

SMILES S.A.

3Q16 RESULTS
PRESENTATION

November 01, 2016



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Financial and Operational Highlights – 3Q16

Net Income

R\$
144.7
million

3Q16

▲ + **46.8 %** (3Q16/3Q15)
Margin: **36.3%**

EBITDA

R\$
165.8
million

3Q16

▲ + **34.0 %** (3Q16/3Q15)
Margin: **41.6%**

Net Revenues

R\$
398.2
million

3Q16

▲ + **14.1 %** (3Q16/3Q15)

Miles Redeemed

un
11.0
billion

3Q16

▲ + **2.2 %** (3Q16/3Q15)

- **Miles Accrued (ex-GOL): ▲ + 5.7%** (3Q16/3Q15)
12.2 billion in the quarter
- **Burn/Earn Ratio: ▼ - 1.5 p.p.** (3Q16/3Q15)
79.6% in the quarter
- **Miles Billings (ex-GOL) ▼ - 3.6%** (3Q16/3Q15)
reached R\$ 305.1 in the quarter
- **Financial Result: ▲ + R\$ 21.7 mi (+77.1%)** (3Q16/3Q15)
R\$ 50.0 million in the quarter
- **Gol' new accrual policy:**
Smiles' Program changes in order to improve members' experience
- **Smiles and Shell partnership**
Strategic agreement to increase the opportunities of accrual and redemptions of miles

Gol's new accrual policy



With the new rules, categories' **upgrades** become **easier**



Now, Smiles members will collect miles in **promo fares** and **promotional campaigns**



Miles that were not used to category upgrade **will be valid for the next year**



Gold and **Diamond** members accrue a minimum amount of 500 miles and 1,000 miles per flight, respectively

Smiles and Grupo Pão de Açúcar



- ✓ GPA is **the largest retail group in Brazil**, with more than 2,000 stores countrywide
- ✓ New **promotional campaign** implemented in approximately 800 stores of the supermarket chain to reinforce partnership's **exclusive advantages**
- ✓ **Smiles members** can redeem their miles in **vouchers** and GPA customers will soon be able to acquire **Smiles products**

Smiles and Shell



- ✓ Partnership between **Smiles** and **Raízen**, **Shell** authorized licensee in Brazil, becomes effective with the launch of Shell's new app
- ✓ Strategic partnership that improves **diversification** of **miles accrual and redemption**
- ✓ **Miles accrual becomes easier** to Smiles members through **Shell Box app**, and they can also join **daily raffles of 10,000 miles**, with 100 winners each day

Partnership with Emirates

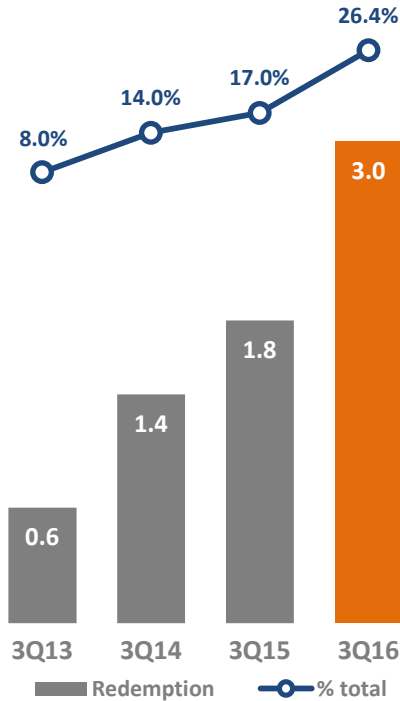


- ✓ **Emirates**, ranked as the world's best international airline*, is a global connector founded in 1985, recognized by its **outstanding reception** and its focus on **traveler experience**
- ✓ Members of Emirates Skywards and Smiles will be able to **collect** and **redeem** miles in both platforms, being more than **30 millions members** benefitted in the two programs
- ✓ A fleet of more than 230 aircrafts, flies for **more than 150 destinations** in **more than 80 countries**, with more than 1,500 weekly flights departing from Dubai each week

