

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

## **Individual and Consolidated Interim Financial Information**

**Smiles S.A.**

June 30, 2015  
and Report on Review of Interim Financial Information

# Smiles S.A.

## Individual and consolidated interim financial information - ITR

June 30, 2015

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## Message from Management

For Smiles, 2Q15 was another quarter of substantial annual growth in miles accrual, especially ex-Gol miles, as reflected in our operating results. We posted an increase of 39% in miles accrued (ex-Gol) compared to 2Q14. We keep pursuing our strategy of continuous innovation, introducing three new products throughout the quarter: the redemption of boarding fees with miles; the new tour/hotel redemption partnership with the Connexions platform; and the launch of the "Miles for you and miles for me" program for Smiles' members.

**Smiles members can pay boarding fees with miles.** We now allow our customers to pay for boarding fees in the Brazilian loyalty market by offering members a cash free air travel redemption experience with miles. Since its roll out, this redemption option has demonstrated significant demand, increasing Program's attractiveness and promoting greater customer engagement. This feature is one example of the new possibilities provided by the restructuring of our website.

**New partnership with Connexions.** Smiles has announced the launch of a partnership with Connexions, which offers Smiles' customers a variety of 160,000 hotels for redemption, plus thousands of options for tours and tourist attractions— all available directly from the Shopping Smiles platform.

**Miles for you and miles for me.** As of April 2015, Smiles customers have been able to earn extra miles when they invite friends to join Smiles Club. A member who successfully signs up 10 friends can earn up to 12,250 miles. The program leads to further engagement with the already active base and encourages members to promote Smiles to new and inactive members.

**Confirmation of Smiles shares on the Ibovespa stock index.** Two years after its IPO, Smiles' shares now have met the Ibovespa stock index addition requirements as of the second four-month period of 2015, with an initial weight of 0.309%. In its second year of trading on the BM&FBOVESPA, the stock presented average daily trading volume of R\$ 33.4 million, representing growth of 68.32% over the previous year.

Our activities resulted in a net profit of R\$ 89.4 mi, 39.5% higher than 2Q14, reflecting robust growth of 93.5% in operating profit. This was partially offset by reduced financial income — mainly due to the capital reduction in July 2014. The higher operating profit and capital reduction led to an annualized ROE of 115.4% in the 2Q15, compared to 20.1% in 2Q14.

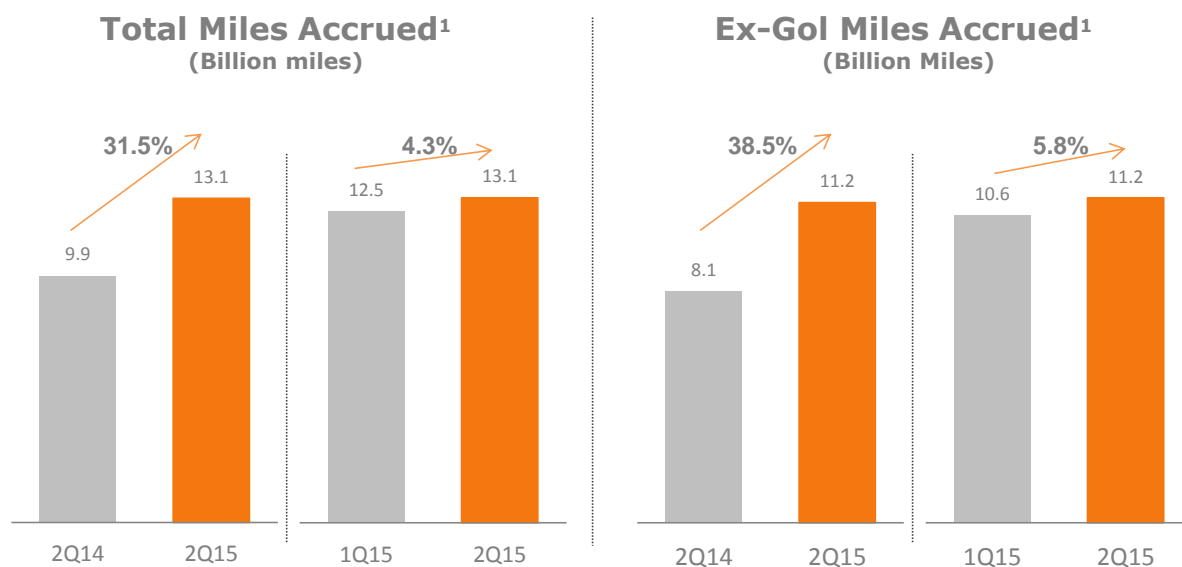
## Operating Performance

Operating Data <sup>1</sup>	Unit	2Q15	1Q15	2Q14	2Q15 vs. 1Q15 (%)	2Q15 vs. 2Q14 (%)
<b>Members</b>	mn	<b>10.7</b>	<b>10.5</b>	<b>10.0</b>	<b>2.3%</b>	<b>7.8%</b>
<b>Miles Accrual</b>	mn	<b>13,064</b>	<b>12,522</b>	<b>9,935</b>	<b>4.3%</b>	<b>31.5%</b>
GOL	mn	1,876	1,947	1,860	(3.6%)	0.9%
Ex-GOL (Banks and others)	mn	11,187	10,576	8,075	5.8%	38.5%
<b>Miles Redemption (Program) <sup>2</sup></b>	mn	<b>9,493</b>	<b>8,912</b>	<b>7,403</b>	<b>6.5%</b>	<b>28.2%</b>
<b>Program's Burn/Earn</b>	mn	<b>72.7%</b>	<b>71.2%</b>	<b>74.5%</b>	<b>1.5 p.p.</b>	<b>(1.8 p.p.)</b>
<b>Breakage Rate</b>	%	<b>17.0%</b>	<b>16.5%</b>	<b>16.9%</b>	<b>0.5 p.p.</b>	<b>0.1 p.p.</b>
<b>% New Miles</b>	%	<b>90.5%</b>	<b>87.5%</b>	<b>74.2%</b>	<b>3.0 p.p.</b>	<b>16.3 p.p.</b>

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

<sup>2</sup> The redemption of miles corresponds to miles redeemed in the Smiles Program, including new miles and legacy miles.

**Participant and Partners:** We reached 10.7 million clients in 2Q15, which represents a growth of 7.8% compared to 2Q14. In the quarter, we signed a redemption partnership with Connexions, which offers more than 160,000 properties to be redeemed for daily rates and over 6,000 tour options directly through the Smiles Shopping platform, our non-airline redemptions platform.



<sup>1</sup>Graph's numbers reflect miles net of refund effects

**Mileage Accrual:** The Program's miles accrual for 2Q15 was up 31.5% over 2Q14, due to the 38.5% growth in accruals of ex-GOL partners and a 0.9% increase in miles accumulated by GOL in the same period. The annual growth rate posted in ex-GOL miles was on the same level as reported in 1Q15.

**Mileage Redemption:** The Program's miles redemption in 2Q15 was 28.2% higher compared to 2Q14, reflecting the continuous engagement of our members. The burn/earn ratio of the program was up by 1.5 p.p. in relation to 1Q15. Considering that miles accrued grew faster than miles redeemed, the burn/earn ratio was lower compared to 2Q14. In

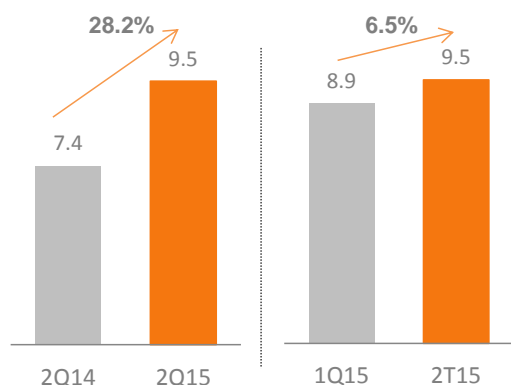
financial terms, this indicates that part of the miles accrued and billed will be recognized as revenue only upon redemption, or alternatively, as breakage.

