

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

Individual and Consolidated Interim Financial Information

Smiles S.A.

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

Smiles S.A.

Individual and consolidated interim financial information - ITR

September 30, 2015

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Message from Management

3Q15 was another period of consistent growth in ex-Gol accrual, driven by market share gains, and also a period of growth for Smiles & Money revenues, which resulted in a 79.7% increase in the operating income when compared to 3Q14. In order to keep pursuing a continuously innovative strategy, three new features were launched since 2Q15 result was released: (i) '365 Reasons to Smile' campaign was extended with the launch of 'It is easier to travel with Smiles', (ii) Korean Air implementation and also (iii) the first loyalty cruise liner redemption partnership with Royal Caribbean.

Launch of new marketing campaign 'It is easier to travel with Smiles', an extension of '365 Reasons to Smile' campaign. Smiles closed the cycle of '365 Reasons to Smiles' campaign on August 2015, which allowed the Company to establish a daily communication channel with the clients and stimulated the commercial activity of the Program. Aiming to sustain this communication platform we launched a new campaign with the slogan 'It is easier to travel with Smiles', which makes our clients' travelling experiences easier through promotions, new features and new partnerships, reinforcing our focus on the travel segment.

Korean Air international partnership implementation. On this quarter the company increased its international redemptions offer, in order to make Smiles program more attractive for customers who transfer their miles to travel abroad. Since August, Smiles' customers are able to accrue and redeem miles in Korean Air flights. In the beginning of 4Q15, a Frequent Flyer Program agreement with Air Canada was signed, but is still under implementation.

Royal Caribbean new partnership. Considering non-air redemptions, Smiles remains focused on expanding its options and promotions at Smiles' online travel shopping. Since September 2015, Smiles' customers are able to redeem cabins in Royal Caribbean cruises using miles. This is the first Smiles & Money experience on non-Gol redemptions, in which customers can pay part of their trip with miles and enjoy national and international destinations, directly at Smiles' online travel shopping redemption platform.

Smiles' shares (SMLE3) were added to IBrX-50 Index. On September, Smiles' shares were added to the IBrX-50 Index, which is an index composed by the 50 most liquid and representative stocks from Ibovespa.

The Company's net income reached R\$98.6 million in the quarter, 65.3% up over 3Q14, mainly due to our focus on operating income growth, which was 79.7% over 3Q14. By the end of the quarter the company had a team of 91 employees. We remain enthusiastic about our segment opportunities and deeply committed to keeping Smiles as an innovative business platform.

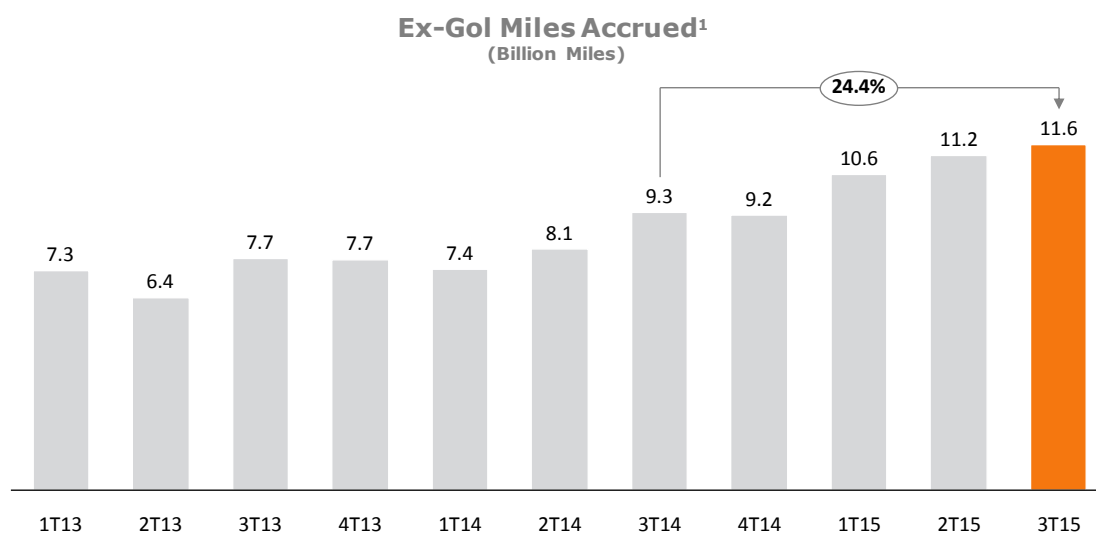
Operating Performance

Operating Data ¹	Unit	3Q15	2Q15	3Q14	3Q15 vs. 2Q15 (%)	3Q15 vs. 3Q14 (%)
Members	mn	11.0	10.7	10.1	2.1%	8.5%
Miles Accrual	mn	13,260	13,064	11,466	1.5%	15.6%
GOL	mn	1,710	1,876	2,185	(8.9%)	(21.7%)
Ex-GOL (Banks and others)	mn	11,550	11,187	9,282	3.2%	24.4%
Miles Redemption (Program) ²	mn	10,760	9,493	9,876	13.3%	8.9%
Air redemption	mn	9,898	8,976	9,580	10.3%	3.3%
Non-air redemption	mn	862	518	296	66.5%	190.9%
Program's Burn/Earn	mn	81.1%	72.7%	86.1%	8.4 p.p.	(5.0 p.p.)
Breakage Rate	%	16.2%	17.0%	17.3%	(0.8 p.p.)	(1.1 p.p.)
% New Miles	%	93.2%	90.5%	79.9%	2.7 p.p.	13.3 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 corresponds to miles redeemed in the Smiles Program, including new miles and legacy miles.

Participant and Partners: Smiles Program reached 11.0 million clients by the end of 3Q15, which represents a growth of 8.5% compared to 3Q14. With Netpoints, we are the largest interconnected coalition loyalty network in Brazil, with over 25 million registered customers. During this quarter, we signed a redemption partnership with Royal Caribbean, which allows Smiles' customers the redemption of cabins in cruise liners.



¹Chart's figures consider redeemed miles net of reimbursement

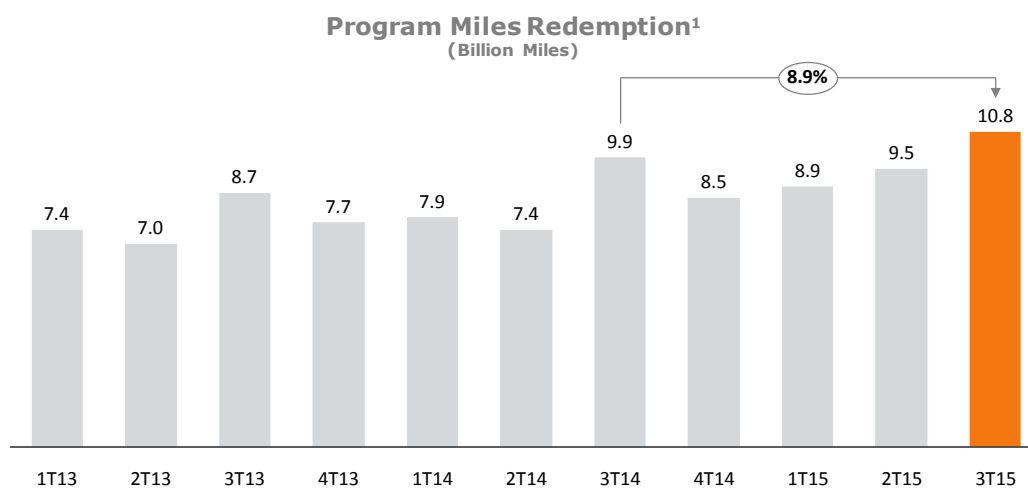
Mileage Accrual: The Program's miles accrual for 3Q15 was up 15.6% over 3Q14, chiefly explained by the 24.4% growth in ex-Gol accruals.

