redemption	million	319	253	599	26.1%	(46.7%)
Traditional (100% Miles) Redemption	million	8,365	6,702	6,066	24.8%	37.9%
Amount of Products Awarded	**thousand**	**1,080**	**872**	**814**	**23.8%**	**32.6%**
Smiles & Money Redemption	thousand	178	150	203	18.5%	(12.2%)
Traditional (100% Miles) Redemption	thousand	902	722	612	24.9%	47.4%
Average Miles per Product	**unit**	**8,043**	**7,976**	**8,186**	**0.8%**	**(1.8%)**
Smiles & Money Redemption	unit	1,795	1,681	2,957	6.7%	(39.3%)
Traditional (100% Miles) Redemption	unit	9,277	9,287	9,920	(0.1%)	(6.5%)

[1] All amounts corresponding to miles are net of refund effects.
[2] The mileage redemption amounts represent the redemptions related to the new and old miles.

Number of Awards and Average Miles: The total number of redeemed awards grew by 23.8% over 2Q13, as a result of the increase in redemptions of Smiles & Money and traditional products (100% miles), reinforcing the Smiles Program’s unique pricing approach.





*Graphic’s numbers reflect the awards net of refund effects

Breakage: The breakage rate stood at 15.2% in 3Q13, a 1.1 p.p. decline over 2Q13, due to the increase in clients’ engagement and in the program’s attractiveness.

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) 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 accrual 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 three-month period ended September 30, 2013, which comprises the statement of financial position as of September 30, 2013 and the related statement of operations and statement of comprehensive income for the three and nine-month periods then ended and statements of changes in equity and cash flows for the nine-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 nine-month period ended September 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, October 31, 2013

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

André Ricardo Aguillar Paulon
Engagement Partner

SMILES S.A.

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

Line code	Line item	Current Quarter 09/30/2013	Prior Year 12/31/2012
1	Total Assets	1,803,832	91,878
1.01	Current Assets	806,909	91,878
1.01.01	Cash and Cash Equivalents	126,529	-
1.01.02	Short-term Investments	146,885	-
1.01.03	Trade Receivables	39,684	-
1.01.06	Recoverable Taxes	2,658	-
1.01.07	Prepaid Expenses	2,421	70
1.01.08	Other Current Assets	488,732	91,808
1.01.08.03	Others	488,732	91,808
1.01.08.03.01	Advances to Suppliers	444,893	91,808
1.01.08.03.02	Other Credits	674	-
1.01.08.03.03	Related-Party Transactions	43,165	-
1.02	Noncurrent Assets	996,923	-
1.02.01	Long-term Assets	996,283	-
1.02.01.06	Deferred Taxes	6,006	-
1.02.01.09	Other Noncurrent Assets	990,277	-
1.02.01.09.03	Advances to Suppliers	990,277	-
1.02.03	Property, Plant and Equipment	544	-
1.02.04	Intangible	96	-

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

SMILES S.A.

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

Line code	Line item	Current Quarter 09/30/2013	Prior Year 12/31/2012
2	Total Liabilities and Equity	1,803,832	91,878
2.01	Current Liabilities	377,087	91,878
2.01.01	Salaries, Wages and Benefits	8,307	-
2.01.01.02	Salaries, Wages and Benefits	8,307	-
2.01.02	Accounts Payable	14,496	70
2.01.02.01	National Suppliers	14,496	70
2.01.03	Tax Obligations	11,016	-
2.01.05	Other Liabilities	343,268	91,808
2.01.05.02	Others	343,268	91,808
2.01.05.02.04	Advance Ticket Sales	249,148	91,808
2.01.05.02.05	Deferred Revenue	94,120	-
2.02	Noncurrent Liabilities	225,605	-
2.02.02	Other Liabilities	225,518	-
2.02.02.02	Others	225,518	-
2.02.02.02.03	Deferred Revenue	208,527	-
2.02.02.02.04	Advance Ticket Sales	16,991	-
2.02.04	Provisions	87	-
2.02.04.01	Provisions Tax Social Security Labor and Civil	87	-
2.02.04.01.04	Civil Provisions	87	-
2.03	Shareholder's Equity	1,201,140	-
2.03.01	Capital	1,095,888	-
2.03.01.01	Issued Capital	1,132,174	-
2.03.01.02	Cost of Issued Shares	(36,286)	-
2.03.02	Capital Reserves	1,201	-
2.03.02.07	Share-based Payments	1,201	-
2.03.05	Accumulated Profits	104,051	-

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

SMILES S.A.