Operating Data <sup>1</sup>	Unit	2Q15	1Q15	2Q14	2Q15 vs. 1Q15 (%)	2Q15 vs. 2Q14 (%)
<b>Miles Redeemed Program <sup>2</sup></b>	<b>mn</b>	<b>9,493</b>	<b>8,912</b>	<b>7,403</b>	<b>6.5%</b>	<b>28.2%</b>
GOL Smiles & Money Redemptions	mn	1,592	1,515	644	5.1%	147.3%
Traditional redemptions (100% Miles)	mn	7,901	7,397	6,759	6.8%	16.9%
<b>Number of Redeemed Products</b>	<b>mn</b>	<b>1,109</b>	<b>936</b>	<b>800</b>	<b>18.4%</b>	<b>38.5%</b>
GOL Smiles & Money Redemptions	mn	372	404	140	(7.9%)	165.1%
Traditional redemptions (100% Miles)	mn	737	532	660	38.4%	11.6%
<b>Average Miles per Product</b>	<b>unit</b>	<b>8,562</b>	<b>9,518</b>	<b>9,251</b>	<b>(10.0%)</b>	<b>(7.4%)</b>
GOL Smiles & Money Redemptions	unit	4,283	3,752	4,592	14.2%	(6.7%)
Traditional redemptions (100% Miles)	unit	10,722	13,892	10,241	(22.8%)	4.7%

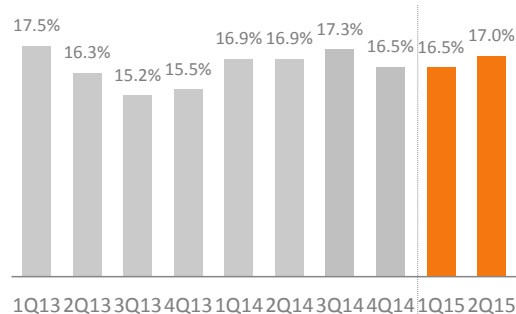
<sup>1</sup> All values corresponding to miles are net of reimbursement. Segregation of Smiles & Money and 100% miles redemptions has not been audited.

<sup>2</sup> Redemption miles values represent redemptions of new and legacy miles.

### Program Miles Redemption<sup>1</sup> (Billion Miles)



### Breakage Rate (last 12 months)



<sup>1</sup>Números do gráfico refletem milhas resgatadas líquidas de reembolso

**Breakage:** The Breakage rate remained stable compared to 2Q14.

## Glossary

**Awards:** Products or services delivered to Participants from business partners, as result of mileage customers exercising their rights as members of customer loyalty programs.

**Breakage Estimate:** Miles that have expired without being redeemed may be expressed as a number of miles, in Brazilian Reals or as a percentage of miles issued, as appropriate to a given context.

**Burn/Earn Ratio:** The ratio between the number of miles redeemed and the number of miles accrued in a given period.

**Free Float:** Shares belonging to non-controlling shareholders.

**Legacy Miles:** Miles earned before the launch of the spin-off program.

**Miles:** The right of redemption of Smiles Program participants traded with Business Partners.

**New Miles:** Miles earned after the launch of the spin-off program.

**Product Awards:** Products or services, other than airline tickets, delivered to Participants from business partners, as result of mileage customers exercising their rights as members of customer loyalty programs.

**Smiles & Money:** A manner by which airline tickets can be issued through the use of a combination of cash and miles.

**Smiles Program:** A multi-brand loyalty program that features several companies, including GOL Linhas Aéreas Inteligentes S.A.

This release may contain forward-looking statements concerning business prospects, estimates of operating and financial results, and growth prospects for Smiles. These are merely projections and, as such, are based exclusively on management's expectations for Smiles. Such forward-looking statements depend, substantially, on external factors and risks presented in the disclosure documents filed by Smiles, and are, therefore, subject to change without notice. Independent auditors did not review the Company's non-financial information.

## **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 June 30, 2015. Based on the procedures performed, considering also the report of the independent auditors - Ernst & Young Auditores Independentes S.S., dated June 28, 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, June 28, 2015.

Constantino de Oliveira Junior  
Member of the Audit Committee

Frederico Seabra de Carvalho  
Member of the Audit Committee

Henrique Constantino  
Member of the Audit Committee

Marcos Grodetzky  
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 Ruling 480/09, the Directors declare that discussed, reviewed and agreed with the interim financial information – ITR for the period ended on June 30, 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 Ruling 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 June 30, 2015.

(A free translation from the original in Portuguese into English)

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## 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 June 30, 2015, which comprises the balance sheet as at June 30, 2015 and the related income statement and statement of comprehensive income for the quarter and six-month period then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory notes.

Company management is responsible for the preparation of individual e consolidated interim financial information in accordance with the Technical Pronouncement of the Accounting Pronouncements Committee (CPC) 21 (R1) - Interim Financial Reporting and in accordance with 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 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 six-month period ended June 30, 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.

São Paulo, July 30, 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)

<b>Line code</b>	<b>Line item</b>	<b>Current Quarter 06/30/2015</b>	<b>Prior Year 12/31/2014</b>
1	Total Assets	<b>1,689,083</b>	1,567,203
1.01	Current Assets	<b>1,143,945</b>	734,355
1.01.01	Cash and Cash Equivalents	<b>46,161</b>	80,099
1.01.02	Short-term Investments	<b>255,155</b>	31,745
1.01.03	Accounts receivable	<b>178,772</b>	104,771
1.01.08	Other Current Assets	<b>663,857</b>	517,740
1.01.08.03	Others	<b>663,857</b>	517,740
1.01.08.03.01	Advances to suppliers	<b>519,539</b>	396,981
1.01.08.03.02	Other Credits	<b>6,510</b>	1,037
1.01.08.03.03	Related-party transactions	<b>76,029</b>	61,419
1.01.08.03.04	Restricted cash	<b>61,779</b>	58,303
1.02	Noncurrent assets	<b>545,138</b>	832,848
1.02.01	Long-term assets	<b>510,463</b>	795,048
1.02.01.06	Taxes	<b>71,319</b>	68,694
1.02.01.09	Other Noncurrent Assets	<b>439,144</b>	726,354
1.02.01.09.03	Advances to suppliers	<b>439,144</b>	726,354
1.02.02	Investments	<b>18,374</b>	21,575
1.02.03	Property, Plant and Equipment	<b>1,760</b>	1,597
1.02.04	Intangible	<b>14,541</b>	14,628

## Smiles S.A.

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

<b>Line code</b>	<b>Line item</b>	<b>Current Quarter 06/30/2015</b>	<b>Prior year 12/31/2014</b>
2	Total Liabilities and Equity	<b>1,689,083</b>	1,567,203
2.01	Current Liabilities	<b>741,000</b>	708,292
2.01.01	Salaries, Wages and Benefits	<b>5,841</b>	9,339
2.01.01.02	Salaries, Wages and Benefits	<b>5,841</b>	9,339
2.01.02	Suppliers	<b>63,045</b>	40,001
2.01.02.01	Suppliers	<b>63,045</b>	40,001
2.01.03	Taxes payable	<b>24,208</b>	20,280
2.01.04	Short-term Debt	<b>52,844</b>	351,379
2.01.05	Other Liabilities	<b>595,062</b>	287,293
2.01.05.02	Others	<b>595,062</b>	287,293
2.01.05.02.02	Compulsory dividend payable	<b>243,561</b>	63,107
2.01.05.02.04	Advances from Customers	<b>74,748</b>	3,176
2.01.05.02.05	Deferred revenue	<b>276,753</b>	221,010
2.02	Noncurrent Liabilities	<b>583,205</b>	452,874
2.02.02	Other Liabilities	<b>582,349</b>	452,410
2.02.02.02	Others	<b>582,349</b>	452,410
2.02.02.02.03	Deferred revenue	<b>582,349</b>	452,410
2.02.04	Provisions	<b>856</b>	464
2.02.04.01	Provisions tax social security labor and civil	<b>856</b>	464
2.02.04.01.04	Civil provisions	<b>856</b>	464
2.03	Shareholder's Equity	<b>364,878</b>	406,037
2.03.01	Capital	<b>109,760</b>	101,594
2.03.01.01	Issued Capital	<b>146,162</b>	137,996
2.03.01.02	Cost of issued shares	<b>(36,402)</b>	(36,402)
2.03.02	Capital Reserves	<b>78,554</b>	77,547
2.03.02.02	Special Reserve	<b>72,942</b>	72,942
2.03.02.07	Share-based Payments	<b>5,612</b>	4,605
2.03.04	Revenue reserves	<b>24,589</b>	226,896
2.03.04.01	Statutory reserve	<b>24,589</b>	24,589
2.03.04.08	Additional proposed dividend	-	202,307
2.03.05	Retained Earnings	<b>151,975</b>	-

See accompanying notes.