Mileage Redemption: The Program’s miles redemption in 3Q15 was 8.9% higher compared to 3Q14, reflecting the continuous engagement of our members. The burn/earn ratio of the program was up by 8.4 p.p compared to 2Q15, and in line with 2014 average rate.

Operating Data ¹	Unit	3Q15	2Q15	3Q14	3Q15 vs. 2Q15 (%)	3Q15 vs. 3Q14 (%)
Miles Redeemed Program ²	mn	10,760	9,493	9,876	13.3%	8.9%
GOL Smiles & Money Redemptions	mn	2,022	1,592	875	27.0%	131.0%
Traditional redemptions (100% Miles)	mn	8,738	7,901	9,001	10.6%	(2.9%)
Number of Redeemed Products	mn	1,249	1,109	1,035	12.7%	20.7%
GOL Smiles & Money Redemptions	mn	425	372	250	14.4%	69.9%
Traditional redemptions (100% Miles)	mn	824	737	784	11.8%	5.0%
Average Miles per Product	unit	8,614	8,562	9,545	0.6%	(9.8%)
GOL Smiles & Money Redemptions	unit	4,754	4,283	3,496	11.0%	36.0%
Traditional redemptions (100% Miles)	unit	10,607	10,722	11,475	(1.1%)	(7.6%)

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.



¹Chart’s figures consider redeemed miles net of reimbursement

Breakage: The Breakage rate decreased 1.1 p.p. when compared to 3Q14.

Business Model

Smiles started as a single loyalty program, but has evolved into its current, coalition model, which features several unique characteristics that allow for the accrual and redemption of Miles from GOL flights and its international partner airlines, as well as Brazil's main 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 Participants when they purchase airline tickets with GOL or other partner airlines, or products and services from Business and Financial Partners; Smiles Miles being acquired through the loyalty of these customers to those businesses, and (ii) Awards redemptions by Participants when they exchange their Miles for flights on GOL and other partner airlines, or for products and services offered by Commercial and Financial Partners.

The main sources of our revenues come from (i) redeemed miles revenues, represented by tickets and awards in its network of airline, commercial and financial partners, (ii) interest income accrued in the period between the date of accumulation and the date of redemption of miles, and (iii) Breakage revenues if issued miles expire without being redeemed.

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 September 30, 2015. Based on the procedures performed, considering also the review of interim financial information – ITR of the independent auditors - Ernst & Young Auditores Independentes S.S., dated October 29, 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, October 29, 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 September 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 September 30, 2015.

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

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"), contained in the Quarterly Information (ITR) for the quarter ended September 30, 2015, which comprises the balance sheet as at September 30, 2015 and the related statement of operations and statement of comprehensive loss for the three and nine-month period then ended, and the statement of changes in equity and statement of cash flows for the nine-month period then ended, including the explanatory information.

Management is responsible for the preparation of individual e consolidated interim financial information in accordance with the Technical Pronouncement 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 nine-month period ended September 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 financial information taken as a whole.

São Paulo, October 29, 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 09/30/2015	Prior Year 12/31/2014
1	Total Assets	1,586,610	1,567,203
1.01	Current Assets	1,204,420	734,355
1.01.01	Cash and Cash Equivalents	71,825	80,099
1.01.02	Short-term Investments	349,402	31,745
1.01.03	Accounts receivable	175,452	104,771
1.01.08	Other Current Assets	607,741	517,740
1.01.08.03	Others	607,741	517,740
1.01.08.03.01	Advances to suppliers	562,087	396,981
1.01.08.03.02	Other Credits	2,106	1,037
1.01.08.03.03	Related-party transactions	43,548	61,419
1.01.08.03.04	Restricted cash	-	58,303
1.02	Noncurrent assets	382,190	832,848
1.02.01	Long-term assets	349,463	795,048
1.02.01.06	Taxes	76,086	68,694
1.02.01.09	Other Noncurrent Assets	273,377	726,354
1.02.01.09.03	Advances to suppliers	273,377	726,354
1.02.02	Investments	17,264	21,575
1.02.03	Property, Plant and Equipment	1,819	1,597
1.02.04	Intangible	13,644	14,628

Smiles S.A.

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

Line code	Line item	Current Quarter 09/30/2015	Prior year 12/31/2014
2	Total Liabilities and Equity	1,586,610	1,567,203
2.01	Current Liabilities	495,134	708,292
2.01.01	Salaries, Wages and Benefits	9,762	9,339
2.01.01.02	Salaries, Wages and Benefits	9,762	9,339
2.01.02	Suppliers	101,649	40,001
2.01.02.01	Suppliers	101,649	40,001
2.01.03	Taxes payable	30,960	20,280
2.01.04	Short-term Debt	-	351,379
2.01.05	Other Liabilities	352,763	287,293
2.01.05.02	Others	352,763	287,293
2.01.05.02.02	Compulsory dividend payable	-	63,107
2.01.05.02.04	Advances from Customers	60,270	3,176
2.01.05.02.05	Deferred revenue	292,493	221,010
2.02	Noncurrent Liabilities	627,628	452,874
2.02.02	Other Liabilities	626,564	452,410
2.02.02.02	Others	626,564	452,410
2.02.02.02.03	Deferred revenue	626,564	452,410
2.02.04	Provisions	1,064	464
2.02.04.01	Provisions tax social security labor and civil	1,064	464
2.02.04.01.04	Civil provisions	1,064	464
2.03	Shareholder's Equity	463,848	406,037
2.03.01	Issued Capital	109,762	101,594
2.03.01.01	Capital	146,164	137,996
2.03.01.02	Cost of issued shares	(36,402)	(36,402)
2.03.02	Capital Reserves	78,963	77,547
2.03.02.02	Special Reserve	72,942	72,942
2.03.02.07	Share-based Payments	6,021	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	250,534	-

See accompanying notes.

Smiles S.A.