*elected by Skytrax World Airline Awards 2016

International Partnerships Redemption

(billion miles)¹



Miles redeemed with international airline partners was **up 59.1%** over 3Q15. In the same period, Brazilian consumer spending abroad* was **down 6%**

Emirates partnership announcement, increasing Program's seats availability to Asia. Additionally, the Program now have **13 international airline partnerships**



1. Redemption miles values represent redemptions of new and legacy miles. *Accordingly to Brazilian Central Bank data.

Travel and Tourism Smiles Club



Innovative online portal, which gathers signature clubs from a wide range of different products.
Pick your Club, sign up and enjoy

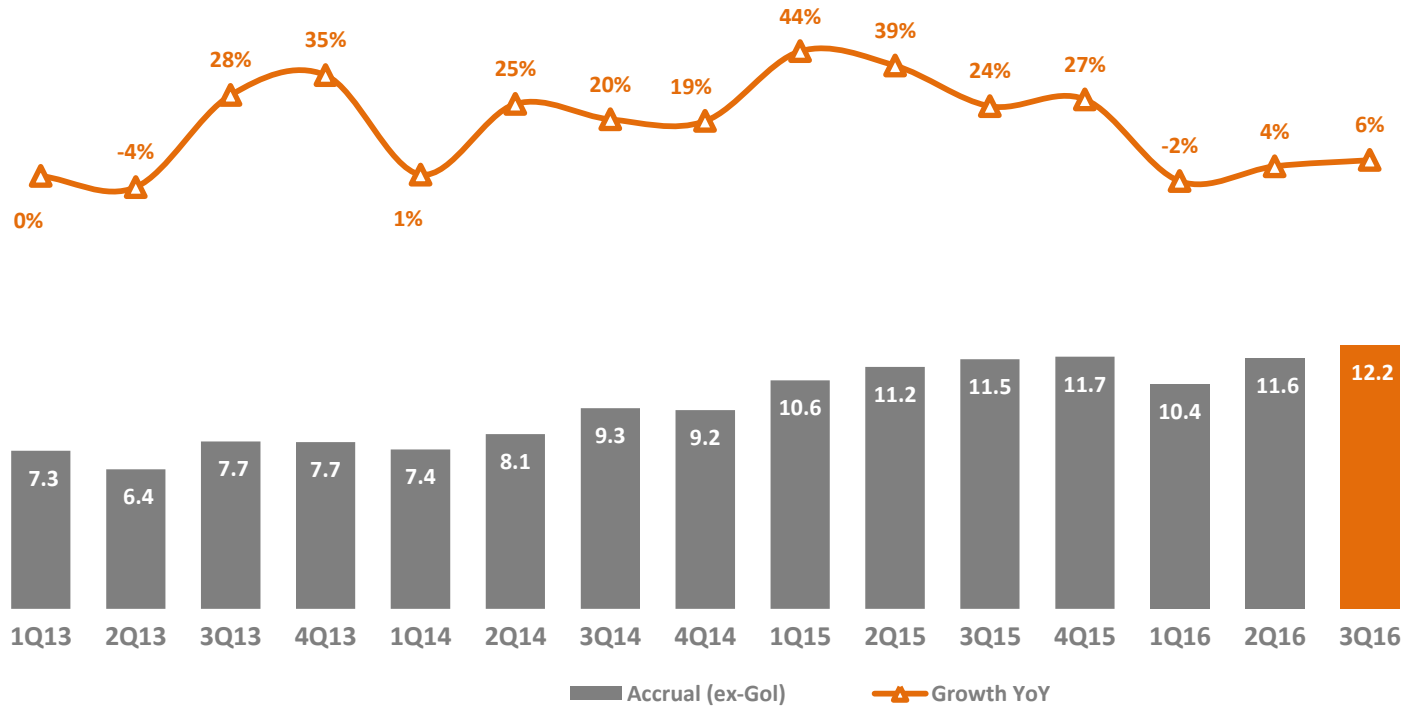
Smiles



- ✓ GOBOX is a website developed by **Abril Group** which promote, sells and delivers a wide range of different products through its signature club system
- ✓ Travel and Tourism Smiles Club will be the **first co-branded club** in the Brazilian loyalty industry
- ✓ Monthly miles accrual + **Travel and Tourism** magazine content + promotional redemption campaigns

