

(Free Translation into English from the Original
previously issued in Portuguese)

Individual and Consolidated Interim Financial Information

Smiles S.A.

March 31, 2015
and Report on Review of Interim Financial Information

Smiles S.A.

Individual and consolidated interim financial information - ITR

March 31, 2015

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Message from Management

For Smiles S.A., 1Q15 was a period of substantial growth and preservation of redemption profitability. Our sales efforts resulted in a 43.5% increase in accrued miles (ex-GOL) over the same period last year. We added two new international partners to our international redemptions portfolio and kept pace in the introduction of new products, which was supported by the infrastructure of our New Smiles Website.

Miles accrual reached 12.5 billion in the quarter. This was a record for the Company and represented a 43.5% increase in the ex-GOL Partners segment as compared to 1Q14. This variation was due to our sales efforts and the result of a close relationship with our key financial partners.

The most valuable brand loyalty in Brazil. According to a survey published in the April 22, 2015 edition of *Istoé Dinheiro* magazine, in partnership with Millward Brown Vermeer, Smiles is the 21st most valuable brand in the country and 1st among loyalty programs. We are constantly working to improve customer communications through, for example, development of our new website and the '365 Reasons' campaign. The study estimated that the value of Smiles as a brand in 2015 is US\$ 493 mi, 78% higher than its estimated value in 2014.

Expansion of Airline Partnerships. The expansion of the international airline redemption portfolio significantly improves the program's features. In 1Q15, we announced an accrual and redemption partnership with Copa Airlines, which was added to the Program in April 2015. The airline offers 77 weekly flights out of eight Brazilian cities to Panama City, with connections to destinations in 30 countries. In the same quarter, we announced a partnership with Korean Air, which operates in 45 countries and over 100 cities worldwide. In 1Q15, international redemptions represented 21.9% of the total miles redeemed in the Program.

Innovation on a new platform. The infrastructure of our new portal enables the continuation of a steady flow of new products that, once again, make Smiles a pioneer in the Brazilian loyalty market. In April, for example, we launched new Smiles Club categories through which members can join accelerated accrual plans and receive up to 60,000 miles per year.

Approval of the distribution of R\$ 237.5 mn in complementary dividends. As proposed by management on March 16, 2015, the General Shareholders Meeting approved, on April 17, 2015, the complementary distribution of dividends for FY2014, which resulted in a 95% payout compared to net income and 100% in relation to distributable income.

Our activities resulted in net profit of R\$ 69.6 mn in 1Q15, reflecting growth in operating income, with effects from the new capital structure, compared to 1Q14. The Company remains focused on the development of new products and also adding value to its commercial partners, investors and customers.

Comments on Performance

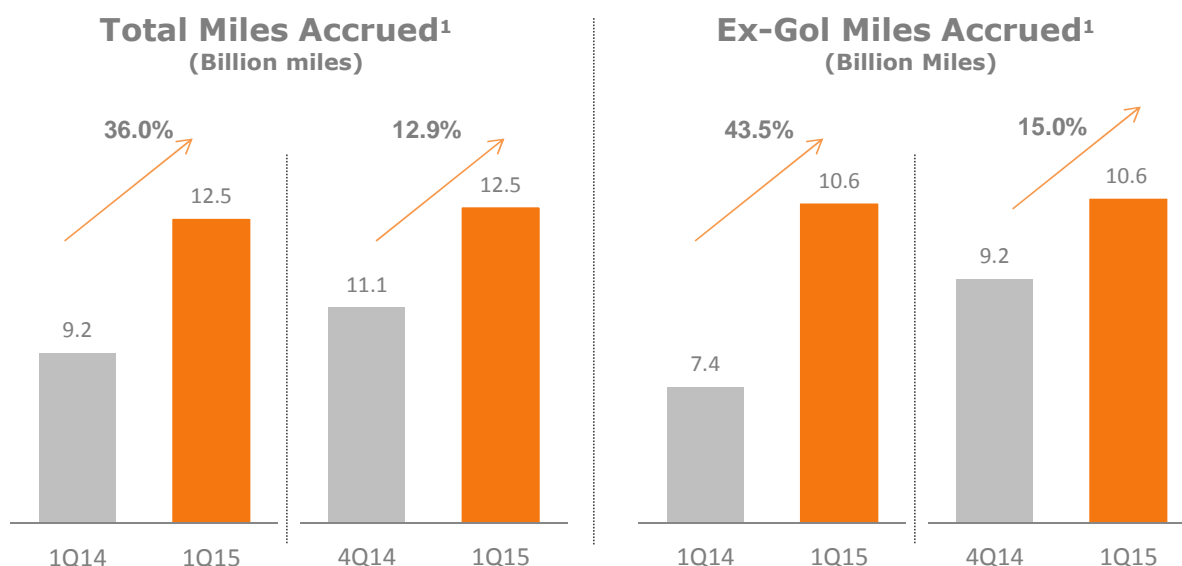
Operating performance

Operational Data ¹	Unit	1Q15	4Q14	1Q14	1Q15 vs. 4Q14 (%)	1Q15 vs. 1Q14 (%)
Members	mn	10.5	10.3	9.9	2.1%	6.3%
Miles Accrual	mn	12,522	11,093	9,209	12.9%	36.0%
GOL	mn	1,947	1,894	1,840	2.8%	5.8%
Ex-GOL (Banks and others)	mn	10,576	9,199	7,369	15.0%	43.5%
Miles Redemption (Program)²	mn	8,912	8,484	7,859	5.0%	13.4%
Program's Burn/Earn	mn	71.2%	76.5%	85.3%	(5.3 p.p.)	(14.1 p.p.)
Breakage Rate	%	16.5%	16.5%	16.9%	(0.0 p.p.)	(0.4 p.p.)
% New Miles	%	87.5%	84.7%	68.6%	2.8 p.p.	18.9 p.p.

¹ All miles amounts are net of reimbursement. The data in this table do not reflect financial information.

² The redemption of miles corresponding to miles redeemed in the Smiles Program, including new miles and legacy miles.

Participants and Members: We reached 10.5 mn customers in 1Q15, an increase of 6.3% compared to 1Q14. With Netpoints, we make the largest interconnected coalition network in Brazil, with over 22 mn registered customers. In 1Q15, in addition to the accrual and redemption partnerships with Copa Airlines and Korean Air, our customers also have access to Accor Hotels' loyalty program, Le Club, with more than 2,800 participating hotels in 92 countries.



¹Graph's numbers reflect miles net of refund effects

Mileage Accrual: Program accrual in 1Q15 rose 36.0% over 1Q14, due to the 43.5% growth in accruals from ex-GOL partners and 5.8% growth in miles accrued by GOL. The growth of ex-GOL miles reflects our close relationship with partner

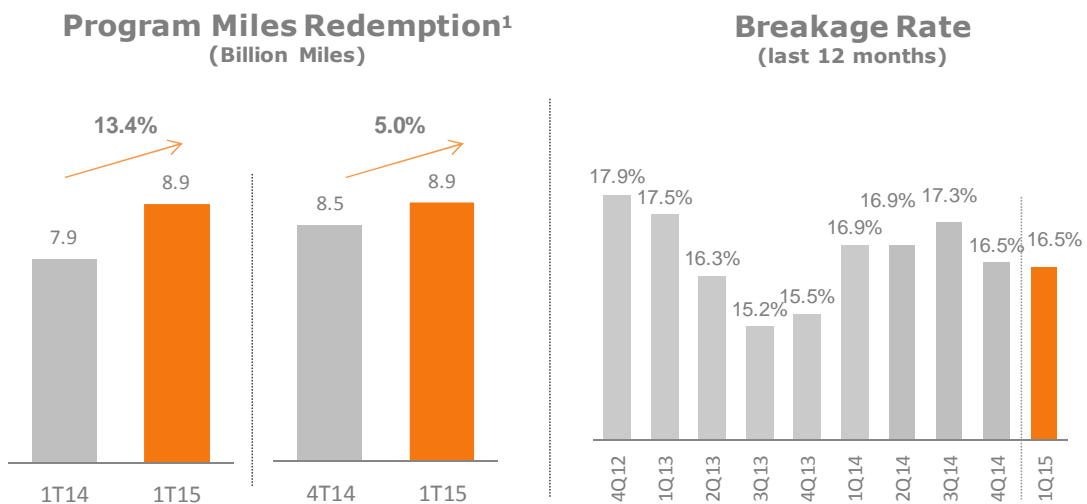
financial institutions. As examples of that proximity are the reduction minimum number of points required for a transaction and also combined product offers, while bringing additional value to both our partners and Smiles.

Mileage Redemption: In 1Q15, the mileage redemption program grew 13.4% compared to 1Q14, which reflects increased customer engagement and a steadily increasing variety of redemption options. Although representative, the growth in accrual was faster than that for redemptions, resulting in a significant drop in the burn/earn ratio. Economically, this indicates that a portion of miles accumulated and billed are to be recognized as revenues only upon redemption, or specifically in the case of breakage.