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

Line code	Line item	Current quarter 04/01/2015 to 09/30/2015	Current year 01/01/2015 to 09/30/2015	Same quarter prior year 04/01/2014 to 09/30/2014	Prior year 01/01/2014 to 09/30/2014
3.01	Sales and services revenue	349,065	870,559	223,853	564,227
3.01.01	Net revenue	349,065	870,559	223,853	564,227
3.02	Cost of sales and/or services	(191,098)	(476,178)	(127,926)	(308,569)
3.02.01	Cost of services rendered	(191,098)	(476,178)	(127,926)	(308,569)
3.03	Gross profit	157,967	394,381	95,927	255,658
3.04	Operating expenses/revenues	(35,218)	(93,660)	(27,632)	(70,703)
3.04.01	Sales expenses	(23,600)	(61,525)	(17,666)	(44,647)
3.04.01.01	Marketing expenses	(23,600)	(61,525)	(17,666)	(44,647)
3.04.02	General and administrative expenses	(10,508)	(27,824)	(9,203)	(23,886)
3.04.06	Equity in subsidiaries	(1,110)	(4,311)	(763)	(2,170)
3.05	Result before income taxes and financial result	122,749	300,721	68,295	184,955
3.06	Financial result	28,241	89,501	22,523	122,749
3.06.01	Financial income	39,095	115,864	40,390	140,439
3.06.01.01	Financial income	39,095	115,864	40,390	140,439
3.06.02	Financial expenses	(10,854)	(26,363)	(17,867)	(17,690)
3.06.02.01	Financial expenses	(94)	(14,926)	(16,060)	(16,510)
3.06.02.02	Exchange variation, net	(10,760)	(11,437)	(1,807)	(1,180)
3.07	Income before income taxes	150,990	390,222	90,818	307,704
3.08	Income tax (expenses)	(52,431)	(132,622)	(31,177)	(105,640)
3.08.01	Current	(57,198)	(140,014)	(29,471)	(102,164)
3.08.02	Deferred	4,767	7,392	(1,706)	(3,476)
3.09	Loss from continuing operations, net	98,559	257,600	59,641	202,064
3.11	Profit for the period	98,559	257,600	59,641	202,064

See accompanying notes.

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

Line code	Line item	Current quarter 04/01/2015 to 09/30/2015	Current year 01/01/2015 to 09/30/2015	Same quarter prior year 04/01/2014 to 09/30/2014	Prior year 01/01/2014 to 09/30/2014
4.01	Profit for the period	98,559	257,600	59,641	202,064
4.03	Comprehensive income for the period	98,559	257,600	59,641	202,064

See accompanying notes.

**Individual Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 09/30/2014
(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	(994,178)	5,004	(148,102)	-	(1,137,276)
5.04.06	Distributed dividends	-	-	(148,102)	-	(148,102)
5.04.10	Capital decrease	(1,000,000)	-	-	-	(1,000,000)
5.04.11	Capital increase – Share-based payments	5,822	-	-	-	5,822
5.04.09	Share-based payments	-	1,959	-	-	1,959
5.04.10	Gains on dilution of equity interest	-	3,045	-	-	3,045
5.05	Total comprehensive income/loss	-	-	-	202,064	202,064
5.05.01	Net loss for the period	-	-	-	202,064	202,064
5.07	Closing balance	101,594	79,794	10,392	202,064	393,844

**Individual Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 09/30/2015
(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	8,168	1,416	(202,307)	(7,066)	(199,789)
5.04.06	Distributed dividends	-	-	(202,307)	-	(202,307)
5.04.07	Interests on capital anticipated	-	-	-	(7,066)	(7,066)
5.04.09	Share-based Payments	-	1,416	-	-	1,416
5.04.11	Capital increase - Share-based payments	8,168	-	-	-	8,168
5.05	Total comprehensive income/loss	-	-	-	257,600	257,600
5.05.01	Net loss for the period	-	-	-	257,600	257,600
5.07	Closing balance	109,762	78,963	24,589	250,534	463,848

See accompanying notes.

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

Line code	Line item	Current Year 09/30/2015	Prior Year 09/30/2014
6.01	Net cash generated (used) in operating activities	879,055	435,598
6.01.01	Cash flows from operating activities	(54,845)	(84,759)
6.01.01.01	Deferred taxes	(7,392)	3,476
6.01.01.02	Share-based Payments	1,295	1,718
6.01.01.03	Provisions tax social security labor and civil	1,256	291
6.01.01.04	Depreciation and amortization	1,783	2,089
6.01.01.05	Obtained discounts	(87,144)	(113,357)
6.01.01.06	Exchange and monetary variations, net	13,302	1,128
6.01.01.07	Allowance for doubtful accounts	556	439
6.01.01.08	Provision for profit sharing and results	5,925	3,170
6.01.01.09	Equity in subsidiaries	4,311	2,170
6.01.01.10	Interest on loans	11,263	14,117
6.01.02	Changes assets and liabilities	676,300	318,293
6.01.02.01	Accounts receivable	(71,237)	(38,729)
6.01.02.02	Advances to suppliers	375,015	294,873
6.01.02.03	Prepaid expenses	(1,179)	(1,030)
6.01.02.04	Recoverable taxes	467	(32)
6.01.02.05	Other Credits	(357)	498
6.01.02.07	Salaries, wages and benefits	(5,502)	(11,924)
6.01.02.08	Advances from customers	57,094	(151,792)
6.01.02.09	Deferred revenue	245,637	203,288
6.01.02.10	Taxes payable	117,790	92,789
6.01.02.11	Income tax and social contribution paid	(107,110)	(90,924)
6.01.02.12	Related-party transactions	17,992	(764)
6.01.02.13	Suppliers	48,346	22,040
6.01.02.14	Provisions for judicial deposits	(656)	-
6.01.03	Others	257,600	202,064
6.01.03.01	Profit for the period	257,600	202,064
6.02	Net cash generated (used) in investing activities	(260,375)	147,707
6.02.01	Acquisition of fixed assets	(1,021)	(3,027)
6.02.02	Financial investment	(317,657)	226,209
6.02.03	Acquisition of Equity Shares	-	(18,750)
6.02.04	Restricted Cash	58,303	(56,725)
6.03	Net cash generated (used) by financing activities	(626,954)	(669,307)
6.03.01	Capital increase	8,168	5,822
6.03.02	Cost of issued shares	-	(6,437)
6.03.03	Distributed dividends	(265,414)	(160,349)
6.03.04	Loan and lease payment	(347,484)	(98,436)
6.03.05	Interest paid	(15,158)	(9,907)
6.03.06	Capital reduction	-	(1,000,000)
6.03.07	Capitation Loans	-	600,000
6.03.08	Interests on capital anticipated	(7,066)	-
6.05	Net increase (decrease) in cash and cash equivalents	(8,274)	(86,002)
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	71,825	68,241

See accompanying notes.