## Smiles S.A.

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

Line code	Line item	Current	Current	Same	Prior year
		quarter 04/01/2015 to 06/30/2015	year 01/01/2015 to 06/30/2015	quarter prior year 04/01/2014 to 06/30/2014	Prior year 01/01/2014 to 06/30/2014
3.01	Sales and services revenue	275,504	521,494	152,285	340,374
3.01.01	Net revenue	275,504	521,494	152,285	340,374
3.02	Cost of sales and services	(153,313)	(285,080)	(80,854)	(180,643)
3.02.01	Cost of services rendered	(153,313)	(285,080)	(80,854)	(180,643)
3.03	Gross profit	122,191	236,414	71,431	159,731
3.04	Operating expenses/income	(29,172)	(58,442)	(23,362)	(43,071)
3.04.01	Selling expenses	(18,218)	(37,925)	(13,836)	(26,981)
3.04.01.01	Marketing expenses	(18,218)	(37,925)	(13,836)	(26,981)
3.04.02	General and administrative expenses	(9,124)	(17,316)	(8,565)	(14,683)
3.04.06	Equity in subsidiary	(1,830)	(3,201)	(961)	(1,407)
3.05	Result before income taxes and financial result	93,019	177,972	48,069	116,660
3.06	Financial income/expenses	39,496	61,260	49,956	100,226
3.06.01	Financial income	43,428	76,769	50,388	100,676
3.06.01.01	Financial income	39,443	76,769	50,118	100,049
3.06.01.02	Exchange variation, net	3,985	-	270	627
3.06.02	Financial expenses	(3,932)	(15,509)	(432)	(450)
3.06.02.01	Financial expenses	(3,932)	(14,832)	(432)	(450)
3.06.02.02	Exchange variation, net	-	(677)	-	-
3.07	Income before income taxes	132,515	239,232	98,025	216,886
3.08	Income tax (expenses)	(43,068)	(80,191)	(33,915)	(74,463)
3.08.01	Current	(41,244)	(82,816)	(34,063)	(72,693)
3.08.02	Deferred	(1,824)	2,625	148	(1,770)
3.09	Loss from continuing operations, net	89,447	159,041	64,110	142,423
3.11	Profit for the period	89,447	159,041	64,110	142,423

See accompanying notes.

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

<b>Line code</b>	<b>Line item</b>	<b>Current quarter 04/01/2015 to 06/30/2015</b>	<b>Current year 01/01/2015 to 06/30/2015</b>	<b>Same quarter prior year 04/01/2014 to 06/30/2014</b>	<b>Prior year 01/01/2014 to 06/30/2014</b>
4.01	Profit for the period	89,447	159,041	64,110	142,423
4.03	Comprehensive income for the period	89,447	159,041	64,110	142,423

See accompanying notes.



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

<b>Line code</b>	<b>Line item</b>	<b>Current Year 06/30/2015</b>	<b>Current Year 06/30/2014</b>
6.01	Net cash generated (used) in operating activities	523,373	255,666
6.01.01	Cash flows from operating activities	(40,669)	(70,068)
6.01.01.01	Deferred taxes	(2,625)	1,770
6.01.01.02	Share-based Payments	926	1,080
6.01.01.03	Provisions for judicial deposits	749	247
6.01.01.04	Depreciation and amortization	817	920
6.01.01.05	Obtained discounts	(60,435)	(77,345)
6.01.01.06	Exchange and monetary variations, net	2,489	(283)
6.01.01.07	Allowance for doubtful accounts	340	20
6.01.01.08	Provision for profit sharing and results	2,606	2,116
6.01.01.09	Equity in subsidiaries	3,201	1,407
6.01.01.10	Interest on loans	11,263	-
6.01.02	Changes assets and liabilities	405,002	183,311
6.01.02.01	Accounts receivable	(74,341)	(29,609)
6.01.02.02	Advances to suppliers	225,088	171,264
6.01.02.03	Prepaid expenses	(1,625)	(1,948)
6.01.02.05	Other Credits	(3,849)	478
6.01.02.07	Salaries, wages and benefits	(6,104)	(12,616)
6.01.02.08	Advances from customers	71,572	(127,341)
6.01.02.09	Deferred revenue	185,682	146,053
6.01.02.10	Taxes payable	65,715	62,469
6.01.02.11	Income tax and social contribution paid	(62,807)	(62,186)
6.01.02.12	Related-party transactions	(14,529)	24,340
6.01.02.13	Suppliers	20,557	12,407
6.01.02.14	Provisions for judicial deposits	(357)	-
6.01.03	Others	159,041	142,423
6.01.03.01	Profit for the period	159,041	142,423
6.02	Net cash generated (used) in investing activities	(227,779)	142,160
6.02.01	Acquisition of fixed assets	(893)	(702)
6.02.02	Financial investment	(226,886)	155,362
6.02.03	Advance for future capital increase	-	(12,500)
6.03	Net cash generated (used) by financing activities	(329,533)	(155,860)
6.03.01	Capital increase	8,166	4,489
6.03.03	Distributed dividends	(27,900)	(160,349)
6.03.04	Interest on capital and dividends paid	(295,284)	-
6.03.05	Interest paid	(14,515)	-
6.05	Net increase (decrease) in cash and cash equivalents	(33,938)	(241,966)
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	46,161	396,209

See accompanying notes.

**Individual Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 06/30/2014  
(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
5.04	Shareholders capital transactions	4,489	3,045	(148,102)	-	(140,568)
5.04.08	Share-based payments	2,533	-	-	-	2,533
5.04.10	Distributed dividends	-	-	(148,102)	-	(148,102)
5.04.11	Gain on dilution of equity interest	-	3,045	-	-	3,045
5.04.12	Shares to issue	1,956	-	-	-	1,956
5.05	Total comprehensive income/loss	-	-	-	142,423	142,423
5.05.01	Net loss for the period	-	-	-	142,423	142,423
5.06	Internal changes in shareholders' equity	-	1,160	-	-	1,160
5.06.04	Share-based Payments	-	1,160	-	-	1,160
5.07	Closing balance	1,100,261	78,995	10,392	142,423	1,332,071

**Individual Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 06/30/2015  
(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	8,166	1,007	(202,307)	(7,066)	(200,200)
5.04.08	Capital increase - Share-based payments	8,166	-	-	-	8,166
5.04.10	Additional proposed dividend	-	-	(202,307)	-	(202,307)
5.04.11	Interests on capital anticipated	-	-	-	(7,066)	(7,066)
5.04.12	Share-based Payments	-	1,007	-	-	1,007
5.05	Total comprehensive income/loss	-	-	-	159,041	159,041
5.05.01	Net loss for the period	-	-	-	159,041	159,041
5.07	Closing balance	109,760	78,554	24,589	151,975	364,878

See accompanying notes.

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

<b>Line code</b>	<b>Line item</b>	<b>Current Year 06/30/2015</b>	<b>Prior year 06/30/2014</b>
7.01	Revenue	574,939	375,275
7.01.01	Sales of goods, products and services	569,845	373,019
7.01.02	Other revenue	5,006	2,276
7.01.02.01	Other operating income	5,006	2,276
7.01.04	Allowance/reversal for doubtful accounts	88	(20)
7.02	Acquired from third parties	(344,516)	(223,616)
7.02.01	Cost products, goods and services sold	(291,366)	(188,150)
7.02.02	Material, power, third-party services and other	(32,142)	(22,104)
7.02.04	Others	(21,008)	(13,362)
7.02.04.01	Sales and advertising	(21,008)	(13,362)
7.03	Gross value added	230,423	151,659
7.04	Retentions	(817)	(919)
7.04.01	Depreciation, amortization and exhaustion	(817)	(919)
7.05	Added value produced	229,606	150,740
7.06	Value added received in transfer	73,567	99,268
7.06.01	Equity income	(3,201)	(1,407)
7.06.02	Financial income	76,768	100,675
7.07	Total wealth for distribution	303,173	250,008
7.08	Wealth for distribution	303,173	250,008
7.08.01	Employees	13,293	11,194
7.08.01.01	Salaries	11,803	10,013
7.08.01.02	Benefits	860	679
7.08.01.03	F.G.T.S.	630	502
7.08.02	Taxes	114,749	95,682
7.08.02.01	Federal Taxes	114,562	95,526
7.08.02.03	Municipal Taxes	187	156
7.08.03	Third-party capital remuneration	16,090	709
7.08.03.01	Interest	12,002	441
7.08.03.02	Rent	598	474
7.08.03.03	Other	3,490	(206)
7.08.04	Return on own capital	159,041	142,423
7.08.04.03	Profit for the period	159,041	142,423

See accompanying notes.