Operational Data ¹	Unit	1Q15	4Q14	1Q14	1Q15 vs. 4Q14 (%)	1Q15 vs. 1Q14 (%)
Miles Redeemed Program ²	mn	8,912	8,484	7,859	5.0%	13.4%
GOL Smiles & Money Redemptions	mn	1,515	1,775	832	(14.6%)	82.2%
Traditional redemptions (100% Miles)	mn	7,397	6,709	7,027	10.2%	5.3%
Number of Redeemed Products	mn	936	921	909	1.6%	3.0%
GOL Smiles & Money Redemptions	mn	404	351	209	14.9%	93.4%
Traditional redemptions (100% Miles)	mn	532	570	700	(6.6%)	(23.9%)
Average Miles per Product	unit	9,518	9,210	8,651	3.3%	10.0%
GOL Smiles & Money Redemptions	unit	3,752	5,051	3,982	(25.7%)	(5.8%)
Traditional redemptions (100% Miles)	unit	13,892	11,775	10,045	18.0%	38.3%

¹ All values corresponding to miles are net of reimbursement. Segregation of Smiles & Money and 100% miles redemptions has not been audited.

² Redemption miles values represent redemptions of new and legacy miles.



¹ Graph's numbers reflect miles net of refund effects

Breakage: The Breakage rate remained stable compared to 4Q14.

Business Model

Smiles began operations as an individual loyalty program, but evolved into the current coalition model which has certain unique features that permit the accrual and redemption of miles on flights with GOL and its international partner airlines, as well as with Brazil's leading commercial banks, including co-branded cards issued by Bradesco and Banco do Brasil, and a wide network of retail partners. The current model works through: (i) the accrual of miles by members on the acquisition of airline tickets from GOL or other partner airlines, or products and services from the commercial and financial partners that acquire these miles from Smiles as a means of strengthening customer loyalty, and (ii) the redemption of awards by members when exchanging their miles for tickets from GOL and other partner airlines or for products and services from commercial and financial partners.

The Company's main sources of revenue are (i) revenue from redeemed miles, represented by tickets and awards in its network of airline, commercial and financial partners, (ii) interest income arising from the difference between the miles accrual and redemption dates, and (iii) breakage revenue, when issued miles expire before being redeemed.

Glossary

Awards - Products or services provided to members by a commercial partner as the result of redeeming customer loyalty program miles.

Award Products - Product or service, excluding air tickets, provided to members by a commercial partner as the result of redeeming customer loyalty program points.

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

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

Free Float - Shares owned by non-controlling shareholders.

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

Miles - The redemption rights of Smiles Program members sold to commercial partners.

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

Smiles & Money - A means of issuing air tickets by combining money and miles.

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

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

Comment on the conduct of business forecasts

Until the date of this interim financial information – ITR, the Company did not disclose to the market forecasts or estimates of any kind, being operational, technical, administrative or financial.

Audit committee statement

The Audit Committee of SMILES S.A., in accordance with its bylaws and legal provisions, examined the interim financial information – ITR for the period ended March 31, 2015. Based on the procedures performed, considering also the report of the independent auditors - Ernst & Young Auditores Independentes S.S., dated April 24, 2015, and the information and explanations received during the period, opines that these documents are able to be appreciated by the Board Shareholder's Meeting.

São Paulo, April 24, 2015.

Marcos Grodetzky

Member of the Audit Committee

Frederico Seabra de Carvalho

Member of the Audit Committee

Natan Szuster

Member of the Audit Committee

Directors' statement on the interim financial information - ITR

FOR THE PURPOSES OF ARTICLE 25, §1, Subsection VI, of CVM Ruling 480/09

In accordance with CVM Rulling 480/09, the Directors declare that discussed, reviewed and agreed with the interim financial information – ITR for the period ended on March 31, 2015.

Directors' statement on the auditor's report on review of interim financial information - ITR

FOR THE PURPOSES OF ARTICLE 25, §1, Subsection VI, of CVM Ruling 480/09

In accordance with CVM Rulling 480/09, the Directors declare that discussed, reviewed and agreed with the independent auditors' report on review of interim financial information for the period ended on March 31, 2015.



Report on the review of interim financial information

To
The Shareholders, Board of Directors and Officers
Smiles S.A.
Barueri - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Smiles S.A. ("Company"), identified as Company and Consolidated, respectively, contained in the Quarterly Information (ITR) for the quarter ended March 31, 2015, which comprises the balance sheet as at March 31, 2015 and the related income statement, statement of comprehensive income for the quarter, the statement of changes in equity and statement of cash flows for the three-month period then ended, and a summary of significant accounting practices and other explanatory notes.

Company management is responsible for the preparation of interim individual financial information in accordance with the Technical Pronouncement of the Accounting Pronouncements Committee (CPC) 21 (R1) – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of these information in compliance with the rules issued by the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly 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 according to the Brazilian and international review standards of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, 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 inquiries, mainly of the people responsible for the financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with audit standards and, accordingly, it did not permit us to obtain assurance that we took notice of all significant matters that could have been raised in an audit. Therefore, we did not express an audit opinion.



Conclusion on the interim individual and consolidated financial information

Based on our review, we are not aware of any fact that makes us believe that the interim individual and consolidated financial information included in the Quarterly Information referred above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA) for the three-month period ended March 31, 2015, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules of the CVM applicable to Quarterly Information (ITR), and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, we are not aware of any fact that makes us believe that they were not prepared, in all material respects, according to the interim individual and consolidated financial information taken as a whole.

Audit and review of the amounts corresponding to prior period

The amounts correspondent to the statements of income, of comprehensive income, of changes in shareholders' equity, of cash flows and of value added for the three-months period ended March 31, 2014 presented for comparison purposes, were previously reviewed by other independent accountants, who issued a review report of quarterly information dated May 6, 2014.

São Paulo, April 24, 2015.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Luiz Carlos Passetti
Accountant CRC-1SP144343/O-3

Vanessa R. Martins
Accountant CRC-1SP244569/O

Smiles S.A.

Individual Interim Financial Information / Balance Sheets - Assets (In Thousands of Brazilian Reais)

Line code	Line item	Current Quarter 03/31/2015	Prior Year 12/31/2014
1	Total Assets	1,675,428	1,567,203
1.01	Current Assets	964,357	734,355
1.01.01	Cash and Cash Equivalents	167,267	80,099
1.01.02	Short-term Investments	97,303	31,745
1.01.03	Accounts receivable	122,489	104,771
1.01.08	Other Current Assets	577,298	517,740
1.01.08.03	Others	577,298	517,740
1.01.08.03.01	Advances to suppliers	445,989	396,981
1.01.08.03.02	Other Credits	4,577	1,037
1.01.08.03.03	Related-party transactions	66,780	61,419
1.01.08.03.04	Restricted cash	59,952	58,303
1.02	Noncurrent assets	711,071	832,848
1.02.01	Long-term assets	673,590	795,048
1.02.01.06	Taxes	73,143	68,694
1.02.01.09	Other Noncurrent Assets	600,447	726,354
1.02.01.09.03	Advances to suppliers	600,447	726,354
1.02.02	Investments	20,204	21,575
1.02.03	Property, Plant and Equipment	1,839	1,597
1.02.04	Intangible	15,438	14,628

Smiles S.A.

Individual Interim Financial Information / Balance Sheets - Liabilities (In Thousands of Brazilian Reais)

Line code	Line item	Current Quarter 03/31/2015	Prior year 12/31/2014
2	Total Liabilities and Equity	1,675,428	1,567,203
2.01	Current Liabilities	672,747	708,292
2.01.01	Salaries, Wages and Benefits	4,818	9,339
2.01.01.02	Salaries, Wages and Benefits	4,818	9,339
2.01.02	Suppliers	61,206	40,001
2.01.02.01	Suppliers	61,206	40,001
2.01.03	Taxes payable	23,602	20,280
2.01.04	Short-term Debt	203,625	351,379
2.01.05	Other Liabilities	379,496	287,293
2.01.05.02	Others	379,496	287,293
2.01.05.02.02	Compulsory dividend payable	35,208	63,107
2.01.05.02.04	Advances from Customers	93,652	3,176
2.01.05.02.05	Deferred revenue	250,636	221,010
2.02	Noncurrent Liabilities	521,498	452,874
2.02.02	Other Liabilities	520,835	452,410
2.02.02.02	Others	520,835	452,410
2.02.02.02.03	Deferred revenue	520,835	452,410
2.02.04	Provisions	663	464
2.02.04.01	Provisions tax social security labor and civil	663	464
2.02.04.01.04	Civil provisions	663	464
2.03	Shareholder's Equity	481,183	406,037
2.03.01	Capital	106,546	101,594
2.03.01.01	Issued Capital	142,948	137,996
2.03.01.02	Cost of issued shares	(36,402)	(36,402)
2.03.02	Capital Reserves	78,146	77,547
2.03.02.02	Special Reserve	72,942	72,942
2.03.02.07	Share-based Payments	5,204	4,605
2.03.04	Revenue reserves	226,896	226,896
2.03.04.01	Statutory reserve	24,589	24,589
2.03.04.08	Additional proposed dividend	202,307	202,307
2.03.05	Retained Earnings	69,595	-

See accompanying notes.

Smiles S.A.