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

Line code	Line item	Current Year 09/30/2015	Prior year 09/30/2014
7.01	Revenue	959,742	621,921
7.01.01	Sales of goods, products and services	951,030	618,273
7.01.02	Other revenue	8,500	3,719
7.01.02.01	Other operating income	8,500	3,719
7.01.04	Allowance/reversal for doubtful accounts	212	(71)
7.02	Acquired from third parties	(576,673)	(380,956)
7.02.01	Cost products, goods and services sold	(487,232)	(322,490)
7.02.02	Material, power, third-party services and other	(54,038)	(34,472)
7.02.04	Others	(35,403)	(23,994)
7.02.04.01	Sales and advertising	(35,403)	(23,994)
7.03	Gross value added	383,069	240,965
7.04	Retentions	(1,783)	(2,089)
7.04.01	Depreciation, amortization and exhaustion	(1,783)	(2,089)
7.05	Added value produced	381,286	238,876
7.06	Value added received in transfer	113,472	138,269
7.06.01	Equity in subsidiaries	(4,311)	(2,170)
7.06.02	Financial income	117,783	140,439
7.07	Total wealth for distribution	494,758	377,145
7.08	Wealth for distribution	494,758	377,145
7.08.01	Employees	22,079	17,275
7.08.01.01	Salaries	20,117	15,475
7.08.01.02	Benefits	907	1,029
7.08.01.03	F.G.T.S.	1,055	771
7.08.02	Taxes	191,408	139,400
7.08.02.01	Federal Taxes	191,187	139,197
7.08.02.03	Municipal Taxes	221	203
7.08.03	Third-party capital remuneration	23,671	18,406
7.08.03.01	Interest	22,807	15,544
7.08.03.02	Rent	862	715
7.08.03.03	Other	2	2,147
7.08.04	Return on own capital	257,600	202,064
7.08.04.01	Interests on capital anticipated	7,066	-
7.08.04.03	Profit for the period	250,534	202,064

See accompanying notes.

Smiles S.A.

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

Line code	Line item	Current Quarter 09/30/2015	Prior Year 12/31/2014
1	Total Assets	1,586,610	1,567,203
1.01	Current Assets	1,204,420	734,355
1.01.01	Cash and Cash Equivalents	291,737	102,168
1.01.02	Short-term Investments	129,490	9,676
1.01.03	Accounts receivable	175,452	104,771
1.01.08	Other Current Assets	607,741	517,740
1.01.08.03	Others	607,741	517,740
1.01.08.03.01	Advances to suppliers	562,087	396,981
1.01.08.03.02	Other Credits	2,106	1,037
1.01.08.03.03	Related-party transactions	43,548	61,419
1.01.08.03.04	Restricted cash	-	58,303
1.02	Noncurrent assets	382,190	832,848
1.02.01	Long-term assets	349,463	795,048
1.02.01.06	Taxes	76,086	68,694
1.02.01.09	Other Noncurrent Assets	273,377	726,354
1.02.01.09.03	Advances to suppliers	273,377	726,354
1.02.02	Investments	17,264	21,575
1.02.03	Property, Plant and Equipment	1,819	1,597
1.02.04	Intangible	13,644	14,628

Smiles S.A.

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

Line code	Line item	Current Quarter 09/30/2015	Prior year 12/31/2014
2	Total Liabilities and Equity	1,586,610	1,567,203
2.01	Current Liabilities	495,134	708,292
2.01.01	Salaries, Wages and Benefits	9,762	9,339
2.01.01.02	Salaries, Wages and Benefits	9,762	9,339
2.01.02	Suppliers	101,649	40,001
2.01.02.01	Suppliers	101,649	40,001
2.01.03	Taxes payable	30,960	20,280
2.01.04	Short-term Debt	-	351,379
2.01.05	Other Liabilities	352,763	287,293
2.01.05.02	Others	352,763	287,293
2.01.05.02.02	Compulsory dividend payable	-	63,107
2.01.05.02.04	Advances from Customers	60,270	3,176
2.01.05.02.05	Deferred revenue	292,493	221,010
2.02	Noncurrent Liabilities	627,628	452,874
2.02.02	Other Liabilities	626,564	452,410
2.02.02.02	Others	626,564	452,410
2.02.02.02.03	Deferred revenue	626,564	452,410
2.02.04	Provisions	1,064	464
2.02.04.01	Provisions tax social security labor and civil	1,064	464
2.02.04.01.04	Civil provisions	1,064	464
2.03	Shareholder's Equity	463,848	406,037
2.03.01	Issued Capital	109,762	101,594
2.03.01.01	Capital	146,164	137,996
2.03.01.02	Cost of issued shares	(36,402)	(36,402)
2.03.02	Capital Reserves	78,963	77,547
2.03.02.02	Special Reserve	72,942	72,942
2.03.02.07	Share-based Payments	6,021	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	250,534	-

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	Prior year
		04/01/2015 to	01/01/2015 to	04/01/2014	01/01/2014
		09/30/2015	09/30/2015	to	to
				09/30/2014	09/30/2014
3.01	Sales and services revenue	349,065	870,559	223,853	564,227
3.01.01	Net revenue	349,065	870,559	223,853	564,227
3.02	Cost of sales and/or services	(191,098)	(476,178)	(127,926)	(308,569)
3.02.01	Cost of services rendered	(191,098)	(476,178)	(127,926)	(308,569)
3.03	Gross profit	157,967	394,381	95,927	255,658
3.04	Operating expenses/revenues	(35,218)	(93,660)	(27,632)	(70,703)
3.04.01	Sales expenses	(23,600)	(61,525)	(17,666)	(44,647)
3.04.01.01	Marketing expenses	(23,600)	(61,525)	(17,666)	(44,647)
3.04.02	General and administrative expenses	(10,508)	(27,824)	(9,203)	(23,886)
3.04.06	Equity in subsidiaries	(1,110)	(4,311)	(763)	(2,170)
3.05	Result before income taxes and financial result	122,749	300,721	68,295	184,955
3.06	Financial result	28,241	89,501	22,523	122,749
3.06.01	Financial income	39,095	115,864	40,390	140,439
3.06.01.01	Financial income	39,095	115,864	40,390	140,439
3.06.02	Financial expenses	(10,854)	(26,363)	(17,867)	(17,690)
3.06.02.01	Financial expenses	(94)	(14,926)	(16,060)	(16,510)
3.06.02.02	Exchange variation, net	(10,760)	(11,437)	(1,807)	(1,180)
3.07	Income before income taxes	150,990	390,222	90,818	307,704
3.08	Income tax (expenses)	(52,431)	(132,622)	(31,177)	(105,640)
3.08.01	Current	(57,198)	(140,014)	(29,471)	(102,164)
3.08.02	Deferred	4,767	7,392	(1,706)	(3,476)
3.09	Loss from continuing operations, net	98,559	257,600	59,641	202,064
3.11	Profit for the period	98,559	257,600	59,641	202,064
3.11.01	Assigned to Company Partners Company	98,559	257,600	59,641	202,064

See accompanying notes.

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

Line code	Line item	Current quarter 04/01/2015 to 09/30/2015	Current year 01/01/2015 to 09/30/2015	Same quarter prior year 04/01/2014 to 09/30/2014	Prior year 01/01/2014 to 09/30/2014
4.01	Profit for the period	98,559	257,600	59,641	202,064
4.03	Comprehensive income for the period	98,559	257,600	59,641	202,064
4.03.01	Comprehensive income for the period	98,559	257,600	59,641	202,064

See accompanying notes.