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

Line code	Line item	Current Quarter 07/01/2013 to 09/30/2013	Current YTD 01/01/2013 to 09/30/2013
3.01	Sales and services revenue	155,912	385,789
3.01.01	Net Revenue	155,912	385,789
3.02	Cost of Sales and Services	(99,060)	(209,419)
3.02.01	Cost of Services Rendered	(99,060)	(209,419)
3.03	Gross profit	56,852	176,370
3.04	Operating Expenses/Income	(18,089)	(52,481)
3.04.01	Selling expenses	(7,836)	(29,326)
3.04.01.01	Marketing expenses	(7,836)	(29,326)
3.04.02	General and Administrative expenses	(10,253)	(23,155)
3.05	Income Before Income Taxes and Financial Income/Expenses	38,763	123,889
3.06	Financial Income/Expenses	47,480	81,236
3.06.01	Financial income	47,507	81,294
3.06.01.01	Financial income	47,465	81,428
3.06.01.02	Exchange variation, net	42	(134)
3.06.02	Financial expenses	(27)	(58)
3.06.02.01	Financial expenses	(27)	(58)
3.07	Income Before Income Taxes	86,243	205,125
3.08	Income Tax (Expenses)	(23,215)	(63,958)
3.08.01	Current	(25,643)	(51,271)
3.08.02	Deferred	2,428	(12,687)
3.09	Profit from Continuing Operations	63,028	141,167
3.11	Profit for the Period	63,028	141,167

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

SMILES S.A.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2013
(In thousands of Brazilian Reais – R$)

Line code	Line item	Current Quarter 07/01/2013 to 09/30/2013	Current YTD 01/01/2013 to 09/30/2013
4.01	Net Profit for the Period	63,028	141,167
4.03	Comprehensive Income for the Period	63,028	141,167

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

SMILES S.A.

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 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	1,095,888	-	-	(37,116)	1,058,772
5.04.01	Capital Increases	1,132,174	-	-	-	1,132,174
5.04.02	Expenditures with Issuance of Shares	(36,286)	-	-	-	(36,286)
5.04.06	Dividends	-	-	-	(37,116)	(37,116)
5.05	Total Comprehensive Income	-	-	-	141,167	141,167
5.05.01	Profit for the Period	-	-	-	141,167	141,167
5.06	Internal Changes in Shareholders' Equity	-	1,201	-	-	1,201
5.06.04	Share-based Payments	-	1,201	-	-	1,201
5.07	Closing Balance	1,095,888	1,201	-	104,051	1,201,140

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

SMILES S.A.

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

Line code	Line item	Current YTD 01/01/2013 to 09/30/2013
6.01	Net Cash Provided by (used in) Operating Activities	(784,644)
6.01.01	Cash Flows from Operating Activities	(50,903)
6.01.01.01	Deferred Taxes	12,687
6.01.01.02	Shared-based Payments	1,063
6.01.01.03	Provisions for contingencies	87
6.01.01.04	Depreciation and Amortization	74
6.01.01.05	Obtained discounts	(71,967)
6.01.01.06	Exchange and Monetary Variations, Net	98
6.01.01.07	Allowance for Doubtful Accounts	574
6.01.01.08	Provision for Profit Sharing and Results	6,481
6.01.02	Changes in Assets and Liabilities	(874,908)
6.01.02.01	Accounts Receivable	(40,258)
6.01.02.02	Advances to Suppliers	(1,271,395)
6.01.02.03	Prepaid Expenses	(2,351)
6.01.02.04	Recoverable Taxes	(2,658)
6.01.02.05	Other Credits	(674)
6.01.02.07	Salaries, Wages and Benefits	1,826
6.01.02.08	Advances from customers	174,331
6.01.02.09	Deferred Revenue	302,647
6.01.02.10	Taxes Payable	33,005
6.01.02.11	Income Tax and Social Contribution Paid	(40,682)
6.01.02.12	Related-Party Transactions	(43,027)
6.01.02.13	Suppliers	14,328
6.01.03	Others	141,167
6.01.03.01	Profit for the Period	141,167
6.02	Net Cash Used in Investing Activities	(147,599)
6.02.01	Acquisition of Fixed Assets	(714)
6.02.02	Financial application	(146,885)
6.03	Net Cash Generated by Financing Activities	1,058,772
6.03.01	Capital increase	1,132,174
6.03.02	Cost of Issue of Shares	(36,286)
6.03.03	Dividends and Interest on Capital Distributed as an advance	(37,116)
6.05	Net Decrease in Cash and Cash Equivalents	126,529
6.05.02	Cash and Cash Equivalents at End of the Period	126,529