Individual Interim Financial Information / Statements of Operations (In Thousands of Brazilian Reais)

Line code	Line item	Current Year	Prior Year
		01/01/2014 to 03/31/2015	01/01/2013 to 31/31/2014
3.01	Sales and services revenue	245,991	188,089
3.01.01	Net revenue	245,991	188,089
3.02	Cost of sales and/or services	(131,767)	(99,788)
3.02.01	Cost of services rendered	(131,767)	(99,788)
3.03	Gross profit	114,224	88,301
3.04	Operating expenses/revenues	(29,270)	(19,710)
3.04.01	Sales expenses	(19,707)	(13,145)
3.04.01.01	Marketing expenses	(19,707)	(13,145)
3.04.02	General and administrative expenses	(8,192)	(6,119)
3.04.06	Equity in subsidiaries	(1,371)	(446)
3.05	Result before income taxes and financial result	84,954	68,591
3.06	Financial result	21,764	50,270
3.06.01	Financial income	37,326	50,288
3.06.01.01	Financial income	37,326	49,931
3.06.01.02	Exchange variation, net	-	357
3.06.02	Financial expenses	(15,562)	(18)
3.06.02.01	Financial expenses	(10,900)	(18)
3.06.02.02	Exchange variation, net	(4,662)	-
3.07	Income before income taxes	106,718	118,861
3.08	Income taxes	(37,123)	(40,548)
3.08.01	Current	(41,572)	(38,630)
3.08.02	Deferred	4,449	(1,918)
3.09	Result from continuing operations, net	69,595	78,313
3.11	Profit for the period	69,595	78,313

See accompanying notes.

Individual Statements of Comprehensive Income (In Thousands of Brazilian Reais)

Line code	Line item	Current year 01/01/2014 to 03/31/2015	Current year 01/01/2013 to 03/31/2014
4.01	Net loss for the period	69,595	78,313
4.03	Comprehensive loss for the period	69,595	78,313

See accompanying notes.

Individual Interim Financial Information /Statements of Cash Flows - Indirect Method
(In Thousands of Brazilian Reais)

Line code	Line item	Current Year 03/31/2015	Current Year 03/31/2014
6.01	Net cash generated (used) in operating activities	335,140	121,998
6.01.01	Cash flows from operating activities	(18,793)	(35,714)
6.01.01.01	Deferred taxes	(4,449)	1,919
6.01.01.02	Share-based Payments	559	282
6.01.01.03	Provisions for judicial deposits	199	148
6.01.01.04	Depreciation and amortization	(159)	104
6.01.01.05	Obtained discounts	(31,375)	(39,239)
6.01.01.06	Exchange and monetary variations, net	4,332	(371)
6.01.01.07	Allowance for doubtful accounts	297	(61)
6.01.01.08	Provision for profit sharing and results	1,261	1,058
6.01.01.09	Equity in subsidiaries	1,371	446
6.01.01.10	Interest on loans	9,171	-
6.01.02	Changes assets and liabilities	284,338	79,399
6.01.02.01	Accounts receivable	(18,016)	(7,812)
6.01.02.02	Advances to suppliers	108,274	100,471
6.01.02.05	Other Credits	(3,540)	(2,459)
6.01.02.07	Salaries, Wages and Benefits	(5,783)	(12,875)
6.01.02.08	Advances from Customers	90,476	(70,611)
6.01.02.09	Deferred revenue	98,051	58,955
6.01.02.10	Taxes payable	26,427	32,725
6.01.02.11	Income tax and social contribution paid	(23,105)	(24,753)
6.01.02.12	Related-party transactions	(5,320)	3,427
6.01.02.13	Suppliers	16,874	2,331
6.01.03	Others	69,595	78,313
6.01.03.01	Profit for the period	69,595	78,313
6.02	Net cash generated (used) in investing activities	(68,100)	(45,230)
6.02.01	Acquisition of fixed assets	(893)	(564)
6.02.02	Financial investment	(67,207)	(38,416)
6.02.03	Advance for future capital increase	-	(6,250)
6.03	Net cash generated (used) by financing activities	(179,872)	-
6.03.01	Capital increase	4,952	-
6.03.02	Loan and lease payment	(147,642)	-
6.03.03	Interest paid	(9,283)	-
6.03.04	Interest on capital and dividends paid	(27,899)	-
6.05	Net increase (decrease) in cash and cash equivalents	87,168	76,768
6.05.01	Cash and cash equivalents at beginning of the period	80,099	154,243
6.05.02	Cash and cash equivalents at end of the period	167,267	231,011

See accompanying notes.

Individual Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 03/31/2014
(In Thousands of Brazilian Reais)

Line code	Line item	Capital Stock	Capital reserves, options granted and treasury shares	Income reserves	Accumulated profits	Total equity
5.01	Opening balance	1,095,772	74,790	158,494	-	1,329,056
5.03	Adjusted balance	1,095,772	74,790	158,494	-	1,329,056
5.05	Total comprehensive income/loss	-	-	-	78,313	78,313
5.05.01	Net loss for the period	-	-	-	78,313	78,313
5.06	Internal Changes in Shareholders' Equity	-	362	-	-	362
5.06.04	Share-based Payments	-	362	-	-	362
5.07	Closing balance	1,095,772	75,152	158,494	78,313	1,407,731

Individual Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 03/31/2015
(In Thousands of Brazilian Reais)

Line code	Line item	Capital Stock	Capital reserves, options granted and treasury shares	Income reserves	Accumulated profits	Total equity
5.01	Opening balance	101,594	77,547	226,896	-	406,037
5.03	Adjusted balance	101,594	77,547	226,896	-	406,037
5.04	Shareholders capital transactions	4,952	-	-	-	4,952
5.04.11	Capital increase - Share-based payments	4,952	-	-	-	4,952
5.05	Total comprehensive income/loss	-	-	-	69,595	69,595
5.05.01	Net loss for the period	-	-	-	69,595	69,595
5.06	Internal Changes in Shareholders' Equity	-	599	-	-	599
5.06.04	Share-based Payments	-	599	-	-	599
5.07	Closing balance	106,546	78,146	226,896	69,595	481,183

See accompanying notes.

**Individual Interim Financial Information /Statements of Value Added
(In thousands of Brazilian Reais)**

Line code	Line item	Current Year 03/31/2015	Prior year 03/31/2014
7.01	Revenue	271,117	207,523
7.01.01	Sales of goods, products and services	269,492	206,511
7.01.02	Other revenue	1,725	951
7.01.02.01	Other operating income	1,725	951
7.01.04	Allowance/reversal for doubtful accounts	(100)	61
7.02	Acquired from third parties	(161,791)	(121,562)
7.02.01	Cost products, goods and services sold	(136,830)	(105,966)
7.02.02	Material, power, third-party services and other	(13,970)	(9,218)
7.02.04	Others	(10,991)	(6,378)
7.02.04.01	Sales and advertising	(10,991)	(6,378)
7.03	Gross value added	109,326	85,961
7.04	Retentions	159	(104)
7.04.01	Depreciation, amortization and exhaustion	159	(104)
7.05	Added value produced	109,485	86,857
7.06	Value added received in transfer	35,955	49,842
7.06.01	Equity income	(1,371)	(446)
7.06.02	Financial income	37,326	50,288
7.07	Total wealth for distribution	145,440	135,699
7.08	Wealth for distribution	145,440	135,699
7.08.01	Employees	6,513	5,349
7.08.01.01	Salaries	5,831	4,790
7.08.01.02	Benefits	411	304
7.08.01.03	F.G.T.S.	271	255
7.08.02	Taxes	53,442	51,784
7.08.02.01	Federal Taxes	53,300	40,548
7.08.02.03	Municipal Taxes	142	11,236
7.08.03	Third-party capital remuneration	15,890	253
7.08.03.01	Interest	13,852	17
7.08.03.02	Rent	340	236
7.08.03.03	Other	1,698	-
7.08.04	Return on own capital	69,595	78,313
7.08.04.03	Profit for the period	69,595	78,313

See accompanying notes.

Smiles S.A.

Consolidated Interim Financial Information / Balance Sheets - Assets (In Thousands of Brazilian Reais)

Line code	Line item	Current Quarter 03/31/2015	Prior Year 12/31/2014
1	Total Assets	1,675,428	1,567,203
1.01	Current Assets	964,357	734,355
1.01.01	Cash and Cash Equivalents	251,536	102,168
1.01.02	Short-term Investments	13,034	9,676
1.01.03	Accounts receivable	122,489	104,771
1.01.08	Other Current Assets	577,298	517,740
1.01.08.03	Others	577,298	517,740
1.01.08.03.01	Advances to suppliers	445,989	396,981
1.01.08.03.02	Other Credits	4,577	1,037
1.01.08.03.03	Related-party transactions	66,780	61,419
1.01.08.03.04	Restricted cash	59,952	58,303
1.02	Noncurrent assets	711,071	832,848
1.02.01	Long-term assets	673,590	795,048
1.02.01.06	Taxes	73,143	68,694
1.02.01.09	Other Noncurrent Assets	600,447	726,354
1.02.01.09.03	Advances to suppliers	600,447	726,354
1.02.02	Investments	20,204	21,575
1.02.03	Property, Plant and Equipment	1,839	1,597
1.02.04	Intangible	15,438	14,628

Smiles S.A.