Consolidated Interim Financial Information /Statements of Changes in Equity - From 01/01/2014 to 09/30/2014
(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	(994,178)	5,004	(148,102)	-	(1,137,276)
5.04.06	Distributed dividends	-	-	(148,102)	-	(148,102)
5.04.10	Capital decrease	(1,000,000)	-	-	-	(1,000,000)
5.04.11	Capital increase – Share-based payments	5,822	-	-	-	5,822
5.04.09	Share-based payments	-	1,959	-	-	1,959
5.04.10	Gains on dilution of equity interest	-	3,045	-	-	3,045
5.05	Total comprehensive income/loss	-	-	-	202,064	202,064
5.05.01	Net loss for the period	-	-	-	202,064	202,064
5.07	Closing balance	101,594	79,794	10,392	202,064	393,844

Consolidated Interim Financial Information / Statements of Changes in Equity – From 01/01/2015 to 09/30/2015
(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	8,168	1,416	(202,307)	(7,066)	(199,789)
5.04.06	Distributed dividends	-	-	(202,307)	-	(202,307)
5.04.07	Interests on capital anticipated	-	-	-	(7,066)	(7,066)
5.04.09	Share-based Payments	-	1,416	-	-	1,416
5.04.11	Capital increase - Share-based payments	8,168	-	-	-	8,168
5.05	Total comprehensive income/loss	-	-	-	257,600	257,600
5.05.01	Net loss for the period	-	-	-	257,600	257,600
5.07	Closing balance	109,762	78,963	24,589	250,534	463,848

See accompanying notes.

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

Line code	Line item	Current Year 09/30/2015	Prior Year 09/30/2014
6.01	Net cash generated (used) in operating activities	879,055	435,598
6.01.01	Cash flows from operating activities	(54,845)	(84,759)
6.01.01.01	Deferred taxes	(7,392)	3,476
6.01.01.02	Share-based Payments	1,295	1,718
6.01.01.03	Provisions tax social security labor and civil	1,256	291
6.01.01.04	Depreciation and amortization	1,783	2,089
6.01.01.05	Obtained discounts	(87,144)	(113,357)
6.01.01.06	Exchange and monetary variations, net	13,302	1,128
6.01.01.07	Allowance for doubtful accounts	556	439
6.01.01.08	Provision for profit sharing and results	5,925	3,170
6.01.01.09	Equity in subsidiaries	4,311	2,170
6.01.01.10	Interest on loans	11,263	14,117
6.01.02	Changes assets and liabilities	676,300	318,293
6.01.02.01	Accounts receivable	(71,237)	(38,729)
6.01.02.02	Advances to suppliers	375,015	294,873
6.01.02.03	Prepaid Expenses	(1,179)	(1,030)
6.01.02.04	Recoverable taxes	467	(32)
6.01.02.05	Other Credits	(357)	498
6.01.02.07	Salaries, Wages and Benefits	(5,502)	(11,924)
6.01.02.08	Advances from customers	57,094	(151,792)
6.01.02.09	Deferred revenue	245,637	203,288
6.01.02.10	Taxes payable	117,790	92,789
6.01.02.11	Income tax and social contribution paid	(107,110)	(90,924)
6.01.02.12	Related-Party Transactions	17,992	(764)
6.01.02.13	Suppliers	48,346	22,040
6.01.02.14	Provisions for judicial deposits	(656)	-
6.01.03	Others	257,600	202,064
6.01.03.01	Profit for the period	257,600	202,064
6.02	Net cash generated (used) in investing activities	(62,532)	148,030
6.02.01	Acquisition of fixed assets	(1,021)	(3,027)
6.02.02	Financial investment	(119,814)	226,532
6.02.03	Acquisition of Equity Shares	-	(18,750)
6.02.04	Restricted Cash	58,303	(56,725)
6.03	Net cash generated (used) by financing activities	(626,954)	(669,307)
6.03.01	Capital increase	8,168	5,822
6.03.02	Cost of issued shares	-	(6,437)
6.03.03	Distributed dividends	(265,414)	(160,349)
6.03.04	Loan and lease payment	(347,484)	(98,436)
6.03.05	Interest paid	(15,158)	(9,907)
6.03.06	Capital reduction	-	(1,000,000)
6.03.07	Capitation Loans	-	600,000
6.03.08	Interests on capital anticipated	(7,066)	-
6.05	Net increase (decrease) in cash and cash equivalents	189,569	(85,679)
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	291,737	68,564

See accompanying notes.

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Notes to the interim financial information - ITR

September 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 09/30/2015	Prior year 09/30/2014
7.01	Revenue	959,742	621,921
7.01.01	Sales of goods, products and services	951,030	618,273
7.01.02	Other revenue	8,500	3,719
7.01.02.01	Other operating income	8,500	3,719
7.01.04	Allowance/reversal for doubtful accounts	212	(71)
7.02	Acquired from third parties	(576,673)	(380,956)
7.02.01	Cost products, goods and services sold	(487,232)	(322,490)
7.02.02	Material, power, third-party services and other	(54,038)	(34,472)
7.02.04	Others	(35,403)	(23,994)
7.02.04.01	Sales and advertising	(35,403)	(23,994)
7.03	Gross value added	383,069	240,965
7.04	Retentions	(1,783)	(2,089)
7.04.01	Depreciation, amortization and exhaustion	(1,783)	(2,089)
7.05	Added value produced	381,286	238,876
7.06	Value added received in transfer	113,472	138,269
7.06.01	Equity in subsidiaries	(4,311)	(2,170)
7.06.02	Financial income	117,783	140,439
7.07	Total wealth for distribution	494,758	377,145
7.08	Wealth for distribution	494,758	377,145
7.08.01	Employees	22,079	17,275
7.08.01.01	Salaries	20,117	15,475
7.08.01.02	Benefits	907	1,029
7.08.01.03	F.G.T.S.	1,055	771
7.08.02	Taxes	191,408	139,400
7.08.02.01	Federal Taxes	191,187	139,197
7.08.02.03	Municipal Taxes	221	203
7.08.03	Third-party capital remuneration	23,671	18,406
7.08.03.01	Interest	22,807	15,544
7.08.03.02	Rent	862	715
7.08.03.03	Other	2	2,147
7.08.04	Return on own capital	257,600	202,064
7.08.04.01	Interests on capital anticipated	7,066	-
7.08.04.03	Profit for the period	250,534	202,064

See accompanying notes.

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Notes to the interim financial information - ITR

September 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 October 29, 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 nine-month periods ended on September 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, when applicable, 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 September 30, 2015.

Smiles S.A.

Notes to the interim financial information - ITR

September 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	
				09/30/2015	12/31/2014
Subsidiary:					
Sorriso	Brazil	Investment fund	Direct	100.0	100.0
Associate:					
Netpoints (*)	Brazil	Frequent flyer program	Direct	21.2	21.2

(*) 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 September 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, 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:

- 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.

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Notes to the interim financial information - ITR

September 30, 2015

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

- 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	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Cash and bank deposits	415	299	415	299
Cash equivalents				
Investment funds	-	-	219,912	22,069
Private bonds	71,410	79,800	71,410	79,800
	71,825	80,099	291,737	102,168

As of September 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 102% of the CDI rate (100.8% as of December 31, 2014).