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

SMILES S.A.

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

Line code	Line item	Current YTD 01/01/2013 to 09/30/2013
7.01	Revenues	425,267
7.01.01	Sales of Goods, Products and Services	420,302
7.01.02	Other Income	5,090
7.01.02.01	Other Operating Income	5,090
7.01.04	Allowance for doubtful accounts	(125)
7.02	Acquired from Third Parties	(263,444)
7.02.01	Cost Products, Goods and Services Sold	(223,659)
7.02.02	Materials, Energy, Third-party Services and Other	(27,412)
7.02.04	Other	(12,373)
7.02.04.01	Sales and advertising	(12,373)
7.03	Gross Value Added	161,823
7.04	Retentions	(74)
7.04.01	Depreciation, Amortization and Exhaustion	(74)
7.05	Added Value Produced	161,749
7.06	Value Added Received in Transfer	81,428
7.06.02	Finance income	81,428
7.07	Total Wealth for Distribution (Distributed)	243,177
7.08	Wealth for Distribution (Distributed)	243,177
7.08.01	Employees	16,113
7.08.02	Taxes	85,313
7.08.03	Third Party Capital Remuneration	584
7.08.04	Return on own capital	141,167
7.08.04.01	Interest on Capital	18,558
7.08.04.02	Dividends	18,558
7.08.04.03	Profit earned in the Period	104,051

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.

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$1,132,174, 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$36,286 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 October 31, 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 nine-month period ended on September 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 three and nine-month period ended on September 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)Short term investments

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 after 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 period 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 three and nine-month period ended September 30, 2013 correspond exclusively to the services provided by the executives transferred to the Company during the period.

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 for the period.

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 permit such deductible temporary differences to 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 credits to be utilized.

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.

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.

m) Segment Information

Operating segments are defined as business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the decision makers to allocate resources and evaluate the segments´ performance. Considering that: (i) all decisions of the administration and management are made based on internal reports, and; (ii) the operating results are regularly reviewed by the administration to make decisions about resources to be allocated to the segment and for the evaluation of its performance, the conclusion is that the Company operates in a single operating segment, which is the customer loyalty services.

n) Seasonality

In a general way, the fact that the Company has recently been established, it is not possible to present a standard of fluctuation in its business over the months of the year.

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

3. Cash and cash equivalents

	09/30/2013
Cash and bank deposits	2,359
Cash Equivalents - Investment funds	124,170
	126,529

The balance classified as cash equivalents are as follows:

	30/09/2013
Investment funds	105,625
Buy-back transactions	18,545
	124,170

On September 30, 2013, the cash equivalents are represented by private bonds (Bank Deposit Certificates “CDB”, remunerated at a weighted average rate of 97.64% of the CDI rate) and public bonds (LTN - National Treasury Bills). Buy-back transactions are highly liquid and are paid at a weighted average rate of 75.0% of the CDI rate, with average maturity of 30 days. The Company does not have balances in foreign currency.