## Smiles S.A.

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

<b>Line code</b>	<b>Line item</b>	<b>Current Quarter 06/30/2015</b>	<b>Prior Year 12/31/2014</b>
1	Total Assets	1,689,083	1,567,203
1.01	Current Assets	1,143,945	734,355
1.01.01	Cash and Cash Equivalents	214,804	102,168
1.01.02	Short-term Investments	86,512	9,676
1.01.03	Accounts receivable	178,772	104,771
1.01.08	Other Current Assets	663,857	517,740
1.01.08.03	Others	663,857	517,740
1.01.08.03.01	Advances to suppliers	519,539	396,981
1.01.08.03.02	Other Credits	6,510	1,037
1.01.08.03.03	Related-party transactions	76,029	61,419
1.01.08.03.04	Restricted cash	61,779	58,303
1.02	Noncurrent assets	545,138	832,848
1.02.01	Long-term assets	510,463	795,048
1.02.01.06	Taxes	71,319	68,694
1.02.01.09	Other Noncurrent Assets	439,144	726,354
1.02.01.09.03	Advances to suppliers	439,144	726,354
1.02.02	Investments	18,374	21,575
1.02.03	Property, Plant and Equipment	1,760	1,597
1.02.04	Intangible	14,541	14,628

## Smiles S.A.

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

Line code	Line item	Current Quarter 06/30/2015	Prior year 12/31/2014
2	Total Liabilities and Equity	1,689,083	1,567,203
2.01	Current Liabilities	741,000	708,292
2.01.01	Salaries, Wages and Benefits	5,841	9,339
2.01.01.02	Salaries, Wages and Benefits	5,841	9,339
2.01.02	Suppliers	63,045	40,001
2.01.02.01	Suppliers	63,045	40,001
2.01.03	Taxes payable	24,208	20,280
2.01.04	Short-term Debt	52,844	351,379
2.01.05	Other Liabilities	595,062	287,293
2.01.05.02	Others	595,062	287,293
2.01.05.02.02	Compulsory dividend payable	243,561	63,107
2.01.05.02.04	Advances from Customers	74,748	3,176
2.01.05.02.05	Deferred revenue	276,753	221,010
2.02	Noncurrent Liabilities	583,205	452,874
2.02.02	Other Liabilities	582,349	452,410
2.02.02.02	Others	582,349	452,410
2.02.02.02.03	Deferred revenue	582,349	452,410
2.02.04	Provisions	856	464
2.02.04.01	Provisions tax social security labor and civil	856	464
2.02.04.01.04	Civil provisions	856	464
2.03	Shareholder's Equity	364,878	406,037
2.03.01	Capital	109,760	101,594
2.03.01.01	Issued Capital	146,162	137,996
2.03.01.02	Cost of issued shares	(36,402)	(36,402)
2.03.02	Capital Reserves	78,554	77,547
2.03.02.02	Special Reserve	72,942	72,942
2.03.02.07	Share-based Payments	5,612	4,605
2.03.04	Revenue reserves	24,589	226,896
2.03.04.01	Statutory reserve	24,589	24,589
2.03.04.08	Additional proposed dividend	-	202,307
2.03.05	Retained Earnings	151,975	-

See accompanying notes.

## Smiles S.A.

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

Line code	Line item	Current	Current	Same	Prior year
		quarter	year	quarter	quarter
		04/01/2015 to	01/01/2015 to	04/01/2014 to	01/01/2014 to
		06/30/2015	06/30/2015	06/30/2014	06/30/2014
3.01	Sales and services revenue	275,504	521,494	152,285	340,374
3.01.01	Net revenue	275,504	521,494	152,285	340,374
3.02	Cost of sales and services	(153,313)	(285,080)	(80,854)	(180,643)
3.02.01	Cost of services rendered	(153,313)	(285,080)	(80,854)	(180,643)
3.03	Gross profit	122,191	236,414	71,431	159,731
3.04	Operating expenses/income	(29,172)	(58,442)	(23,362)	(43,071)
3.04.01	Selling expenses	(18,218)	(37,925)	(13,836)	(26,981)
3.04.01.01	Marketing expenses	(18,218)	(37,925)	(13,836)	(26,981)
3.04.02	General and administrative expenses	(9,124)	(17,316)	(8,565)	(14,683)
3.04.06	Equity in subsidiary	(1,830)	(3,201)	(961)	(1,407)
3.05	Result before income taxes and financial	93,019	177,972	48,069	116,660
3.06	Financial income/expenses	39,496	61,260	49,956	100,226
3.06.01	Financial income	43,428	76,769	50,388	100,676
3.06.01.01	Financial income	39,443	76,769	50,118	100,049
3.06.01.02	Exchange variation, net	3,985	-	270	627
3.06.02	Financial expenses	(3,932)	(15,509)	(432)	(450)
3.06.02.01	Financial expenses	(3,932)	(14,832)	(432)	(450)
3.06.02.02	Exchange variation, net	-	(677)	-	-
3.07	Income before income taxes	132,515	239,232	98,025	216,886
3.08	Income tax (expenses)	(43,068)	(80,191)	(33,915)	(74,463)
3.08.01	Current	(41,244)	(82,816)	(34,063)	(72,693)
3.08.02	Deferred	(1,824)	2,625	148	(1,770)
3.09	Loss from continuing operations, net	89,447	159,041	64,110	142,423
3.11	Profit for the period	89,447	159,041	64,110	142,423
3.11.01	Profit for the period	89,447	159,041	64,110	142,423

See accompanying notes.

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

<b>Line code</b>	<b>Line item</b>	<b>Current quarter 04/01/2015 to 06/30/2015</b>	<b>Current year 01/01/2015 to 06/30/2015</b>	<b>Same quarter prior year 04/01/2014 to 06/30/2014</b>	<b>Prior year 01/01/2014 to 06/30/2014</b>
4.01	Profit for the period	<b>89,447</b>	<b>159,041</b>	64,110	142,423
4.03	Comprehensive income for the period	<b>89,447</b>	<b>159,041</b>	64,110	142,423
4.03.01	Comprehensive income for the period	<b>89,447</b>	<b>159,041</b>	64,110	142,423

See accompanying notes.