Consolidated Interim Financial Information / Balance Sheets - Liabilities (In Thousands of Brazilian Reais)

Line code	Line item	Current Quarter 03/31/2015	Prior year 12/31/2014
2	Total Liabilities and Equity	1,675,428	1,567,203
2.01	Current Liabilities	672,747	708,292
2.01.01	Salaries, Wages and Benefits	4,818	9,339
2.01.01.02	Salaries, Wages and Benefits	4,818	9,339
2.01.02	Suppliers	61,206	40,001
2.01.02.01	Suppliers	61,206	40,001
2.01.03	Taxes payable	23,602	20,280
2.01.04	Short-term Debt	203,625	351,379
2.01.05	Other Liabilities	379,496	287,293
2.01.05.02	Others	379,496	287,293
2.01.05.02.02	Compulsory dividend payable	35,208	63,107
2.01.05.02.04	Advances from Customers	93,652	3,176
2.01.05.02.05	Deferred revenue	250,636	221,010
2.02	Noncurrent Liabilities	521,498	452,874
2.02.02	Other Liabilities	520,835	452,410
2.02.02.02	Others	520,835	452,410
2.02.02.02.03	Deferred revenue	520,835	452,410
2.02.04	Provisions	663	464
2.02.04.01	Provisions tax social security labor and civil	663	464
2.02.04.01.04	Civil provisions	663	464
2.03	Shareholder's Equity	481,183	406,037
2.03.01	Capital	106,546	101,594
2.03.01.01	Issued Capital	142,948	137,996
2.03.01.02	Cost of issued shares	(36,402)	(36,402)
2.03.02	Capital Reserves	78,146	77,547
2.03.02.02	Special Reserve	72,942	72,942
2.03.02.07	Share-based Payments	5,204	4,605
2.03.04	Revenue reserves	226,896	226,896
2.03.04.01	Statutory reserve	24,589	24,589
2.03.04.08	Additional proposed dividend	202,307	202,307
2.03.05	Retained Earnings	69,595	-

See accompanying notes.

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Consolidated Interim Financial Information / Statements of Operations (In Thousands of Brazilian Reais)

Line code	Line item	Current Year	Prior Year
		01/01/2014 to 03/31/2015	01/01/2013 to 03/31/2014
3.01	Sales and services revenue	245,991	188,089
3.01.01	Net revenue	245,991	188,089
3.02	Cost of sales and/or services	(131,767)	(99,788)
3.02.01	Cost of services rendered	(131,767)	(99,788)
3.03	Gross profit	114,224	88,301
3.04	Operating expenses/revenues	(29,270)	(19,710)
3.04.01	Sales expenses	(19,707)	(13,145)
3.04.01.01	Marketing expenses	(19,707)	(13,145)
3.04.02	General and administrative expenses	(8,192)	(6,119)
3.04.06	Equity in subsidiaries	(1,371)	(446)
3.05	Result before income taxes and financial result	84,954	68,591
3.06	Financial result	21,764	50,270
3.06.01	Financial income	37,326	50,288
3.06.01.01	Financial income	37,326	49,931
3.06.01.02	Exchange variation, net	-	357
3.06.02	Financial expenses	(15,562)	(18)
3.06.02.01	Financial expenses	(10,900)	(18)
3.06.02.02	Exchange variation, net	(4,662)	-
3.07	Income before income taxes	106,718	118,861
3.08	Income taxes	(37,123)	(40,548)
3.08.01	Current	(41,572)	(38,630)
3.08.02	Deferred	4,449	(1,918)
3.09	Result from continuing operations, net	69,595	78,313
3.11	Profit for the period	69,595	78,313

See accompanying notes.

Consolidated Statements of Comprehensive Income (In Thousands of Brazilian Reais)

Line code	Line item	Current year 01/01/2014 to 03/31/2015	Current year 01/01/2013 to 03/31/2014
4.01	Net loss for the period	69,595	78,313
4.03	Comprehensive loss for the period	69,595	78,313

See accompanying notes.

Consolidated Interim Financial Information /Statements of Cash Flows - Indirect Method
(In Thousands of Brazilian Reais)

Line code	Line item	Current Year 03/31/2015	Current Year 03/31/2014
6.01	Net cash generated (used) in operating activities	335,140	121,998
6.01.01	Cash flows from operating activities	(18,793)	(35,714)
6.01.01.01	Deferred taxes	(4,449)	1,919
6.01.01.02	Share-based Payments	559	282
6.01.01.03	Provisions for judicial deposits	199	148
6.01.01.04	Depreciation and amortization	(159)	104
6.01.01.05	Obtained discounts	(31,375)	(39,239)
6.01.01.06	Exchange and monetary variations, net	4,332	(371)
6.01.01.07	Allowance for doubtful accounts	297	(61)
6.01.01.08	Provision for profit sharing and results	1,261	1,058
6.01.01.09	Equity in subsidiaries	1,371	446
6.01.01.10	Interest on loans	9,171	-
6.01.02	Changes assets and liabilities	284,338	79,399
6.01.02.01	Accounts receivable	(18,016)	(7,812)
6.01.02.02	Advances to suppliers	108,274	100,471
6.01.02.05	Other Credits	(3,540)	(2,459)
6.01.02.07	Salaries, Wages and Benefits	(5,783)	(12,875)
6.01.02.08	Advances from Customers	90,476	(70,611)
6.01.02.09	Deferred revenue	98,051	58,955
6.01.02.10	Taxes payable	26,427	32,725
6.01.02.11	Income tax and social contribution paid	(23,105)	(24,753)
6.01.02.12	Related-party transactions	(5,320)	3,427
6.01.02.13	Suppliers	16,874	2,331
6.01.03	Others	69,595	78,313
6.01.03.01	Profit for the period	69,595	78,313
6.02	Net cash generated (used) in investing activities	(5,900)	(45,230)
6.02.01	Acquisition of fixed assets	(893)	(564)
6.02.02	Financial investment	(5,007)	(38,416)
6.02.03	Advance for future capital increase	-	(6,250)
6.03	Net cash generated (used) by financing activities	(179,872)	-
6.03.01	Capital increase	4,952	-
6.03.02	Loan and lease payment	(147,642)	-
6.03.03	Interest paid	(9,283)	-
6.03.04	Interest on capital and dividends paid	(27,899)	-
6.05	Net increase (decrease) in cash and cash equivalents	149,368	76,768
6.05.01	Cash and cash equivalents at beginning of the period	102,168	154,243
6.05.02	Cash and cash equivalents at end of the period	251,536	231,011

See accompanying notes.

Consolidated Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 03/31/2014
(In Thousands of Brazilian Reais)

Line code	Line item	Capital Stock	Capital reserves, options granted and treasury shares	Income reserves	Accumulated profits	Total equity
5.01	Opening balance	1,095,772	74,790	158,494	-	1,329,056
5.03	Adjusted balance	1,095,772	74,790	158,494	-	1,329,056
5.05	Total comprehensive income/loss	-	-	-	78,313	78,313
5.05.01	Net loss for the period	-	-	-	78,313	78,313
5.06	Internal Changes in Shareholders' Equity	-	362	-	-	362
5.06.04	Share-based Payments	-	362	-	-	362
5.07	Closing balance	1,095,772	75,152	158,494	78,313	1,407,731

Consolidated Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 03/31/2015
(In Thousands of Brazilian Reais)

Line code	Line item	Capital Stock	Capital reserves, options granted and treasury shares	Income reserves	Accumulated profits	Total equity
5.01	Opening balance	101,594	77,547	226,896	-	406,037
5.03	Adjusted balance	101,594	77,547	226,896	-	406,037
5.04	Shareholders capital transactions	4,952	-	-	-	4,952
5.04.11	Capital increase - Share-based payments	4,952	-	-	-	4,952
5.05	Total comprehensive income/loss	-	-	-	69,595	69,595
5.05.01	Net loss for the period	-	-	-	69,595	69,595
5.06	Internal Changes in Shareholders' Equity	-	599	-	-	599
5.06.04	Share-based Payments	-	599	-	-	599
5.07	Closing balance	106,546	78,146	226,896	69,595	481,183

See accompanying notes.

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Notes to the interim financial information – ITR

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

Consolidated Interim Financial Information /Statements of Value Added (In thousands of Brazilian Reais)

Line code	Line item	Current Year 03/31/2015	Prior year 03/31/2014
7.01	Revenue	271,117	207,523
7.01.01	Sales of goods, products and services	269,492	206,511
7.01.02	Other revenue	1,725	951
7.01.02.01	Other operating income	1,725	951
7.01.04	Allowance/reversal for doubtful accounts	(100)	61
7.02	Acquired from third parties	(161,791)	(121,562)
7.02.01	Cost products, goods and services sold	(136,830)	(105,966)
7.02.02	Material, power, third-party services and other	(13,970)	(9,218)
7.02.04	Others	(10,991)	(6,378)
7.02.04.01	Sales and advertising	(10,991)	(6,378)
7.03	Gross value added	109,326	85,961
7.04	Retentions	159	(104)
7.04.01	Depreciation, amortization and exhaustion	159	(104)
7.05	Added value produced	109,485	86,857
7.06	Value added received in transfer	35,955	49,842
7.06.01	Equity income	(1,371)	(446)
7.06.02	Financial income	37,326	50,288
7.07	Total wealth for distribution	145,440	135,699
7.08	Wealth for distribution	145,440	135,699
7.08.01	Employees	6,513	5,349
7.08.01.01	Salaries	5,831	4,790
7.08.01.02	Benefits	411	304
7.08.01.03	F.G.T.S.	271	255
7.08.02	Taxes	53,442	51,784
7.08.02.01	Federal Taxes	53,300	40,548
7.08.02.03	Municipal Taxes	142	11,236
7.08.03	Third-party capital remuneration	15,890	253
7.08.03.01	Interest	13,852	17
7.08.03.02	Rent	340	236
7.08.03.03	Other	1,698	-
7.08.04	Return on own capital	69,595	78,313
7.08.04.03	Profit for the period	69,595	78,313

See accompanying notes.