4. Short-term investments

	09/30/2013
Private bonds	56,105
Investment funds	90,780
	146,885

Investment funds are represented primarily by private bonds and LTNs and buy-back transactions are mainly based on NTN-F and NTN-B. Such are remunerated at a weighted average rate of 97.64% of the CDI rate

5. Trade and receivables

	09/30/2013

Non-airline partners Companies	**20,839**
Airline partners Companies	**13,644**
Credit card administrators	**5,326**
	39,809
Allowance for doubtful accounts	**(125)**
	39,684

Of the balance of non-airline partners, R$12,979 is represented by the mile sales to financial institutions. Of the balance of the airlines partners, R$11,547 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:

	09/30/2013
To mature	
Up to 30 days	**39,019**
Overdue	
Until 30 days	**440**
31 to 60 days	**119**
61 to 90 days	**106**
91 to 180 days	**85**
181 to 360 days	**40**
Total	**39,809**

The maximum exposure to credit risk as of September 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.

The changes in the allowance for doubtful accounts are as follows:

	09/30/2013
Balance at beginning of the period	**-**
Additions	**(574)**
Unrecoverable amounts	**-**
Recoveries	**449**
Balance at the end of the period	**(125)**

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 at the agreement assignment date. This discount is conditional on the usage of the total amount in up to 4 years from the date of signing the contract. On September 30, 2013, the amount of advance ticket purchases was R$444,893 (R$91,808 on December 31, 2012) recorded in current assets and R$990,277 in noncurrent assets.

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

7. Deferred and recoverable taxes

a) Recoverable taxes – Short term

The recoverable taxes in the amount of R$2,658 are related to PIS, COFINS, IR and CS retentions, due to miles sales to public entities, joint ventures and/or autarchies.

b) Deferred taxes – Long term

	09/30/2013
Temporary differences:	
Suppliers and other provisions	**3,730**
Provision for profit sharing	**2,204**
Other provisions	**72**
Total deferred tax and social contribution - noncurrent	**6,006**

The Company considers that the deferred taxes registered as of September 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 related to the share issuance costs of R$18,693 under the income statement for the nine-month period ended on September 30, 2013.

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 09/30/2013	Nine-month period ended on 09/30/2013
Profit before income tax and social contribution	**86,243**	**205,125**
Combined tax rate	**34%**	**34%**
Income tax expense at the combined tax rate combined	**(29,323)**	**(69,743)**
Adjustments to calculate the effective tax rate:		
Nondeductible expenses	**(81)**	**(81)**
Income tax on permanent differences	**(29)**	**(352)**
Interest on capital	**6,218**	**6,218**
Expense of income tax and social contribution	**(23,215)**	**(63,958)**
Current income tax and social contribution	**(25,643)**	**(51,271)**

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

Deferred income tax and social contribution	**2,428**	**(12,687)**
Effective rate	**27%**	**31%**

8. Prepaid expenses

	09/30/2013	12/31/2012
Marketing expenses	**2,253**	-
Insurance prepayments	**162**	-
Others	**6**	70
	2,421	**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 agreement maturity, which is 1 year.

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 from 2014 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 the year 2013, the established management fee is 6%, and the value recognized in the income statement as of September 30, 2013 under "Other revenue" was R$5,067, described in note 18. The trade receivable from affiliate VRG as of September 30, 2013 was R$11,547, described in note 5.

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.

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

Additionally, VRG must transfer the amount received by the portion in money related to Smiles & Money transactions, which are deposited in the related-party banking account, but refers to the Company's revenue. On September 30, 2013, the receivable balance from VRG related to transfers of ticket sales with counterparts and individuals was R$43,027, recognized in “related-parties transactions” with an average settlement of 30 days. The balance due to affiliate VRG regarding to transfer of receivables of mileage selling counterparts is R$426 and are recorded in current liabilities.

Until September 30, 2013, the total of miles sold to VRG was 6,525,663,793, representing the amount of R$86,139 and the total of tickets purchased from VRG was 2,959,464, representing the amount of R$196,087 net of recoverable 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 a minimum prior notice of 120 days. For the nine-month period ended September 30, 2013, the Company recognized the total expenses related to these services of R$13,664, within which R$9,980 are recorded as “selling expenses” and R$3,684 recorded as administrative expenses. Of this amount, R$1,562 comprises the amount under "Suppliers" in current liabilities.