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

<b>Line code</b>	<b>Line item</b>	<b>Current Year 06/30/2015</b>	<b>Current Year 06/30/2014</b>
6.01	Net cash generated (used) in operating activities	523,374	255,666
6.01.01	Cash flows from operating activities	(40,669)	(70,068)
6.01.01.01	Deferred taxes	(2,625)	1,770
6.01.01.02	Share-based Payments	926	1,080
6.01.01.03	Provisions for judicial deposits	749	247
6.01.01.04	Depreciation and amortization	817	920
6.01.01.05	Obtained discounts	(60,435)	(77,345)
6.01.01.06	Exchange and monetary variations, net	2,489	(283)
6.01.01.07	Allowance for doubtful accounts	340	20
6.01.01.08	Provision for profit sharing and results	2,606	2,116
6.01.01.09	Equity in subsidiaries	3,201	1,407
6.01.01.10	Interest on loans	11,263	-
6.01.02	Changes assets and liabilities	405,002	183,311
6.01.02.01	Accounts receivable	(74,341)	(29,609)
6.01.02.02	Advances to suppliers	225,088	171,264
6.01.02.03	Prepaid Expenses	(1,625)	(1,948)
6.01.02.04	Other Credits	(3,849)	478
6.01.02.05	Salaries, wages and benefits	(6,104)	(12,616)
6.01.02.06	Advances from customers	71,572	(127,341)
6.01.02.07	Deferred revenue	185,682	146,053
6.01.02.08	Taxes payable	65,715	62,469
6.01.02.09	Income tax and social contribution paid	(62,807)	(62,186)
6.01.02.10	Related-party transactions	(14,529)	24,340
6.01.02.11	Suppliers	20,557	12,407
6.01.02.12	Provisions for judicial deposits	(357)	-
6.01.03	Others	159,041	142,423
6.01.03.01	Profit for the period	159,041	142,423
6.02	Net cash generated (used) in investing activities	(81,205)	142,160
6.02.01	Acquisition of fixed assets	(893)	(702)
6.02.02	Financial investment	(80,312)	155,362
6.02.03	Advance for future capital increase	-	(12,500)
6.03	Net cash generated (used) by financing activities	(329,533)	(155,860)
6.03.01	Capital increase	8,166	4,489
6.03.02	Loan and lease payment	-	-
6.03.03	Interest paid	(27,900)	(160,349)
6.03.04	Interest on capital and dividends paid	(295,284)	-
6.03.05	Distributed dividends	(14,515)	-
6.05	Net increase (decrease) in cash and cash equivalents	112,636	241,966
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	214,804	396,209

See accompanying notes.



**Consolidated Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 06/30/2014**  
(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
5.04	Shareholders capital transactions	4,489	3,045	(148,102)	-	(140,568)
5.04.08	Share-based payments	2,533	-	-	-	2,533
5.04.10	Distributed dividends	-	-	(148,102)	-	(148,102)
5.04.11	Gain on dilution of equity interest	-	3,045	-	-	3,045
5.04.12	Shares to issue	1,956	-	-	-	1,956
5.05	Total comprehensive income/loss	-	-	-	142,423	142,423
5.05.01	Net loss for the period	-	-	-	142,423	142,423
5.06	Internal changes in shareholders' equity	-	1,160	-	-	1,160
5.06.04	Share-based Payments	-	1,160	-	-	1,160
5.07	Closing balance	1,100,261	78,995	10,392	142,423	1,332,071

**Consolidated Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 06/30/2015**  
(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	8,166	1,007	(202,307)	(7,066)	(200,200)
5.04.08	Capital increase - Share-based payments	8,166	-	-	-	8,166
5.04.10	Additional proposed dividend	-	-	(202,307)	-	(202,307)
5.04.11	Interests on capital anticipated	-	-	-	(7,066)	(7,066)
5.04.12	Share-based Payments	-	1,007	-	-	1,007
5.05	Total comprehensive income/loss	-	-	-	159,041	159,041
5.05.01	Net loss for the period	-	-	-	159,041	159,041
5.07	Closing balance	109,760	78,554	24,589	151,975	364,878

See accompanying notes.

## Smiles S.A.

Notes to the interim financial information - ITR

June 30, 2015

(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 06/30/2015	Prior year 06/30/2014
7.01	Revenue	574,939	375,275
7.01.01	Sales of goods, products and services	569,845	373,019
7.01.02	Other revenue	5,006	2,276
7.01.02.01	Other operating income	5,006	2,276
7.01.04	Allowance/reversal for doubtful accounts	88	(20)
7.02	Acquired from third parties	(344,516)	(223,616)
7.02.01	Cost products, goods and services sold	(291,366)	(188,150)
7.02.02	Material, power, third-party services and other	(32,142)	(22,104)
7.02.04	Others	(21,008)	(13,362)
7.02.04.01	Sales and advertising	(21,008)	(13,362)
7.03	Gross value added	230,423	151,659
7.04	Retentions	(817)	(919)
7.04.01	Depreciation, amortization and exhaustion	(817)	(919)
7.05	Added value produced	229,606	150,740
7.06	Value added received in transfer	73,567	99,268
7.06.01	Equity income	(3,201)	(1,407)
7.06.02	Financial income	76,768	100,675
7.07	Total wealth for distribution	303,173	250,008
7.08	Wealth for distribution	303,173	250,008
7.08.01	Employees	13,293	11,194
7.08.01.01	Salaries	11,803	10,013
7.08.01.02	Benefits	860	679
7.08.01.03	F.G.T.S.	630	502
7.08.02	Taxes	114,749	95,682
7.08.02.01	Federal Taxes	114,562	95,526
7.08.02.03	Municipal Taxes	187	156
7.08.03	Third-party capital remuneration	16,090	709
7.08.03.01	Interest	12,002	441
7.08.03.02	Rent	598	474
7.08.03.03	Other	3,490	(206)
7.08.04	Return on own capital	159,041	142,423
7.08.04.03	Profit for the period	159,041	142,423

See accompanying notes.

## **Smiles S.A.**

Notes to the interim financial information - ITR

June 30, 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.

### **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 July 30, 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 Consolidated Interim Financial Information - ITR were prepared for the three-month and six-month periods ended on June 30, 2015 in accordance with International Accounting Standards (IAS) n. 34 and technical pronouncement CPC 21 (R1) - "Demonstração Intermediária" (Interim Financial Reporting).

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.

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 12, 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 June 30, 2015.

## Smiles S.A.

Notes to the interim financial information - ITR

June 30, 2015

(In thousands of Brazilian Reais - R\$, except when indicated otherwise)

The interim financial information – ITR includes the following entities:

Entity	Location	Operational activity	Type of control	% interest	
				06/30/2015	12/31/2014
<b>Subsidiary:</b>					
Sorriso	Brazil	Investment fund	Direct	100.0	100.0
<b>Associate:</b>					
Netpoints (*)	Brazil	Frequent flyer program	Direct	21.2	21.2

(\*) Netpoints is an unconsolidated investments by the Company

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 June 30, 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, 2018, 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 ;

## Smiles S.A.

Notes to the interim financial information - ITR

June 30, 2015

(In thousands of Brazilian Reais - R\$, except when indicated otherwise)

- 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;

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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Cash and bank deposits	206	299	206	299
Cash equivalents				
Investment funds	-	-	168,643	22,069
Private bonds	45,955	79,800	45,955	79,800
	<b>46,161</b>	<b>80,099</b>	<b>214,804</b>	<b>102,168</b>

As of June 30, 2015, the cash equivalents were represented by private bonds (Bank Deposit Certificates - "CDBs") and buy-back transactions paid at post-fixed rates ranging between 75.0% and 103,0% 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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Investment funds	253,778	22,069	85,135	-
Funcine fund	1,311	1,294	1,311	1,294
Public and private bonds	66	8,382	66	8,382
	<b>255,155</b>	<b>31,745</b>	<b>86,512</b>	<b>9,676</b>

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 75.0% and 103.0% 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 100.0% of the CDI rate (100.8% as of December 31, 2014).

### 5. Restricted cash

The amount of R\$61,779 as of June 30, 2015 (R\$58,303 as of December 31, 2014) is related to the debenture agreement issued as described in Note 14 and its applied in fixed-income

## Smiles S.A.

Notes to the interim financial information - ITR

June 30, 2015

(In thousands of Brazilian Reais - R\$, except when indicated otherwise)

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

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
Non-airline partners companies (a)	<b>60,611</b>	63,971
Airline partners companies (b)	<b>45,630</b>	7,921
Credit card administrators (c)	<b>72,823</b>	33,259
	<b>179,064</b>	105,151
Allowance for doubtful accounts	<b>(292)</b>	(380)
	<b>178,772</b>	104,771

- (a) From the balance of non-airline partners, R\$59,405 (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\$44,572 (R\$6,932 as of December 31, 2014) is related to miles sales and R\$1,058 (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\$61,706 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:

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
<b>To mature</b>		
Up to 30 days	<b>178,265</b>	102,812
<b>Overdue</b>		
Until 30 days	<b>212</b>	1,628
31 to 60 days	<b>154</b>	186
61 to 90 days	<b>130</b>	145
91 to 180 days	<b>41</b>	131
181 to 360 days	<b>35</b>	115
Above 360 days	<b>227</b>	134
<b>Total</b>	<b>179,064</b>	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:

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
Balance at beginning of the period	<b>(380)</b>	(295)
Additions	<b>(340)</b>	(738)
Recoveries	<b>428</b>	653
<b>Balance at the end of the period</b>	<b>(292)</b>	(380)

## Smiles S.A.

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### 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 June 30, 2015, the amount of advance ticket purchases was R\$519,539 (R\$396,981 as of December 31, 2014) classified in current assets and R\$439,144 (R\$726,354 as of December 31, 2014) classified in noncurrent assets.