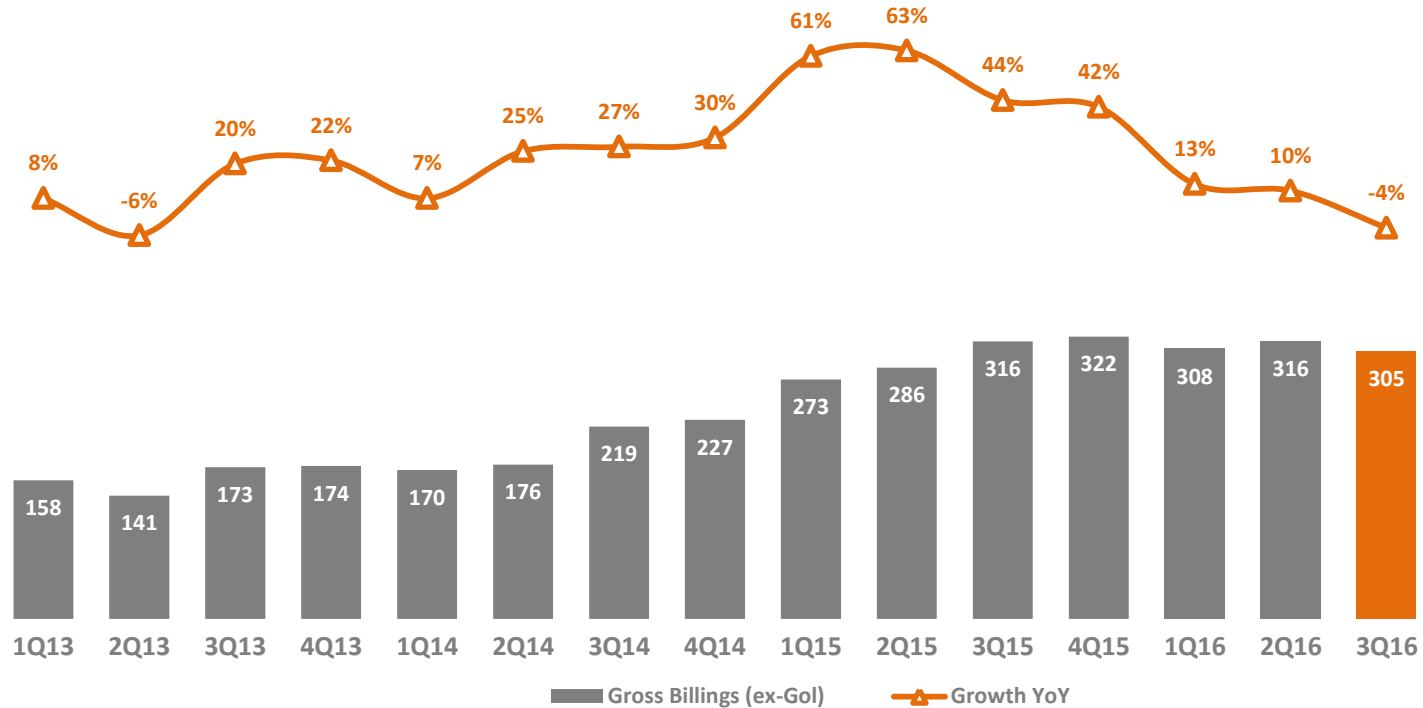
Evolution of Accrued Miles (ex-Gol)

(billion miles)