Equipment Lease Agreement and Other Covenants

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 nine-month period ended September 30, 2013, the Company recognized R$51 of expenses related to these services.

Domain Name and Trademark Assignment Agreement

VRG assigned, on permanent, non-onerous terms, the rights of use and the rights to exploit the trademarks and the domain name "Smiles" to the Company.

Stock Option Plan - VRG

The Company has a Stock Option Plan that was granted to for the benefit of the employees of its affiliate VRG. During the nine months ended September 30, 2013, the Company recorded an amount of R$138 on "related-party transactions" as described in note 10.

Key Management Personnel Payments

	Three-month Period Ended on	**Nine-month Period Ended on**
	09/30/2013	**09/30/2013**
Salaries and Benefits	**5,764**	**6,675**
Related Taxes	**106**	**345**
Share-based Payments	**153**	**874**

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

	6,023	**7,894**

As of September 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

Stock option plan - Smiles

The Company's Board of Directors, during the Extraordinary General Meeting held on February 22, 2013, approved the grant of stock options plan, which consists on an additional payment to the Company's management and executives. On August 08, 2013, the Company's Board of Directors approved the grant of 1,058,043 shares related to the stock option plan, of which 260,020 shares were granted to employees of its affiliate VRG. This plan stimulates and promotes the alignment of the Company's goals, the administrators and employees, mitigates risks in value creation to the Company for the loss of their executives and strengthens 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.

The fair value of stock options was estimated on the grant date using the Black-Scholes option pricing model. The expected volatility of the options is based on the historical volatility of 252 working days of the Bovespa index.

The other assumptions utilized in the Black-Scholes option pricing model are as follows:

Stock Options Plan

Year of the Option	Date of the Board Meeting	Total Options Granted	Exercise Price of the Option (in Brazilian reais)	The Fair Value of the Option at Grant Date - in Brazilian reais - (a)	Estimate Volatility of Share Price	Expected Dividend	Risk-free Rate Return	Length of the Option (in Years)
2013	08/08/2013	1,058,043	21.70	4.84	36.35%	6.96%	7.40%	10

(a)The fair value calculated for the 2013 plan was R$4.84, R$4.20 and R$3.72 for the respective periods of vesting (2013, 2014 and 2015).

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 - GLAI

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	17,820	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	138,560	27.83	16.11
2012	12.81	41,127	10	12.81	31,016	12.81	5.35
	10.52-27.83	**298,292**	**8.71**	**22.44**	**281,977**	**22.44**	

Restricted shares plan - GLAI

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 nine-month period ended on September 30, 2013, the Company recorded in shareholders ' equity a result from share-based payments in the amount of R$1,201, being R$1,063 registered in the income statement results classified as staff costs and R$138 registered in current assets under “related parties”.

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 09/30/2013	Nine-month Period Ended on 09/30/2013
Numerator		
Income for the period, net	**63,028**	**141,167**
Denominator		
Weighted average number of outstanding shares (in thousands)	**122,174**	**100,051**
Effect of diluted position		
Plano de opção de compra de ações	**59**	**59**
Adjusted weighted average number of outstanding shares and diluted presumed (in thousands)	**122,233**	**100,110**

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

Basic earning per share	**0.516**	**1.411**
Diluted earning per share	**0.516**	**1.410**

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume the conversion of all potential dilutive shares. The Company has a category of potential dilutive shares which refers to the stock option plan.

For this category, a calculation is performed in order to establish the number of shares that could be acquired at fair value (established at the average market price of the Company's shares), based on the subscription rights related to the outstanding stock options. The amount of shares calculated as previously described is compared with the amount of issued shares, assuming the exercise of the stock options.

12. Salaries, wages and benefits

	09/30/2013
INSS and FGTS recoverable	**410**
13 salary and holiday allowance	**1,055**
Provision charges 13 salary and vacation	**361**
Profit sharing plan and results	**6,481**
	8,307

On August 8, 2013 the Company approved at the Board of Directors of the Profit Sharing Plan of managers and employees, as recommended by the Committee on Human Resources Management and Corporate Governance. The balance of R$6,481 is recorded in the income statement under "personnel expenses".