4. Short-term investments

	Individual		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Investment funds	348,077	22,069	128,165	-
Funcine fund	1,325	1,294	1,325	1,294
Public bonds	-	8,382	-	8,382
	349,402	31,745	129,490	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 75.0% and 103.0% of CDI (99.1% and 100.8% as of December 31, 2014). The investments funds are represented by private funds have immediate liquidity, paid at a weight average rate of 102% of the CDI rate (100.8% as of December 31, 2014).

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Notes to the interim financial information - ITR

September 30, 2015

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

5. Restricted cash

The existing balance on December 31, 2014 of R\$58,303 was related to the debenture agreement issued and it was fully redeemed on July 06, 2015. This rescue was conditioned to the settlement of the last installment of the debenture, as described in Note 14.

6. Trade receivables

	Individual and Consolidated	
	09/30/2015	12/31/2014
Non-airline partners companies (a)	72,088	63,971
Airline partners companies (b)	16,781	7,921
Credit card administrators (c)	86,751	33,259
	175,620	105,151
Allowance for doubtful accounts	(168)	(380)
	175,452	104,771

- (a) From the balance of non-airline partners, R\$68,533 (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\$16,310 (R\$6,932 as of December 31, 2014) is related to miles sales and R\$471 (R\$989 as of December 31, 2014) is related to management fees of the Smiles Program to VRG, as operating agreement mentioned in Note 9.
- (c) Receivable amounts on mile sales by credit cards administrators, mainly represented by VISA, MASTERCARD and AMEX, among other. This balance includes the amount of R\$76,140 (R\$25,789 as of December 31, 2014) 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	
	09/30/2015	12/31/2014
To mature		
Up to 30 days	175,135	102,812
Overdue		
Until 30 days	114	1,628
31 to 60 days	35	186
61 to 90 days	118	145
91 to 180 days	43	131
181 to 360 days	15	115
Above 360 days	160	134
Total	175,620	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:

	Individual and Consolidated	
	09/30/2015	12/31/2014
Balance at beginning of the period	(380)	(295)
Additions	(556)	(738)
Recoveries	768	653
Balance at the end of the period	(168)	(380)

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Notes to the interim financial information - ITR

September 30, 2015

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

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 September 30, 2015, the amount of advance ticket purchases was R\$562,087 (R\$396,981 as of December 31, 2014) classified in current assets and R\$273,377 (R\$726,354 as of December 31, 2014) classified in noncurrent assets.

8. Deferred taxes

	Individual and Consolidated	
	09/30/2015	12/31/2014
Temporary differences:		
Provision for suppliers and other	27,140	10,054
Other temporary differences	1,534	287
Tax benefit from goodwill incorporation (*)	47,412	58,353
Total deferred tax and social contribution	76,086	68,694

(*) As of September 30, 2015, the amount of R\$47,412 (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, unless the Company identifies the existence of indicative that may affect the forecasts.

The Company considers that the deferred taxes registered as of September 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:

	Individual and Consolidated			
	Three-month period		Nine-month period	
	ended on		ended on	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Profit before income tax and social contribution	150,990	90.818	390,222	307.704
Combined tax rate	34%	34%	34%	34%
Income tax expense at the combined tax rate	(51,337)	(30.878)	(132,675)	(104.619)
Adjustments to calculate the effective tax rate:				
Equity in subsidiaries	(378)	(260)	(1,466)	(738)
Nondeductible expenses	(746)	(59)	(1,969)	(560)
Income tax on permanent differences	-	-	2,402	-
Tax incentive	30	20	1,086	277
Expense of income tax and social contribution	(52,431)	(31.177)	(132,622)	(105.640)
Current income tax and social contribution	(57,198)	(29.471)	(140,014)	(102.164)
Deferred income tax and social contribution	4,767	(1.706)	7,392	(3.476)
Effective rate	34.7%	34,3%	34.0%	34,3%

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9. Related-party transactions

Operations recorded as related-party transactions

The related parties transactions mentioned above are summarized as follows:

Asset	Individual and Consolidated	
	09/30/2015	12/31/2014
Operational agreement (i)	647	-
Credits with miles sales transfer (ii)	53,048	69,817
Stock options plan (iii)	774	653
	<u>54,469</u>	<u>70,470</u>
Liability		
Counterparts transfers payables (ii)	(10,921)	(9,051)
	<u>(10,921)</u>	<u>(9,051)</u>
Credits with related parties	<u>43,548</u>	<u>61,419</u>

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

Signed on December 28, 2012 and for a term of 20 years from the signature date and may be renewed by agreement by between the parties. This agreement regulates the business and operating relationship between the Company, VRG and GLAI, plus the exclusivity characteristics of the Smiles Program. The mains operating covered by the operating agreement are listed below:

- a) Shopping: it is related to the mileage redemption that are exchange for products available by partners not airlines. The trade receivable as of September 30, 2015 was R\$647 (R\$989 as of December 31, 2014).
- b) Smiles & Money: it is related to a portion in money that complements the redemption of the ticket from the Smiles Program, transferred by VRG. As of September 30, 2015 the receivable net balance related to this transfer was R\$53,048 (R\$69,817 as of December, 31 2014), with an average settlement of 35 days. The payable amount regarding to the transfer of seat cost from counterparts is R\$10,921 (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.

III) Service agreement

Sign on December 28, 2012, with fixed amount for each service group and effective for 36 months, this agreement will provide certain administrative services to the Company with fixed values by category.

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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 September 30, 2015, the Company holds the amount of R\$774, registered under "Credits with related parties" (R\$653 as of December 31, 2014).

V) Key management personnel payments

	Individual and Consolidated			
	Three-month ended on		Nine-month ended on	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Salaries and benefits	3,502	1,788	7,282	5,732
Related taxes	401	345	1,191	1,021
Share-based payments	355	325	1,065	974
	4,258	2,458	9,538	7,727

As of September 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.

Other commercial transactions between related parties

I) Operating agreement

The mains operating covered by the operating agreement are listed below:

- Purchase and sales of miles and air tickets: VRG will buy miles from the Company in order to grant it to its clients and the Company will buy air tickets to give them as redemption award for your costumers. The amount recorded in the current assets under "accounts receivable" as of September 30, 2015 was R\$16.311.
- Management tax from the Smiles relationship program: it is calculated on the gross sales of miles to VRG from the previous year a fee of 6%, as established in the operating agreement, adjusted by General Market Price Index – IGP-M. The amount recognized in the income statements as of September 30, 2015 under "Other revenue" was R\$1,548 and 4,454 for the three-month and six-month periods, as described in Note 22. The amount recorded in the current asset under "accounts receivable" as of September 30, 2015 was R\$471.

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:

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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	138,868	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
		2,208,043	786,918						

(a) The fair value calculated for the 2013 plan was R\$4.84 and R\$4.20 for the vesting periods 2013 and 2014; and, R\$3.73 for the vesting periods 2015 and 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, 2015, 2016, 2017 and 2018.