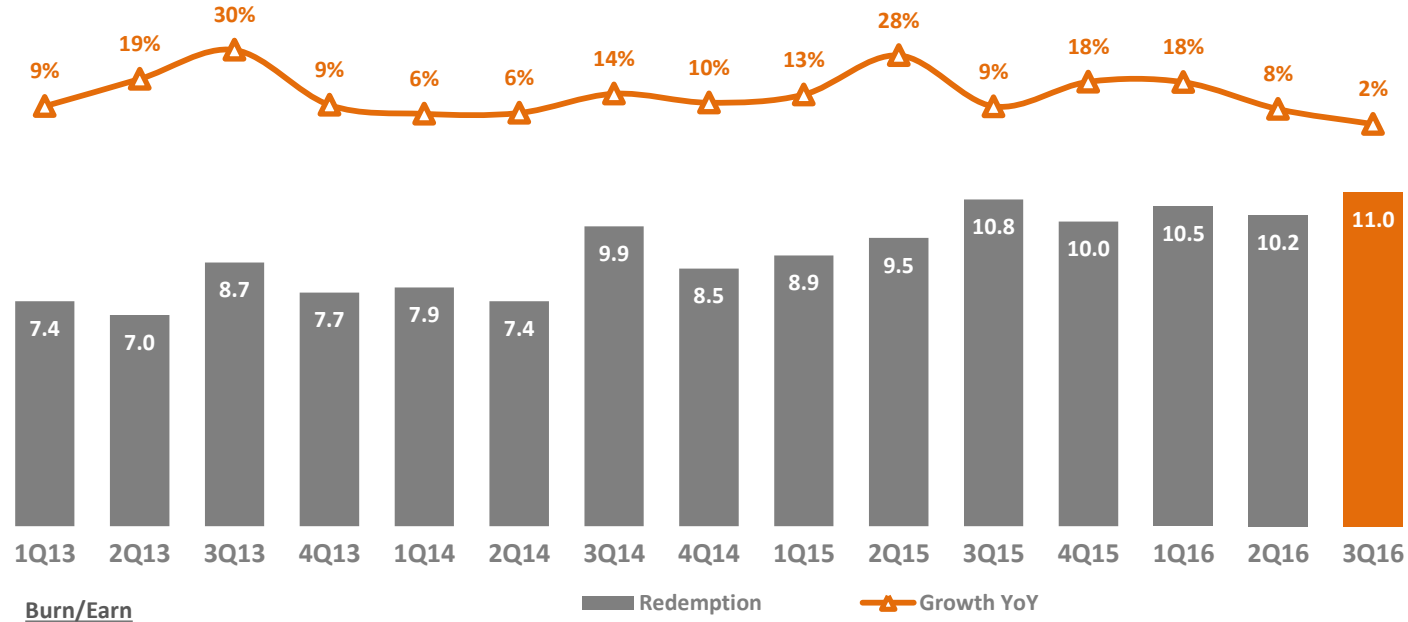
Evolution of Miles Gross Billings (ex-Gol)

(R\$ million)