13. Taxes payable

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

	09/30/2013
IRPJ and CSLL recoverable	**10,589**
ISS	**27**
IRRF on payroll	**238**
Withholding taxes from third parties	**162**
	11,016

14. Advances from customers

The Company realized advance miles sales and recorded such under "Advances from Customers". On September 30, 2013, the outstanding balance regarding these anticipated sales is represented as follows:

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

	09/30/2013	12/31/2012
Financial institutions (a)	**265,031**	91,808
Others	**1,108**	-
	266,139	91,808
Current	**249,148**	91,808
Non current	**16,991**	-

(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 September 30, 2013 is R$6,570 (R$91,808 as of December 31, 2012).

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 September 30, 2013 is R$258,461.

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

15. 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 September 30, 2013, the balance of Smiles deferred revenue is R$302,647 and the number of outstanding miles amounted to 15,470,436,332.

	09/30/2013
Deferred revenue	**357,107**
(-) Breakage provision	**(54,460)**
	302,647
Current	**94,120**
Non current	**208,527**

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 2j(i).

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

16. Provisions

Lawsuits

Lawsuits 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 September 30, 2013 the Company is involved with 169 civil judicial and administrative procedures.

The civil proceedings are primarily related to compensation claims generally to redeem miles for exchange in prizes. As of September 30, 2013, the allowance for risks relate to civil lawsuits with probable losses is R$87.

There are other civil lawsuits assessed by management and its legal counsel as to possible loss, with an estimated loss of R$185 on September 30, 2013, for which no provision was accounted for.

The Company has no lawsuits in respect of labor and tax.

17. Shareholders' equity

a) Issued Capital

On September 30, 2013, the share capital subscribed and fully paid by shareholders domiciled in Brazil, was R$1,132,174, 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 September 30, 2013 was 139,999,999 common shares. Shares are held as follows:

	09/30/2013	**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%**

The Company shares as of September 30, 2013 quoted on the São Paulo Stock Exchange – BOVESPA amounted R$28.87 each. The book value per share as of September 30, 2013 is R$9.83 (R$1.00 as of December 31, 2012).

b) Share issuance costs

Costs incurred for the capital increase through the issue of shares by the Company amounted to R$54,979 on February 2013, which, net of tax, represents R$36,286.

c) Share-based payments

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

As of September 30, 2013, the amount recorded related to share-based payment expenses was R$1,201, of which R$1,063 was registered in the statement of profit or loss classified as personnel costs, and R$138 was registered under current assets as related parties transactions.

d) Dividends and interest on capital

The Company's bylaws provide for a mandatory minimum dividend to be paid to shareholders, in the aggregate of at least 25% of annual adjusted profit under the article n. 202 of the "Lei das Sociedades por Ações (LSA)".

Considering the expectation of generating profit in the financial year of 2013, on August 08, 2013, the Directors of the Company approved, subject to the bylaws requirements, the distribution of dividends and interest on capital, based on the results estimated for the year 2013, at ratio of R$0.1540984037 per common share as follows: (i) R$18,827 in interim dividends to be deducted from the estimated profit and; (ii) R$18,289 in interest on capital, which will be included on the mandatory minimum dividends distribution for the year 2013, corresponding to the gross unit price per common share of R$0.1496964426.

18. Sales revenue

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

	Three-month Period Ended on 09/30/2013	**Nine-month Period Ended on 09/30/2013**
Revenue from redeemed miles	**96,933**	**206,977**
Smiles & Money revenue	**59,799**	**158,819**
Breakage revenue	**13,330**	**54,460**
Revenue from expired miles	**31**	**46**
Other operating income (a)	**1,809**	**5,090**
Gross revenue	**171,902**	**425,392**
Taxes	**(15,990)**	**(39,603)**
Net revenue	**155,912**	**385,789**

(a) Other operating income is related to the management fee of the Smiles Program relationship charged to VRG, as described in Note 9. The total amount recorded as of September 30, 2013 is R$5,067.