The movement of stock options during the period ended September 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
Options outstanding as of September 30, 2015	786,918	29.59

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

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

	Total of stock options	Weighted average exercise price
Options outstanding as of December 31, 2014	315,850	20.97
Options outstanding as of September 30, 2015	315,850	20.97
Number of options exercisable as of December 31, 2014	298,219	20.97
Number of options exercisable as of September 30, 2015	298,219	20.97

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

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Restricted shares plan - GLAI

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

The movement of restricted shares as of September 30, 2015 is as follows:

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

As of September 30, 2015, the Company recorded under shareholders' equity a result from share-based payments in the amount of R\$6,021 (R\$4,605 as of December 31, 2014). During the period ended on September 30, 2015, the Company recognized R\$1,295 (R\$1,718 as of September 30, 2014) which is registered in the income statement classified as salaries expenses and R\$121 (R\$241 as of September 30, 2014) is registered in current assets under "credit with related parties".

11. Investments

The equity of Netpoints is presented below:

<u>Relevant information of the investment as of September 30, 2015:</u>	<u>Individual and Consolidated</u>	
	<u>09/30/2015</u>	<u>12/31/2014</u>
Total number of shares	60,492,408	60,492,404
Capital	63,451	63,451
Share-based payments	1,618	11,134
Accumulated losses	(55,285)	(44,513)
Equity as of September 30, 2015	9,784	30,072
Net operating loss for the period	(20,288)	1,526
Participation	21.25%	21.25%

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

	<u>Investment</u>	<u>Goodwill</u>	<u>Total</u>
Balance as of December 31, 2014	6,391	15,184	21,575
Equity	(4,311)	-	(4,311)
Balance as of September 30, 2015	2,080	15,184	17,264

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

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12. Intangible

	Individual and Consolidated				
	09/30/2015			12/31/2014	
	Tax	Cost	Accumulated Amortization	Net amount	Net amount
Software	20% p.a.	18,143	(4,499)	13,644	14,628
Total		18,143	(4,499)	13,644	14,628

The changes on intangible assets are as follows:

Balance as of December 31, 2014	14,628
Addition	572
Amortization	(1,556)
Balance as of September 30, 2015	13,644

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.

	Individual and Consolidated			
	Three-month ended on		Nine-month ended on	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
<u>Numerator</u>				
Income for the period, net	98,559	59,641	257,600	202,064
<u>Denominator</u>				
Weighted average number of outstanding shares (in thousands)	123,070	122,431	122,807	122,286
Effect of diluted position				
Stock options plan	282	278	282	278
Adjusted weighted average number of outstanding shares and diluted presumed (in thousands)	123,352	122,709	123,089	122,564
Basic earning per share	0.801	0.487	2.098	1.652
Diluted earning per share	0.799	0.486	2.093	1.649

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

On July 15, 2014, the Company issued the first 60,000 non-convertible simple debentures at the principal amount of R\$600,000, with full destination to share capital reduction on July 15, 2014.

On July 06, 2015, the Company settled the last installment of the debentures and rescued the net balance held as guarantee in a linked account under "restrict cash", as described in Note 5.

15. Accounts payable

	Individual and Consolidated	
	09/30/2015	12/31/2014
Airline partners companies	70,919	23,567
Other	30,730	16,434
	101,649	40,001

16. Salaries, wages and benefits

	Individual and Consolidated	
	09/30/2015	12/31/2014
Profit sharing plan and results	5,925	6,920
INSS and FGTS recoverable	1,413	1,042
13rd salary and holiday allowance	2,424	1,377
	9,762	9,339

17. Taxes payable

	Individual and Consolidated	
	09/30/2015	12/31/2014
IRPJ and CSLL payable	21,777	15,355
PIS and COFINS	8,682	4,256
IRRF on payroll	246	368
Other	255	301
	30,960	20,280

On April 1, 2015, the federal government established the increase in PIS/PASED and in COFINS tax rate on interests income from 0% to 4,65% through Decree 8,426/15. Given this fact, the Company began to calculate such taxes in all the interests income incurred from July 1, 2015, including the exchange variation gains. On September 30, 2015, the contributions payable balance was R\$593.

18. Advances from customers

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

	Individual and Consolidated	
	09/30/2015	12/31/2014
Financial institutions (a)	54,647	1,850
Others	5,623	1,326
	60,270	3,176

- (a) Part of the balance registered in current liabilities of R\$54,647 as of September 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.

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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 September 30, 2015, the balance of Smiles deferred revenue was R\$919,057 (R\$673,420 as of December 31, 2014) and the number of outstanding miles amounted to 39,846,995,534 (32,478,845,952 as of December 31, 2014).

	Individual and Consolidated	
	09/30/2015	12/31/2014
Deferred revenue	1,125,546	785,098
Other (a)	10,179	18,252
Breakage provision (b)	(216,668)	(129,930)
	919,057	673,420
Current	292,493	221,010
Noncurrent	626,564	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.

20. Provisions

Lawsuits

Balance as of December 31, 2014	464
Additions	1,256
Utilized provisions	(656)
Balance as of September 30, 2015	1,064

Lawsuits provisions are reviewed based on the progress of the proceedings and history of losses based on the best current estimate for labor and civil lawsuits. As of September 30, 2015 the Company is involved with 988 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 September 30, 2015, the allowance for risks related to civil lawsuits with probable losses is R\$1,064 (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\$773 as of September 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.

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21. Shareholders' equity

a) Issued capital

On September 30, 2015, the share capital subscribed and fully paid by shareholders domiciled in Brazil, was R\$146,164 (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 September 30, 2015 was 139,999,999 common shares. Shares are held as of September 30, 2015 and December 31, 2014 as follows:

	<u>09/30/2015</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 September 30, 2015, the Board of Directors approved the capital increase in the amount of R\$8.168 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 September 30, 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 September 30, 2015 and as of December 31, 2014 was R\$72,942.

d) Share-based payments

As of September 30, 2015, the amount recorded related to share-based payment expenses was R\$6,021 (R\$4,605 as of December 31, 2014). During the period ended on September 30, 2015, the Company registered R\$1,416, of which R\$1,295 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\$121 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.

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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, 29th 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. After approval, this amount was deducted from the accumulated profit, recorded as "Dividends and interests on capital payable" in Liabilities and paid on July 17, 2015. 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 and paid on August 17, 2015.

22. Sales revenue

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

	Individual and Consolidated			
	Three-month period ended on		Nine-month period ended on	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Revenue from redeemed miles	230,883	163,129	595,260	389,569
Smiles & Money revenue	102,199	62,787	253,819	170,413
Breakage revenue and expired miles (1)	48,103	19,339	101,951	58,290
Other operating income (2)	3,494	1,441	8,500	3,719
Gross revenue	384,679	246,696	959,530	621,991
Taxes	(35,614)	(22,843)	(88,971)	(57,764)
Net revenue	349,065	223,853	870,559	564,227

1. The Company realized an improvement on the estimated calculation of the breakage, which impact around R\$11,600 was registered on September 30, 2015. Such event results in a prospective change according to CPC 23 – Accounting policies, changes in accounting estimates and errors.
2. Includes the amount of R\$1,548 and R\$4,454 for the three-month and nine-month periods ended on September 30, 2015 (R\$1,441 and R\$3,719 for the three-month and nine-month periods ended on September 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.