Smiles S.A.

Notes to the interim financial information – ITR

March 31, 2015

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

1. General information

Smiles S.A. (“Company”) is a publicly-listed company incorporated in accordance with the Brazilian laws listed on the São Paulo Stock, Commodities and Futures Exchange - BM&FBOVESPA. The Corporate Governance practices of the Company are classified as New Market, which, among others, upgrade the shareholders’ rights and improve the quality of the information provided.

The Company is engaged in the customer 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 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 October 08, 2013, the Company entered into an investment agreement for the acquisition of 25% of working capital of the company, Netpoints, which operates a loyalty program specialized in retail customers. On January 21, 2014, the Administrative Council for Economic Defense (“CADE”) approved the transaction, validating the agreement. The payment for the acquisition of 25% amounting to R\$25,000 occurred in 4 (four) equal installments along 2014. The transaction also provides the option of acquiring 50% plus one share in Netpoints, which may be exercised from the end of 2018.

On June 03, 2014, Marisa Lojas S.A. acquired 20% of Netpoints’ capital. The transaction diluted the Company’s interest in Netpoints from 25% to 21.25% as described in Note 11.

On July 14, 2014, the Company’s assets previously classified as the “Winglet” investment fund were segregated creating the “Sorriso” investment fund. This fund is a Company exclusive fund, and, for this reason, the Company started to include these assets in its interim financial information – ITR.

On July 15, 2014, the Company decreased its own working capital by R\$1,000,000, with no reduction in the number of shares. The restitution to its shareholders occurred by: (i) payment in Company’s cash, and (ii) raising loan with a financial institution, amounting to R\$600,000 as described in Note 14. The transaction was approved on April 30, 2014, at the Ordinary and Extraordinary General Meeting.

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Notes to the interim financial information – ITR

March 31, 2015

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

2. Approval and summary of significant accounting policies applied in preparing the interim financial information

The interim financial information – ITR were approved and authorized for issue at the Company's Board of Directors' meeting held on April 24, 2015. The Company's head office is at Alameda Rio Negro, 585, Edifício Padauri, Bloco B, 2nd Floor, Alphaville, Industrial.

2.1. Declaration of conformity

The Company's interim financial information – ITR prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards – “IFRS” 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

The interim financial information – ITR were prepared based on historical cost, except for certain financial assets and liabilities measured at fair value and investments measured at equity.

The interim financial information – ITR were prepared based on historical cost, except for certain financial assets and liabilities measured at fair value and investments measured at equity.

This interim financial information – ITR does not include all the information and disclosure items required in the annual Financial Statements and, therefore, it should be read together with the Financial Statements for the year ended December 31, 2014 filed on February 10, 2015, which were prepared in accordance with Brazilian accounting practices and IFRS. There were no changes in accounting policies adopted on December 31, 2014, compared to March 31, 2015

The interim financial information – ITR includes the following entities:

Entity	Location	Operational activity	Type of control	% interest	
				03/31/2015	12/31/2014
Subsidiary:					
Sorriso	Brazil	Investment fund	Direct	100.0	100.0
Associate:					
Netpoints	Brazil	Frequent flyer program	Direct	21.2	21.2

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Notes to the interim financial information – ITR

March 31, 2015

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

The interim financial information – ITR were prepared using the Brazilian Real as the functional and presentation currency and are rounded in thousands of Reais - R\$.

2.3. New accounting estimates, changes and assumptions

- a) New standards and interpretations issued by IASB but not applicable until March 31, 2015 with no early adoption by the Company:
- IFRS 9 Financial instruments: On July, 2014, IASB issued the final version of IFRS 9 - Financial Instruments, which reflects all phases of the financial instruments project, and replaces the IAS 39 - Financial Instruments: Recognition and Measurement and all IFRS 9's previous versions. The standard introduces new requirements on classification and measurement, loss on impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on January 01, 2018 or thereafter, and the early application is not allowed. Retrospective application is required, but it is not mandatory, however, the presentation of comparative information. Early adoption of earlier versions of IFRS 9 (2009, 2010 and 2013) is allowed if the initial application date is earlier than February 01, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, not causing, however, any impact on the classification and measurement of the financial liabilities of the Company.
 - IFRS 15 Revenue contract with customers: Establish a model of five steps that apply to income received from a customer contract, regardless of the type of revenue or industry transaction. Applies to all revenue contracts and provides a model for the recognition and measurement of gains or losses on the sale of certain non-financial assets that are not related to the regular activities of the entity (i.e. real estate sales, installations and equipment or intangibles). Extensive disclosures are also required by this standard. This Statement shall be applied for annual periods beginning on or after January 01, 2017, with earlier application allowed.

In addition the following new standards, amendments and interpretations were issued by IASB, but the Company's Management does not expect impacts on the individual and consolidated interim financial information on the initial adoption:

- IFRS 14 - Deferred Regulatory Accounts - Applicable for annual periods beginning on January 01, 2016 or thereafter;
- Annual improvements - 2010-2012 cycle and 2011-2013 cycle - Applicable for annual periods beginning on July 1, 2014 or thereafter ;
- Amendments to IFRS 11 Joint Arrangements: Acquisitions accounting for corporate parties - Applicable for annual periods beginning on January 01, 2016 and thereafter, and the early application is not allowed in Brazil.
- Amendments to IAS 16 and IAS 38 – Explanation of acceptable methods of depreciation amortization - The amendments are applicable prospectively for annual periods beginning on January 01, 2016 or thereafter;

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Notes to the interim financial information – ITR

March 31, 2015

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

The Company intends to adopt those Standards when these become effective and disclose and recognize the impacts in the interim financial information that may occur on application of those standards.

Considering the current of the Company and its subsidiaries, management does not expect this change to have a material effect on the interim financial information - ITR from its adoption.

There are no other standards and interpretations issued but not yet adopted that, in Management's opinion, have a significant impact on net income or equity issued by the Company.

3. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Cash and bank deposits	200	299	200	299
Cash equivalents				
Investment funds	-	-	84,269	22,069
Private bonds	167,067	79,800	167,067	79,800
	167,267	80,099	251,536	102,168

As of March 31, 2015, the cash equivalents were represented by private bonds (Bank Deposit Certificates - "CDBs") and buy-back transactions paid at post-fixed rates ranging between 85.0% and 100.5% of the Interbank Deposit Certificate Rate ("CDI") (99.1% and 100.8% as of December 31, 2014). The investment funds were represented primarily by private bonds paid at a weighted average rate of 100.0% of the CDI rate (100.8% as of December 31, 2014).

4. Short-term investments

	Individual		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Investment funds	84,269	22,069	-	-
Funcine fund	1,312	1,294	1,312	1,294
Public and private bonds	11,722	8,382	11,722	8,382
	97,303	31,745	13,034	9,676

The short-term investments are financial assets with maturity up to 90 days, with risk of value changes and measured at fair value through profit, paid at post fixed rates ranging between 85.0% and 100.5% of CDI (99.1% and 100.8% as of December 31, 2014). The investment funds are represented by private funds have immediate liquidity, paid at a weight average rate of 100.8% of the CDI rate (100.8% as of December 31, 2014).

5. Restricted cash

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Notes to the interim financial information – ITR

March 31, 2015

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

The amount of R\$59,952 as of March 31, 2015 (R\$58,303 As of March 31, 2015) is related to the debenture agreement issued as described in Note 14 and its applied in fixed-income funds paid at post fixed rate ranging between 100.5% and 101.0% of the CDI rate. The maturity of the agreement is related to the last installment of the debenture, maturing on July 04, 2015.

6. Trade receivables

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Non-airline partners companies (a)	71,121	63,971
Airline partners companies (b)	15,308	7,921
Credit card administrators (c)	36,540	33,259
	122,969	105,151
Allowance for doubtful accounts	(480)	(380)
	122,489	104,771

- (a) From the balance of non-airline partners, R\$67,701 (R\$53,326 as of December 31, 2014) is mainly represented by the miles sales to financial institutions.
- (b) From the balance of airlines partners, R\$14,874 (R\$6,932 As of March 31, 2015) is related to miles sales and R\$434 (R\$989 as of December 31, 2014) is related to management fees of the Smiles Program to VRG, as described in Note 9.
- (c) Receivable amounts on mile sales by credit cards administrators, mainly represented by VISA, CREDICARD and AMEX, among other. This balance includes the amount of R\$27,308 which is represented by credit cards amounts received by VRG and transferred to the Company, as mentioned in Note 9

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

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
To mature		
Up to 30 days	122,230	102,812
Overdue		
Until 30 days	199	1,628
31 to 60 days	90	186
61 to 90 days	-	145
91 to 180 days	202	131
181 to 360 days	134	115
Above 360 days	114	134
Total	122,969	105,151

The maximum exposure to credit risk is represented by the book value of each type of receivable mentioned above.