Redemption Miles

(billion miles)¹

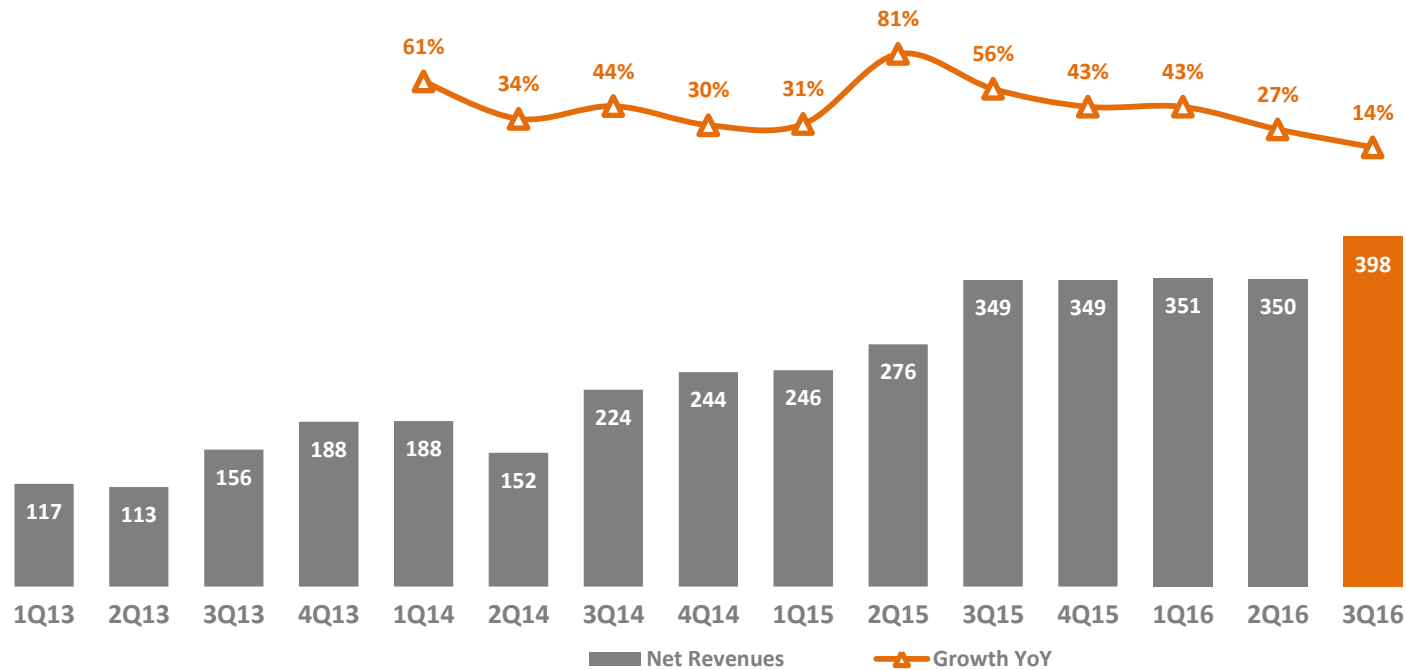


Burn/Earn	
80.7%	80.1%
85.4%	71.2%
85.3%	74.5%
86.1%	76.5%
71.2%	72.7%
81.1%	74.3%
88.4%	77.7%
79.6%	

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

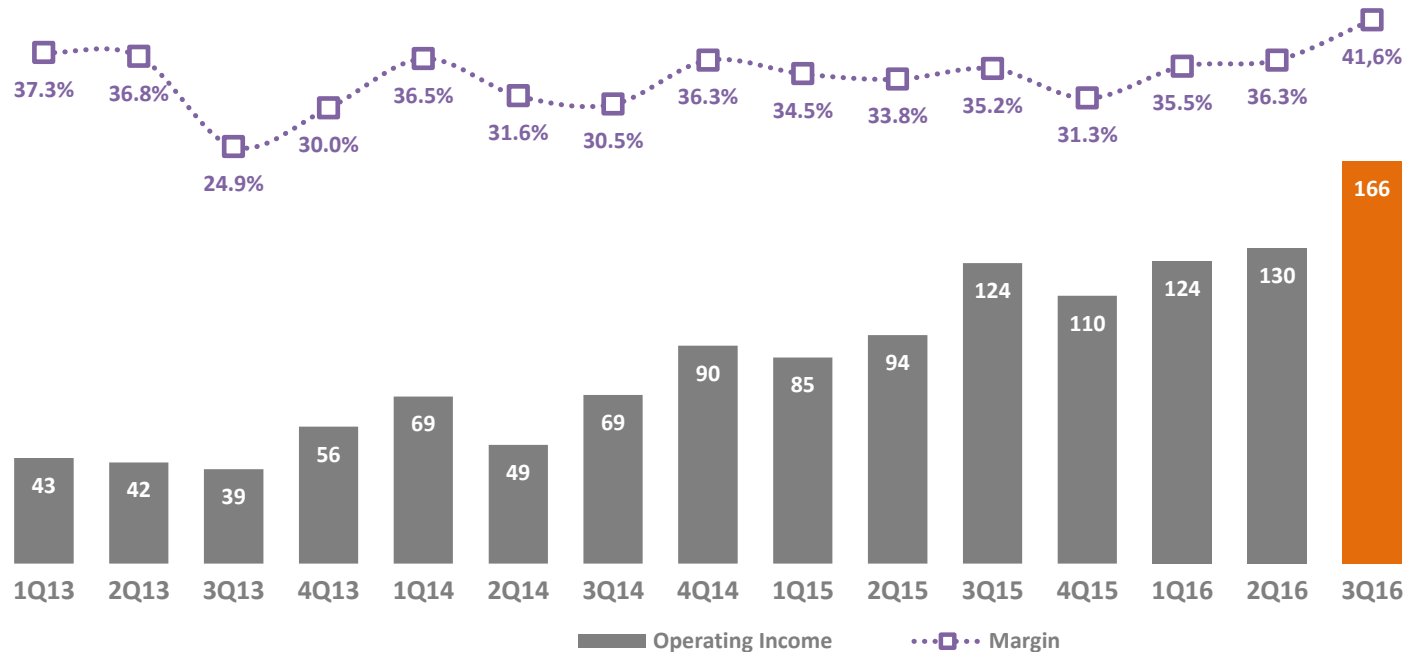
Net Revenues

(R\$ million)