### 8. Deferred taxes

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
<b>Temporary differences:</b>		
Provision for suppliers and other	19,374	10,054
Other temporary differences	886	287
Tax benefit from goodwill incorporation (*)	51,059	58,353
<b>Total deferred tax and social contribution</b>	<b>71,319</b>	<b>68,694</b>

(\*) As of June 30, 2015, the amount of R\$51,059 (R\$58,353 as of December 31, 2014) is related to the tax benefit from the incorporation of G,A, Smiles Participações S.A. as of December 31, 2013 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 June 30, 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:

	<b>Three-month period ended on</b>		<b>Six-month period ended on</b>	
	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2014</b>
Profit before income tax and social contribution	132,515	98,025	239,232	216,886
Combined tax rate	34%	34%	34%	34%
Income tax expense at the combined tax rate	(45,061)	(33,328)	(81,339)	(73,741)
Adjustments to calculate the effective tax rate:				
Equity in subsidiaries	(622)	(326)	(1,088)	(478)
Nondeductible expenses	(508)	(328)	(1,222)	(501)
Income tax on permanent differences	2,403	-	2,403	-
Tax incentive	709	67	1,044	257
Expense of income tax and social contribution	<b>(43,068)</b>	<b>(33,915)</b>	<b>(80,191)</b>	<b>(74,463)</b>
Current income tax and social contribution	(41,244)	(34,063)	(82,816)	(72,693)
Deferred income tax and social contribution	(1,824)	148	2,625	(1,770)
Effective rate	32.5%	34.6%	33.5%	34.3%

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### 9. Related-party transactions

The related parties transactions mentioned above are summarized as follows:

Asset	Individual and Consolidated	Individual and Consolidated
	06/30/2015	12/31/2014
Operational agreement (i)	563	-
Credits with miles sales transfer (ii)	83,314	69,817
Stock options plan (iii)	734	653
	<b>84,611</b>	70,470
<b>Liability</b>		
Counterparts transfers payables (ii)	(8,582)	(9,051)
	<b>(8,582)</b>	(9,051)
<b>Credits with related parties</b>	<b>76,029</b>	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) 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. 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.

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 2015, the established management fee was 6%, and the value recognized in the income statement under "Other revenue" was R\$1,596 and R\$2,906 for the three-month and six-month periods ended on June 30, 2015 respectively (R\$1,326 and R\$2,277 for the three-month and six-month periods ended on June 30, 2014), as described in Note 22. The trade receivable from affiliate VRG as of June 30, 2015 was R\$563 (R\$989 as of December 31, 2014), as described in Note 6.

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 June 30, 2015, the receivable net balance from VRG related to transfers of ticket sales with counterparts and individuals was R\$83,314 (R\$69,817 as of December 31, 2014), recognized in "related-parties transactions" with an average settlement of 35 days. The payable amount to its affiliate VRG regarding to the transfer of seat cost from counterparts is R\$8,582 (R\$9,051 as of December 31, 2014).

#### II) Anticipated airlines tickets purchase

On May 10, 2013, the Company signed a second agreement of anticipated airlines tickets purchase and sale with VRG for monthly acquisition of tickets, as described in Note 7.



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### III) 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. As of June 30, 2015, the Company recognized the total expenses related to these services of R\$11,684 (R\$19,820 as of June, 2014), of which R\$9,014 is recorded as "Selling expenses" (R\$14,633 as of June 30, 2014) and R\$2,670 (R\$2,479 as of June 30, 2014) recorded as "Administrative expenses". From this amount, R\$1,781 (R\$1,379 as of June 30, 2014) comprises the amount under "Suppliers" in current liabilities on June 30, 2015.

### IV) Share-based plans

According with Note 10, the Company holds share-based plans which that were issued under VRG employee's benefit. As of June 30, 2015, the Company holds the amount of R\$734, registered under "Credits with related parties" (R\$653 as of December 31, 2014).

### V) Key management personnel payments

	Individual and Consolidated		Individual and Consolidated	
	Three-month ended on		Six-month ended on	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Salaries and benefits	1,841	1,818	3,780	3,584
Related taxes	429	337	790	675
Share-based payments	287	325	574	650
	<b>2,557</b>	<b>2,480</b>	<b>5,144</b>	<b>4,909</b>

As of June 30, 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	02/04/2014	1,150,000	648.050	31.28	4.90(b)	33.25%	10.67%	9.90%	10
		<b>2,208,043</b>	<b>1,117.926</b>						

(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.

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- (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 June 30, 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	(561,008)	14.56
<b>Options outstanding as of June 30, 2015</b>	<b>786,918</b>	<b>29.59</b>

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	Range of exercise prices	Outstanding options		Options exercisable		Fair value
		Outstanding options	Average remaining maturity (in years)	Options exercisable	Average exercise price	
2009	10.52	18,000	5	18,000	10.52	8.53
2010	20.65	94,581	6	94,581	20.65	16.81
2011	27.83	125,003	7	125,003	27.83	16.11
2012	12.81	78,266	8	60,635	12.81	5.35
	<b>10.52-27.83</b>	<b>315,850</b>	<b>6.5</b>	<b>209,719</b>	<b>22.27</b>	

The movement of stock options as of June 30, 2015 is as follows:

	Total of stock options	Weighted average exercise price
Options outstanding as of December 31, 2014	315,850	22.27
<b>Options outstanding as of June 30, 2015</b>	<b>315,850</b>	<b>22.27</b>
Number of options exercisable as of December 31, 2014	298,219	22.27
<b>Number of options exercisable as of June 30, 2015</b>	<b>298,219</b>	<b>22.27</b>

There were no options cancelled and adjustments in estimated lost rights as of June 30, 2015.

#### 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 June 30, 2015 is as follows:

	Total of shares
Restricted shares outstanding as of December 31, 2014	37,139
Restricted shares transferred on May 31, 2015	(37,139)
<b>Restricted shares outstanding as of June 30, 2015</b>	<b>-</b>

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As of June 30, 2015, the Company recorded under shareholders' equity a result from share-based payments in the amount of R\$5,612 (R\$4,605 as of December 31, 2014). During the period ended on June 30, 2015, the Company recognized R\$926 (R\$1,080 as of June 30, 2014) which is registered in the income statement classified as salaries expenses and R\$81 (R\$80 as of June 30, 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

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

The equity of Netpoints is presented below:

<u>Relevant information of the investment as of June 30, 2015:</u>	<u>06/30/2015</u>	<u>12/31/2014</u>
Total number of shares	60,492,404	60,492,404
Capital	63,451	63,451
Share-based payments	1,496	11,134
Accumulated losses ended December 31, 2014	(49,898)	(44,513)
<b>Equity as of June 30, 2015</b>	<b>15,049</b>	<b>30,072</b>
<b>Participation</b>	<b>21.25%</b>	<b>21.25%</b>

(\*) Equity on the acquisition date.