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

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Notes to the interim financial information – ITR

March 31, 2015

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

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Balance at beginning of the period	(380)	(295)
Additions	(297)	(738)
Recoveries	197	653
Balance at the end of the period	(480)	(380)

7. Advances to suppliers

The Company signed, on May 10, 2013, the second agreement of anticipated airline tickets purchase and sale with VRG for monthly tickets acquisition. This agreement has a conditional discount based on CDI which corresponds to 12,49% p.a., applied for the period of 4 years from the date of the signature of the agreement, over the open amount of the advances. As of March 31, 2015, the amount of advance ticket purchases was R\$445,989 (R\$396,981 as of December 31, 2014) classified in current assets and R\$600,447 (R\$726,354 as of December 31, 2014) classified in noncurrent assets.

8. Deferred taxes

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Temporary differences:		
Provision for suppliers and other	18,048	10,054
Other temporary differences	389	287
Tax benefit from goodwill incorporation (*)	54,706	58,353
Total deferred tax and social contribution	73,143	68,694

(*) As of March 31, 2015, the amount of R\$54,706 (R\$58,353 as of December 31, 2014) is related to the tax benefit from the incorporation of G,A, Smiles Participações S.A. which will be realized proportionally to its use over 5 years.

The book value of the deferred tax assets is reviewed periodically and the forecasts are reviewed annually.

The Company considers that the deferred taxes registered As of March 31, 2015 resulting from temporary differences will be realized in accordance with the provision realization.

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

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Notes to the interim financial information – ITR

March 31, 2015

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

	Individual and Consolidated 03/31/2015	Individual and Consolidated 12/31/2014
Profit before income tax and social contribution	106,718	118,861
Combined tax rate	34%	34%
Income tax expense at the combined tax rate	(36,284)	(40,413)
Adjustments to calculate the effective tax rate:		
Equity in subsidiary	(466)	(152)
Nondeductible expenses and other	(714)	(173)
Tax incentive	341	190
Expense of income tax and social contribution	(37,123)	(40,548)
Current income tax and social contribution	(41,572)	(38,630)
Deferred income tax and social contribution	4,449	(1,918)
Effective rate	34.8%	34.1%

9. Related-party transactions

The related parties transactions mentioned above are summarized as follows:

	Individual and Consolidated 03/31/2015	Individual and Consolidated 12/31/2014
Asset		
Operational agreement (i)	434	-
Transfer of miles sales (ii)	69,429	69,817
Stock options plan (iii)	694	653
	70,557	70,470
Liability		
Transfer of miles sales (ii)	(3,777)	(9,051)
	(3,777)	(9,051)
Credits with related parties	66,780	61,419

The Company's related parties are basically represented by (I) the purchase of airline tickets and mile sales agreements and (II) services with its associate VRG as follows:

I) Airline tickets purchase and mile sales 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. The agreement maturity is 20 years from the execution date referred to above, and is automatically renewed for successive 5-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.

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Notes to the interim financial information – ITR

March 31, 2015

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

The Company monthly charges a management fee to VRG related to the program, which is calculated based on the gross sales of miles to VRG, in accordance with factor proportionally decreased as established on the agreement, as the gross revenue of mile sales to VRG increases, based in the previous year revenue adjusted by the General Market Price Index - IGP-M, For 2014, the established management fee was 6%, and the value recognized in the income statement As of March 31, 2015 under "Other revenue" was R\$1,310 (R\$951 as of March 31, 2014), as described in Note 22. The trade receivable from affiliate VRG As of March 31, 2015 was R\$434 (R\$989 as of December 31, 2014), as described in Note 6.

The Company has agreements with companies that perform miles exchange for several products to be delivered to its customers. A portion of this amount, which is charged by the Company's partners, is transferred to its related party VRG due to miles that were issued before January 1, 2013 and were redeemed after the Program transfer to Smiles. For the period ended on March 31, 2015 and December 31, 2014 the Company did not present any amount under "Receivables from related parties".

Additionally to the agreement mentioned above, 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. As of March 31, 2015, the receivable net balance from VRG related to transfers of ticket sales with counterparts and individuals was R\$69,429 (R\$69,817 as of December 31, 2014), recognized in "related-parties transactions" with an average settlement of 30 days. The payable amount to its affiliate VRG regarding to the transfer of receivables of mileage selling from counterparts is R\$3,777 (R\$9,051 as of December 31, 2014).

The summary of the results obtained in the agreement between the Company and VRG is presented below:

	<u>03/31/2015</u>	<u>03/31/2014</u>
Amount of miles sold	1.946.600.001	1.840.530.782
Value of miles sold	29.394	23.197
Amount of consumed tickets	845.762	867.849
Value of consumed tickets (*)	96.367	89.634

(*) Net of recoverable tax.

The receivable balance related to miles sold as of March 31, 2015 is R\$ R\$14,874 (R\$6,932 as of December 31, 2014) as described in Note 6.

II) 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

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agreement is effective for 36 months and can be canceled by either party after a minimum prior notice of 120 days. As of March 31, 2015, the Company recognized the total expenses related to these services of R\$6,144 (R\$19,820 as of March, 2014), of which R\$4,813 is recorded as “Selling expenses” (R\$14,633 as of March 31, 2014) and R\$1,331 (R\$5,187 as of March 31, 2014) recorded as “Administrative expenses”. From this amount, R\$3,848 (R\$3,960 as of March 31, 2014) comprises the amount under “Suppliers” in current liabilities on March 31, 2015.

III) Share-based plans

According with Note 10, the Company holds share-based plans which that were issued under VRG employee’s benefit. As of March 31, 2015, the Company holds the amount of R\$694, registered under “Credits with related parties” (R\$653 as of December 31, 2014).

IV) Key management personnel payments

	Individual and Consolidated	Individual
	03/31/2015	03/31/2014
Salaries and benefits	1,939	1,766
Related taxes	361	338
Share-based payments	287	325
	2,587	2,429

As of March 31, 2015, the Company did not offer postemployment benefits, and there are no severance benefits or other long-term benefits for the Management or for other employees.

10. Share-based payments

Stock Options Plan - Smiles

The Company holds the Stock Options Plan, which consists of an additional payment to the Company’s management and executives. The fair value of stock options was estimated on the grant date using the Black-Scholes option pricing model. 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	Outstanding options	Exercise price of the option (In Reais)	Fair value of the option at grant date (In Reais)	Estimate volatility of share price	Expected dividend	Risk-free rate return	Length of the option (in years)	
2013	08/08/2013	1,058,043	469.876	21.70	4.25(a)	36.35%	6.96%	7.40%	10	
2014	04/02/2014	1,150,000	648.050	31.28	4.90(b)	33.25%	10.67%	9.90%	10	
		2,208,043	1.117.926							

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- (a) The fair value calculated for the 2013 plan was R\$4.84, R\$4.20 and R\$3.73 for the respective vesting periods from 2013 to 2016.
- (b) The fair value calculated for the 2013 plan was R\$4.35, R\$4.63, R\$4.90, R\$5.15 and R\$5.37 for the respective vesting periods from 2014 to 2018.

The movement of stock options during the period ended March 31, 2015 is as follows:

	Total stock options	Weighted average exercise price
Options outstanding as of December 31, 2014	1,347,926	28.75
Options exercised	(230,000)	21.53
Options outstanding as of March 31, 2015	1,117,926	27.25

Additionally, through its parent Company GLAI, the Company has stock options and restricted shares - 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 Options Plan - GLAI

Year of the option	Outstanding options			Options exercisable		Fair value Black & Scholes	
	Range of exercise prices	Outstanding options	Average remaining maturity (in years)	Average exercise price	Options exercisable		Average exercise price
2009	10.52	18,000	5	10.52	18,000	10.52	8.53
2010	20.65	94,581	6	20.65	94,581	20.65	16.81
2011	27.83	125,003	7	27.83	125,003	27.83	16.11
2012	12.81	78,266	8	12.81	60,635	12.81	5.35
	10.52-27.83	315,850	6.5	20.97	298,219	21.47	

The movement of stock options as of March 31, 2015 is as follows:

	Total of stock options	Weighted average exercise price
Options outstanding as of December 31, 2014	315,850	22.27
Options outstanding as of March 31, 2015	315,850	22.27
Number of options exercisable as of December 31, 2014	298,219	22.27
Number of options exercisable as of March 31, 2015	298,219	22.27

There were no options cancelled and adjustments in estimated lost rights as of March 31, 2015.

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Restricted shares plan - GLAI

Year of the share grant	Total shares granted	Fair value of the shares at grant date	Duration of the shares (in years)
2012	37,139	9.70	10

The movement of restricted shares as of March 31, 2015 is as follows:

	Total of shares
Restricted shares outstanding as of December 31, 2014	37,139
Restricted shares outstanding as of March 31, 2015	37,139

There were no restricted shares cancelled and adjustments in estimated lost rights during the period ended on March 31, 2015, and there were no restricted shares transferred to its beneficiaries.

As of March 31, 2015, the Company recorded under shareholders' equity a result from share-based payments in the amount of R\$5,204 (R\$4,605 as of December 31, 2014). During the period ended on March 31, 2015, the Company recognized R\$559 (R\$282 as of March 31, 2014) which is registered in the income statement classified as salaries expenses and R\$40 (R\$80 as of March 31, 2014) is registered in current assets under "credit with related parties".