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

	Individual and Consolidated				
	Three-month period ended on				
	09/30/2015				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(4,575)	(5,680)	(10,255)	4.6
Cost of purchase of airline tickets (a)	(168,858)	-	-	(168,858)	75.0
Cost of purchase of various products	(12,416)	-	-	(12,416)	5.5
Computer services	(7,784)	-	(192)	(7,976)	3.5
Call center	-	(4,754)	-	(4,754)	2.1
Services	-	-	(2,332)	(2,332)	1.0
Sales and marketing	-	(14,271)	-	(14,271)	6.3
Depreciation and amortization	(966)	-	-	(966)	0.4
Other	(1,074)	-	(2,304)	(3,378)	1.6
	(191,098)	(23,600)	(10,508)	(225,206)	100.0

	Individual and Consolidated				
	Three-month period ended on				
	09/30/2014				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(3,520)	(3,585)	(7,105)	4.6
Cost of purchase of airline tickets (a)	(120,770)	-	-	(120,770)	78.0
Cost of purchase of various products	(2,262)	-	-	(2,262)	1.5
Computer services	(3,451)	-	65	(3,386)	2.2
Call center	-	(3,476)	-	(3,476)	2.2
Services	-	-	(4,024)	(4,024)	2.6
Sales and marketing	-	(10,670)	-	(10,670)	6.8
Depreciation and amortization	(1,170)	-	-	(1,170)	0.8
Other	(273)	-	(1,659)	(1,932)	1.3
	(127,926)	(17,666)	(9,203)	(154,795)	100.0

- (a) From the total amount, R\$132,828 for the three-month period ended September 30, 2015 (R\$110,230 for the three-month period ended September 30, 2014) is related to flight tickets costs with VRG and R\$36,030 (R\$10,540 for the period ended September 30, 2014) is related to flight tickets purchase from airline partners,

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	Individual and Consolidated				
	Nine-month period ended on				
	09/30/2015				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(12,566)	(12,728)	(25,294)	4.5
Cost of purchase of airline tickets (a)	(429,872)	-	-	(429,872)	76.0
Cost of purchase of various products	(21,575)	-	-	(21,575)	3.8
Computer services	(20,834)	-	(964)	(21,798)	3.9
Call center	-	(13,768)	-	(13,768)	2.4
Services	-	-	(7,091)	(7,091)	1.3
Sales and marketing	-	(35,191)	-	(35,191)	6.2
Depreciation and amortization	(1,783)	-	-	(1,783)	0.3
Other	(2,114)	-	(7,041)	(9,155)	1.6
	(476,178)	(61,525)	(27,824)	(565,527)	100.0

	Individual and Consolidated				
	Nine-month period ended on				
	09/30/2014				
	Cost of award redemption	Selling expenses	Administrative expenses	Total	%
Salaries	-	(10,134)	(10,060)	(20,194)	5.4
Cost of purchase of airline tickets (a)	(291,811)	-	-	(291,811)	77.4
Cost of purchase of various products	(3,795)	-	-	(3,795)	1.0
Computer services	(10,129)	-	(611)	(10,740)	2.8
Call center	-	(10,460)	-	(10,460)	2.8
Services	-	-	(8,070)	(8,070)	2.1
Sales and marketing	-	(24,053)	-	(24,053)	6.3
Depreciation and amortization	(2,089)	-	-	(2,089)	0.6
Other	(745)	-	(5,145)	(5,890)	1.6
	(308,569)	(44,647)	(23,886)	(377,102)	100.0

- (a) From the total amount, R\$333,011 for the nine-month period ended September 30, 2015 (R\$263,021 for the nine-month period ended September 30, 2014) is related to flight tickets costs with VRG and R\$96,861 (R\$28,790 for the period ended September 30, 2014) is related to flight tickets purchase from airline partners,

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24. Financial result

	Individual and Consolidated			
	Three-month period ended on		Nine-month period ended on	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Financial income				
Obtained discounts	26,708	36,013	87,144	113,361
Income from Short-term Investments	11,030	4,350	26,531	26,976
Other financial revenue	1,357	27	2,189	102
	39,095	40,390	115,864	140,439
Financial expenses				
Tax on financial and currency operations (IOF-IOC)	(39)	(85)	(55)	(109)
Interest of Debentures	-	(14,117)	(11,263)	(14,117)
Debentures issuance costs	(24)	(1,798)	(3,513)	(2,011)
Others	(31)	(60)	(95)	(273)
	(94)	(16,060)	(14,926)	(16,510)
Foreign Exchange Changes, net	(10,760)	(1,807)	(11,437)	(1.180)
Total	28,241	22,523	89,501	122.749

(*) It is registered the amount of R\$26,708 and R\$87,144 for the three-month and nine-month period ended on September 30, 2015 (R\$36,013 and R\$113,361 for the three-month and nine-month period ended on September 30, 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 September 30, 2015 is as follows:

	Measured at amortized cost			
	Individual		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Assets				
Cash and cash equivalents	71,825	80,099	291,737	102,168
Short-term investments	349,402	31,745	129,490	9,676
Restricted cash	-	58,303	-	58,303
Trade receivables	175,452	104,771	175,452	104,771
Related-party transactions	43,548	61,419	43,548	61,419
Other	2,106	1,037	2,106	1,037
Liabilities				
Accounts payable	101,649	40,001	101,649	40,001
Short-term debt	-	351,379	-	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

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financial impacts, as well as to prevent the use of speculative transactions with financial instruments.

Risks

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

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

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

Until September 30, 2015, the Company has not entered into any financial instruments related to derivative transactions.

a) *Market risks*

i) Interest rate risk

The Company is exposed to fluctuations in interest rates in respect of interest income generated by cash and cash equivalents 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

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impact of quarterly interest on the values exposed on September, 30, 2015, 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	71,410	(2,253)	(4,507)	2,253	4,507
Short term investments	CDI rate	349,402	(10,989)	(21,977)	10,989	21,977

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	291,322	(9,309)	(18,617)	9,309	18,617
Short term investments	CDI rate	129,490	(4,072)	(8,145)	4,072	8,145

(*) 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 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.

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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 September 30, 2015	Immediate	Less than 6 months	6 to 12 months	1 to 5 years	Up to 5 years	Total
Suppliers	101,649	-	-	-	-	101,649
Salaries, wages and benefit	602	5,925	3,235	-	-	9,762
Tax payable	-	30,960	-	-	-	30,960
Provisions	-	-	-	1,064	-	1,064
	102,251	36,885	3,235	1,064	-	143,435

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.

The currency exposure of the Company on September 30, 2015 and December 31, 2014 is shown below:

	Individual and Consolidated	
	09/30/2015	12/31/2014
Asset		
Trade receivables	1,028	989
Liability		
Foreign suppliers	70,919	23,566
Total exchange exposure R\$	69,892	22,577
Total exchange exposure US\$	17,592	8,500
Exchange rate (R\$/US\$)	3.9729	2.6562

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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.

On September 30, 2015, the Company has no financial leverage rate due to the inexistence of debt instruments on the date hereof.

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

26. Insurance (Unreviewed)

As of September 30, 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)	8,553

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.