EBITDA

(R\$ million)

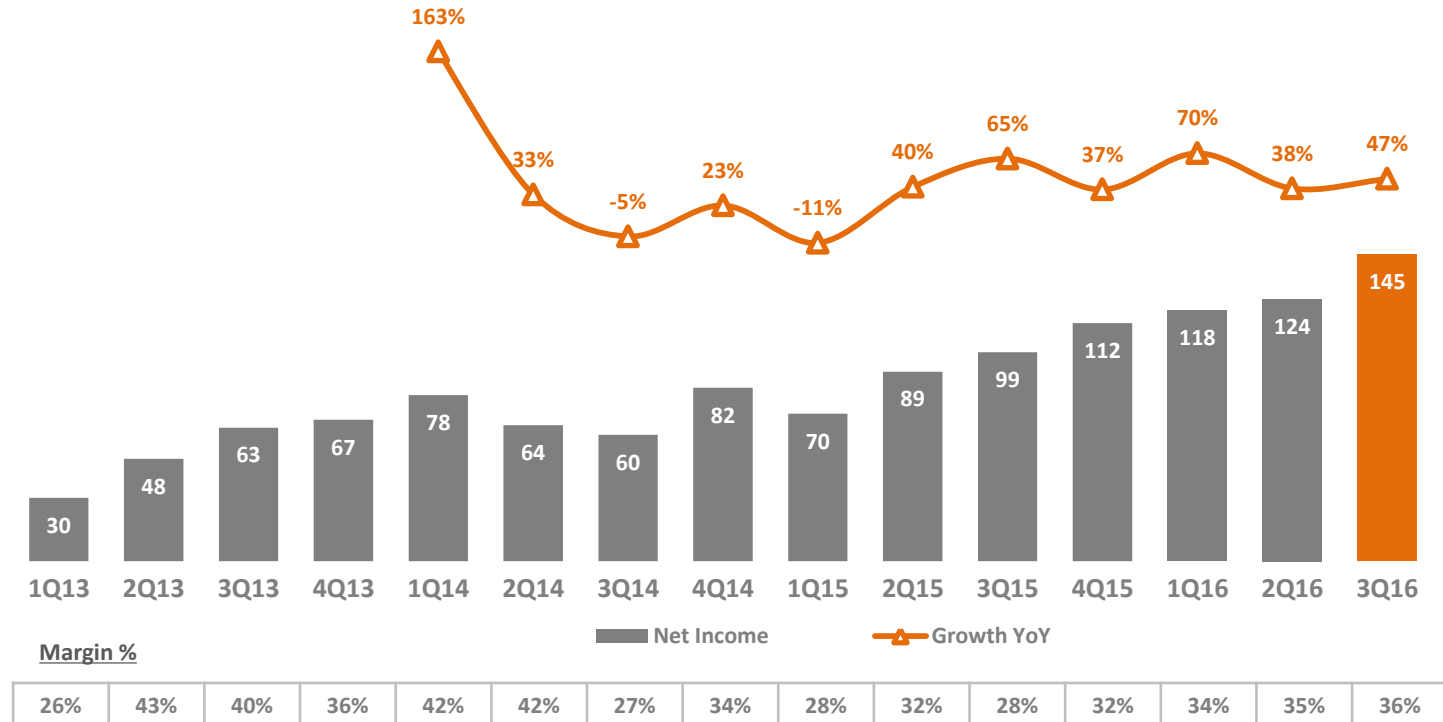


Growth YoY

-	-	-	-	58%	17%	79%	59%	23%	92%	78%	23%	48%	38%	34%
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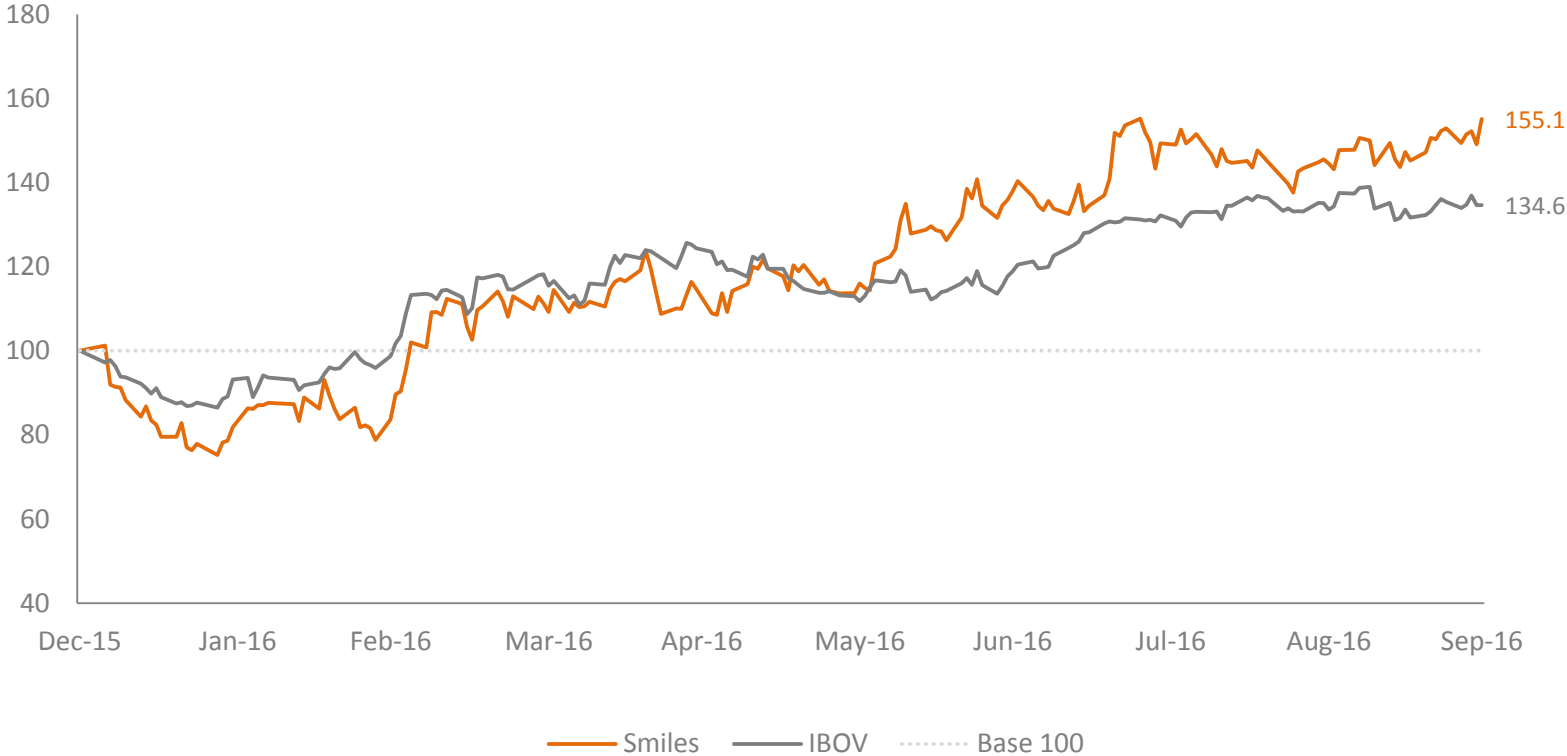
Net Income

(R\$ million)



Share Performance - YtD

(Base 100 -12/30/2015 to 09/30/2016)



Leonel Andrade

CEO

Marcos Pinheiro

Finance and
Investor Relations Director

Ivan Bonfanti

Financial Planning and
Investor Relations Manager

Nicholas Baines e Rodrigo Vedeschi

Investor Relations