11. Investments

On the capital acquisition of Netpoints as of April 22, 2014, the Company performed an evaluation of the assets and liabilities acquired in order to determinate the goodwill from the transaction, as follows:

Goodwill calculation	
Equity at the acquisition date	28,547
Interest on equity of the investee (25%)	7,137
Goodwill based on the expected future profitability	17,863
Total cost of acquisition	25,000

The equity of Netpoints is presented below:

<u>Relevant information of the investment As of March 31, 2015:</u>	03/31/2015	12/31/2014
Total number of shares	60,492,404	60,492,404
Capital	63,451	63,451
Share-based payments	11,134	11,134
Accumulated losses ended December 31, 2014	(50,965)	(44,513)
Equity As of March 31, 2015	23,620	30,072
Participation	21.25%	21.25%

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(*) Equity on the acquisition date.

The changes in the investments from the acquisition date until March 31, 2015 are as follows:

	Investment	Goodwill	Total
Balance as of February 07, 2014	7,137	17,863	25,000
Equity	(3,791)	-	(3,791)
Changes on capital portion	3,045	(2,679)	366
Balance as of December 31, 2014	6,391	15,184	21,575
Equity	(1,371)	-	(1,371)
Balance as of March 31, 2015	5,020	15,184	20,204

The goodwill based on the expected future profitability of R\$15,184 is annually evaluate for impairment.

12. Intangible

		Individual and Consolidated		Individual and Consolidated	
		03/31/2015		12/31/2014	
	Tax	Cost	Acumulated Amortization	Net amount	Net amount
Software	20% p.a.	18,143	(2,705)	15,438	14,628
Total		18,143	(2,705)	15,438	14,628

The changes on intangible assets are as follows:

Balance as of December 31, 2014	14,628
Addition	572
Amortization	238
Balance as of March 31, 2015	15,438

13. Earnings per share

The basic earnings per share is calculated based on the net income of the nine-month period attributable to shareholders of the Company and the weighted average number of common shares outstanding during the period. 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.

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	Individual and Consolidated	Individual
	03/31/2015	03/31/2014
<u>Numerator</u>		
Income for the period, net	69,595	78,313
<u>Denominator</u>		
Weighted average number of outstanding shares (in thousands)	122,603	122,174
Effect of diluted position		
Stock options plan	409	367
Adjusted weighted average number of outstanding shares and diluted presumed (in thousands)	123,012	122,541
Basic earning per share	0.568	0.641
Diluted earning per share	0.566	0.639

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.

In order to estimate the diluted earnings per share, the Company assumes the exercise of options granted and the assumed values from these instruments are considered as received from the grant of shares at the average market price during the period. The difference between the number of granted shares and the number of common shares that would have been granted at average market price during the period was estimated as the granted ordinary shares with no effect on the diluted earnings per share.

14. Short-term debt

			Individual and Consolidated	Individual and Consolidated
	Maturity	Effective rate (p.a.)	03/31/2015	12/31/2014
Current				
<u>Local currency:</u>				
Debentures	Jul, 2015	8.85%	203,625	351,379

On July 15, 2014 the Company issued the first 60,000 non-convertible simple debentures at the principal amount of R\$600,000 in accordance with CVM Ruling No, 476 dated 2009. The debentures will be paid at 115% of the Interbank Deposit (DI) rate, with monthly amortization of the main amount in 12 installments, being 11 consecutive installments of R\$49,800 and the last installment of R\$52,200, maturing from August 04, 2014 with the

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option of early maturity or redemption. The amounts related to the debentures issuance are as follows:

Balance as of December 31, 2014	351,379
Interest provision	9,171
Principal amount amortization	(149,400)
Issuance costs amortization	1,758
Interest paid	<u>(9,283)</u>
Balance as of March 31, 2015	<u>203,625</u>

The funds raised were allocated to a decrease on the working capital on July 15, 2014.

The debentures do not have restrictive covenants related to measurement of financial and/or economic index, and hold in guarantee the amounts in the related bank account, which will receive the deposits of receivables from the Miles sales from Banco Bradesco Cartões S.A., Banco Bankpar S.A., Banco do Brasil S.A. and Banco Santander (Brasil) S.A., and receivable from VRG Linhas Aéreas S.A. and the Smiles & Money program, as well all the investments arising from the related account. The investments are classified as restricted cash, as stated in Note 5.

15. Accounts payable

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Airline partners companies	46,975	23,567
Other	14,231	16,434
	<u>61,206</u>	<u>40,001</u>

16. Salaries, wages and benefits

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Profit sharing plan and results	1,344	6,920
INSS and FGTS recoverable	1,754	1,042
13rd salary and holiday allowance	1,720	1,377
	<u>4,818</u>	<u>9,339</u>

17. Taxes payable

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
IRPJ and CSLL payable	16,290	15,355
PIS and COFINS	5,348	4,256
IRRF on payroll	1,841	368
Other	123	301

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<u>23,602</u>	<u>20,280</u>
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18. Advances from customers

The Company realized advance miles sales and recorded such under "Advances from Customers". As of March 31, 2015, the outstanding balance regarding these anticipated sales is represented as follows:

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Financial institutions (a)	87,125	1,850
Others	6,527	1,326
	<u>93,652</u>	<u>3,176</u>

- (a) Part of the balance registered in current liabilities of R\$87,125 as of March 31, 2015 (R\$1,850 as of December 31, 2014) refers to the advances on miles sales agreement in the approximately total amount of R\$109,170 signed on February 25, 2015, with the financial institutions Bradesco S.A., Banco do Brasil S.A. and Santander S.A.

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

19. 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 March 31, 2015, the balance of Smiles deferred revenue was R\$771,471 (R\$673,420 as of December 31, 2014) and the number of outstanding miles amounted to 32,832,552,604 (32,478,845,952 as of December 31, 2014).

	Individual and Consolidated	Individual and Consolidated
	03/31/2015	12/31/2014
Deferred revenue	904,287	785,098
Other (a)	15,842	18,252
Breakage provision (b)	(148,658)	(129,930)
	<u>771,471</u>	<u>673,420</u>
Current	250,636	221,010
Noncurrent	520,835	452,410

- (a) Mainly related to the operational agreement of anticipated purchase of airline tickets between the Company and VRG.
- (b) 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, recognized in advance in the earnings of the period.

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20. Provisions

Lawsuits

Balance as of December 31, 2014	464
Additions	334
Utilized provisions	(135)
Balance as of March 31, 2015	<u>663</u>

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 March 31, 2015 the Company is involved with 763 civil judicial and administrative procedures (694 as of December 31, 2014).

The civil proceedings are primarily related to compensation claims generally to redeem miles for exchange in prizes. As of March 31, 2015, the allowance for risks related to civil lawsuits with probable losses is R\$663 (R\$464 as of December 31, 2014).

There are other civil lawsuits assessed by management and its legal counsel as to possible loss, with an estimated exposure of R\$611 As of March 31, 2015 (R\$538 as of December 31, 2014), for which no provision was registered.

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

21. Shareholders' equity

a) Issued capital

On December 31, 2014, the share capital subscribed and fully paid by shareholders domiciled in Brazil, was R\$142,948 (R\$137,996 as of December 31, 2014), represented by 122,739,269 (122,509,269 as of December 31, 2014) 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 working capital as of March 31, 2015 was 139,999,999 common shares. Shares are held as of March 31, 2015 and December 31, 2014 as follows:

	<u>03/31/2015</u>	<u>12/31/2014</u>
	<u>Common</u>	<u>Common</u>
Gol Linhas Aéreas Inteligentes S.A.	54.2341%	54.336%
Others	45.7659%	45.664%
	<u>100.000%</u>	<u>100.000%</u>

During the period ended on March 31, 2015, it was approved the capital increase in General Meetings in the amount of R\$4,952 from subscription of 230,000 ordinary shares from exercise of stock options.

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b) Share issuance costs

Costs incurred for the capital increase through the issue of shares. As of March 31, 2015 and as of December 31, 2014, the Company amounted issuance costs, net of taxes, of R\$36,402.

c) Capital reserve

The goodwill special reserve is originated by the reverse incorporation of its shareholder G.A. Smiles Participações S.A. on December 31, 2013. This reserve can be used for capital increase at the end of each year after the amortization of the related tax benefit. The amount as of March 31, 2015 and as of December 31, 2014 was R\$72,942.

d) Share-based payments

As of March 31, 2015, the amount recorded related to share-based payment expenses was R\$5,204 (R\$4,605 as of December 31, 2014). During the period ended on March 31, 2015, the Company registered R\$599, of which R\$559 was classified in the statement of profit or loss as personnel costs related to the issuance of stock options to the Company's personnel, and R\$40 was registered under current assets as "related parties transactions" related to stock options to VRG's personnel.

e) Legal reserve

It is recognized by allocating 5% of the profit for the year after the absorption of accumulated losses in accordance with Article 193 of Law 11,638/07, limited to 20% of the capital, according to the Brazilian Corporate Law and the Company's bylaws.

f) Additional dividends

The remaining balance of the net income for the year ended on December 31, 2014 have not intended, in the amount of R\$202,307 was classified as additional proposed dividends in the shareholders' equity in accordance with management's proposal for allocation of the net income, which subject to the approval of the Annual General Meeting, held on April 17, 2015. The value per share of the additional dividend distribution proposal comprises the amount of R\$1.65 per share.