The changes in the investments from the acquisition date until June 30, 2015 are as follows:

	<u>Investment</u>	<u>Goodwill</u>	<u>Total</u>
<b>Balance as of December 31, 2014</b>	<b>6,391</b>	<b>15,184</b>	<b>21,575</b>
Equity	(3,201)	-	(3,201)
<b>Balance as of June 30, 2015</b>	<b>3,190</b>	<b>15,184</b>	<b>18,374</b>

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

### 12. Intangible

		<u>Individual and Consolidated</u>		<u>Individual and Consolidated</u>	
		<u>06/30/2015</u>		<u>12/31/2014</u>	
	<u>Tax</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net amount</u>	<u>Net amount</u>
Software	20% p.a.	18,143	(3,602)	14,541	14,628
<b>Total</b>		<b>18,143</b>	<b>(3,602)</b>	<b>14,541</b>	<b>14,628</b>

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The changes on intangible assets are as follows:

Balance as of December 31, 2014	<b>14,628</b>
Addition	572
Amortization	(659)
<b>Balance as of June 30, 2015</b>	<b><u>14,541</u></b>

### 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.

	<b>Individual and Consolidated</b>		<b>Individual</b>	
	<b>Three-month ended on</b>		<b>Six-month ended on</b>	
	<b>06/30/2015</b>	<b>06/30/2014</b>	<b>06/30/2015</b>	<b>06/30/2014</b>
<b><u>Numerator</u></b>				
Income for the period, net	<b>89,447</b>	64,110	<b>159,041</b>	142,423
<b><u>Denominator</u></b>				
Weighted average number of outstanding shares (in thousands)	<b>122,743</b>	122,300	<b>122,674</b>	122,213
<b>Effect of diluted position</b>				
Stock options plan	<b>273</b>	333	<b>273</b>	333
Adjusted weighted average number of outstanding shares and diluted presumed (in thousands)	<b>123,017</b>	122,633	<b>122,946</b>	122,546
Basic earning per share	<b>0.729</b>	0.524	<b>1.296</b>	1.165
Diluted earning per share	<b>0.727</b>	0.523	<b>1.294</b>	1.162

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.

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### 14. Short-term debt

	Maturity	Effective rate (p.a.)	Individual and Consolidated	Individual and Consolidated
			06/30/2015	12/31/2014
<b>Current</b>				
<u>Local currency:</u>				
Debentures	Jul, 2015	8.85%	<b>52,844</b>	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 option of early maturity or redemption. The amounts related to the debentures issuance are as follows:

<b>Balance as of December 31, 2014</b>	<b>351,379</b>
Interest provision	11,263
Principal amount amortization	(298,800)
Issuance costs amortization	3,516
Interest paid	(14,514)
<b>Balance as of June 30, 2015</b>	<b>52,844</b>

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
	06/30/2015	12/31/2014
Airline partners companies	<b>49,459</b>	23,567
Other	<b>13,586</b>	16,434
	<b>63,045</b>	40,001

### 16. Salaries, wages and benefits

	Individual and Consolidated	Individual and Consolidated
	06/30/2015	12/31/2014
Profit sharing plan and results	<b>2,688</b>	6,920
INSS and FGTS recoverable	<b>1,219</b>	1,042
13rd salary and holiday allowance	<b>1,934</b>	1,377
	<b>5,841</b>	9,339

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### 17. Taxes payable

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
IRPJ and CSLL payable	17,027	15,355
PIS and COFINS	6,725	4,256
IRRF on payroll	206	368
Other	250	301
	<b>24,208</b>	<b>20,280</b>

### 18. Advances from customers

The Company realized advance miles sales and recorded such under "Advances from Customers". As of June 30, 2015, the outstanding balance regarding these anticipated sales is represented as follows:

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
Financial institutions (a)	71,015	1,850
Others	3,733	1,326
	<b>74,748</b>	<b>3,176</b>

- (a) Part of the balance registered in current liabilities of R\$71,015 as of June 30, 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 June 30, 2015, the balance of Smiles deferred revenue was R\$859,102 (R\$673,420 as of December 31, 2014) and the number of outstanding miles amounted to 39,382,019,815 (32,478,845,952 as of December 31, 2014).

	<b>Individual and Consolidated</b>	<b>Individual and Consolidated</b>
	<b>06/30/2015</b>	<b>12/31/2014</b>
Deferred revenue	1,019,002	785,098
Other (a)	13,290	18,252
Breakage provision (b)	(173,190)	(129,930)
	<b>859,102</b>	<b>673,420</b>
Current	276,753	221,010
Noncurrent	582,349	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	749
Utilized provisions	(357)
<b>Balance as of June 30, 2015</b>	<b>856</b>

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 June 30, 2015 the Company is involved with 908 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 June 30, 2015, the allowance for risks related to civil lawsuits with probable losses is R\$856 (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\$703 as of June 30, 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 June 30, 2014, the share capital subscribed and fully paid by shareholders domiciled in Brazil, was R\$146,162 (R\$137,996 as of December 31, 2014), represented by 123,070,277 (122,509,269 as of December 31, 2014) common shares, nominative, without face value. The authorized working capital as of June 30, 2015 was 139,999,999 common shares. Shares are held as of June 30, 2015 and December 31, 2014 as follows:

	<u>06/30/2015</u>	<u>12/31/2014</u>
	<u>Common</u>	<u>Common</u>
Gol Linhas Aéreas Inteligentes S.A.	54.0882%	54.336%
Others	45.9118%	45.664%
	<u>100.000%</u>	<u>100.000%</u>

During the period ended on June 30, 2015, it was approved the capital increase in General Meetings in the amount of R\$8,166 from subscription of 561,008 ordinary shares from exercise of stock options.

#### b) Share issuance costs

Costs incurred for the capital increase through the issue of shares. As of June 30, 2015 and as of December 31, 2014, the Company amounted issuance costs, net of taxes, of R\$36,402.

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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 June 30, 2015 and as of December 31, 2014 was R\$72,942.

d) Share-based payments

As of June 30, 2015, the amount recorded related to share-based payment expenses was R\$5,612 (R\$4,605 as of December 31, 2014). During the period ended on June 30, 2015, the Company registered R\$1,007, of which R\$926 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\$81 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) Dividends and interests 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 - 11.638/2007)". The Company can chose the additional dividends distribution, and if the Company choses to pay, it should be submitted to the Company's Board of Directors meeting. If approved the Company maintains the portion that exceeds that anticipated by Law on its equity, in a specified account, until the final approval.

On June, 29<sup>th</sup> 2015 it was approved on the Company's Board of Directors meeting the distribution and payment of interests on capital to shareholders from the Company in the amount of R\$7,066 to be deducted from the accumulated profit in the period ended on June 30, 2015 and recorded as "Dividends and interests on capital payable" in Liabilities. The value per ordinary share of the interests on capital distribution is R\$0.06.

g) Additional dividends

On April 17, 2015, the Shareholders' Ordinary Meeting approved the distribution of the remaining balance of net income for the year ended on December 31, 2014 amounted R\$202,307. After approval, this amount was reclassified as "Dividends and interests on capital payables" in Liabilities.

## 22. Sales revenue

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



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(In thousands of Brazilian Reais - R\$, except when indicated otherwise)

	Three-month period ended on		Six-month period ended on	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Revenue from redeemed miles	194,123	114,332	364,377	226,441
Smiles & Money revenue	76,885	37,612	151,620	107,626
Breakage revenue and expired miles	29,345	14,564	53,848	38,952
Other operating income (a)	3,281	1,325	5,006	2,277
Gross revenue	303,634	167,833	574,851	375,296
Taxes	(28,130)	(15,548)	(53,357)	(34,922)
Net revenue	275,504	152,285	521,494	340,374

- (a) Includes the amount of R\$1,595 and R\$2,906 for the three-month and six-month periods ended on June 30, 2015 (R\$1,326 and R\$2,277 for the three-month and six-month periods ended on June 30, 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				
	Three-month period ended on				
	06/30/2015				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(4,187)	(3,556)	(7,743)	4.3
Cost of purchase of airline tickets (a)	(137,764)	-	-	(137,764)	76.3
Cost of purchase of various products	(5,668)	-	-	(5,668)	3.1
Computer services	(8,279)	-	(443)	(8,722)	4.8
Call center	-	(4,201)	-	(4,201)	2.3
Services	-	-	(2,919)	(2,919)	1.6
Sales and marketing	-	(9,830)	-	(9,830)	5.4
Depreciation and amortization	(976)	-	-	(976)	0.5
Other	(626)	-	(2,206)	(2,832)	1.7
	(153,313)	(18,218)	(9,124)	(180,655)	100.0