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

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

	Three-month Period Ended on
	09/30/2013

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

	Cost of award redemption	Selling Expenses	Administrative expenses	Total	%
Salaries	-	(2,880)	(5,670)	(8,550)	7.3
Cost of purchase of airline tickets	(95,981)	-	-	(95,981)	81.9
Cost of purchase of various products	(675)	-	-	(675)	0.6
Computer services	(2,300)	-	(544)	(2,844)	2.4
Call center	-	(3,410)	-	(3,410)	2.9
Services	-	-	(1,204)	(1,204)	1.0
Sales and marketing	-	(1,546)	-	(1,546)	1.3
Depreciation and amortization	(55)	-	-	(55)	0.1
Other	(49)	-	(2,835)	(2,884)	2.5
	(99,060)	(7,836)	(10,253)	(117,149)	100.0

	Nine-month Period Ended on				
	09/30/2013				
	Cost of award redemption	Selling Expenses	Administrative expenses	Total	%
Salaries	-	(6,848)	(11,131)	(17,979)	6.9
Cost of purchase of airline tickets	(202,232)	-	-	(202,232)	77.1
Cost of purchase of various products	(1,325)	-	-	(1,325)	0.5
Computer services	(5,686)	-	(1,028)	(6,714)	2.6
Call center	-	(9,980)	-	(9,980)	3.8
Services	-	-	(6,549)	(6,549)	2.5
Sales and marketing	-	(12,498)	-	(12,498)	4.8
Depreciation and amortization	(74)	-	-	(74)	0.1
Other	(102)	-	(4,447)	(4,549)	1.7
	(209,419)	(29,326)	(23,155)	(261,900)	100.0

20. Financial result

	Three-month Period Ended on	Nine-month Period Ended on
	09/30/2013	09/30/2013
Financial income		
Obtained discounts	42,704	74,055
Income from Short-term Investments	4,619	7,209
Other financial revenue	142	164
	47,465	81,428
Financial expenses		
IOF - IOC	(15)	(30)
Others	(12)	(28)

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

	(27)	**(58)**
Foreign Exchange Changes, net	**42**	**(134)**
Total	**47,480**	**81,236**

The obtained discounts in the amount of R$71,967 are mainly related to anticipated purchases of tickets with VRG as explained in Note 6 - Advances to suppliers.

21. Financial instruments

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

	Measured at fair value through profit or loss	**Measured at amortized cost**	
	09/30/2013	**09/30/2013**	**12/31/2012**
ASSETS			
Cash and bank deposits	-	**2,359**	-
Cash and cash equivalents	**124,170**	-	-
Short-term investments	**146,885**	-	-
Trade receivables	-	**39,684**	-
Related-party transactions	-	**43,165**	-
Other	-	**674**	-
LIABILITY			
Accounts payable	-	**14,496**	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, considers the risks and hedge costs.

Until September 30, 2013, the Company has not entered into any financial instruments related to derivative transactions.

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 derivatives in respect of cash flow hedges on interest rate fluctuations as of September 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.

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 of quarterly interest on the values exposed on September 30, 2013, from changes in interest rates and the scenarios as follows:

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

Instrument	Risk	Exposed Values	Possible Adverse Scenario 25% (*)	Remote Adverse Scenario 50% (*)
Cash equivalents	Reduction of CDI	124,170	(1,023)	(1,227)
Short term investments	Reduction of CDI	146,885	(1,253)	(1,504)

(*)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, to the more relevant clients, 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 September 30, 2013 the Company had no financial leverage.

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

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 September 30, 2013.

Financial Instrument	Book Value	Other Significant Observable Factors (Level 2)
Cash equivalents	**124,170**	**124,170**
Short term investments	**146,885**	**146,885**

22. Insurance

As of September 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**

23. Subsequent events

On October 8, 2013, the Company signed an investment agreement for the acquisition of 25% of the capital of Netpoints, in the amount of R$25,000. The payment of the subscribed capital will be in 4 (four) equal installments, being the first portion payment on the date of the transaction's termination and the remaining portions payments quarterly. The payment had not yet been made by the filing date of this Quarterly

Information - ITR. The transaction provides the option of acquiring 50% plus one share of Netpoints, which may be exercised after the end of year 2018.