22. Sales revenue

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

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	Individual and Consolidated	
	03/31/2015	03/31/2014
Revenue from redeemed miles	170,254	112,109
Smiles & Money revenue	74,735	70,014
Breakage revenue and expired miles	24,503	24,388
Other operating income (a)	1,725	951
Gross revenue	271,217	207,462
Taxes	(25,226)	(19,373)
Net revenue	245,991	188,089

(a) Includes the amount of R\$1,310 As of March 31, 2015 (R\$951 as of March 31, 2014) on the individual and consolidated is related to the management fee of the Smiles Program relationship charged to VRG, as described in Note 9.

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

	Individual and Consolidated				
	03/31/2015				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(3,804)	(3,492)	(7,296)	4.6
Cost of purchase of airline tickets (a)	(123,250)	-	-	(123,250)	77.2
Cost of purchase of various products	(3,491)	-	-	(3,491)	2.2
Computer services	(4,771)	-	(329)	(5,100)	3.2
Call center	-	(4,813)	-	(4,813)	3.0
Services	-	-	(1,840)	(1,840)	1.2
Sales and marketing	-	(11,090)	-	(11,090)	6.9
Depreciation and amortization	159	-	-	159	(0.1)
Other	(414)	-	(2,531)	(2,945)	1.8
	(131,767)	(19,707)	(8,192)	(159,666)	100.0

	Individual and Consolidated				
	03/31/2014				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(3,315)	(3,050)	(6,365)	5.3
Cost of purchase of airline tickets (a)	(96,442)	-	-	(96,442)	81.0
Cost of purchase of various products	(386)	-	-	(386)	0.3
Computer services	(2,623)	-	(86)	(2,709)	2.3
Call center	-	(3,513)	-	(3,513)	3.0
Services	-	-	(981)	(981)	0.8
Sales and marketing	-	(6,317)	-	(6,317)	5.2
Depreciation and amortization	(104)	-	-	(104)	0.1
Other	(233)	-	(2,002)	(2,235)	2.0
	(99,788)	(13,145)	(6,119)	(119,052)	100.0

(a) From the total amount, R\$96,367 for the period ended March 31, 2015 (R\$89,634 for the period ended March 31, 2014) is related to flight tickets costs with VRG and R\$26,884 (R\$6,808 for the period ended March 31, 2014) is related to flight tickets purchase from airline partners,

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24. Financial result

	<u>Individual and Consolidated</u>	<u>Individual</u>
	<u>03/31/2015</u>	<u>03/31/2014</u>
Financial income		
Obtained discounts (*)	31,410	39,243
Income from short-term Investments	5,682	10,649
Other financial revenue	234	39
	<u>37,326</u>	<u>49,931</u>
Financial expenses		
IOF-IOC	(12)	(14)
Cost of Issued Shares	(1,698)	-
Debentures interest	(9,171)	-
Other	(19)	(4)
	<u>(10,900)</u>	<u>(18)</u>
Foreign Exchange Changes, net	<u>(4,662)</u>	<u>357</u>
Total	<u>21,764</u>	<u>50,270</u>

(*) Is registered the amount of R\$31,375 for the period ended March 31, 2015 (R\$39,239 for the period ended March 31, 2014) is mainly related to anticipated purchases of tickets with VRG under the terms of the agreement, as described in Note 7.

25. Financial instruments

The description of the account balances and the categories of financial instruments included in the balance sheet as of March 31, 2015 is as follows:

Individual:

	<u>Measured at fair value through profit or loss</u>		<u>Measured at amortized cost</u>	
	<u>03/31/2015</u>	<u>12/31/2014</u>	<u>03/31/2015</u>	<u>12/31/2014</u>
Assets				
Cash and bank deposits	-	-	200	299
Cash equivalents	167,067	79,800	-	-
Short-term investments	97,303	31,745	-	-
Restricted cash	59,952	58,303	-	-
Trade receivables	-	-	122,489	104,771
Related-party transactions	-	-	66,780	61,419
Other	-	-	4,577	1,037
Liabilities				
Accounts payable	-	-	61,206	40,001
Short-term debt	-	-	203,625	351,379

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Consolidated:

	Measured at fair value through profit or loss		Measured at amortized cost	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Assets				
Cash and bank deposits	-	-	200	299
Cash equivalents	251,336	101,869	-	-
Short-term investments	13,034	9,676	-	-
Restricted cash	59,952	58,303	-	-
Trade receivables	-	-	122,489	104,771
Related-party transactions	-	-	66,780	61,419
Other	-	-	4,577	1,037
Liabilities				
Accounts payable	-	-	61,206	40,001
Short-term debt	-	-	203,625	351,379

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 March 31, 2015, the Company has not entered into any financial instruments related to derivative transactions.

a) *Market risks*

i) *Interest rate risk*

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

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 no, 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 December 31, 2014, from changes in interest rates and the scenarios as follows.

The likely scenario adopted by the Company is the market levels maintenance.

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Individual:

Instrument	Risk of changes on	Exposed values	Possible adverse scenario 25% (*)	Remote adverse scenario 50%	Possible favorable scenario 25%	Remote favorable scenario 50%
Cash equivalents	CDI rate	167,067	(4,719)	(9,437)	4,719	9,437
Short term investments	CDI rate	97,303	(2,739)	(5,478)	2,739	5,478
Restricted cash	CDI rate	59,952	(1,693)	(3,387)	1,693	3,387
Debentures	CDI rate	203,625	(5,732)	(11,464)	5,732	11,464

Consolidated:

Instrument	Risk of changes on	Exposed values	Possible adverse scenario 25% (*)	Remote adverse scenario 50%	Possible favorable scenario 25%	Remote favorable scenario 50%
Cash equivalents	CDI rate	251,336	(7,099)	(14,198)	7,099	14,198
Short term investments	CDI rate	13,034	(367)	(734)	367	734
Restricted cash	CDI rate	59,952	(1,693)	(3,387)	1,693	3,387
Debentures	CDI rate	203,625	(5,732)	(11,464)	5,732	11,464

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

b) *Credit risk*

Is the risk non-adherence of an obligation from a business counterpart under a financial instrument or customer contract, leading to financial loss.

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 and financial investments.

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, for 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

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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 buy-back transactions.

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.

The Company's aging for its financial liabilities is as follow:

As of March 31, 2015	Immediate	Less than 6 months	6 to 12 months	1 to 5 years	Up to 5 years	Total
Short-term debt	-	203,625	-	-	-	203,625
Suppliers	61,206	-	-	-	-	61,206
Salaries, wages and benefit	1,422	1,344	2,052	-	-	4,818
Dividends payable	-	35,208	-	-	-	35,208
Tax payable	-	23,602	-	-	-	23,602
Provisions	-	-	-	663	-	663
	62,628	263,779	2,052	663	-	329,122

As of December 31, 2014	Immediate	Less than 6 months	6 to 12 months	1 to 5 years	Up to 5 years	Total
Short-term debt	-	301,579	49,800	-	-	351,379
Suppliers	40,001	-	-	-	-	40,001
Salaries, wages and benefit	548	6,920	1,871	-	-	9,339
Dividends payable	-	63,107	-	-	-	63,107
Tax payable	-	20,280	-	-	-	20,280
Provisions	-	-	-	464	-	464
	40,549	391,886	51,671	464	-	484,570

d) Exchange rate risk

The exchange rate risk is the risk of future cash flows of a financial instrument float along with the exchange variation.

The Company has a low volume of foreign currency transactions, which are mainly represented by purchase of tickets with counterparts. Therefore, exchange rate risks which the Company is exposed are not significant given to the low volume of such transactions.

e) Capital management

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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.

The table below shows the financial leverage rate:

	Individual		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Shareholder's equity (b)	481,183	406,037	481,183	406,037
Cash and cash equivalents	(167,267)	(80,099)	(251,536)	(102,168)
Restricted cash	(59,952)	(58,303)	(59,952)	(58,303)
Short-term investments	(97,303)	(31,745)	(13,034)	(9,676)
Short- and long-term debts	203,625	351,379	203,625	351,379
Net debt (a)	(120,897)	181,232	(120,897)	181,232
Leverage ratio (a)/(b)	(25%)	44%	(25%)	44%

f) *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 March 31, 2015:

Individual

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	03/31/2015		12/31/2014	
	Book value	Other significant observable factors (Level 2)	Book value	Other significant observable factors (Level 2)
Cash equivalents	167.067	167.067	79.800	79.800
Short term investments	97.303	97.303	31.745	31.745
Restricted cash	59.952	59.952	58.303	58.303

Consolidated

	03/31/2015		12/31/2014	
	Book value	Other significant observable factors (Level 2)	Book value	Other significant observable factors (Level 2)
Cash equivalents	251,336	251,336	101.869	101.869
Short term investments	13,034	13,034	9.679	9.679
Restricted cash	59,952	59,952	58.303	58.303

There were no relevant changes between the levels.

26. Insurance (Unreviewed)

As of March 31, 2015, the main insurance coverage by nature, and related to the maximum reimbursable amounts, is as follows:

Modality	In BR Reais
Bail lessor (condominium Rio Negro - Alphaville)	946
Civil D&O responsibility	50,000
Fire (asset insurance condominium Rio Negro - Alphaville)	7,625

The work scope of our auditors does not include the review of the sufficiency of the insurance coverage, which was determined by the Company to cover possible losses.