	Individual and Consolidated				
	Three-month period ended on				
	06/30/2014				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(3,300)	(3,426)	(6,726)	6.5
Cost of purchase of airline tickets (a)	(74,599)	-	-	(74,599)	72.2
Cost of purchase of various products	(1,147)	-	-	(1,147)	1.1
Computer services	(4,055)	-	(590)	(4,645)	4.5
Call center	-	(3,471)	-	(3,471)	3.4
Services	-	-	(3,065)	(3,065)	3.0
Sales and marketing	-	(7,065)	-	(7,065)	6.8
Depreciation and amortization	(814)	-	-	(814)	0.8
Other	(239)	-	(1,484)	(1,723)	1.8
	(80,854)	(13,836)	(8,565)	(103,255)	100.0

- (a) From the total amount, R\$103,816 for the three-month period ended June 30, 2015 (R\$63,158 for the three-month period ended June 30, 2014) is related to flight tickets costs with VRG and R\$33,947 (R\$11,442 for the period ended June 30, 2014) is related to flight tickets purchase from airline partners,

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	Individual and Consolidated				
	Six-month period ended on				
	06/30/2015				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(7,991)	(7,048)	(15,039)	4.4
Cost of purchase of airline tickets (a)	(261,014)	-	-	(261,014)	76.7
Cost of purchase of various products	(9,159)	-	-	(9,159)	2.7
Computer services	(13,050)	-	(772)	(13,822)	4.1
Call center	-	(9,014)	-	(9,014)	2.6
Services	-	-	(4,759)	(4,759)	1.4
Sales and marketing	-	(20,920)	-	(20,920)	6.1
Depreciation and amortization	(817)	-	-	(817)	0.2
Other	(1,040)	-	(4,737)	(5,777)	1.8
	<b>(285,080)</b>	<b>(37,925)</b>	<b>(17,316)</b>	<b>(340,321)</b>	<b>100.0</b>

	Individual and Consolidated				
	Six-month period ended on				
	06/30/2014				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(6,614)	(6,475)	(13,089)	5.9
Cost of purchase of airline tickets (a)	(171,041)	-	-	(171,041)	76.9
Cost of purchase of various products	(1,533)	-	-	(1,533)	0.7
Computer services	(6,678)	-	(676)	(7,354)	3.3
Call center	-	(6,984)	-	(6,984)	3.1
Services	-	-	(4,046)	(4,046)	1.8
Sales and marketing	-	(13,383)	-	(13,383)	6.0
Depreciation and amortization	(919)	-	-	(919)	0.4
Other	(472)	-	(3,486)	(3,958)	1.8
	<b>(180,643)</b>	<b>(26,981)</b>	<b>(14,683)</b>	<b>(222,307)</b>	<b>100.0</b>

(a) From the total amount, R\$200,183 for the six-month period ended June 30, 2015 (R\$152,791 for the six-month period ended June 30, 2014) is related to flight tickets costs with VRG and R\$60,831 (R\$18,250 for the period ended June 30, 2014) is related to flight tickets purchase from airline partners,

## 24. Financial result

	Three-month period ended on		Six-month period ended on	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
<b>Financial income</b>				
Obtained discounts	29,252	38,106	60,662	77,348
Income from Short-term Investments	9,820	11,976	15,502	22,626
Other financial revenue	371	36	605	75
	<b>39,443</b>	<b>50,118</b>	<b>76,769</b>	<b>100,049</b>
<b>Financial expenses</b>				
Tax on financial and currency operations (IOF-IOC)	(4)	(10)	(16)	(24)
Interest of Debentures	(2,092)	-	(11,263)	-
Debentures issuance costs	(1,791)	(212)	(3,489)	(213)
Others	(45)	(210)	(64)	(213)
	<b>(3,932)</b>	<b>(432)</b>	<b>(14,832)</b>	<b>(450)</b>
<b>Foreign Exchange Changes, net</b>	<b>3,985</b>	<b>270</b>	<b>(677)</b>	<b>627</b>
<b>Total</b>	<b>39,496</b>	<b>49,956</b>	<b>61,260</b>	<b>100,226</b>

(\*) It is registered the amount of R\$29,060 and R\$60,435 for the three-month and six-month period ended on June 30, 2015 (R\$38,106 and R\$77,348 for the three-month and six-month period ended on June 30, 2014) is mainly related to anticipated purchases of tickets with VRG under the terms of the agreement, as described in Note 7.

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### 25. Financial instruments

The description of the account balances and the categories of financial instruments included in the balance sheet as of June 30, 2015 is as follows:

	Measured at amortized cost			
	Individual		Consolidated	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
<b>Assets</b>				
Cash and bank deposits	206	299	206	299
Cash equivalents	45,955	79,800	214,598	101,869
Short-term investments	255,155	31,745	86,512	9,676
Restricted cash	61,779	58,303	61,779	58,303
Trade receivables	178,772	104,771	178,772	104,771
Related-party transactions	76,029	61,419	76,029	61,419
Other	6,510	1,037	6,510	1,037
<b>Liabilities</b>				
Accounts payable	63,045	40,001	63,045	40,001
Short-term debt	52,844	351,379	52,844	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 June 30, 2015, the Company has not entered into any financial instruments related to derivative transactions.

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### a) *Market risks*

#### 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.

#### 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.

#### 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	45,955	(1,308)	(2,615)	1,308	2,615
Short term investments	CDI rate	255,155	(7,540)	(15,080)	7,540	15,080
Restricted cash	CDI rate	61,779	(1,840)	(3,679)	1,840	3,679
Debentures	CDI rate	52,844	(1,562)	(3,123)	1,562	3,123

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### 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	214,598	(6,346)	(12,692)	6,346	12,692
Short term investments	CDI rate	61,779	(1,840)	(3,679)	1,840	3,679
Restricted cash	CDI rate	86,512	(2,556)	(5,113)	2,556	5,113
Debentures	CDI rate	52,844	(1,562)	(3,123)	1,562	3,123

(\*) 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 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:

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As of June 30, 2015	Immediate	Less than 6 months	6 to 12 months	1 to 5 years	Up to 5 years	Total
Short-term debt	-	52,844	-	-	-	52,844
Suppliers	63,045	-	-	-	-	63,045
Salaries, wages and benefit	575	2,688	2,578	-	-	5,841
Dividends payable	-	243,561	-	-	-	243,561
Tax payable	-	24,208	-	-	-	24,208
Provisions	-	-	-	856	-	856
	<b>63,620</b>	<b>323,301</b>	<b>2,578</b>	<b>856</b>	-	<b>390,355</b>

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
	<b>40,549</b>	<b>391,886</b>	<b>51,671</b>	<b>464</b>	-	<b>484,570</b>

### 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

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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Shareholder's equity (b)	<b>364,878</b>	406,037	<b>364,878</b>	406,037
Cash and cash equivalents	<b>(46,161)</b>	(80,099)	<b>(214,804)</b>	(102,168)
Restricted cash	<b>(61,779)</b>	(58,303)	<b>(61,779)</b>	(58,303)
Short-term investments	<b>(255,155)</b>	(31,745)	<b>(86,512)</b>	(9,676)
Short- and long-term debts	<b>52,844</b>	351,379	<b>52,844</b>	351,379
Net debt(a)	<b>54,627</b>	181,232	<b>54,627</b>	181,232
<b>Leverage ratio (a)/(b)</b>	<b>15%</b>	44%	<b>15%</b>	44%

## Smiles S.A.

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### 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 Company does not have any financial instruments measured at fair value on June 30, 2015.

## 26. Non cash transactions

As of June 30, 2015, the Company reclassified the remaining income net amounted R\$202,307 from "Additional dividends" in Equity to "Dividends and interests on capital payable" in Liability. This transaction did not affect its cash position during the period ended June 30, 2015.

As of June 30, 2015, the Company distributed the interests on capital to shareholders from the Company in the amount of R\$7,066 to be deducted from the accumulated profit and registered as "Dividends and interests on capital payables" in Liability. This transaction did not affect its cash position during the period ended June 30, 2015.

## 27. Insurance (Unreviewed)

As of June 30, 2015, the main insurance coverage by nature, and related to the maximum reimbursable amounts, is as follows:

<b>Modality</b>	<b>In BR Reais</b>
Bail lessor (condominium Rio Negro - Alphaville)	<b>946</b>
Civil D&O responsibility	<b>50,000</b>
Fire (asset insurance condominium Rio Negro - Alphaville)	<b>7,628</b>

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.